

Highlights of [GAO-11-424T](#), a testimony statement before the Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of the Interior (Interior) is responsible for managing much of the nation's vast natural resources. Its agencies implement an array of programs intended to protect these resources for future generations while also allowing certain uses of them, such as recreation and oil and gas development. In some cases, Interior is authorized to collect royalties and fees for these uses. Over the years, GAO has reported on management challenges at Interior, which are largely characterized by the struggle to balance the demand for greater use of its resources with the need to conserve and protect them. Furthermore, given the government's long-term fiscal challenges, Interior faces difficult choices in balancing its responsibilities.

This testimony highlights some of the major management challenges facing Interior today. It is based on prior GAO reports.

What GAO Recommends

GAO has made a number of recommendations intended to improve Interior's programs by enhancing the information it uses to manage its programs and strengthening internal controls. Interior has agreed with most of the recommendations and taken some steps to implement them. However, Interior has been slow to implement other recommendations, such as developing a cohesive wildland fire strategy and improving oversight of oil and gas activities.

View [GAO-11-424T](#) or key components. For more information, contact Anu K.Mittal or Frank Rusco at (202) 512-3841 or mittala@gao.gov and ruscof@gao.gov, respectively.

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DEPARTMENT OF THE INTERIOR

Major Management Challenges

What GAO Found

As GAO's previous work has shown, Interior faces major management challenges in the following seven areas:

Strengthening resource protection. Interior has not yet developed a cohesive strategy to address wildland fire issues as GAO has recommended in the past. In addition, Interior faces challenges in adapting to climate change and protecting and securing federal lands from illegal activities.

Strengthening the accountability of Indian and insular area programs. Having a land base is important to Indian tribal governments. Concerns remain about the effect of a February 2009 Supreme Court decision on the process for taking land in trust for tribes and their members. In addition, seven insular areas—four U.S. territories and three sovereign island nations—continue to face financial, program management, and economic challenges.

Improving federal land acquisition and exchanges. As the steward of more than 500 million acres of federal land, land sales, acquisitions, and exchanges are important land management functions for the department. The Federal Land Transaction Facilitation Act of 2000 has had limited success and Interior needs to better manage land exchanges and protect federal funds.

Reducing Interior's deferred maintenance backlog. While Interior has made progress improving information on maintenance needs, the dollar estimate of the deferred maintenance backlog for fiscal year 2010 was between \$13.5 billion and \$19.9 billion.

Management of federal oil and gas resources. GAO designated Interior's management of federal oil and gas resources as a governmentwide high-risk area in February 2011. Interior faces ongoing challenges in four broad areas: (1) oil and gas revenue collection, (2) management of human capital, (3) reorganization of the bureaus dealing with oil and gas issues, and (4) balancing timely and efficient oil and gas development with environmental stewardship responsibilities.

Generating revenue and enhancing financial assurances and bonds. Additional revenues could be generated by amending the General Mining Act of 1872 so that the federal government could collect federal royalties on minerals extracted from U.S. mineral rights. In addition, financial assurances and bonds from hardrock mining and oil and gas operations could be enhanced to help ensure the reclamation of federal land disturbed by these operations.

Improving information security. Interior has been challenged to effectively protect its computer systems and networks. The department has not consistently implemented effective controls to prevent, limit, and detect unauthorized access to its systems or manage the configuration of network devices to prevent unauthorized access and ensure system integrity.