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## INTRODUCTION TO THIS REPORT

This report offers highlights of the Department of the Interior's Fiscal Year 2006 Performance and Accountability Report (FY 2006 PAR), published in November 2006. The FY 2006 PAR provides important financial and performance information for the Department of the Interior. It is our principal report to Congress and the American people on the management and stewardship of the public funds entrusted to us.

The full FY 2006 PAR, with more than 320 pages of financial and organizational performance data, can be found on the enclosed CD (see the inside back cover of this report). Interior's full PAR is also available online at <http://www.doi.gov/pfm/par2006>.

## DEPARTMENT OF THE INTERIOR:FISCAL YEAR 2006

### PERFORMANCE AND ACCOUNTABILITY HIGHLIGHTS



I am pleased to share with you the Department of the Interior's Annual Report on Performance and Accountability for Fiscal Year 2006. The report summarizes how we have served the American public over the past year in our role as the Nation's steward and caretaker of our unique natural, cultural, and historic resources. It also provides an accounting to the American people of the way we have managed our fiscal resources.

The Department of the Interior's mission touches the lives of Americans in special ways. Nearly every American lives within a one-hour drive of lands or waters that we manage. We manage one of every five acres of land in the United States, providing opportunities for recreation, wildlife conservation, and resource use. Our responsibilities range from supplying water to the West to providing access to precious energy resources that help keep the Nation on the move and productive, to preserving habitat, cultural and historic resources.

In 2006, we commemorated several milestones of significance to the Department of the Interior and the Nation in general. In April, we remembered the Great San Francisco Earthquake of 1906 with a virtual tour of the earthquake-ravaged area based on historic and scientific data. The tour, developed by the U.S. Geological Survey, uses geographic interactive software to explain the science, engineering, and human dimensions of the historic earthquake, helping us visualize and understand the causes and effects of this and future earthquakes.

In May, we celebrated the 50th birthday of the Folsom Dam, managed by Interior's Bureau of Reclamation. This dam, like many others, plays an important role in managing precious water for agriculture, hydroelectric power and public drinking water. During its construction in 1955, then again in 1964 and 1986, the Folsom Dam saved the Sacramento, California, area from heavy flooding when torrential rains and heavy snows fell in the Sierra Nevada and other nearby river basins.

June saw the 100th anniversary of the Antiquities Act, signed into law by President Theodore Roosevelt in 1906. This Act established the first legal general protection of cultural and natural resources in the United States. It provides the authority under which the Department of the Interior protects and preserves many of our Nation's archeological assets and national monuments. It was under this authority that President Bush created the largest marine conservation area on earth in June 2006. The Northwestern Hawaiian Islands Marine National Monument covers more than 140,000 square miles of U.S. waters, including 4,500 square miles of relatively undisturbed coral reef habitat that is home to more than 7,000 species. Interior's U.S. Fish and Wildlife Service and the Department of Commerce's National Oceanic and Atmospheric Administration will manage the monument in close cooperation with the State of Hawaii.

In August, President George W. Bush joined us in celebrating the 90th anniversary of the National Park Service (NPS). In a special message given at Yellowstone National Park, President Bush called upon the NPS to continue the cooperation necessary for the national parks to flourish for the next 100 years and beyond. He asked me as Secretary of the Interior to establish specific performance goals to help prepare our national parks for another century of conservation, preservation, and enjoyment. Part of our efforts will involve identifying signature projects and programs that are consistent with the performance goals we establish, and that continue the NPS legacy of leveraging philanthropic, partnership, and government investments for the benefit of the national parks and their visitors.

#### We also:

- Worked closely with local communities, interest groups, State, and municipal government agencies to improve the use and enjoyment of natural resources. Through cooperative conservation and voluntary partnerships, we restored 670,620 acres of land and 677 miles of shoreline to meet watershed and landscape goals. One such partnership involved a wine-grape grower who became the first landowner enrolled in California's first Safe Harbor Agreement—a voluntary agreement that provides landowners with incentives to restore habitat for endangered species while also ensuring that farming can continue. Our partners also helped make more than 432 million acres of land and close to 158,000 miles of shoreline available for recreation;
- Continued to protect threatened and endangered species. We brought an estimated 487,670 acres of land and 1,685 miles of shoreline back to habitat conditions suitable for supporting species conservation. Forty-three percent of endangered species listed a decade ago have stabilized or improved. This includes the peregrine falcon, which was delisted in 1999, and the population continues to grow. The results of the second round of post-delisting monitoring places the number of peregrine falcon nesting pairs in the U.S. at about 3,000—about 10 times the number of nesting pairs reported back in 1970 when the peregrine was first listed as an endangered species. This post-delisting monitoring effort is a partnership success story; more than 300 observers across the country contributed to the collection of this year's data. Monitoring will be continuing through 2015;

## DEPARTMENT OF THE INTERIOR: FISCAL YEAR 2006 PERFORMANCE AND ACCOUNTABILITY HIGHLIGHTS

- Provided America with access to energy and minerals, both onshore and offshore. Interior's U.S. Geological Survey contributed to this effort by conducting resource assessments of six targeted onshore basins containing oil and gas resources. Our Bureau of Land Management sponsored a new program that will provide public land leases to interested parties willing to conduct oil shale research on portions of public land known to contain the largest known concentration of oil shale in the world. Scientists estimate that U.S. oil shale resources hold about the equivalent of 800 billion barrels of recoverable oil;
- Generated about 44 billion kilowatt-hours of hydroelectricity—enough to meet the annual needs of nine million people—through Bureau of Reclamation hydropower plants. The Bureau of Reclamation has a history of being a reliable and low-cost hydropower producer. In 2006, its hydroelectric generating units were available 93 percent of the time to the interconnected Western electrical system during daily peak summer demand periods;
- Served close to 500 million visitors to recreation areas managed by Interior, providing facilitated programs, such as interpretive education and ranger-led tours to 187 million people;
- Reduced risks to communities from wildland fires by treating more than 527,000 high priority acres of wildland-urban interface land at a cost of about \$250 per acre; and
- Advanced quality of life goals for tribes and Alaska Natives by dramatically improving the accuracy with which we process Indian Account Beneficiary information, moving from being accurate in 18 percent of the financial information we provide to 100 percent. We also provided loans that created 1,838 jobs for American Indians and Alaska Natives.

But we still face daunting challenges. As diverse as the Department of the Interior's responsibilities are, one of our central challenges is how to set priorities and allocate resources to meet our goals. Tools such as activity-based cost management and our Government Performance Results Act Strategic Plan performance metrics are helping us to better understand the real costs of doing our work—and of doing it well. In 2007 and beyond, we will focus on linking our strategic metrics to work activities. We are beginning to use the data collected in our performance and costing systems to make funding decisions.

Another of our challenges involves effectively managing our information technology systems. Although we have made significant progress toward building an integrated and consolidated information technology infrastructure, there are ever-increasing threats to security. In the next few years, we plan to deploy an automated process for certification and accreditation of our systems. We will issue smart cards to employees and contractors who have met requirements of our security certification process.

Finally, there is a matter of Indian trust management. Interior has responsibility for the largest land trust in the world. Over 10 million acres belong to individual Indians and 46 million acres are held in trust for Indian Tribes. We manage leases on these lands for uses such as farming and grazing, and oil and gas production on behalf of individual Indians and tribes. We manage several billion dollars in tribal funds for individual Indians. Between 1996 and the end of 2006, we will have invested almost \$3.4 billion in management, reform, and improvement of our Indian trust programs. The next few years will see us fully implementing planned reforms and operating re-engineered trust programs. While we have made progress, such as improving the timeliness and accuracy of financial data provided to trust beneficiaries, the near future holds additional improvements such as eliminating the backlog of probate cases.

The financial and performance data we present in this report are complete and reliable as required by the Office of Management and Budget guidance. This report provides the status of Interior's compliance with certain legal and regulatory requirements. The annual assurance statement required by the Federal Managers' Financial Integrity Act (FMFIA) concludes that the Department can provide reasonable assurance that its systems of management, accounting, and administrative controls, taken as a whole, meet the objectives specified in Section 2 of the FMFIA.

These objectives are intended to ensure that: 1) programs achieve their intended results; 2) resources are used consistent with agency mission; 3) programs and resources are protected from waste, fraud, and mismanagement; 4) laws and regulations are followed; and 5) reliable and timely information is obtained, maintained, reported, and used for decision making. With regard to the five FMFIA material weaknesses carried forward from FY 2005, all five (100 percent) were corrected or downgraded.

As Mayor, United States Senator, and Governor, I have worked on issues at the heart of Interior's mission—the conservation of habitat for fish and wildlife; improving economic conditions and education opportunities in Indian country; resolving

DEPARTMENT OF THE INTERIOR: FISCAL YEAR 2006  
PERFORMANCE AND ACCOUNTABILITY HIGHLIGHTS

longstanding water conflicts; and providing responsible energy development on public lands. I worked on these issues with Interior officials, and across State and political lines, to formulate regional, consensus-based strategies with my peers. As Secretary of the Interior, I will continue to foster that kind of collaboration and partnership to solve challenges.

After seeing the Grand Canyon for the first time, President Theodore Roosevelt was inspired to say, "Keep it for your children, your children's children, and for all who come after you." This Nation, its people and natural beauty are well worth our effort to conserve and protect. I look forward to providing the leadership to the Department of the Interior that will help us overcome our challenges and continue to better fulfill our great mission.



Dirk Kempthorne  
Secretary of the Interior  
November 15, 2006



# THE DEPARTMENT OF THE INTERIOR: WHO WE ARE AND HOW WE SERVE

## Interior's Mission, Vision, and Key Business Principles

### Mission

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities.

### Vision

Communication, consultation, and cooperation—all in the service of conservation.

### Key Business Principles

- Value
- Accountability
- Modernization
- Integration

Interior's legacy spans more than 150 years. It was established March 3, 1849, on the last day of the Thirtieth Congress and on the eve of Zachary Taylor's inauguration as the 12th President of the United States. Sometimes dubbed the "Department of Everything Else," the Department of the Interior has evolved to become the Nation's principal Federal conservation agency.

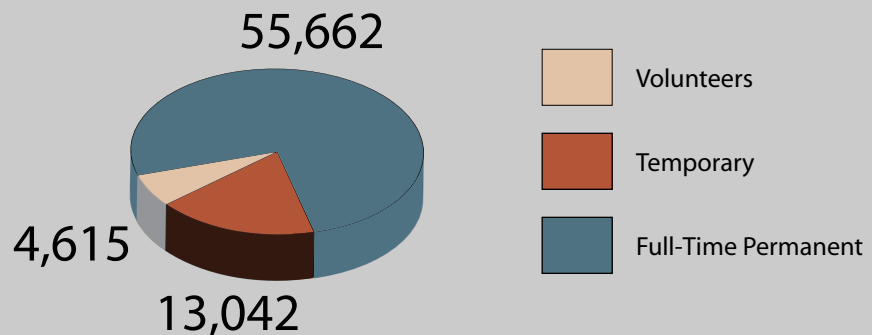
Today, about 73,000 Interior employees (or 69,000 fulltime equivalents) and 200,000 volunteers (or 4,600 full-time equivalents) manage the protection and enjoyment of many of the Nation's special natural, cultural, and historic places.

We conserve habitats, species, lands, and waters. We fulfill America's trust responsibilities to native peoples and

affiliated island communities. We supply water and hydropower to most of the western United States, as well as provide responsible access to much of the Nation's energy resources. Our scientists provide the data needed to enhance our understanding of the natural world and to inform decisions related to natural resource conservation and sustainable development, as well as disaster preparedness and response.

Each of our eight bureaus has discrete responsibilities for discharging our mission. Departmental offices—including the Offices of the Special Trustee for American Indians, Law Enforcement and Security, and Wildland Fire Coordination—support critical Interior operations and help our bureaus carry out our stewardship charge.

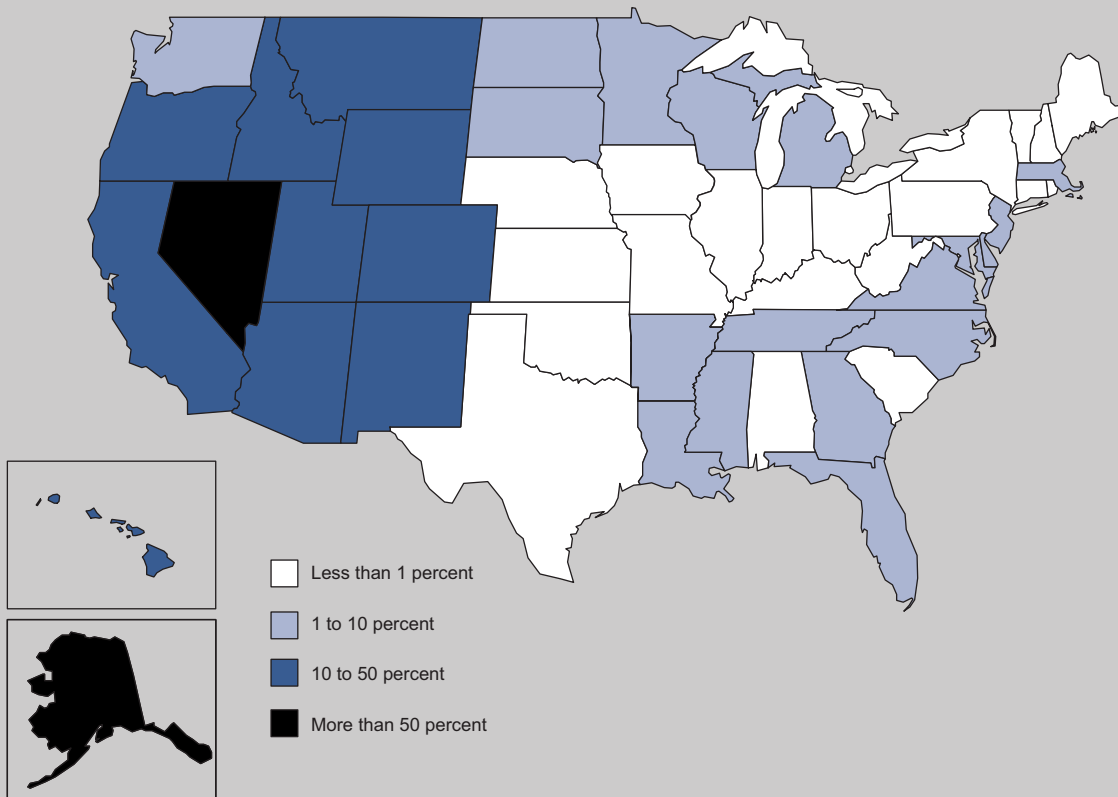
Interior's 2006 Workforce (in Full Time Equivalents)



### The Department of the Interior is responsible for:

- More than 500 million acres of surface land, including close to 56 million acres that belong to American Indians and Alaska Natives
- 1.76 billion acres of the Outer Continental Shelf
- 348 reservoirs
- 2,500 dams
- 58 hydroelectric power plants
- 390 units in the National Park System
- 547 units in the National Wildlife Refuge System
- 206 Wild Horse and Burro Herd Management Areas
- Close to 48,000 students in 184 Bureau of Indian Affairs'-operated grant, contract, elementary, and secondary schools
- Reclaiming more than 200,000 acres of abandoned mine land
- Operating close to 7,000 stream gages and water quality monitors

### State Acreage Managed by Interior as of September 30, 2006





Bureau Missions



**Bureau of Reclamation (BOR)**

Manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.



**Minerals Management Service (MMS)**

The Minerals Management Service manages the mineral resources on the Outer Continental Shelf and Federal and Indian mineral revenues to enhance public and trust benefit, promote responsible use and realize fair value.



**Bureau of Indian Affairs (BIA)**

Fulfill its trust responsibilities and promote self-determination on behalf of Tribal governments, American Indians, and Alaska Natives.



**U.S. Geological Survey (USGS)**

Provide the Nation with reliable, unbiased information to describe and understand the earth; minimize loss of life and property from natural disasters; manage water, biological, energy and mineral resources; and enhance and protect our quality of life.



**Fish and Wildlife Service (FWS)**

Working with others to conserve, protect, and enhance fish, wildlife and plants, and their habitats for the continuing benefit of the American people.



**National Park Service (NPS)**

Preserve unimpaired the natural and cultural resources and values of the national park system for the enjoyment, education, and inspiration of this and future generations. The National Park Service cooperates with partners to extend the benefits of natural and cultural resource conservation and outdoor recreation throughout this country and the world.



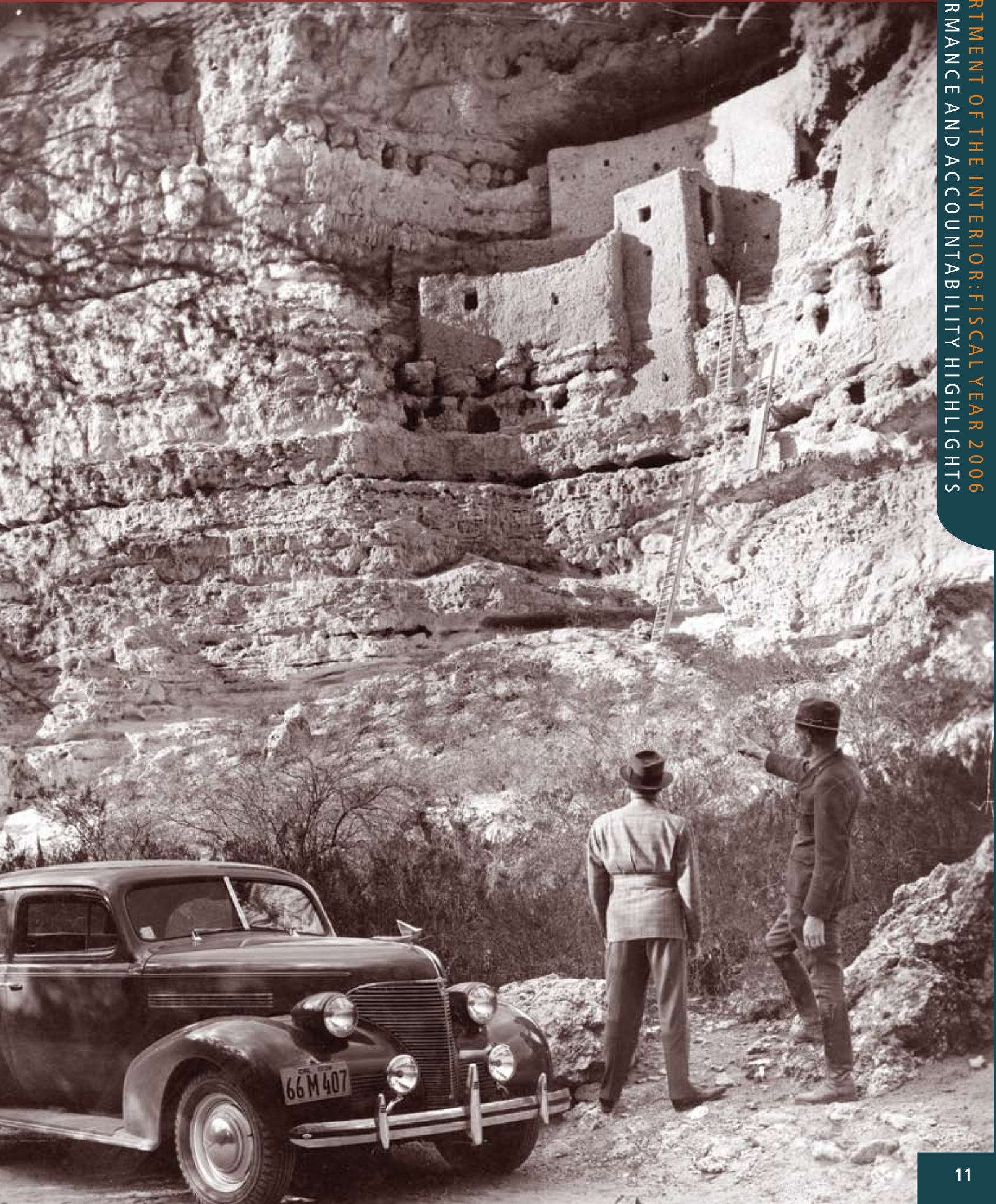
**Bureau of Land Management (BLM)**

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



**Office of Surface Mining (OSM)**

Ensure that coal mines are operated in a manner that protects citizens and the environment during mining and assures that the land is restored to beneficial use following mining, and mitigate the effects of past mining by aggressively pursuing reclamation of abandoned coal mine lands.



# HOW WE PERFORMED IN FY 2006

The Department of the Interior tracks organizational performance against goals and measures of our Government Performance and Results Act (GPRA) Strategic Plan. This plan emphasizes accountability. It is organized into the four main areas of Interior's mission:

- Resource Protection
- Resource Use
- Recreation
- Serving Communities

A fifth area, Management Excellence, provides the enabling framework within which we carry out our mission responsibilities using improved business processes, practices, and tools and a highly trained and skilled workforce. We use partnerships with others to augment our resources. We use science as a basis for making decisions to carry out these responsibilities.

The Strategic Plan Mission areas and the Management Excellence framework are each defined by their own strategic goals, they are supported by several related end-outcome goals, or our desired results. Those end-outcome goals capture the contribution of related programs and services administered by one or more of the Department's bureaus and offices. Each end-outcome goal is supported by a series of intermediate milestones and performance measures.

The results summarized in this report and provided in more detail in our FY 2006 PAR are for performance measures established for the 2003-2008 Strategic Plan. The plan can be viewed at [http://www.doi.gov/ppp/strat\\_plan\\_fy2003\\_2008.pdf](http://www.doi.gov/ppp/strat_plan_fy2003_2008.pdf). In July 2005, Interior began the statutorily required revision of the DOI Strategic Plan under GPRA. Although not a wholesale revision of our previous plan, the new 2007-2012 plan updates several of our performance measures to more accurately reflect mission-critical goals. We



**Performance Model**



provides the final revised plan to Congress and OMB in early FY 2007. The new draft plan can be viewed online at: <http://www.doi.gov/pppl>. The 2007 PAR will report results against measures contained in the updated plan.

While the Department of the Interior met or exceeded 68% (or 142 out of 209) of the performance measures we monitored in 2006, 18% of our measures were not reportable. Data were available for three (or 8%) of the 37 measures denoted as “no reports”, however, these were preliminary in nature. We do not use preliminary data to determine whether a performance goal has been achieved because the preliminary data sets have not yet been verified and are insufficient to generate or estimate performance. For the remaining 34 unreportable measure results, data were unavailable, in some cases, due to problems with the methods used

to collect them. In other cases, technological factors, such as automated system interruptions or the inability of entities outside of Interior to provide data needed to compute performance contributed to our “no reports.” Our updated FY 2007-2012 Strategic Plan is expected to address many of these methodological problems. Therefore, we hope to reduce the number of “no reports” in FY 2007.

**Interior’s Scorecard: How We Performed FY 2002-2006<sup>1</sup>**

	FY 2002	FY 2003	FY 2004 <sup>2</sup>	FY 2005 <sup>2</sup>	FY 2006 <sup>3</sup>
Met or Exceeded	55% of 351	66% of 323	71% of 223	76% of 214	68% of 209
Not Met	35% of 351	29% of 323	23% of 223	16% of 214	14% of 209
No Report	9% of 351	5% of 323	7% of 223	8% of 214	18% of 209

Notes:

<sup>1</sup>Totals may not equal 100% due to independent rounding.

<sup>2</sup>FY 2004 and 2005 have been adjusted to reflect actual results after publication of our Supplemental PAR during the 3rd quarter of the succeeding respective fiscal years.

<sup>3</sup>FY 2006 data reflect results as of the PAR publication date (November 15, 2006). These values will be adjusted to reflect actual results after publication of our Supplemental PAR data during the 3rd quarter of FY 2007.

RESULTS BY STRATEGIC PLAN AREA

RESOURCE PROTECTION:

Protect the Nation's Natural, Cultural, and Heritage Resources

The Department of the Interior is steward and caretaker for many of the Nation's natural and cultural resources. We conserve federally managed lands and waters, ensuring that these assets are available for current and future generations to enjoy. We are the guardians of many of our Nation's unique cultural and historic sites. We work with partners to conserve thousands of native plant and animal species, including 1,311 U.S. species with special status under the Endangered Species Act (ESA), and we work cooperatively and holistically to limit the effect of invasive species.



**Establishment of World's Largest Marine Conservation Area Complements 100th Anniversary of Antiquities Act**

In June 2006, President Bush created the world's largest marine conservation area, the Northwestern Hawaiian Islands Marine National Monument. Located off the coast of the northern Hawaiian Islands, the 140,000 square mile area will permanently protect pristine coral reefs and unique marine species. The new national monument was established under the Antiquities Act, a law established 100 years ago in June 1906 by President Theodore Roosevelt. The Act gives the President of the United States the authority to declare by public proclamation, historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments.

**Mission Area Scorecard  
 Resource Protection**

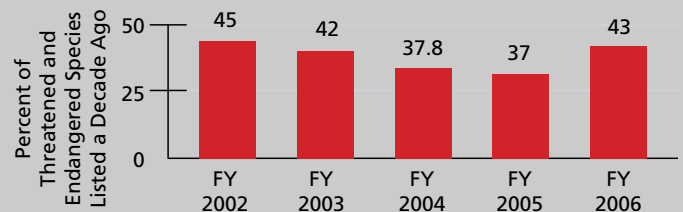
Year	Targets Met	Targets Unmet
FY 06	79%	19%
FY 05	83%	15%

Total number of measure for area: 48

Performance fell short of or exceeded targets within the Resource Protection area during the year due to the following:

- Constraints and complicating factors resulting from natural events, such as hurricanes and fires, either prevented or hampered land and water treatment and habitat recovery efforts.
- There were targeting errors and inherent difficulties in setting precise targets for projects that vary in size and scope. This was particularly the case in instances where the extent of issues being addressed is still an unknown.
- Discrepancies occurred in the accuracy of data reporting, particularly when the reporting involved external partners and cooperators.

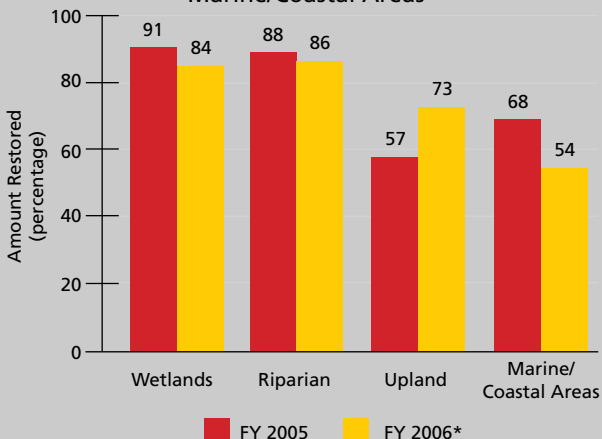
**Stabilizing Endangered Species**



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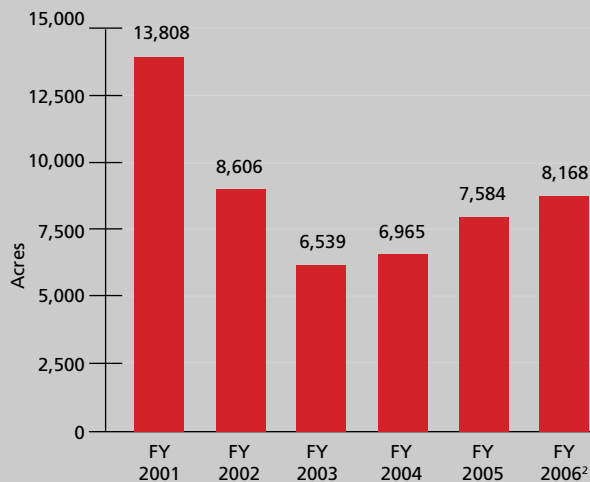
How Interior Performed at a Glance: FY 2005-2006		
Selected Performance Measures from Resource Protection Mission Area		
Performance Measure	FY 2005	FY 2006
Legend: □ = No Report ■ = Target Not Met ■ = Target Met ■ = Target Exceeded		
#1: Wetland areas—Percent of acres achieving desired conditions	91%	84% E
#2: Riparian areas—Percent of stream-miles achieving desired conditions	88%	86% E
#3: Upland areas—Percent of acres achieving desired conditions	57%	73% E
#4: Marine and coastal areas—Percent of acres achieving desired marine and coastal conditions	68%	54% E
#5: Number of land acres reclaimed or mitigated from the effects of degradation from past mining	7584	8168 E
#6: Number of stream-miles for which degradation from past surface coal mining has been improved	28	69
#7: Number of surface acres of water for which degradation from past surface mining has been improved	35	32
#17: Satisfaction with science information and products	100%	96%
#22: Number of acres achieving watershed and landscape goals through voluntary partnerships	1,004,596	670,620 E
#23: Number of stream/shoreline miles achieving watershed and landscape goals through voluntary partnerships	888	677 E
#27: Percent of species of management concern that are managed to self-sustaining levels, in cooperation with affected States and others, as defined in approved management documents	50%	43% E
#28: Percent of threatened or endangered species listed a decade or more that are stabilized or improved	37%	43%
#30: Percent of baseline area infested with invasive plant species that is controlled	2%	2% E
#32: Number of acres restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives	383,478	487,670 E
#33: Number of stream/shoreline miles restored or enhanced to achieve habitat conditions to support species conservation consistent with management documents, program objectives	1313	1685 E
#40: Percent of cultural properties on DOI inventory in good condition	57%	59% E
#41: Percent of collections in DOI inventory in good condition	49%	33% E

Percent of total acres restored in FY06 that represent Targeted Wetlands, Riparian, Upland, and Marine/Coastal Areas



\*Based on estimated data.

Lands Reclaimed From Past Mining<sup>1</sup>



<sup>1</sup> Data prior to FY 2005 represent the Office of Surface Mining, Reclamation and Enforcement (OSM) contribution only.

<sup>2</sup> Estimated.

## RESULTS BY STRATEGIC PLAN AREA

### RESOURCE USE:

#### Manage Natural Resources to Promote Responsible Use and to Sustain a Dynamic Economy

The Department of the Interior plays a vital role in maintaining the Nation's energy supply. Approximately 30% of the Nation's domestic energy is produced on Interior-managed lands and waters. Of this, nearly one third of America's domestic oil and 21% of our domestic natural gas are produced from the Outer Continental Shelf (OCS). But our role doesn't stop there.

Interior has increased renewable energy production on Federal lands. The Energy Policy Act of 2005 gave Interior's Minerals Management Service authority over offshore renewable energy and alternative use projects. The Act also provided the Bureau of Land Management authority over geothermal resources. We are exploring alternative energy sources as well, such as petroleum extracted from oil shale and gas hydrates.



**BLM Oil Shale Research and Development Leases**

The United States has the largest known concentration of oil shale in the world. Scientists estimate that our oil shale resources, which span a total area of 16,000 square miles underground, hold about the equivalent of 800 billion barrels of recoverable oil. More than 70% of this resource underlies Federal land, primarily in Colorado, Utah, and Wyoming.

BLM recently requested proposals for oil shale research development and demonstration (RD&D) leases for some of this public land. This is part of BLM's ongoing effort to provide the Nation with secure, reliable, affordable energy sources by boosting domestic energy production. Six proposals were selected among 20 nominations for leasing consideration. The next step involves an environmental analysis under the National Environmental Policy Act (NEPA) of each of these proposals before final decisions will be made to award the leases.

### Mission Area Scorecard Resource Use

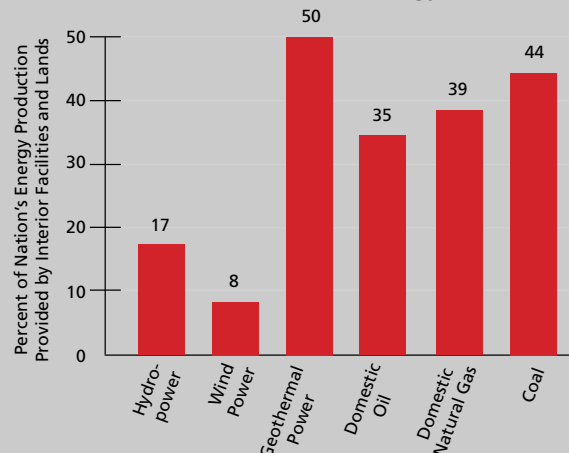
Year	Targets Met	Targets Unmet
FY 06	85%	15%
FY 05	80%	15%

Total number of measure for area: 39

Performance fell short of or exceeded targets within the Resource Use area due to the following:

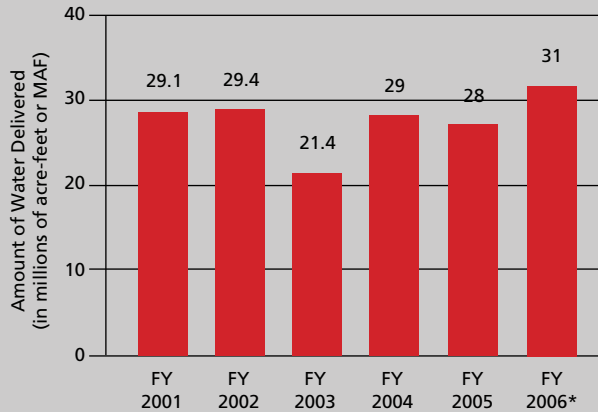
- Some targets fell short because additional time is needed for revised administrative processes to mature before the benefits of reengineering efforts can be seen in terms of decreases in backlogs related to processing applications for permits to drill and lease energy minerals on BLM lands.
- In some cases, we exceeded performance targets due to issues related to the manner in which funding is applied to water infrastructure and delivery projects. Revisions are expected to be made in future years that will address these issues, and enable us to set more refined targets.

### DOI Contributes to Nation's Energy Production



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Delivering Water To Meet the Needs of the West



\*Estimated data.



**Folsom Dam Turns 50**

In May 2006, fans of Folsom Dam celebrated a milestone anniversary as the dam logged a half-century of service to Sacramento County, California. Completed in 1959 for flood control, Folsom Dam also provides water for agriculture, fisheries, homes, hydropower generation, habitat protection, and recreation. It has a storage capacity of more than 1 million acre-feet.

Interior is a major provider of water to the Nation's western States. The Department's Bureau of Reclamation manages 472 dams and 348 reservoirs that serve the water needs of over 31 million people and irrigate 10 million acres of farmland, contributing to the production of 25% of the Nation's fruits and nuts and 60% of our vegetables. This water is also used to generate enough hydroelectric power to make Reclamation the second largest producer in the western United States.

**How Interior Performed at a Glance: FY 2005-2006**

Selected Performance Measures from Resource Use Mission Area

Performance Measure	FY 2005	FY 2006
Legend: □ = No Report   ■ = Target Not Met   ■ = Target Met   ■ = Target Exceeded		
#50: Implement National Energy Policy by holding 17 offshore sales consistent with the Secretary's 5-Year Program (MMS)	4	2
#56: Percent of revenues disbursed on a timely basis per statute (MMS)	98%	95%
#57: Number of pending cases of permits and lease applications that are in backlog status for fluid energy minerals (APDs) (BLM)	2461	2310
#58: Number of pending cases of permits and lease applications that are in backlog status for solid energy minerals (Leased Backlog Applications or LBAs) (BLM)	35	33
#61: Number of targeted basins with oil and gas resource assessments available to support management decisions (USGS)	7	6
#78: Water infrastructure area in fair to good condition as measured by the Facilities Reliability Rating (FRR) (Reclamation)	96%	98%
#83: Reclamation base operation and Maintenance (O&M) costs for power, expressed as \$/MW, will not increase annually beyond the 5-year rolling average percent increase in cost, +/-5% (Reclamation)	<b>New for 2006</b>	7.15% E
#84: Percent of time in forced outage equal to or better (lower) than the industry average (Reclamation)	.40%	1.2%
#86: Hydropower facilities are in fair to good condition as measured by the FRR (Reclamation)	98%	100%
#87: Percent of time that Bureau of Reclamation hydroelectric generating units are available to the interconnected Western Electrical System during daily peak summer demand periods (Reclamation)	93%	93%



## RESULTS BY STRATEGIC PLAN AREA

### RECREATION:

#### Provide Recreation Opportunities for America

Every year, close to 500 million people from all over the world renew their spirits on lands and waters managed by the Department of the Interior. Interior maintains and manages thousands of recreation areas, including 390 units within the National Park Service, 547 National Wildlife Refuges, 308 Bureau of Reclamation recreation areas, and close to 3,500 public land recreation sites administered by the BLM. These areas offer countless ways to renew the spirit and energize the body as well as mind. Boating, hiking, mountain climbing, hunting, fishing, swimming, wildlife viewing, bicycling, and horseback riding—the opportunities are endless and diverse—and many are available within only an hour’s drive.

#### How Interior Performed at a Glance: FY 2005-2006

Selected Performance Measures from Recreation Mission Area

Performance Measure	FY 2005	FY 2006
□ = No Report   ■ = Target Not Met   ■ = Target Met   ■ = Target Exceeded		
#88: Satisfaction with quality of experience	94%	93% E
#99: Customer satisfaction with value for fee paid	89%	87% E
#102: Percent of recreation fee program receipts spent on fee collection	17%	20% E

#### Mission Area Scorecard RECREATION

Year	Targets Met	Targets Unmet
FY 06	100%	0%
FY 05	87%	13%

Total number of measure for area: 15

Of the measures met in the Recreation area, four exceeded targets.

In one case, this was attributed to our increased emphasis on educating the public regarding Interior on-line recreation systems, resulting in a milestone number of on-line recreation transactions supported by Interior in 2006.

In another case, Interior was able to exceed the percent of universally accessible facilities we targeted for 2006, in relation to our total number of recreation areas, by making this a priority goal.

#### Jewel Cave Just Got Longer

Far below the Black Hills of South Dakota and Wyoming lies a gem of nature aptly named Jewel Cave. A unit of the National Park System, Jewel Cave National Monument features the world’s second longest cave—and it just got longer. Modern day explorers of this dark, mineralized world recently pushed its known length to just more than 135 miles after a 4-day expedition. Their journey of discovery took these cavers “where no man (or woman) has gone before,” and into an awesome world of flower-like mineral deposits, crystal-crusted walls, and even a mummified bat, hanging still and alone from a roof filled with fossils from the even more distant past.

As a recreational activity, caving is not for everyone. Cavers often must crawl hundreds of feet on their bellies, carrying critical equipment like head lamps, food, and special equipment. And they pack out any waste. But for many, the thrill of discovery more than makes up for discomfort associated with this hobby.



The exploration of Jewel Cave will continue as scientists and National Park Service managers work to understand the lost world tucked away beneath the splendors of Mount Rushmore, Black Hills National Forest, and Custer State Park.

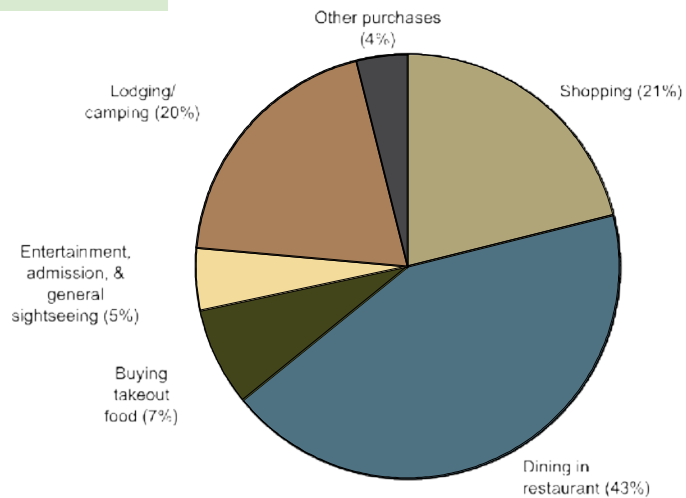
Interior Conducts Visitor Studies to Better Understand Visitor Needs  
 and to Improve Our Service to Them

**Cuyahoga Valley National Park  
 visitor study results**

Study dates: July 23-31, 2005  
 79% response rate from  
 1,294 visitor groups contacted

**Proportions of total expenditures within park  
 and nearby communities**

N=409 visitor groups\*\*

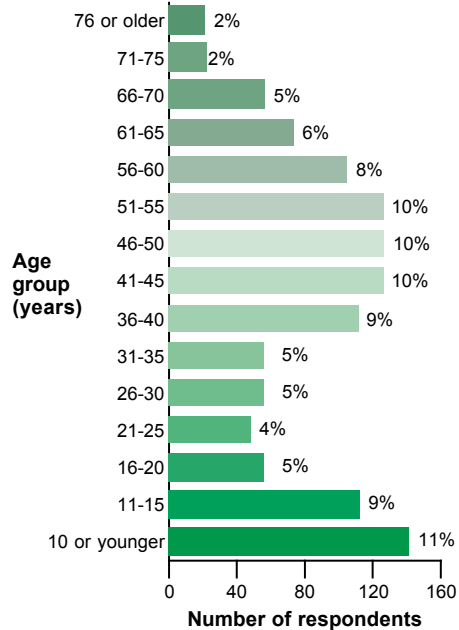


**Harpers Ferry National Historic Park  
 visitor study results**

Study dates: July 23-31, 2005  
 61% response rate from  
 645 visitor groups contacted

**Visitor ages**

N=1252 individuals\*



RESULTS BY STRATEGIC PLAN AREA

SERVING COMMUNITIES:

Safeguard Lives, Property and Assets; Advance Scientific Knowledge; and Improve the Quality of Life for the Communities We Serve

Interior is responsible for protecting lives, resources, and property; for providing scientific information for better decisionmaking; and for fulfilling the Nation's trust and other special responsibilities to American Indians, Alaska Natives, and residents of our affiliated island communities. We protect communities from catastrophic wildland fires; safeguard public land visitors from illegal activities; and provide scientific information to reduce risks from earthquakes, landslides, tsunamis, and volcanic eruptions. The Department's U.S. Geological Survey also provides scientific assessments on the quality and quantity of the Nation's water resources and conducts multi-purpose natural science research.



**A Whole Lotta Shaking: Virtual Tour Marks Centennial of Great San Francisco Earthquake**

April 18, 1906, lives on in history as the date of America's most damaging earthquake. One hundred years ago this year, San Francisco and surrounding cities in Northern California were violently rocked by a magnitude 7.8 earthquake. The Great San Francisco earthquake woke up scientists to significance of the San Andreas fault and gave birth to the science of earthquake prediction and measurement.

To mark this earth-shaking event and to add to the body of scientific knowledge and awareness, the USGS launched an on-line "virtual tour" that can help all of us better understand and visualize the causes and effects of earthquakes. The interactive tour uses the three-dimensional geographic mapping tool Google Earth –beginning with a view from space and then zooming in on the 300-mile rupture of the 1906 earthquake along the San Andreas fault. The historic and scientific significance of the 1906 earthquake is told by overlays of ground-shaking intensity and damage maps, historic photos, and first-hand accounts. Users can also explore the present day earthquake hazard in the San Francisco Bay Area with maps and other on-line resources.

To see the virtual tour, visit <http://earthquake.usgs.gov/regional/nca/virtualltour/>.

**Mission Area Scorecard  
 SERVING COMMUNITIES**

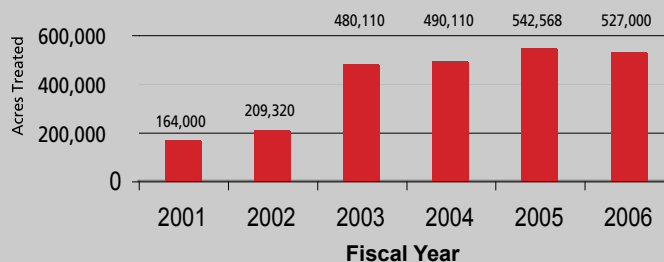
Year	Targets Met	Targets Unmet
FY 06	48%	13%
FY 05	69%	18%

Total number of measure for area: 83

**Why the Decline in Targets Met?**

Thirty-nine percent (or 32) of our measures in the Serving Communities area remain unreported in FY 2006. Due to the discontinued use of select performance measures by the Bureau of Indian Affairs, Serving Communities experienced an increase in No Reports for 2006, from 13% in 2005 to 39%. This resulted in a decrease within Serving Communities of goals met or exceeded from 69% in 2005 to 48% in 2006.

**Interior Triples Amount of Wildland-Urban Interface Acres Treated Since FY 2001**



### Keeping the Public Informed About Avian Flu

Next to homeland security, few issues have appeared to dominate the news headlines recently as much as Bird Flu. The Departments of Interior, Agriculture, and Health and Human Services continue to work together to monitor the spread of the highly pathogenic H5N1 (a subtype of the influenza A virus capable of causing illness in many animal species, including humans) since it first appeared in Hong Kong in 1997. These agencies have conducted thousands of tests on migratory birds in the Alaska, Pacific, and Atlantic flyways since 1998, and no highly pathogenic avian influenza isolates have been identified. Efforts continue because as we intensify monitoring of migratory bird populations, we increase the likelihood of early detection—a key to controlling the spread of the virus, particularly in domestic poultry.

Within Interior, both the USGS and FWS are actively monitoring bird mortalities to detect the virus and provide an early warning to agricultural, public health, and wildlife communities. USGS recently released a new book titled, "Disease Emergence and Resurgence: The Wildlife-Human Connection." The 400-page publication focuses on concepts associated with disease emergence in wildlife, the general



importance of wildlife as sentinels for disease emergence, and critical issues engaging wildlife as sources for zoonotic disease (diseases that are transmittable between humans and animals). The report and the latest information about avian flu research and monitoring can be found online at [www.nwhc.usgs.gov](http://www.nwhc.usgs.gov).

### How Interior Performed at a Glance: FY 2005-2006

Selected Performance Measures from Serving Communities Mission Area

Performance Measure	FY 2005	FY 2006
Legend: <input type="checkbox"/> = No Report <input type="checkbox"/> = Target Not Met <input type="checkbox"/> = Target Met <input type="checkbox"/> = Target Exceeded		
#110: Percent of communities using DOI science on hazard mitigation, preparedness and avoidance for each hazard management activity	45%	48%
#111: Number of people with reduced exposure potential to safety risks from abandoned mine lands	2,244,458	393,728
#115: Reduced number of serious injuries on DOI managed or influence lands and waters	5175	7242 E
#116: Percent of unplanned and unwanted wildland fires controlled during initial attack	97%	98% E
#117: Number of acres burned by unplanned and unwanted wildland fires	8,681,252	3,074,232 E
#118: Number of acres treated that are in the wildland-urban interface and are identified as high priority through collaboration consistent with the 10-Year Implementation Plan – in total	542,568	527,000 E
#119: Number of acres treated that are in the wildland-urban interface and are identified as high priority through collaboration consistent with the 10-Year Implementation Plan as X percent of all acres treated	43%	49% E
#120: Number of acres treated in the wildland-urban interface per million dollars gross investment	4092	3985 E
#124: Percent of sampled stakeholders reporting adequacy of science base to inform decision-making for each hazard management activity	99%	100%
#129: Improve stakeholder access to needed science information	92%	87%
#130: Stakeholders reporting that information helped achieve goal	95%	96%
#131: Percent of surface area with temporal and spatial monitoring, research, and assessment/data coverage to meet land use planning and monitoring requirements	59%	80%
#134: Percent of financial information accurately processed in Trust beneficiary accounts	100%	100%
#135: Percent timeliness of financial account information provided to Trust beneficiaries	99%	100%
#153: Average number of months that active probate cases are before the Office of Hearings and Appeals	6 months	5.7 months
#154: Percent of missing owner information (accounts) recovered	36 %	33%
#157: Number of land acquisitions to increase land use capabilities and reduce fractionation of land interests	72,547	77,577
#170: Facilities are in fair to good condition as measured by the Facilities Condition Index (FCI)	.107	.199
#174: Percent of children able to read independently by the 3rd grade	41%	46%
#184: Total average months late for all insular general fund financial statements	19	12

RESULTS BY STRATEGIC PLAN AREA

MANAGEMENT EXCELLENCE:

Manage the Department to be Highly Skilled, Accountable, Modern, Functionally Integrated, Citizen-Centered, and Results Oriented

As manager of over 500 million acres of land, how well Interior carries out its mission affects many aspects of American life. Interior is accountable to the American public to provide responsive, efficient, and low-cost services. Excellence in performance requires mission clarity, good metrics, and management excellence.

Our Management Excellence Strategic Goal helps us focus on ways we can overcome the many complex challenges facing us by taking new approaches to workforce planning; improving financial and budget management tools; using more objective and comprehensive approaches to facility and asset management; improving information technology (IT) to enhance efficiency and consistency; and actively encouraging managers and employees to identify better ways to achieve desired results. It reminds us of the need to maintain and enhance program results, make wise management choices within the context of constrained resources, and to work smarter.

Mission Area Scorecard  
 MANAGEMENT EXCELLENCE

Year	Targets Met	Targets Unmet
FY 06	67%	17%
FY 05	73%	27%

Total number of measure for area: 24

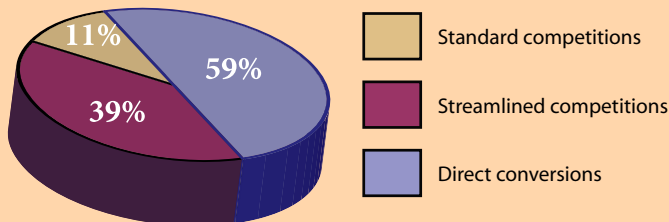
Why Are There So Many Unreported Results?

While we were able to decrease our performance shortfalls in the Management Excellence Strategic Goal for FY 2006 over those of FY 2005, we increased the number of measures for which we had no data and no reports (17% unreported in 2006 versus no unreported measures in FY 2005). This increase in unreported measures is, in part, due to our inability to report preliminary or estimated data at the time of this publication. Three of the four "no reports," for example, are preliminary. The Department will continue its efforts to obtain final data for these measures and report on them in the FY 2006 supplemental report.

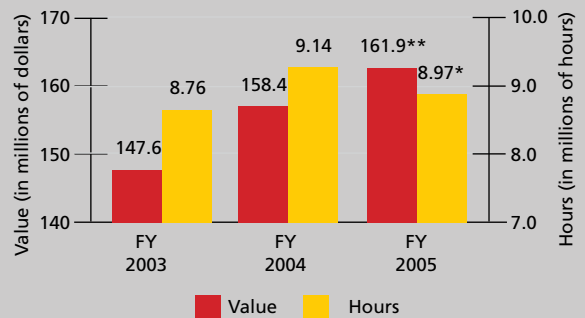
Competitive Sourcing at Interior

From FY 2001 through FY 2006, DOI has completed 126 competitions on 4,031 FTE with an estimated yearly savings of \$13M. DOI has won 116 of the 126 competitions (or 92% of the competitions held since 2001) by increasing cost savings and efficiencies through the development of most efficient organizations (MEO). Only one FTE has been involuntarily separated from service due to competitive sourcing competitions.

Type of studies conducted by DOI to date



Volunteer Services to Interior



\*Total includes 28,620 hours of volunteer time donated to the Bureau of Reclamation.

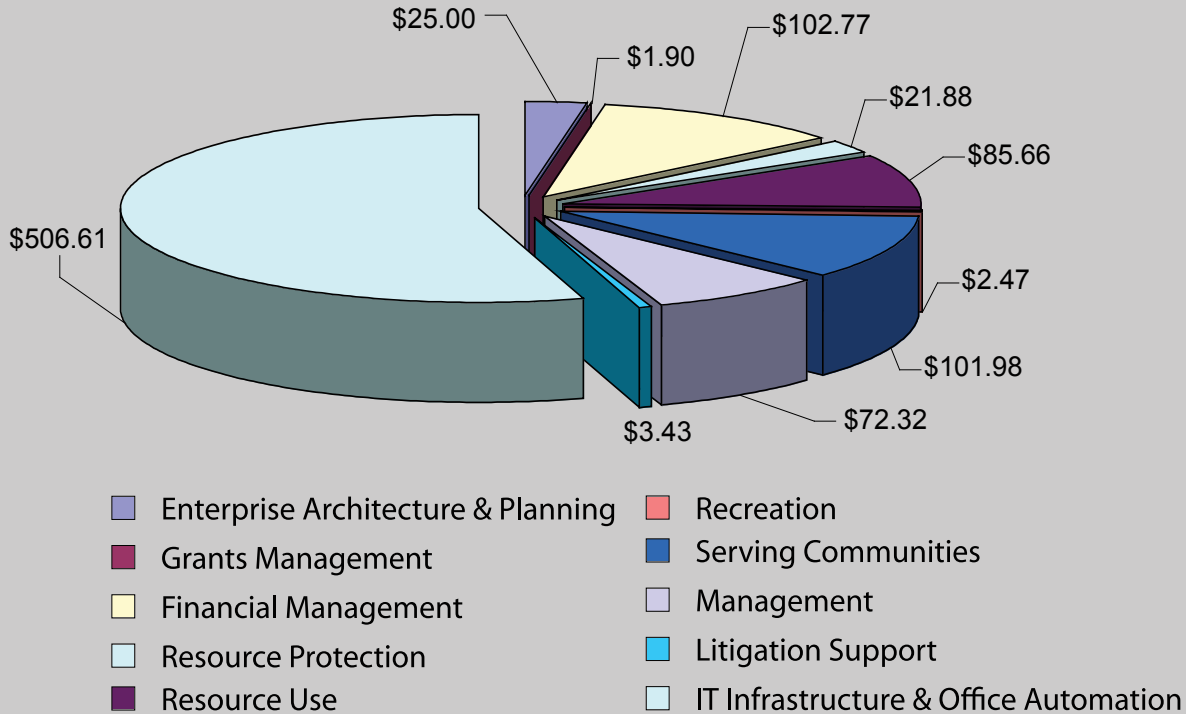
\*\*Includes the value of the Bureau of Reclamation hours.

Data not yet available for FY 2006.

DEPARTMENT OF THE INTERIOR: FISCAL YEAR 2006  
PERFORMANCE AND ACCOUNTABILITY HIGHLIGHTS

How Interior Performed at a Glance: FY 2005-2006		
Selected Performance Measures from Management Excellence Strategic Goal Area		
Performance Measure	FY 2005	FY 2006
Legend: □ = No Report ■ = Target Not Met ■ = Target Met ■ = Target Exceeded P = Preliminary Data		
#191: Volunteers: Number of volunteer hours per year supporting DOI mission activities (Take Pride in America Office)	9,467,427	8,231,390 E
#193: Obtain unqualified audit for DOI's consolidated financial statements (Office of Financial Management or PFM)	Yes	Yes
#194: Corrective actions: Percent of material weaknesses and material non-compliance issues that are corrected on schedule (PFM)	New FY 2006 Measure	65.6% E
#199: Percent of systems that will be certified and accredited by FY 2005, and will maintain accreditation on a 3-year recurring cycle (Office of the Chief Information Officer or CIO)	98%	98%
#200: Percent of time that networks are operational for all users (CIO)	99.91%	99.90%
#202: Percent of IT investment expenditures for which actual costs are within 90% of cost estimates established in the project or program baseline (CIO)	87%	93%
#208: Number of commercial-type FTE involved in competitive sourcing studies completed during the fiscal year	198	645
#209: Percent of facilities that have a calculated FCI.	75%	100% P

Interior Information Technology  
Total Interior Funding by IT Category  
(in millions of dollars)



In FY 2006, 93% of Interior's IT investment expenditures were within 90% of their actual cost estimates established in the project or program baseline, meeting our performance target. We are redirecting IT savings and prioritizing investments while continuing to emphasize the deployment of enterprise systems while retiring individual bureau legacy systems.

# PRESIDENT'S MANAGEMENT AGENDA

## Scorecard

The President's Management Agenda focuses on improving Federal management and administrative program performance. Its five mutually reinforcing components share a goal of enhancing citizen-centered governance and on delivering results to the American public.

Interior's FY 2005 and FY 2006 Scorecards – How OMB Scored Us								
Initiative Name	September 30, 2005				September 30, 2006			
	Status	Progress	Status	Progress	Status	Progress	Status	Progress
President's Management Agenda Goal								
Human Capital	Green		Green		Green		Green	
Competitive Sourcing	Green		Green		Green		Red	
Financial Performance	Red		Yellow		Red		Green	
E-government	Red		Red		Yellow		Red	
Budget & Performance Integration	Yellow		Green		Yellow		Green	
Other Government-wide Initiatives in Which DOI Participates								
Real Property	Red		Green		Yellow		Green	

The Office of Management and Budget (OMB) uses an Executive Branch Management Scorecard to monitor Federal agencies' status and progress toward attaining the President's Management Agenda goals. Color-coded ratings visually depict how an agency has performed toward making specific improvements.

Interior is proud of the progress we made in FY 2006 toward realizing several of the President's Management Agenda goals. For example, we moved from red to yellow in our status for the Real Property Initiative. Our asset management plan is in place and has been approved by OMB. Our bureaus are preparing site-specific asset management business plans based on Departmental guidance. We have some solid performance measures in place that will tell us how well we are progressing toward meeting specific asset-management goals. In the near future, we hope to improve our status to green as we use performance metrics to make asset management-related decisions and make better use of the Federal Real Property Profile to identify candidates for disposition.

Interior also saw improvements in Electronic Government. We moved from a status score of red at the end of FY 2005 to yellow in FY 2006. We completed all of our E-government milestones during the year, with the exception of those for the E-Travel initiative. We are working to further improve our status in FY 2007 by demonstrating that we use earned value management data to make decisions related to our major IT portfolio and that our performance against IT-related goals is within 10% of that goal.

The Department of the Interior continues to face challenges in the area of Financial Performance. However, while our status remained red for FY 2006, we made much progress during the year, resulting in a green progress rating from OMB.

### Program Assessment Rating Tool (PART)

Since FY 2002, Interior has worked with OMB to review our programs using a government-wide evaluation approach called the Program Assessment Rating Tool, or PART. PART is a standardized and systematic process by which OMB evaluates program performance against a standard set of criteria. Its results are being used to improve program performance through the development and implementation of program-specific recommendations.

PART has enabled Interior to take a focused look at its programs. We have undergone 73 PART analyses since the process began in 2002, plus eight reassessments. In 2006, twelve Interior programs were assessed or reassessed using the PART process.

PART Program Rating Table 2002-2006					
Bureau	Results Not Demonstrated	Adequate	Moderately Effective	Effective	Total Number of PARTed Programs
BIA	6 (37%)	7 (44%)	3 (19%)	0 (0%)	16
BLM	3 (37%)	4 (50%)	1 (13%)	0 (0%)	8
BOR	2 (18.5%)	4 (36%)	2 (18.5%)	3 (27%)	11
DOI	2 (67%)	1 (33%)	0 (0%)	0 (0%)	3
FWS	4 (50%)	2 (25%)	1 (12.5%)	1 (12.5%)	8
MMS	1 (25%)	0 (0%)	2 (50%)	1 (25%)	4
NPS	2 (20%)	5 (50%)	3 (30%)	0 (0%)	10
OSM	1 (33%)	0 (0%)	0 (0%)	2 (67%)	3
USGS	0 (0%)	0 (0%)	9 (90%)	1 (10%)	10
Total DOI:	21	23	21	8	73
Total %:	29%	31%	29%	11%	100%

Note: The above table does not count eight reassessments to eliminate double-counts. The numbers on the graph are used by Interior executives to monitor the current number of PARTs in Results Not Demonstrated status. Therefore, the most recent rating of a reassessed program is the rating counted.

PART assessments have led to several recommendations for improvement. The U.S. Geological Survey's (USGS) cooperative water program, for example, had been maintaining a roughly half-and-half proportion of data collection activities to research studies. Given Administration priorities and PART recommendations for emphasizing data collection, USGS reduced its number of research studies (systematic investigations) so that it could maintain its data collection efforts (number of stream gauges reporting real-time) to the fullest extent possible.

Interior bureaus and offices actively monitor progress toward implementing post-PART actions and recommendations using a Web-enabled tracking system.



# FINANCIAL PERFORMANCE HIGHLIGHTS

Interior’s financial management improvement efforts help the Department fulfill our responsibility to spend wisely while producing results. These efforts also help us provide the public with more transparent budget and performance information. An independent auditing firm issued an unqualified audit opinion on Interior’s consolidated financial statements for the tenth straight year. The Association of Government Accountants also recognized our quality reporting by awarding the Certification of Excellence in Accountability Reporting to Interior for the sixth consecutive year.

## Audited Financial Statement Results

As required by the Government Management Reform Act, Interior prepared consolidated financial statements. Since FY 2001, these financial statements have been audited by KPMG, LLP, an independent public accounting firm. Prior to FY 2001, the audit was conducted by the Office of the Inspector General. Additionally, each individual bureau prepares financial statements that are also audited. The preparation and audit of financial statements help ensure the integrity of financial information maintained by Interior.

In a few instances, this year’s audit noted exceptions to internal controls or accounting standards as a material weakness or reportable conditions, and identified some noncompliance with laws and regulations. Interior as a whole complies with Federal financial management system requirements as specified in Section 4 of the Federal Managers Financial Integrity Act and by the Federal Financial Management Improvement Act.

Number of Material Weaknesses Reported and Corrected or Downgraded			
Reporting Period	Reported	Corrected or Downgraded	Pending at Year End
Prior Years	172	161	11
FY 2003	0	1	10
FY 2004	1	7	4
FY 2005	1	0	5
FY 2006	0	5	0
Total	174	174	0

Number of Material Non-Conformances Reported and Corrected or Downgraded			
Reporting Period	Reported	Corrected or Downgraded	Pending at Year End
Prior Years	65	64	1
FY 2003	0	0	1
FY 2004	0	1	0
FY 2005	0	0	0
FY 2006	0	0	0
Total	65	65	0

## Management Controls

A basis for improving Interior management practices is the Department’s ability to maintain management systems, processes, and controls that ensure financial accountability; provide useful management information; and meet requirements of Federal laws, regulations, and guidance. Interior focuses on ensuring effective internal controls, timely and reliable financial and performance data for reporting, and system integration.

DEPARTMENT OF THE INTERIOR: FISCAL YEAR 2006  
PERFORMANCE AND ACCOUNTABILITY HIGHLIGHTS

Prior to FY 2006 and since the inception of Federal Managers' Financial Integrity Act (FMFIA) in 1982, Interior identified and reported 174 FMFIA material weaknesses and 65 accounting system non-conformances. Prior to FY 2006, Interior corrected 169 of the FMFIA material weaknesses (97%) and all instances of accounting system non-conformance. During FY 2006, Interior had five material weaknesses as pending correction that were carried forward from the previous year. All five were corrected or downgraded, resulting in no FMFIA Departmental material weaknesses carried forward into FY 2007.

**Condensed Balance Sheet**  
**As of September 30, 2006 and 2005**  
**(dollars in thousands)**

	2006	2005
<b>Assets</b>		
Intragovernmental Assets	\$ 44,577,141	\$ 42,462,958
General Property, Plant, and Equipment, Net	17,491,901	17,323,778
Accounts and Interest Receivable, Net	2,478,037	2,660,566
Other	885,908	986,598
<b>Total Assets</b>	<b>\$ 65,432,987</b>	<b>\$ 63,433,900</b>
<b>Liabilities</b>		
Intragovernmental Liabilities	\$ 6,068,514	\$ 6,877,463
Accounts Payable	1,109,655	1,082,888
Federal Employee and Veteran Benefits	1,387,423	1,367,705
Contingent Liabilities	614,468	631,174
Other	2,757,915	2,737,748
<b>Total Liabilities</b>	<b>11,937,975</b>	<b>12,696,978</b>
<b>Net Position</b>		
Unexpended Appropriations	4,227,548	4,179,242
Cumulative Results of Operations	49,267,464	46,557,680
<b>Total Net Position</b>	<b>53,495,012</b>	<b>50,736,922</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 65,432,987</b>	<b>\$ 63,433,900</b>

**Condensed Statement of Net Cost**  
**For the Fiscal Years Ended September 30, 2006 and 2005**  
**(dollars in thousands)**

	2006	2005
<b>Mission</b>		
Resource Protection	\$ 2,810,075	\$ 2,298,764
Resource Use	2,615,472	2,902,861
Recreation	1,410,049	1,507,425
Serving Communities	5,614,166	5,833,820
<b>Non-Mission</b>		
Reimbursable Activity and Other Costs	954,780	870,156
<b>Net Cost of Operations</b>	<b>\$ 13,404,542</b>	<b>\$ 13,413,026</b>
Total Cost	19,484,442	19,750,645
Total Revenue	6,079,900	6,337,619
<b>Net Cost of Operations</b>	<b>\$ 13,404,542</b>	<b>\$ 13,413,026</b>

## FUTURE CHALLENGES

Interior's stewardship responsibilities encompass one-fifth of the Nation's land area and all of the Outer Continental Shelf. Among the assets we manage are irreplaceable icons and cultural and historic treasures that are the legacy of millions of Americans.

This responsibility presents challenges. Our work is people-intensive. Pay and benefit costs account for about 53% of our total costs, higher than most other Federal agencies. Many of our business processes are outdated and decentralized. Our Trust beneficiary accounting systems, for example, continue to be a challenge, but are receiving particular management attention. Our physical assets, while many are of irreplaceable historical and cultural value, need to be maintained, repaired and refurbished.

In an FY 2006 report, the Office of the Inspectors General identified eight management challenges facing the Department of the Interior, including:

- Financial Management;
- Information Technology;
- Health, Safety, and Emergency Management;
- Maintenance of Facilities;
- Responsibility to Indians and Insular Affairs;
- Resource Protection and Restoration;
- Revenue Collections; and
- Procurement, Contracts, and Grants.



Tumacacori National Historic Site

These issues are considered top challenges because they are important to the Interior's mission, involve large expenditures, require significant management improvements, or involve significant fiduciary responsibilities.

Over the past five years, the Department of the Interior has continuously addressed these challenges. We are using technology to help us work smarter and reduce human resource loads. We are improving the efficiency and effectiveness of our programs using tools such as the Program Assessment Rating Tool. We have restructured and consolidated workplaces, guided by workforce plans to improve alignment of skilled employees with anticipated needs and potential gaps that will result from baby boomer retirements. We have deployed enterprise information technologies to reduce security risks, modernize business practices, and enhance cost efficiencies. We have inventoried our assets and have set performance measures to guide improved facilities management and prioritization of maintenance, repair, and replacement activities.

Our recent budget requests have balanced the need for fiscal discipline while continuing our commitment to overcoming several of these challenges. For example, we have asked for increased funding and resources to help BIA meet the requirements outlined in the Department's

Fiduciary Trust Model while continuing to implement trust reform initiatives. These resources will be critical in helping us reduce the probate backlog, to implement recommendations of the Fiduciary Trust Model, to eliminate cadastral survey backlogs, and to reduce survey costs. The resources will support a Certified Federal Surveyor program in BLM to train State licensed surveyors to become BLM certified surveyors in accordance with the Public Lands Survey System.

In another example, we have requested resources to help us continue restoration of hundreds of acres of lands and resources damaged by the release of hazardous substances or oil. We are using science to improve and expedite the design, implementation, and monitoring of restoration projects.

Many of our challenges are complex and will remain with us for several years to come, despite incremental progress toward overcoming them. New challenges will reveal themselves as the Nation's priorities change. However, we will diligently work collaboratively with those who live on, work on, and love our lands to improve our stewardship and improve America's quality of life for generations to come.

## Learn More...

This report provides only a brief summary of the Department of the Interior's performance and financial accomplishments in Fiscal Year 2006.

A copy of the full 300-page Performance and Accountability Report (PAR) is provided on the CD attached to the inside back cover of this report. The full PAR, as well as this highlights report, may be viewed online at [www.doi.gov/pfm/par2006](http://www.doi.gov/pfm/par2006)

To learn more about the Department of the Interior and its mission, we encourage you to visit us on the web at <http://www.doi.gov>.

Additional copies of this report may be obtained by writing:

The Office of Financial Management  
Department of the Interior  
1849 C Street, NW, M.S. 5412  
Washington, DC 20240

