

WORKING CAPITAL FUND

LOCATION: The 17 Western States in Reclamation's Service Area.

DESCRIPTION/JUSTIFICATION: The Reclamation Working Capital Fund (WCF) is comprised of various activities designed to provide more efficient financing, accounting, cost recovery, management, and budgeting for support services, facilities, and equipment. The activities covered within the WCF are Information Technology (IT) investments, transportation vehicles, aircraft, drilling equipment, centralized finance services, water quality laboratories, underwater inspection team, construction support office, heavy and mobile equipment, photogrammetry and surveys, common services activities, engineering support services, and the employee leave account.

The WCF is available without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, facilities, work, and services in support of Reclamation programs. It is credited with appropriations made for the purpose of providing or increasing capital. By design, the fund operates on a self-supporting basis through user charges deposited in the fund. Charges to users are based on rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services, including labor and related costs.

AUTHORIZATION: P.L. 99-141, Appropriations for Energy and Water Development for the Fiscal Year Ending September 30, 1986, Title II: Department of the Interior, November 1, 1985.

SUMMARIZED FINANCIAL DATA

Program Financial Data

Activity	FY 2005	FY 2006
Revenue	\$343,861,000	\$361,588,000
Prior Year Funds	20,526,000	7,536,000
Reduction	0	0
Unobligated Balance, End of Year	(7,536,000)	(8,699,000)
Total Program	\$356,851,000	\$360,425,000

Information Technology

The 2006 budget includes a net program change of \$390,000 for enterprise IT investments for IT certification and accreditation (C&A) of legacy systems; investments in e-government; and implementation of the enterprise services network.

IT Certification and Accreditation of Legacy Systems

In 2006, the Department will continue to focus on improving IT security. The 2006 budget includes \$12.8 million DOI-wide for coordinated C&A activities, including \$2.9 million collected through the Department's working capital fund. The Bureau of Reclamation's share of this funding in 2006 includes a total of \$2.1 million, of which \$489,000 will be collected through the DOI working capital fund to support centralized activities to enhance efficiencies; reduce

overall costs; enhance the quality, consistency, and documentation supporting accreditations; and prioritize remediation activities.

In 2004, Interior strengthened its IT security program by accelerating the timeframes for completing C&A using government-wide standard processes. As of November 15, 2004, Interior had significantly improved its security posture, having certified and accredited 161 of its 165 production systems, or 98 percent. Now that a preponderance of systems are formally managed with regard to security, challenges remain to schedule and remediate weaknesses discovered through C&A, Inspector General, or annual reviews. Furthermore, once established, accreditation status must be maintained through system functional releases and infrastructure modernization. During 2005 and 2006, the Department and its bureaus are completing third party reviews of completed C&As; remediating identified risks; and establishing the necessary security program infrastructure to allow ongoing maintenance of accreditation status in an efficient and effective manner. These activities include:

- Establish or update C&A package contents including risk assessments, planned controls, and testing of controls.
- Where controls are deficient, institute new or upgraded management, operational, or technical controls
 - With adequate rigor, test controls for effectiveness
- Establish prioritized inventory of items to resolve (plan of action & milestones - POA&M) and resolve in a prioritized manner such that residual risk is acceptable for Authority To Operate.
- Establish standards, procedures, tools, and training to enable the cost effective maintenance of accreditation packages
- Improve security activities involving contracted/outsourced IT operations.

E-Government and Lines of Business

Interior is an active participant in many e-government initiatives, providing leadership, funding, and in-kind technical and staffing support. These initiatives strive to eliminate redundant systems and significantly improve the government's quality of customer service for citizens and businesses. The Department is the managing partner for two e-government projects – Recreation One-Stop and Geospatial One-Stop. Interior is serving as one of the government-wide service providers for the e-Payroll initiative and is a leader in the E-Authentication project.

Department-wide spending for E-Government activities that will benefit Reclamation (excluding fee for service payments) reflected in the 2006 President's budget follow. In addition, the Department is also implementing e-Travel in an integrated fashion with the Financial and Business Management System. Funds to support e-Travel are included in the FBMS budget under Departmental Management. The 2006 Reclamation budget includes \$281,000 to support these e-Government initiatives: Integrated Acquisition, Grants.gov, e-authentication, e-rulemaking, e-training, Business Gateway, SAFECOM, Line of Business (LOB): Financial Management, LOB: Human Resources Management, and LOB: Grants Management.

SAFECOM

The Reclamation budget includes \$45,000 for SAFECOM in 2006. Project SAFECOM is hosted by the Department of Homeland Security and addresses wireless communications. The project is the solution selected by the Administration to resolve communications inadequacies that have plagued public safety organizations for decades. These agencies are unable to share critical voice or data information via radio with other jurisdictions in day-to-day operations and emergency response to incidents, including acts of terrorism and natural disasters. The mission of SAFECOM is to serve as the umbrella program to help local, tribal, State, and Federal public safety agencies improve public safety response through more effective and efficient interoperable wireless communications.

The scope of SAFECOM includes over 44,000 local and State public safety agencies and organizations. Federal customers include over 100 agencies engaged in public safety disciplines such as law enforcement, firefighting, public health, and disaster recovery.

The following initiatives and tasks will be undertaken as part of the SAFECOM project:

- Develop a process to advance standards necessary to improve public safety communications and interoperability.
- Integrate coordinated grant guidance across all agencies providing grants for public safety communications and interoperability.
- Provide training and technical assistance for public safety communications and interoperability.
- Create a one-stop shop for public safety communications and interoperability.
- Research, develop, test, and evaluate existing and emerging technologies for improved public safety communications and interoperability.

Enterprise Services Network

Interior is deploying the Enterprise Services Network (ESN) to provide secure, state-of-the-art internet and intranet connections and a fully functional operational center for data communications that will be used by the entire Department. In addition to providing better services for many Interior offices, the system will provide a uniformly secure environment, standardized and efficient 24 hour/7 day operations, and improved technical support. The Bureau of Reclamation budget includes \$1.8 million for ESN of which \$650,000 is an estimated amount that will be redirected from legacy network systems to the ESN project. The Department is working with its bureaus to finalize the amounts that will be redirected.

In 2004, Interior began to implement Phase I of ESN, which will be completed in December 2005, with deployment of a modern, integrated network backbone that supports telecommunications within the Department. This includes access to the internet, a Department-wide intranet, and a fully operational technical support center. Phase I also transitions management of the National Park Service's (NPS) wide area network to managed services and thereby simplifies and modernizes a geographically dispersed and outdated architecture.

The return on investment for this system is high. Up-front investments, including the redirection of bureau telecommunication savings, will, in the long-term, result in reduced costs with elimination of duplicative networks, improved performance of data services with less “down time” for many offices, skilled and knowledgeable staff trained to operate standardized and centralized operations, and better support for e-government initiatives.

Phase I of ESN reduces the Department’s current 13 Wide Area Networks to one and 33 internet access points to five. For NPS, Lotus Notes maintenance sites were reduced from 253 to seven.

During 2005, the Department will also plan Phase II to expand secure connections to approximately 150 sites located primarily in large cities and approximately 1,500 hubs at other Interior locations.

ESN will also facilitate efforts to consolidate directory services, web hosting, messaging, data warehousing and other applications and systems.

Budget Guidance on Single Platform MAXIMO™ (SPM):

In Fiscal Year 2001, the Department adopted MAXIMO™ as the software system to manage facility maintenance management. MAXIMO™ has been or is being implemented in Bureau of Land Management, Bureau of Reclamation, U.S. Geological Survey, U.S. Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs (Irrigation Projects and Safety of Dams), and the National Business Center (for facility maintenance management of the Main and South Interior Buildings). By memorandum dated August 17, 2004, the Assistant Secretary – Policy, Management and Budget determined that with the pending implementation of the Financial and Business Management System (FBMS) and the need for a single interface with MAXIMO™, the Department and the bureaus should move to a single platform solution. The single platform solution will result in better control of data standards, easier analysis of Department-wide asset information, and a more efficient and effective interface with FBMS.

**Exhibit 53 Summary Table of Bureau of Reclamation Information
Technology Investments over \$200,000**

(\$ millions)

		2005 Enacted	2006 Request	Change From 2005
Bureau Major Investments				
1/	Central Valley Automated Central System (CVACS)	\$1.616	\$1.819	\$0.203
	Corporate Data Warehouse (CDW)	0.610	0.607	-0.003
1/	Grand Coulee Power Office Supervisory Control and Data Acquisition (SCADA)	0.941	0.607	-0.334
	Program and Budget System (PABS)	1.000	1.000	0.000
1/	Programmable Master Supervisory Control System - Hoover Dam (HPMSC)	0.400	0.320	-0.080
	Reclamation Electronic Document System (REDS)	2.375	1.800	-0.575
2/	Reclamation Mission Support System (RMSS)	31.714	35.725	4.011
	Subtotal - Major Investments	\$38.656	\$41.878	\$3.222
	Other Investments - Total	\$53.401	\$57.893	\$4.492
	Bureau Total IT Investment Portfolio	\$92.057	\$99.771	\$7.714

1/ Funding for these investments is from the Water and Related Resources Account.

2/ RMSS is a compilation of business information from the Denver Office, Pacific Northwest, Mid-Pacific, Lower Colorado, Upper Colorado and Great Plains regional support systems for the budget year 2006 cycle.