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BUDGET FOR FISCAL YEAR 2009 FOR THE DEPARTMENT OF THE INTERIOR

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

TO

RECEIVE TESTIMONY ON THE U.S. DEPARTMENT OF THE INTERIOR'S BUDGET FOR FISCAL YEAR 2009

FEBRUARY 13, 2008

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BUDGET FOR FISCAL YEAR 2009 FOR THE DEPARTMENT OF THE INTERIOR

WEDNESDAY, FEBRUARY 13, 2008

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 10:16 a.m. in room SD–366, Dirksen Senate Office Building, Hon. Jeff Bingaman, chairman, presiding.

OPENING STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

The CHAIRMAN. The hearing will come to order. Let me welcome everyone. We apologize for the change in time. I know that the weather has delayed some folks, and we thought we ought to provide a little more time for people to get here and get through the traffic.

Senator Domenici is on his way and advised that we could go ahead. We do have a vote a 10:30, so this is going to be another one of these disjointed efforts which the Secretary is very familiar with.

Let me go through my statement. If Senator Domenici has arrived by then, we can do his statement. Then we can hear from the Secretary and just stop when we have to for the vote for a short period.

This morning we're reviewing the President's proposed budget for the Department of the Interior. Obviously we welcome Secretary Kempthorne to the committee and look forward to hearing his statement and engaging in some discussion with him about it.

I'd like to take a minute to make a few observations about the proposed budget. At the outset, a fundamental problem with this budget is that providing adequate funding to the Department of the Interior is not a priority for the Administration, and obviously has not been. For the 2009 fiscal year, the President is requesting discretionary spending of $10.7 billion for the Department of the Interior.

By comparison, the Congress appropriated $10.66 billion 8 years ago to the Department. So, the funding has essentially been flat for the last 8 years. When adjusted to current dollars, this reflects a reduction of about 18 percent in the Department's total budget during the 2 Bush Administrations. In contrast, the Department of Commerce budget in that same period has increased over 28 percent.

Given the lack of commitment to the Department's programs and missions, it's no wonder that many of its key programs and agencies that this committee has taken an interest in are proposed for underfunding. One issue that we've raised every year, I believe, is the Land and Water Conservation Fund. As everyone here knows, the Land and Water Conservation Fund is credited with $900 million each year from Outer Continental Shelf oil and gas leasing revenues.

That fund is to be used for Federal land acquisition projects and a State grant program. Last year I complained that the Administration was proposing only $59 million for the Federal Land and Water Conservation Fund spending, and nothing for the State program. The new budget is even worse. This year's budget proposes only $51 million for the Federal Land and Water Conservation Fund, and proposes no funding for the State program.

If approved, this would be the lowest level of spending for the land and water programs in the past 40 years. I'm also disappointed that the Administration continues to propose funding cuts for the Payment in Lieu of Taxes at below last year's appropriated levels. This year's budget proposes a $34 million reduction in the PILT program. This has become an annual routine, the Administration proposing reductions in PILT funding, Congress restoring that money. It would be helpful if we had more agreement between the Congress and the Administration on the value of this program.

Let me also express my support for the significant increase in funding that is requested for the National Park Service operations. For too long, park operations have failed to keep pace with increasing needs. The proposed budget is a positive step in addressing those needs.

Last year the committee began consideration of the Administration's Centennial Challenge initiative, which I know is a priority for the Secretary. I think the significant issue that I believe still exists related to that is how we are to offset that proposed spending. I hope that the Secretary can give us some suggestions on that issue.

There are many additional issues contained in the budget that also warrant attention. I have long advocated, as many of my colleagues have, increased funding for the Oil and Gas Inspection and Enforcement Program in the Bureau of Land Management. Given the surge in oil and gas activities on Federal lands, this continues to be essential.

I am glad that the budget reflects funding for the Administration to conduct leasing activities in the newly opened areas of the Gulf of Mexico. I'm glad to see funding requested for the OCS alternative energy program at the Minerals Management Service that was authorized in the 2005 Energy bill. The Administration, as I understand it, continues to advocate for repeal of mandatory deepwater and deep gas royalty relief, which I agree is not necessary in this price environment.

I'm also concerned that the Administration's so-called proposal for net receipts, the net receipts proposal, which will hit western States hard. Under that initiative the Administration would permanently amend the law to deduct 2 percent of royalty revenues

from the States' share of royalty revenues to be used for administrative costs. In my State, in New Mexico, Senator Domenici's State, we would lose around $16 million in revenues this next year if this proposal were enacted.

I'm also concerned about the substantial cut and reduction in personnel in the geology program at the Geological Survey. I think having adequate information and research done on our mineral resources is important to the Nation.

Let me mention the BIA, although that's not in our committee's jurisdiction, it is in the Department of the Interior's jurisdiction. Last year's budget document the Administration stated, "Providing Indian children with safe and nurturing places to learn is one of Interior's highest priorities." When you look at this year's budget, funding that supports Indian education is proposed to be cut by $63 million. This includes the elimination of the Johnson O'Malley Assistance Grant Program. A $4 million cut to the elementary and secondary forward funding programs and an $11 million cut to the post-secondary education programs.

When you compare this to the fiscal year 2001 school construction budget, then it was $292 million. The proposal for 2009 is $115 million. That's about a 60-percent reduction in the last 8 years in Indian school construction, which I think is very unfortunate.

Finally, let me address the Department's budget related to water programs. The President is recommending that Federal water programs, including those at EPA, the Army Corps of Engineers, the Department of Agriculture and the Department of the Interior be cut to a level 26 percent below where they were in 2001. At the same time, the President's budget increases total discretionary spending by 23 percent above 2001 levels. That is for the Government, generally, excluding the cost of the Iraq and Afghanistan wars. So clearly, water resources are not a priority.

The Bureau of Reclamation is proposed here for a 17-percent cut. The Geological Survey for an 8-percent cut. The budget does include one positive item, Water for America. The Water for America initiative would bolster some of the Nation's water science programs. But this modest increase is far outweighed by the proposed cuts in other water related programs.

So let me just finally end by saying that overall, the budget for water resources, I think, is a major step backward and exacerbates the problem of unfunded mandates which the Secretary of course took a keen interest in when he was serving with us here in the Senate. The various Federal laws we have enacted: the Safe Drinking Water Act, the Clean Water Act, the Endangered Species Act, all continue to impose significant and increasing obligations on State and local water managers. Rather than providing an equitable level of support to meet those obligations, this proposed budget minimizes Federal assistance and effectively tells the State and local communities that it's their problem. I do not believe Congress will go along with that set of proposals. But let me stop with that and defer to Senator Domenici for his statement. Thank you.

[The prepared statements of Senators Bingaman and Martinez follow:]

PREPARED STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

This morning we are reviewing the President's proposed budget for the Department of the Interior. I'd like to welcome Secretary Kempthorne to the committee, and look forward to hearing from him in just a few minutes.

I'd like to take a minute to make a few observations about the Administration's proposed budget. At the outset, I think the fundamental problem with this budget is that providing adequate funding for the Department of the Interior is not a priority for this Administration.

For the 2009 fiscal year, the President is requesting discretionary spending of $10.7 billion for the Department of the Interior. By comparison, almost $10.66 billion was appropriated for the Department eight years ago. When adjusted to current dollars, this reflects a reduction of almost 18 percent in the Department's total budget over the tenure of the Bush Administration. In contrast, the Department of Commerce's budget has increased over 28 percent over the same period.

Given the lack of commitment to the Department's programs and mission, it is no wonder that many of its key programs and agencies continue to be underfunded.

One issue I raise almost every year is the Land and Water Conservation Fund. As everyone here knows, the Land and Water Conservation Fund is credited with $900 million each year from Outer Continental Shelf oil and gas leasing revenues. The fund is to be used for federal land acquisition projects and a state grant program. Last year I complained that the Administration was proposing only $59 million for the federal LWCF spending and nothing for the state program. The new budget is even worse—this year's budget proposes only $51 million for the Federal land LWCF program, and the state program is again proposed to receive no funding.

If approved, this would be the lowest level of spending for land and water programs in the past 40 years.

I am also disappointed that the Administration continues to propose funding for the Payment in Lieu of Taxes (PILT) program below last year's appropriated level. This year's budget proposes a $34 million reduction in the PILT program. This has become an annual routine—the Administration proposes to reduce PILT funding and the Congress restores it, but it would be helpful if the Administration was more supportive.

While I have a number of concerns with the proposed budget, I do want to express my support for the significant increase in funding for National Park Service operations. For too long, park operations have failed to keep pace with increasing needs, but the proposed budget is a positive step in addressing those needs. Last year the Committee began consideration of the Administration's Centennial Challenge initiative, and while we still have significant issues to overcome, primarily the need to identify an appropriate spending offset, I look forward to working with the Secretary on this issue over the coming year.

There are many additional issues contained in the budget that I believe warrant the committee's attention. I have long advocated for increased funding for the oil and gas inspection and enforcement program at BLM. Given the surge in oil and gas activities on federal lands, this continues to be essential. I am pleased that the budget reflects funding for the Administration to conduct leasing activities in the newly-opened areas of the Gulf of Mexico. I am also pleased to see funding in the budget for the OCS alternative energy program at MMS authorized in the Energy Policy Act of 2005. The Administration continues to advocate for repeal of mandatory deep water and deep gas royalty relief, which I agree is not necessary in this price climate. This Committee has done extensive oversight on royalty management issues, and we will continue to do so.

I am also concerned about the Administration's so-called net receipts proposal, which will hit Western States hard. Under this initiative the Administration would permanently amend the law to deduct 2 percent of royalty revenues from the states' share of royalty revenues to be used for administrative costs. New Mexico is estimated to lose nearly $16 million in revenues in fiscal year 2009 if this proposal is enacted. In addition, I am concerned about the substantial cut and reduction in personnel in the geology program at the USGS. Having adequate minerals information and research is extremely important to our Nation.

Although the Bureau of Indian Affairs is not within this Committee's jurisdiction, BIA issues are very important in New Mexico. I am disappointed to see that the President proposes to cut the BIA budget by $100 million. Over half of these cuts directly target Indian education, from the complete elimination of the Johnson O'Malley grant program, cuts to post-secondary education scholarships, and substantial reductions for Indian school construction and repair. The President also proposes to cut road maintenance funding in half, the elimination of the tribal housing improvement program, and reductions for tribal courts and detention center im-

provements. Overall, the President's budget moves us in the wrong direction to meet the substantial needs in Indian Country, and I will be working with the Appropriations Committee to reverse these reductions.

Finally, I would like to address the Department's budget for water programs. Much of my concern about the Department's overall budget not being a concern for the Administration is evidenced by the proposed budget for water resources. Accounting for inflation, the President is recommending that Federal water programs, including those at EPA, the Army Corps of Engineers, the Department of Agriculture, and the Interior Department be cut to a level 26% lower than they were in 2001. At the same time, the President's budget increases total discretionary spending by 23% above 2001 levels—not including war costs. Clearly, water resources are not a priority.

The Bureau of Reclamation's budget is proposed to be cut by $189 million (17%) and the U.S. Geological Survey would see an $18 million (8%) reduction. The budget does include one positive item—a "Water for America" initiative that would bolster some of the Nation's water science programs. However, the modest increase for this initiative is far outweighed by the magnitude of proposed cuts for other programs which undermine water recycling efforts; rural water projects; and progress in the area of water-related technology development.

The budget also ignores the growing problem of aging infrastructure at federally-owned facilities and is unclear on how to address the impacts of climate change on water.

Overall, the budget for water resources is a major step backwards and exacerbates the problem of unfunded mandates. Important Federal laws such as the Safe Drinking Water, Clean Water, and Endangered Species Acts all continue to impose significant and increasing obligations on state and local water managers. Rather than providing an equitable level of support to meet these obligations, this budget minimizes federal assistance—effectively telling state and local communities that it's their problem. I don't expect Congress to defer to the President's budget in this area.

I'd like to explore some of these issues in more detail after the Secretary's statement. However, before we hear from the Secretary, I would like to turn to Senator Domenici for his opening statement.

PREPARED STATEMENT OF HON. MEL MARTINEZ, U.S. SENATOR FROM FLORIDA

Mr. Chairman, I want to thank you for holding this important hearing today as we hear testimony from Secretary Kempthorne on the fiscal year 2009 Department of the Interior Budget.

I am very pleased the Administration included significant increases for our National Parks through the National Parks Centennial Initiative. $2.1 billion will be provided for park operations and for the next 10 years $100 million will be provided annually to match private donations to save our national jewels in the park system.

My home state of Florida has several proposals to the Centennial Initiative including the Biscayne National Park Coral Reef Rejuvenation Program and the South Florida Educational Park Partnership at Everglades National Park, Big Cypress National Preserve, and the Dry Tortugas National Park.

DOI's FY09 Budget also provides approximately $30 million in funding for Everglades restoration efforts, with $10 million to match the Army Corps of Engineers funding for the Modified Waters project to improve water flows into Everglades National Park.

This project has been delayed for far too long. It is my hope that construction can begin soon on this project in a way that will provide the most environmental benefit for the park. We've got to find a way to start bringing more water to the park and help restore the natural sheet flow into the Everglades. In addition, the Administration's total Everglades restoration budget provided no construction funding for critical projects like the Indian River Lagoon, which was authorized last year and will provide immediate benefits to the overall health of the ecosystem of south Florida. I will work with the Appropriations Committee to increase funding for Everglades restoration projects to bring the federal share more in line with the substantial commitment made by the state of Florida.

Another area of concern that I hope we can address in Congress is the funding levels for our National Wildlife Refuges (NWR). Under the Administration's FY 09 Budget, funding for our refuges is essentially flat. While law enforcement funding has increased slightly, the NWR conservation and refuge maintenance programs have been cut. We have more than 20 refuges around Florida and we have heard from various stakeholder groups that they are critically understaffed with field biologists and law enforcement personnel. It is my hope that we can address these

concerns to invest in the personnel needs of managing our natural treasures in Florida.

I thank Secretary Kempthorne for bringing us his testimony today. I and look forward to working with my colleagues on the Committee and within the Senate to ensure that the vital programs and initiatives within the Department of the Interior receive proper oversight and funding.

STATEMENT OF HON. PETE V. DOMENICI, U.S. SENATOR FROM NEW MEXICO

Senator DOMENICI. Thank you, Mr. Chairman. I thought I was late, but I just about made it on time. I'm very sorry, but the streets are still pretty icy and the alleys are pretty icy behind our houses. We took it a little slow. But thank you, Senator Bingaman.

Good morning, Mr. Secretary. It's good to be with you. I guess you know we're going to have a vote here pretty soon. So we probably are going to do all the talking until we go vote, then you'll get to get started on yours.

First, it was a pleasure working with you when you were in the Senate. I've enjoyed working with you in your capacity as the Secretary. I know that we're going to accomplish some good things in the time that we have left.

But let me begin by saying that we, as Americans, have a desperate need to reduce the Nation's dependence on foreign oil. As we press on with this research into alternatives to fossil fuels, we must acknowledge that in the near term, our energy security still rests on the vitality of domestic oil and gas supplies.

One area in which we may be able to make a great, great stride is by working to enable this country to take advantage of its tremendous reserves of oil shale. Mr. Secretary, you're in charge of that for this particular time of your life. The Department of Energy estimates that technically recoverable oil shale in the United States is roughly equivalent to three times Saudi Arabia's reserves. Now we have one of the Senators, Senator Salazar, whose State is where most of this oil resides.

In the coming weeks, I'm going to be speaking out at length about the threats we face as a Nation if we don't do something about our increasing dependence upon foreign oil. We can't wait around and let it happen in a slow manner or happen 10 years from now or 15 years from now. We have to work on some things now. So you can effect positive change in this regard, if you stand firm against those who wish to lock up our domestic resources.

I'm extremely disappointed that the fiscal year 2008 Omnibus Appropriation Act contained a 1-year moratorium on preparing and publishing the final regulations for a commercial leasing program for oil shale resources on public lands. Now I don't know whether you had anything to do with that, Mr. Secretary. I don't know whether you were even present when that change was put in the appropriations bill.

But let me tell you we studied that carefully enough before we produced the Energy Policy Act of the United States. We decided in a bipartisan, bicameral manner to proceed with it, providing that it would accommodate those who had invested large quantities of money in oil, in coal, in oil shale. Along comes an appropriations bill that acts as if we have no problem—"Let's just delay this."

I assure you that it won't pass by the appropriation process quietly this year. But I do hope that you'll be there at our side telling them that this is not the time to put a moratorium on good progress being made by Shell Oil in the State of Colorado. I've talked to others in your Department with Senator Bingaman present and we both acknowledge that we've already dealth with this issue through EPACT 2005.

We've already passed judgment on this in the Energy Policy Act and for appropriators to come along and delay it when it does have a chance in the short term, the next 10 years, to start producing some very important quantities, doesn't make sense to me. Now I'm actually kind of worked up and won't say anything further about it.

But we started these pilot centers to see if we couldn't expedite the leasing of lands for drilling. Then in this whole cycle of getting it leased and drilling started if we could expedite it. We proved that we could, about a 25-percent increase if you set up these centers and they're one-stop shops.

The purpose of all of this was to say if that works then maybe the Interior Department ought to start doing it like this all over. It wouldn't be pilots. It would be a way of taking a section of the country and say let's do it this way and it'll expedite the production.

Now there are those who don't even like that, you know, so they stick their nose in there and change that where you can't do it. I regret saying that you all have changed it. The Administration has changed that part of the law which made those pilot projects so worthy. I hope you'll look at that with us and maybe have something to say this morning about that part of your Department.

I know you have a slim budget for what you have to do. I commend you for what you are doing. I hope that we can get a reasonable appropriations bill without waiting into next year. I thank you very much. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much. Mr. Secretary, they haven't started the vote yet. If you would like to proceed we can obviously can take 6, or 8 or 10 minutes here and hear your statement or if you would like to wait and take a longer period after the vote, we can do that.

STATEMENT OF HON. DIRK KEMPTHORNE, SECRETARY, DEPARTMENT OF THE INTERIOR

Secretary KEMPTHORNE. Mr. Chairman, I'll abide by whatever you wish. I'm ready to go if you are.

The CHAIRMAN. Why don't you go right ahead?

Secretary KEMPTHORNE. Alright. Mr. Chairman, thank you very much. I appreciate the comments of the chairman and the ranking member. Those of you who I served with, those are some of the great memories I will always have of a career path that I've had. For the new members of this committee it's a pleasure, in this new position, to work with you.

I'm pleased to be here today to present a proposed 2009 budget. I'd first like to thank you for the strong bipartisan support that this committee provided in enacting our budget request with fixed costs in our 2008 budget initiatives. I appreciate your leadership.

In 2008 we chartered a course of excellence for our National Parks. We broadened our planning horizons to achieve healthy lands while securing energy for the Nation. We put the needs of the Indian country center stage. In 2009 we'll build on those commitments, but more challenges confront us, challenges that require action now.

We're proposing four new initiatives in 2009 to address water crisis, manage our oceans, reverse the dramatic decline in wild birds and protect our borders. Our 2009 budget also retains many of the increases that you provided in key areas such as refuges. Our 2009 budget of $10.7 billion benefits every American, each day, in some way.

The budget slightly exceeds our 2008 request. You'll see that our budget includes strategic reductions primarily in construction, land acquisition and congressional earmarks. It is $388 million or three and a half percent below the 2008 enacted budget.

Despite this overall decrease we propose operating increases of 4 percent over our 2008 for our land management bureaus. Strong funding of base operations supports ongoing programs in conservation, recreation and resource management on public lands. The budget will allow them to continue to serve America in continued and new ways through our 2008 and 2009 initiatives.

Last year we announced our National Park Centennial Initiative. We held listening sessions across the country. We asked Americans to tell us their vision for our parks. The public spoke and we listened. We're adding 3,000 seasonal park rangers this year to enrich visitor experiences. That stops a 10-year decline.

Our 2009 request for park operations is historic. We're requesting an increase of $161 million or 8 percent. Together with 2008 funding these 2-year increases total $283 million or 14 percent. With these increases the total park operating budget is $2.1 billion.

Our initiative also proposes the National Parks Centennial Challenge which would fund $100 million in mandatory funding to match philanthropic contributions to enhance our National Parks in time for the 100th anniversary of the park system in the year 2016. I'm particularly appreciative, Mr. Chairman, that you and Senator Akaka sponsored the Administration's proposed National Park Centennial Challenge Fund Act. We've received 321 written letters of financial commitment from Americans across the country pledging $301 million of their money for centennial projects.

Once Congress approves the Centennial Challenge Matching Fund legislation those pledges and the matching Federal funds will be available to benefit parks all around the country: large parks, small parks, parks in between. We have the goals and we have the projects. I look forward to continuing to work with you on the Centennial Matching Fund legislation.

Interior's responsibilities extend beyond parks to 250 million acres of public lands in the West. Lands key to communities and economies of the West. In some of these areas world class wildlife habitat sits atop world class energy reserves. We must maintain healthy lands, sustain wildlife and secure energy for the Nation.

Our Healthy Lands Initiative launched in 2008 provides that holistic framework. It allows us to maintain wildlife corridors while providing continued access to significant energy resources. Our

2009 budget proposes a $14 million or 200-percent increase over the 2008 funding level.

Last year we also launched two initiatives in Indian country. One to battle the drug cartels invading reservations and the other to bring hope to Indian youth by improving their schools. Both of these initiatives received overwhelming support in Congress. Under the Safe Indian Communities Initiative we proposed an additional $16 million last year to battle the scourge of methamphetamine that threatens an entire generation of Native Americans.

Congress supported our proposal and added an additional $8 million to this initiative. The bipartisan message is clear. We must put these peddlers of poison off the reservation and into prisons. In 2009 we sustain the full $24 million in funding increases provided in 2008 and we propose to add $3 million more for the initiative for a total of $27 million.

Under the Improving Indian Education Initiative we proposed increases of $15 million to help Native American children reach their full potential. Congress endorsed our vision for Indian education, funding our request and investing another $9 million bringing our initiative total to $24 million in 2008. In 2009 we uphold our promise to Indian children. We sustain the 2008 funding and provide another $2 million, investing a total of over $25 million.

The issues of safety and education go beyond the budget. They're at the very heart of the future of Indian country. We must act now to ensure that the dreams of today's youth will become the realities of tomorrow.

As I mentioned earlier we also have four new initiatives in our budget, initiatives that address some of the most critical issues facing this Nation. Last year, the National Sciences and Technology Council reported and I quote, "abundant supplies of clean, fresh water can no longer be taken for granted." Water scarcity is not just a problem of the West. It is a problem of the Nation.

America increasingly faces water scarcities particularly in areas of rapid population growth. We're seeing prolonged droughts and water conflicts in areas such as the Southeast where people are used to having unlimited water. We are proposing a Water for America initiative to ensure that communities have reliable water supplies this 21st century. Under this initiative we will partner with states to conduct the first water census of this Nation in 30 years.

Our second new initiative advances our knowledge of oceans in particular ocean eco-systems. Under our Oceans Initiative we're proposing an additional $8 million to support the President's Ocean Action Plan. Our Ocean Initiative will broaden our knowledge, will undertake extensive mapping of our extended outer continental shelf.

Coastlines and deep water are littered with marine debris ranging from soda cans and small plastic objects to derelict fishing gear and abandoned vessels. We're losing coastal wetlands that protect us from major storms and purify water and serve as nurseries for marine fisheries. Through our Ocean Initiative we will join with partners worldwide to embark on a global marine debris and coral reef campaign.

Together we have another task before us, reversing the decline in bird populations across America. Our initiative addresses the sharp decline of many populations of wild birds. On average populations of common birds have plummeted 70 percent since 1967. We had $9 million in 2009 for our Birds Forever Initiative to help us reverse these trends.

Our budget sustains $36 million in refuge increases funded in the 2008 budget. We will improve our 200,000 acres of vital stop over habitat for migratory birds. That's the equivalent of over 150,000 football fields. We're also proposing the first increase in the sale price of the duck stamp in over 15 years. This increase will result in protections of an additional 17,000 acres of habitat.

Our final new initiative addresses another issue in the Nation's headlines—an issue that I raised with you last year and have witnessed first hand. That is border security. The Department of the Interior manages public lands along more than 40 percent of our Southwestern border. Our employees, residents and visitors face daily dangers. In many locations families can no longer live or recreate without fear of coming across drug smugglers.

As urban borders become more secure, illegal activity is shifting to remote areas. Drug cartels run violent drug smuggling operations across the border as evidenced by the nearly 3,000 pounds of cocaine and 740,000 pounds of marijuana seized in 2007. We're proposing an $8 million increase in the 2009 budget to aggressively confront this problem, combined with increased funding in 2008 will place additional officers along the border.

Another critical issue facing this Nation is energy security. With the price of oil rising ever higher it is imperative that we continue to offer access to our energy resources. Our new 5-year plan for off shore energy development provides access to an additional 48 million acres off shore.

The Minerals Management Service will invest over $8million in preparations for new leasing activity as identified in the 5-year plan. The lease sale in the Chukchi Sea last week generated $2.66 billion in bonus bids, a historic level for Alaska. We'll also help broaden the Nation's energy mix by providing opportunities for investment in renewable energy on public lands and off shore.

As a Federal agency that touches the lives of each and every American we work best when we work together. We look forward to working with you as we advance the goals of this Department and this wonderful opportunity to serve our fellow citizens. Thank you, Mr. Chairman.

[The prepared statement of Secretary Kempthorne follows:]

PREPARED STATEMENT OF HON. DIRK KEMPTHORNE, SECRETARY, DEPARTMENT OF THE INTERIOR

Mr. Chairman and members of this Committee, it is a pleasure to appear before this Committee today to discuss the President's 2009 budget for the Department of the Interior and to update you on our progress in implementing our 2008 programs. Before I get into the details of our 2009 budget, I'd like to thank you for the support you've given me over the past two years.

The Department of the Interior's mission is complex and multifaceted. Our programs and mission stretch from the North Pole to the South Pole and across twelve time zones, from the Caribbean to the Pacific Rim. Our extensive mandate rivals any government agency in its breadth and diversity—and its importance to the ev-

eryday lives of Americans. In a recent poll of Federal agencies, the Department of the Interior received the highest rating for its public service.

Nearly every American lives within a one-hour drive of lands or waters managed by the Interior Department. With 165,000 facilities at 2,400 locations, Interior is second only to the Department of Defense in managed assets. The Department's law enforcement agents, over 4,000, comprise the third largest civilian law enforcement presence in the Federal government.

Approximately 31 million people in the West rely on drinking water provided through water systems managed by the Department. Interior irrigation systems deliver water to farmers who generate over half of the Nation's produce.

The lands and waters we manage generate one-third of the Nation's domestic energy production. Managing these areas, Interior generates $18 billion annually in revenues that exceeds Interior's $10.7 billion appropriated budget.

Interior fulfills special responsibilities to Native Americans as the manager of one of the largest land trusts in the world—over ten million acres owned by individual Indians and 46 million acres held in trust for Indian Tribes. In addition to lands managed in trust, the Department manages over $3.3 billion of funds held in over 1,800 trust accounts for approximately 250 Indian Tribes and over 370,000 open Individual Indian Money accounts. Interior also operates one of only two school systems in the Federal government, the Bureau of Indian Education school system. The Department of Defense operates the other. A total of $65.5 billion in revenues from offshore and onshore mineral leases collected from 2001 to 2007 provided resources for Tribes, States infrastructure and other Federal programs.

OVERVIEW OF THE 2009 BUDGET

The 2009 budget request for current appropriations is $10.7 billion, $388.5 million or 3.5 percent below the level enacted by Congress for 2008, excluding fire supplemental funding, but $59.0 million above the amount requested in the 2008 President's budget. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional $6.0 billion, for a total 2009 Interior budget of $16.7 billion. Including permanent funding and excluding 2008 fire supplemental funding, the 2009 budget for Interior is slightly above 2008 amounts.

The 2009 request includes $9.8 billion for programs funded within the Interior, Environment and Related Agencies Appropriation Act. Excluding fire supplemental funding, this is a decrease of $198.9 million, or 2 percent, below the level enacted for 2008. The 2009 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is $961.3 million, $189.6 million below the level enacted for 2008.

The 2009 budget sustains and enhances funding for parks and public land health, the safety of Indian communities, and Indian education. The 2009 budget funds these initiatives and addresses other nationally significant issues within a budget that maintains the President's commitment to fiscal restraint. We focus funding on these priorities while proposing reductions in construction and land acquisition, as well as programs that are duplicative or receive funding from alternative sources. We also propose to cancel some unobligated balances.

In 2009, Interior will continue an exemplary record of producing revenue for the U.S. Treasury. The estimate for revenue collections by the Department in 2009 is $18.2 billion, an amount that exceeds Interior's current budget request. In 2008, the estimated collection of revenue is $18.2 billion, along with $2.2 billion in royalty oil that will be provided to the Department of Energy for the Strategic Petroleum Reserve. Our estimates do not fully reflect the increased value of the bidding on the February 6 Chukchi Sea lease sale, which generated unexpectedly high bids of more than $2.6 billion. The sale was the most successful in Alaska's history based on the number of bids received and tracts receiving bids.

The 2009 budget assumes the enactment of several legislative proposals, many of which were presented in the 2008 President's budget, including legislation that would open the 1002 area of the Arctic National Wildlife Refuge to exploration, and the National Park Centennial Challenge Fund Act. The 2009 budget also assumes enactment of legislation that would authorize an increase in the price of the Federal Duck Stamp to $25. I will discuss the details of these proposals later in the testimony.

THE CHALLENGES AHEAD

Interior's responsibilities are expanding as the Nation looks to its public lands for energy, water, wildlife protection, and recreation. Since 2001, the Nation has created 13 new parks and 15 wildlife refuges. Population has grown dramatically near

once-rural or remote public lands, increasing access to public lands and complicating land management. In the last ten years, 60 percent of the new houses built in America were located in the wildland-urban interface. Changing land conditions, including the effects of a changing climate, have heightened threats from fire and other natural hazards, complicating land management.

The Department is improving program efficiency, setting priorities, and leveraging Federal funds through partnerships and cooperative conservation to meet these challenges. Interior's accomplishments have been many and varied, with noteworthy advances in management excellence.

Interior has made progress on all dimensions of the President's management agenda—a result achieved despite decades-long challenges in Indian trust management, a highly decentralized organization structure, and a highly dispersed workforce. In 2001, Interior had 17 material weaknesses reported in the annual financial and performance audit. With the annual audit just completed for 2007, we have eliminated all material weaknesses. Despite these successes, as public lands become increasingly important to the economy, national security, and the public, continued success will require a strategic focus of resources to address emerging challenges, achieve key priorities, and maintain current levels of success.

INTERIOR'S ACCOMPLISHMENTS

The Department's accomplishments exemplify Interior's core values: Stewardship for America with Integrity and Excellence. Our achievements, in combination with an outstanding workforce, create a strong foundation for continued stewardship of the Nation's resources. Since 2001, the Department has:

- Restored or enhanced more than 5 million acres and 5,000 stream and shoreline miles through cooperative conservation.
- Restored, improved, and protected wetlands to help achieve the President's goal to protect, enhance, and restore 3 million acres by 2009.
- Improved park facilities for visitors by undertaking over 6,600 projects at national parks and earning a 96 percent satisfaction rate from park visitors.
- Reduced risks to communities from the threat of catastrophic fire, conducting over 8 million acres of fuels treatments on Interior lands through the Healthy Forests Initiative.
- Enhanced energy security by more than doubling the processing of applications for permits to drill and increased the production of renewable energy with new wind, solar, and geothermal projects.
- Awarded $9.8 million to 140 Preserve America projects involving public-private partnerships that serve as nationwide models for heritage tourism, historic preservation, education, and other Federal programs.
- Leveraged a four-to-one investment through a water conservation challenge grant program, generating more than $96 million for 122 water delivery system improvements and conserving over 400,000 acre-feet of water to help meet the water needs of people across the West.
- Completed planned lease sales and generated a new five-year plan for 2007-2012 that opens up an additional 48 million acres to leasing and has the potential to produce ten billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough to heat 47 million homes for 40 years. The October 2007 Central Gulf of Mexico OCS lease sale generated $2.9 billion, $1.6 billion more than originally estimated.
- Removed the American bald eagle from the endangered species list and put in place a set of management guidelines to secure the future of our Nation's symbol.
- Advanced protection of the Papahänaumokuäkea Marine National Monument in Hawaii, the largest marine protected area in the world, with the publication of regulations codifying management measures.
- Hosted over 464 million visitors to parks, refuges, public lands, and Bureau of Reclamation sites and increased the number of fishing programs on refuges by 24 and the number of hunting programs on refuges by 34.
- Established a new Recreation Reservation Service, a unified pass to public lands, and clarified entrance and recreation fees, in coordination with other agencies.
- Distributed over $79 million to individual Indian money account holders whose whereabouts were previously unknown and archived 400 million pages of trust documents in a state-of-the-art facility.

Our 2009 budget continues investments the Congress provided in 2008 for our top priorities. We continue our Centennial Initiative with record funding levels for park

operations. We propose to augment funding for our landscape-scale Healthy Lands Initiative to protect wildlife and assure access to energy resources on public lands. We propose to sustain funding increases in 2008 to combat the methamphetamine scourge in Indian country and improve education programs for students in Indian schools.

Fulfilling the President's commitment to cooperative conservation, since 2001, the Department has provided $2.5 billion in conservation grants to achieve on-the-ground protection, restoration, and enhancement of lands and waters with partners. This commitment continues with $321.7 million requested in 2009 for challenge cost share and partnership programs that leverage Federal funding, typically more than doubling the Federal investments with matching funds.

We also propose four new initiatives. We request an increase of $21.3 million for the Water for America initiative that will enhance knowledge of water resources and improve the capacity of water managers to avert crises caused by water supply issues and better manage water resources to assist in endangered species recovery. We will advance efforts to improve the status of birds, including migratory birds, and avert further declines in bird populations with an increase of $9.0 million for a Birds Forever initiative. The budget continues the $35.9 million refuge funding increase provided by the Congress in 2008, which will restore 200,000 acres of bird habitat. The 2009 budget seeks an increase of $7.9 million to collect data that is needed to define U.S. jurisdiction of the extended continental shelf under the Law of the Sea, protect wildlife and habitat in ocean environments from marine debris, and conduct high priority research to support coastal restoration. Lastly, the 2009 budget includes $8.2 million to increase the protection of employees, visitors, lands and resources that are increasingly at risk from illegal activities at parks, refuges, public lands, and Indian lands along the border with Mexico.

THE NATIONAL PARKS CENTENNIAL

Last May, we responded to the President's charge to prepare for the National Park Service's 100th anniversary. Our report to the President on the National Parks Centennial initiative encompassed the ideas and input from 40 listening sessions and 6,000 public comments. The report frames the ten-year effort to strengthen visitor services and other programs in parks in time for the National Parks Centennial. On August 23, 2007, we announced more than 200 centennial proposals eligible as potential partnership projects in national parks as part of the National Parks Centennial Challenge.

The Centennial Initiative proposes $3 billion in new funds for the National Park Service over the next ten years. Included in the Centennial Initiative is the "Centennial Challenge"—the challenge to individuals, foundations, and businesses to contribute at least $100 million annually to support signature programs and projects. Each year, donations would be matched by up to $100 million of Federal funding from the National Park Centennial Challenge Fund, the mandatory spending fund that would be established under S. 1253.

When I appeared before this Committee last year, I was asked why I thought we could raise more philanthropic donations than we typically had been—around $27 million annually. We have received 321 written letters of commitment from Americans across the country pledging $301 million dollars of their money for Centennial projects. I am particularly appreciative, Mr. Chairman, that you and Senator Akaka sponsored the Administration's proposed National Park Centennial Challenge Fund Act. Once Congress approves the Centennial Challenge Matching Fund legislation, those pledges and the matching Federal funds will be available to benefit parks all around the country—large parks, small parks and parks in between. We have the goals, we have the projects.

What is needed now is for Democrats and Republicans in Congress to pass the National Park Centennial Challenge Fund Act. National Parks are not a Republican issue. They are not a Democrat issue. They are an American issue. Once this legislation is passed, it will be my responsibility to ensure that every philanthropic and public dollar is well spent.

I greatly appreciate the support Congress has already shown for the Centennial Initiative. The FY 2008 Interior appropriations bill contains the $122 million in additional operations funding, which our parks will use to hire 3,000 seasonal national park rangers, guides, and maintenance workers; repair buildings; enroll more children in Junior Ranger and Web Ranger programs at the parks; and expand the use of volunteers in parks. In addition, the 2008 appropriation included $24.6 million in discretionary funding to match private philanthropic contributions for signature projects and programs, so that we can pilot the concept while the Congress works on passage of the Centennial Challenge authority.

I look forward to continuing our collaborative relationship with the Congress as we pursue this and our other priorities and address emerging challenges of water scarcity, ocean management, declining bird populations, and borderland security.

In 2009, our budget continues the President's commitment to the parks with a historic $2.1 billion budget request for the Operation of National Parks. This increase of $160.9 million, or 8 percent above the 2008 enacted level would provide the largest budget ever for park operations. Cumulatively over two years, park operations increase by 15 percent. This funding will allow the parks to preserve our Nation's natural and cultural heritage, improve the condition of parks and park facilities, and prepare a new generation of leaders to guide NPS into the 21st century. The budget also supports the President's proposed Centennial Challenge matching fund of up to $100 million annually.

The 2009 budget will continue to build park operational capacity, including increases for core operations, facility management, U.S. Park Police operations, and youth partnership programs. The increase will improve the health of natural and cultural resources and continue to bring park assets into good condition using a predictive maintenance cycle. We will also develop a 21st century workforce with enhanced organizational capacity and employee development through a professional development program, performance management tools, and an expanded safety program. I am committed to addressing management issues raised in a recent report of our Inspector General on the U.S. Park Police.

Complementing park operations, the 2009 budget includes a combined $25.0 million for Preserve America and Save America's Treasures. Launched in 2003 by the President and First Lady, the Preserve America initiative encourages States and local communities to partner with the Federal government to preserve the multi-textured fabric of America's story. The Administration has submitted legislation to the Congress to permanently authorize the Preserve America and Save America's Treasures programs. To date, 585 communities in all 50 States and the U.S. Virgin Islands have been designated as Preserve America communities.

Through $9.8 million appropriated to the National Park Service through 2007, the program has supported 140 projects in communities throughout America. The 2008 appropriation will support an additional 95 projects. The 2009 budget request includes $10.0 million for Preserve America grants, an increase of $2.6 million over the 2008 enacted level. The budget also provides $15.0 million for Save America's Treasures grants, $4.0 million more for competitive grants than what was appropriated in 2008.

HEALTHY LANDS INITIATIVE

In 2007, the Department initiated the Healthy Lands Initiative—a major, long-term effort to improve the health of public and private lands in the West. Through the Healthy Lands Initiative, Interior agencies are working with State and local governments, private landowners and other interested groups to conserve and restore vital habitat. This Initiative will preserve our public lands for recreation, hunting and fishing, and for their significant habitat for species, while helping to secure energy for this Nation. The Healthy Lands Initiative takes, for the first time, a landscape-scale approach to restoration and land-use planning. The Initiative considers the health of the land at a landscape scale instead of acre by acre.

Using $3.0 million in 2007 as a model for our Healthy Lands Initiative, BLM funded improvements to 72,000 acres of BLM land. The investments improved wildlife habitat conditions on 45,896 acres of shrubs, grass and woodland; reduced woody fuels and improved the composition of herbaceous vegetation on 18,377 acres outside the wildland urban interface and 4,986 acres within the interface; and improved 580 acres of wetlands. BLM leverage this funding with partner investments to treat additional acres within the same critical watersheds on non-BLM lands.

With Congress's support for the initiative, in 2008 we will be expanding these efforts to $7.9 million and improving the health of Western landscapes impacted by drought, wildfire, weed invasions, and stresses associated with population growth and increased development and use of the public lands. The Healthy Lands Initiative will restore and maintain habitat for many species such as the sage grouse, a species almost entirely dependent on sagebrush ecosystems. Some 72 percent of sage grouse habitat is under Federal management. The current range of the greater sage grouse has declined an estimated 45 percent from the historically occupied range, prompting recent petitions to list the species under the Endangered Species Act. The Initiative will also focus on protecting wildlife corridors as we take a holistic perspective in our land use planning process for energy development and recreation.

The 2009 budget provides $21.9 million for the Healthy Lands Initiative, an increase of $14.0 million over the 2008 enacted level, including an increase of $10.0

million that BLM will deploy to accelerate and increase efforts at the original six geographic focus areas; expand one of the focus areas; and add a seventh focus area in California. The Initiative includes increases of $3.5 million for USGS and $492,000 for FWS to provide critical scientific support and complement BLM's on-the-ground conservation and restoration efforts.

SAFE INDIAN COMMUNITIES

Despite the fact that the Bureau of Indian Affairs falls under the jurisdiction of the Senate Committee on Indian Affairs, the programs of the BIA are of interest to many Senators on this Committee. In 2008, Interior proposed the Safe Indian Communities initiative to help Indian Country resist organized crime and foreign drug cartels. These cartels have taken advantage of the widely dispersed law enforcement presence on tribal lands to produce and distribute drugs, resulting in a violent crime rate in some communities that is ten to 20 times the national average.

The 2008 enacted appropriation provided increases totaling $23.6 million for the Safe Indian Communities initiative to increase our capacity to combat this growing epidemic. In 2009, we sustain this funding and request an additional $2.9 million, for a total Safe Indian Communities initiative of $26.6 million. With a cumulative investment of $50.2 million over two years, Interior will assist Tribes to suppress the production and distribution of methamphetamine by organized crime and drug cartels, address related effects including drug abuse, child neglect and abuse, and increase staffing at detention centers.

In 2009, Interior will provide: 1) additional officers for law enforcement; 2) specialized drug training for existing officers; 3) public awareness campaigns for the Indian public; 4) additional resources to protect tribal lands located on the United States border; and 5) additional social workers. Combined, the 2008 and 2009 funding increases will put 193 additional law enforcement agents on the ground in targeted communities in Indian Country and invest in more training for the current force to more effectively combat the problem. The BIA will also expand the use of a mobile meth lab to train tribal police and others about methamphetamine labs, environmental and personal safety hazards, and interdiction and investigation strategies. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current staffing levels.

IMPROVING INDIAN EDUCATION

In 2008, Interior proposed the $15.0 million Improving Indian Education initiative to enhance student performance in Bureau of Indian Education schools. As one of just two Federal school systems, the BIE system of 184 schools should be a model of excellence and achievement of the goals of the No Child Left Behind Act. Student performance, however, has lagged. In 2006, just 30 percent of Indian schools were achieving their annual progress goals. Through this initiative, the Department is implementing a set of education program enhancements to increase the number of schools reaching adequate yearly progress goals to 33 percent by 2009. Though we still have much work to do, our assessment for 2007 shows 31 percent of schools now achieving Annual Yearly Progress.

The 2008 appropriation provided an increase of $24.1 million over the 2007 level for programs to improve student achievement. Our 2009 budget continues the increased funding Congress provided for these programs and adds another $1.4 million over 2008 for certain activities for a total of $25.5 million. This request includes $5.2 million for Education Program Enhancements to restructure schools under the No Child Left Behind Act and for reading programs, tutoring, mentoring, and intensive math and science initiatives. In 2008, Congress provided $12.1 million for these enhancements. With the 2008 boost in funding and the continued $5.2 million in 2009, BIE will focus on improved student achievement. The budget also includes a $6.3 million increase in funds allocated to all schools to improve per student funding. Funding allocated by formula is the primary source of funding for BIE's 170 elementary and secondary schools and 14 dormitories. This funding directly supports all schools for core costs of operating education programs such as salaries for teachers, aides, administrators, and support staff; supplies; and classroom materials.

The 2009 budget increases funding for four new initiatives: Water for America, Birds Forever, Ocean and Coastal Frontiers, and Safe Borderlands.

WATER FOR AMERICA

In 2007, the National Science and Technology Council reported that "abundant supplies of clean, fresh water can no longer be taken for granted." The Council of State Governments echoed this concern, concluding that "water, which used to be

considered a ubiquitous resource, is now scarce in some parts of the country and not just in the West . . . The water wars have spread to the Midwest, East, and South, as well."

Competition for water is increasing because of rapid population growth and growing environmental and energy needs. These water needs are escalating at a time of chronic drought and changes in water availability resulting from a changing climate.

In 2009, our budget includes an increase of $21.3 million for a Water for America initiative to help communities secure reliable water supplies through information, technologies, and partnerships. This collaborative effort, which involves the Bureau of Reclamation and the U.S. Geological Survey, will help address the water needs of the nation.

Knowing how much water is available—and how much we consume—lies at the foundation of good water management. Yet this Nation has not completed a water census in over three decades. Our Water for America initiative will fill this void. The U.S. Geological Survey request includes an additional $8.2 million to begin funding the first water census in 30 years. USGS will begin a nationwide assessment of water availability, water quality, and human and environmental water use. The census, planned for completion by 2019, will generate information to assist others in managing water in a context of competing demands. The census will provide a national groundwater information system, new technology that integrates surface and groundwater information, and better measurements that result in better management of water resources.

For more than 100 years, USGS has collected, managed and disseminated data on stream behavior. The USGS operates its streamgaging network of 7,000 gages in cooperation with State, local, municipal, and tribal partners. The 2009 budget will modernize 350 gages and re-establish 50 gages discontinued in the past two decades to improve capability to ensure a consistent, historical record of streamflow.

The Bureau of Reclamation will recast its water conservation programs and will merge Water 2025 and the Water Conservation Field Services program to stimulate water conservation and improved water management through an integrated approach that addresses urban, rural, and agricultural uses of water throughout the West. Through the use of West-wide criteria to competitively award grants, this new water conservation challenge grant program will stretch water supplies through water conservation, technology, reuse and recycling, and new or improved infrastructure development. This program will leverage $15.0 million in Federal dollars with State and local funds. We will also protect endangered species and their habitats while protecting water for traditional purposes with an increase of $8.9 million. Funding will be used to acquire water to increase flows in the Platte River; improve tributary habitats for spawning on the Columbia and Snake Rivers; restore habitats on the Yakima River basin, the Middle Rio Grande River, and the Klamath basin, and improve endangered species conditions in the California Bay-Delta.

The Bureau of Reclamation's 2009 budget request of $919.3 million is offset by $48.3 million in funds from the Central Valley Project Restoration Fund Offset. This request supports Reclamation's mission of managing, developing, and protecting water and related resources in an environmentally and economically sound manner in the interest of the American people. The budget emphasizes reliable water delivery and power generation by requesting more than $396 million to fund operation, maintenance, and rehabilitation activities at Reclamation facilities.

To address important infrastructure funding needs, the budget includes an increase of $15.5 million for the Bureau of Reclamation's Safety of Dams program. This will allow the Bureau to address correction actions at Folsom Dam and other high priority projects.

Reclamation is currently developing programmatic criteria for a Rural Water Program as required under the Reclamation Rural Water Supply Act of 2006. Reclamation expects to begin appraisal level studies in 2009. The 2009 budget includes $39.0 million for two ongoing authorized rural water projects: $24 million supports the Administration's commitment to complete construction of ongoing rural water projects including ongoing municipal, rural and industrial systems for the Pick Sloan-Missouri Basin Program—Garrison Diversion Unit in North Dakota and the Mni Wiconi Project in South Dakota. The first priority for funding rural water projects is the required operations and maintenance component, which is $15.0 million for 2009. For the construction component, Reclamation allocated funding based on objective criteria that gave priority to projects nearest to completion and projects that serve tribal needs.

The $50.0 million budget for Animas-La Plata funds the completion of major project components including the Ridges Basin Dam, Durango Pumping Plant, and

Ridges Basin Inlet Conduit; enables the Bureau to begin filling Lake Nighthorse; and begins construction of the Navajo Nation Municipal Pipeline.

The Bureau will complete removal of the Savage Rapids Dam in 2009. The budget includes $22.7 million for the Middle Rio Grande project to continue to focus on the protection and recovery of the silvery minnow and southwestern willow flycatcher.

The budget request for CALFED is $32.0 million, continuing implementation of priority activities that will resolve water conflicts in the Bay-Delta of California. Funds will be used for the environmental water account, storage feasibility studies, conveyance feasibility studies, science, implementation of projects to improve water quality, and overall program administration.

BIRDS FOREVER

In June 2007, the National Audubon Society issued a report, Common Birds in Decline, based on analysis of the Society's Christmas bird counts and breeding bird surveys performed by the U.S. Geological Survey. The report indicated significant declines occurring in 20 common species. On average, populations of common birds have plummeted 70 percent since 1967.

As manager of one-fifth of the nation's lands, Interior, working with this Nation's citizens, can help reverse these declines. Since 2004, Interior has improved the status of five migratory bird species. Current efforts focus on ensuring that more than 62 percent of the nation's migratory bird species thrive at sustainable levels. I understand that the U.S. Fish and Wildlife Service (FWS) and the Migratory Bird Treaty Act are subject to the jurisdiction of the Committee on the Environment and Public Works. However, I would like to briefly focus on the FWS budget and our Birds Forever initiative.

On October 20, 2007, the President announced a new effort to conserve migratory birds. This effort included cooperative conservation with Mexico to protect birds that know no border, expanded migratory bird joint ventures, and production of a State of the Birds report. The Department's Birds Forever initiative builds upon the President's initiative.

Our budget sustains the FWS refuge budget increase of $35.9 million provided by the Congress in 2008. Conserving migratory birds is a primary goal of the Refuge System and the increased funding in 2008 will support migratory bird conservation and habitat protection. More than 200,000 acres of habitat will be improved, some of which will directly benefit migratory birds.

Our 2009 budget also proposes to improve the status of wild birds, including migratory birds, and avert further declines in populations with $9.0 million in increased funding for FWS joint venture partnerships, inventory and monitoring, and habitat restoration programs and the U.S. Geological Survey's strategic habitat conservation and monitoring efforts such as the breeding bird survey. These funds, together with refuge increases, will help reverse the decline in bird populations by focusing on species of greatest concern and leveraging Federal investments through partnerships.

The initiative targets 36 species that are part of the FWS Focal Species Strategy. By emphasizing these priority species, benefits will accrue to other species as well because they often have similar conservation needs and utilize the same habitats. Employing this strategy, FWS and USGS will improve understanding of these species, restore habitat, and monitor species status and trends. Through collaborative projects with States and others, these efforts will lead to improved protection of habitats that are important to these bird species. Interior will complete action plans for 30 focal species and coordinate them with State Wildlife Action Plans.

Interior collaborative efforts with nonprofit organizations, State, and Federal programs through Joint Ventures will set conservation priorities and increase investments through extensive leveraging. Interior will focus on Joint Ventures along the coasts and central flyways including the Atlantic Coast, Texas and Gulf Coast, and Prairie Potholes and Playas. Working in coordination with these programs through the Birds initiative, States will be able to leverage their funds against federal grant program dollars to target multi-state bird conservation priorities. The Fish and Wildlife Service has signed Urban Bird Treaties with cities such as New Orleans and Houston to preserve bird habitat in urban environments. With five treaties in place, FWS will sign up more cities and promote partnerships that will conserve parks and tree islands for bird habitat and engage the citizens in conservation activities.

OCEAN AND COASTAL FRONTIERS

Healthy and productive oceans, coasts, and Great Lakes waters are vital to America's prosperity and well-being. The President's U.S. Ocean Action Plan sets forth

a pioneering vision for ocean management premised on regional partnerships, State leadership, and Federal coordination.

Interior has extensive ocean and coastal responsibilities, managing 35,000 miles of coastline, 177 island and coastal refuges, 74 park units comprising 34 million acres, 92 million acres of coral reef ecosystems that include 3.5 million acres of coral reefs, and 1.8 billion underwater acres of Outer Continental Shelf lands. Interior also assists the U.S. Territories and Freely Associated States in the management of 3.6 million square miles of oceans in the U.S. Territories and Freely Associated States. The Department also conducts the science needed to guide better decision-making in managing these resources.

The 2009 budget request includes $7.9 million to support the Department's diverse ocean, coastal, and Great Lakes program activities and to implement the highest priorities of the U.S. Ocean Action Plan. Included is an increase of $4.0 million for mapping the extended continental shelf to assure that the United States defines the boundaries for these areas potentially rich in energy and mineral resources.

Our budget also funds partnerships to reverse the trend of marine debris accumulating in waters and coasts of Midway Atoll National Wildlife Refuge and conserve coral reefs and improve ocean science at the Palmyra Atoll National Wildlife Refuge. Marine debris kills marine life, interferes with navigation safety, negatively impacts shipping and coastal industries, and poses a threat to human health.

SAFE BORDERLANDS INITIATIVE

The Department's land management bureaus manage lands along 793 miles, or 41 percent, of the southwest border. This includes seven national wildlife refuges, six national parks, lands managed by the Bureau of Reclamation along 12 miles of the border, and public lands managed by the Bureau of Land Management along 191 miles of the border. In addition, five Indian reservations are on the international boundary with Mexico.

These remote, once pristine landscapes are home to many unique plants and wildlife, some of which are endangered species. However, the situation along our international border with Mexico has changed. In some locations, our employees, residents, or visitors are facing significant risks from illegal activities and portions of the public lands are closed to visitors. Employees who live on site and residents of Indian communities contend with the potential threat of vandalism, theft, and confrontation with illegal activities. Wildlife populations and their habitats and cultural resources are affected and damaged by these activities.

Increased border enforcement in urban areas has resulted in a shift in the flow of illegal drugs and unauthorized people to rural areas and the lands managed by the Interior Department. The number of illegal aliens crossing public lands has increased 11-fold since 2001. Narcotic traffickers, smugglers, and other criminals, who operate extensively near the border, impact public lands and resources.

There has been loss to human life. National Park Service Ranger Kris Eggle was shot and killed in 2002 at Organ Pipe Cactus National Monument by a drug runner. At San Bernardino National Wildlife Refuge, drug smugglers threatened an officer and his family at his home if he didn't return a load of marijuana seized earlier in the day. These are not isolated incidents. Interior employees are concerned that they are under constant surveillance by drug smugglers who establish observation posts on our lands and are equipped with assault weapons, encrypted radios, night vision optics, and other sophisticated equipment. Employees cannot go to some areas of some of the parks, refuges, and other public lands without an escort. The impacts to lands and resources are extensive, including abandoned vehicles and personal property, roads and trails through sensitive areas, and elevated threats to at-risk species.

The Department is requesting an $8.2 million increase for our Safe Borderlands initiative to enhance safety of public land visitors, residents, and employees and reduce the impacts affecting Interior-managed lands along the southwest border. The Safe Borderlands initiative targets resources toward multiple bureaus and high-priority areas. The Department will coordinate border efforts among the land management bureaus and the Bureau of Indian Affairs, deploying additional law enforcement personnel into five high-priority areas with the highest safety risks. We propose to focus on Interior borderland responsibilities, including public lands management and visitor and employee safety.

We also propose to mitigate environmental damage along the southwest border. Trails and illegal roads made by smugglers are destroying cactus and other sensitive vegetation impacting the ecological health of many of the national parks, wildlife refuges, national monuments and conservation areas Interior manages. Projects include restoration of Arivaca Creek in the Buenos Aires National Wildlife Refuge;

repairing and maintaining roads and trails on BLM lands; improving signage for visitors; assisting with environmental compliance for border infrastructure projects; removing tons of abandoned personal property such as vehicles from bureau and tribal lands; and closing abandoned mine lands on BLM lands in New Mexico and California where illegal aliens hide.

SUPPORTING THE DEPARTMENT'S MISSION

The 2009 budget aligns resources to achieve these and other high-priority goals guided by the Department's integrated strategic plan. The Department's strategic plan links the Department's diverse activities into four common mission areas: Resource Protection, Resource Use, Recreation, and Serving Communities. A fifth area, Management Excellence, provides the framework for improved business practices, processes, and tools and a highly skilled and trained workforce.

Key to attaining these strategic goals is our 2009 request for fixed costs. Pay and benefits for the Department's 70,000 employees are a significant cost component of Interior's core programs, comprising 51 percent of operating budgets. The proportion of Interior's budget committed to personnel costs places it among the top three Federal agencies. This workforce composition largely reflects the need to maintain staff at the geographically dispersed locations that serve the public including 391 parks, 548 refuges, and 71 fish hatcheries.

Interior's programs by their very nature require staff. Interior continues to utilize the services of over 200,000 volunteers and extensive seasonal employees. However, the workforce capacity of the Department's programs is an essential ingredient for the uninterrupted delivery of programs and services to the American public.

The 2009 budget includes $142.5 million to keep apace with most increased costs in pay and benefits and other fixed costs. The pay and benefits component is $128.6 million, including a 3.5 percent 2008 pay raise, a 2.9 percent 2009 pay raise, and a 3.0 percent increase in health benefits. A total of $22.5 million in pay and health benefits costs is absorbed. There is a reduction of $16.9 million for one less pay day in 2009. The request fully funds nondiscretionary bills from others, including space rental costs and associated security charges; workers compensation and unemployment compensation; and centralized administrative and business systems, services, and programs financed through the Working Capital Fund.

OTHER BUDGET PRIORITIES

In addition to the initiatives already highlighted, the 2009 budget includes funding for programs key to achieving the Department's goals and objectives.

Cooperative Conservation Programs.—Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation that benefit America's national parks, wildlife refuges, and other public lands. The 2009 budget includes $321.7 million for the Department's cooperative conservation programs, $10.4 million more than the 2008 enacted level. These programs leverage Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative conservation to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

Challenge cost share programs in FWS, NPS and the Bureau of Land Management are funded at $18.1 million. These cost share programs provide resources to land managers to work with adjacent communities, landowners, and other citizens to achieve common goals through conservation and restoration of wetlands, uplands, riparian areas and other projects.

The 2009 cooperative conservation budget incorporates the Department's $21.9 million Healthy Lands initiative. Building on the $7.9 million enacted in 2008 for Healthy Lands, the 2009 budget increases resources for this multi-agency initiative to enlist States, local and tribal governments, industry and non-government entities to restore habitat on a landscape scale.

The 2009 budget for FWS cooperative conservation programs proposes $14.9 million for the Migratory Bird Joint Ventures program, including an increase of $4.0 million to focus on improving the status of focal species of birds as part of the Migratory Bird initiative. The 2009 budget also includes $13.2 million for the Coastal program, $48.0 million for the Partners for Fish and Wildlife program, $4.9 million for the Fish Passage program, and $5.2 million for the National Fish Habitat Action Plan.

The 2009 request for cooperative conservation programs includes $195.9 million for FWS grant programs, an increase of $1.9 million. This includes $42.6 million for the North American Wetlands Conservation Fund, an increase of $666,000 above the 2008 enacted level. The 2009 budget for the Cooperative Endangered Species

Conservation Fund is $75.5 million (including $80.0 million in new budget authority reduced by a cancellation of $4.5 million in unobligated balances). This request is an increase of $1.7 million above the 2008 level. The 2009 budget includes $4.0 million for the Neotropical Migratory Bird program, a reduction of $470,000 from the 2008 level, and $73.8 million for the State and Tribal Wildlife Grant program, sustaining the 2008 funding level.

Enhancing Energy Security.—The Interior Department helps to meet the Nation's energy needs and ensure energy security. Roughly one-third of the energy produced in the United States each year comes from Federal lands and waters managed by Interior. Interior's 2009 budget enhances energy security with a program that seeks to increase production while achieving important environmental protections, attaining energy conservation goals, and expanding the use of new technologies and renewable energy sources. The 2009 budget provides $528.1 million for energy-related programs, an increase of $15.1 million over the 2008 enacted level.

The BLM will continue to support implementation of Section 349 of the Energy Policy Act to address the environmental risks posed by legacy orphaned wells. The 2009 request includes an increase of $11.2 million for the remediation of the Atigaru site on the Alaska North Slope. In addition, BLM will increase its capacity for conducting oil and gas inspections in 2009.

In 2009, as in 2008, legislation is proposed to repeal the permit processing fund and the prohibition on charging cost recovery fees for processing applications for permits to drill. Estimated cost recovery collections for Applications for Permit to Drill are $34.0 million in 2009, an increase of $13 million from the 2008 proposed level. The 2009 budget relies on permanent legislation to allow cost recovery for APDs, rather than the $4,000 APD fee included in the 2008 Consolidated Appropriations Act.

In 2009, MMS will apply $8.5 million to increase environmental studies, resource assessments, and leasing consultations in areas of new leasing activity in Alaska and the Gulf of Mexico as identified in the 2007-2012 Five Year Plan. These lease sales could produce as much as 10 billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough energy to heat 47 million homes for 40 years. With an additional $1.0 million, MMS will implement its alternative energy responsibilities by funding environmental work and permitting for offshore alternative energy projects. This increase builds on the increased funding level provided in 2008 for alternative energy and provides a total funding level of $6.6 million.

The MMS will also use a $1.1 million increase to improve its information technology system to keep pace with industry's use of geoscientific analysis of resources and ensure that lease bids meet their fair market value; provide $2.0 million for improvements to mineral revenue compliance operations; and apply $1.7 million to implementing automated interest billing, allowing MMS to streamline and expedite interest invoicing, enhance internal controls, reduce manual intervention, allow the closure of audit cases sooner, and redirect staffing to other high-priority projects.

Climate Change.—With lands that range from the Arctic to the Everglades, Interior's managers are observing the sometimes dramatic effects of a changing climate, including melting permafrost and melting glaciers, apparent long-term changes in precipitation patterns, dust storms, and sea level rise. In this dynamic context, Interior managers need the information, tools and resources to understand on-the-ground landscape changes and develop strategies to adapt to these changes. As one of the largest land managers in the world, Interior is positioned to pioneer adaptive management approaches to address the effects of climate change.

Interior's science agency, the U.S. Geological Survey, has been an active participant in the Federal Global Climate Change Science project. In 2008, the Congress provided an increase of $7.4 million to expand high-priority research and establish a National Global Warming and Wildlife Science Center.

Work has begun to examine the most pressing issues faced by land managers, including the impacts of melting permafrost on energy and other infrastructure, modeling of watersheds to better manage timing and delivery of water by taking into account changing precipitation patterns, and investigation of the potential for geologic formations to sequester carbon. Interior has also undertaken habitat restoration to promote carbon sequestration and has pioneered use of alternative energy and energy conservation in its facilities and transportation systems. Approximately 18 percent of Interior's facility electricity comes from alternative energy technologies, a ratio six times greater than required for the Nation in the Energy Policy Act.

The 2009 budget for the U.S. Geological Survey continues its climate change program of $31.4 million, sustaining $5.0 million of the increases enacted in 2008 by the Congress. The 2009 budget will focus on priority climate change needs to fill

critical information gaps. The 2009 budget and the Department's climate change management priorities will benefit from the results of the Secretary's Task Force on Climate Change. The three subcommittees that comprise the task force will guide Interior's comprehensive approach to the study and modeling of the impacts of climate change on lands, waters, and wildlife, as well as guide adaptive management programs for the Department's land managers.

Indian Trust.—From 1996 through 2008, the Department will have invested $4.4 billion in the management, reform, and improvement of Indian trust programs. These investments have allowed Interior to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management. The 2009 budget proposes $482.3 million for Indian trust programs. This amount includes a net program increase of $2.9 million over the 2008 enacted budget. The 2009 Unified Trust Budget reflects savings from the completion of certain trust reform tasks as well as new investments in probate services.

The 2009 budget of $482.3 million for Indian trust programs includes $181.6 million in the Office of the Special Trustee and $300.7 in the Bureau of Indian Affairs. The budget for Office of the Special Trustee includes $125.2 million for operation of trust programs, an increase of $1.2 million above the 2008 level. The 2009 budget proposal includes $56.4 million to support the Office of Historical Trust Accounting. The Office of Historical Trust Accounting, which is included in the Unified Trust Budget, plans, organizes, directs, and executes the historical accounting of 365,000 Individual Indian Money and Tribal Trust accounts. The OHTA expects to allocate approximately $40 million to historical accounting for individual Indian accounts, with the balance used for tribal trust accounting.

The remainder of the funding supports work on tribal trust cases, for a total of $16.4 million. At present, there are 102 tribal trust lawsuits, including a class action case seeking certification of a class of over 250 Tribes. The workload associated with these cases includes tribal reconciliation reports, document production, data validation, litigation support, analyses of mismanagement claims, historical accountings, and settlement negotiations.

The 2009 BIA budget provides $300.7 million to meet the requirements outlined in the Fiduciary Trust model and continue trust reform initiatives, including a funding increase of $10.6 million that will address a number of priorities activities including the probate backlog.

The 2009 budget also includes an increase $2.6 million for BIA and OST to meet the ongoing demand for probate services, while continuing to reduce the excess probate caseload. This funding increase will also support the Office of Hearings and Appeals and their role in resolving probate cases.

The 2009 budget reduces funding by $9.8 million and eliminates the Indian Land Consolidation program. Although the program is terminated in 2009 the Department will explore other options for addressing the critical issue of fractionation.

Financial and Business Management System.—The Financial and Business Management System, an enterprise-level, integrated, administrative management system, is replacing the Interior Department's existing legacy systems. When fully implemented, the project will support the business requirements of all Interior bureaus and offices including core accounting, acquisition, personal property and fleet, travel, real property, financial assistance, budget formulation, and enterprise management information.

In 2006, the Minerals Management Service and the Office of Surface Mining were successfully migrated to the Financial and Business Management System. These bureaus are now conducting financial and accounting operations on this new system. In 2007, the acquisition module was deployed to MMS and OSM. In 2008, the Department anticipates that it will deploy core financial, acquisition, property, and grants components of FBMS to BLM. The 2009 budget request of $73.4 million includes an increase of $33.3 million for additional deployments that will eventually allow the Department to retire duplicative legacy systems currently in operation, including 27 acquisition systems, 16 finance systems, 43 vendor databases, and 107 property management systems.

Payments in Lieu of Taxes.—PILT payments are made to local governments in lieu of tax payments on Federal lands within their boundaries and to supplement other Federal land receipts shared with local governments. The 2009 budget proposes $195.0 million for these payments, an increase of $5.0 million over the 2008 President's budget.

LEGISLATIVE PROPOSALS

The 2009 budget is accompanied by legislative proposals that will affect receipt or spending levels in 2009 or in future years. These proposals will be transmitted to the Congress for consideration by this Committee and other authorizing committees of jurisdiction.

Many of these legislative changes were presented in the 2008 President's budget, including proposals for: full payment of bonuses on all new coal leases at the time of lease sale, modification of the Federal Land Transaction Facilitation Act, net receipts sharing for energy minerals, discontinuation of the mandatory appropriation from the BLM Range Improvement Fund, reallocation of the repayment of capital costs for the Pick-Sloan Missouri Basin program, and authorization for the San Joaquin River Restoration settlement.

The budget also assumes the enactment of legislative proposals to repeal provisions of the Energy Policy Act related to permit processing, geothermal revenues and geothermal payments to counties, and ultra-deepwater research. The budget assumes enactment of legislation that would open the 1002 area of the Arctic National Wildlife Refuge to exploration with lease sales to begin in 2010, generating estimated bonus bids of $7 billion in 2010 and future streams of revenue from royalty collection once production commences.

The 2009 budget assumes enactment of legislation to provide a new, dedicated source of funding for the Centennial Challenge providing up to $100.0 million per year for ten years of mandatory funding to match contributions for projects and programs that will fulfill the commitment to prepare parks for their next century.

The 2009 budget also assumes enactment of legislation to authorize an increase in the price of the Federal duck stamp. The price of the stamp has remained at $15.00 since 1991. At the same time, the price of land has increased significantly in the past 17 years. The Duck Stamp fee increases will generate more revenues to support the acquisition of fee title and easement areas that would provide 17,000 additional acres of important breeding, migration resting, and wintering areas for birds.

The 2009 budget proposes to cancel $5.0 million from multiple accounts, as the balances have remained unused for some time. The budget proposes to cancel $24.7 million of balances in the Naval Oil Shale Reserve Account that are excess to the estimated remediation costs and to cancel $4.5 million in the Cooperative Endangered Species Fund for uncommitted funding that was recovered from funds surplus to project needs.

The 2009 budget proposes $34.0 million in increased cost recovery fees for the Bureau of Land Management oil and gas program and estimates an increase of $11.0 million in offsetting collections from rental receipts and cost recovery fees by the Minerals Management Service's OCS program.

CONCLUSION

Our 2009 budget will—in its entirety—make a dramatic difference for the American people. We will continue efforts to improve our national parks, protect our wildlife and its habitat, and make investments in Indian Country for safe communities and Indian education. In addition, we will help communities address water supply needs, conserve wild birds and ocean resources, improve the safety of public lands along the border for employees and visitors, and continue to address other ongoing mission priorities. We look forward to working with this Committee to enact the National Park Centennial Challenge Fund Act and the other legislative proposals needed to meet these challenges this year. This concludes my overview of the 2009 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

The CHAIRMAN. Thank you very much. I gather the vote has been delayed a few more minutes so let me start with some questions and then defer to Senator Domenici.

One of the issues that both Senator Domenici and I have been focused on is a project that you are very familiar with called the Navajo-Gallup Project out in our State.

Senator DOMENICI. Which one was that?

The CHAIRMAN. The Navajo-Gallup Project. Mr. Secretary, your efforts in issuing the project's draft EIS is much appreciated. But there's more that we need to do.

The State of New Mexico and the Navajo Nation and the city of Gallup have invested at least 25 million dollars toward water delivery systems that will reduce the cost of the project and ensure the delivery of project water to Navajo and non-Navajo citizens. Unfortunately both last year's and this year's budget contain no money to finish the environmental impact statement and to ensure that reclamation is working with the project participants to account for current investments, both which have the potential to save the Federal Government a great deal. Will you be able to reallocate funding in 2008 to complete the Navajo-Gallup environmental impact statement and to finalize the feasibility studies and maximize the cost savings to the Federal Government?

Secretary KEMPTHORNE. Mr. Chairman.

The CHAIRMAN. Yes.

Secretary KEMPTHORNE. Last year I indicated to both you and Senator Domenici that we would actively work on this project and other Indian water rights issues within the State of New Mexico. We have been doing so. My water team has been in New Mexico on five different occasions and we've had extensive conversations with members of your staff and State government as well as the tribal government.

You are correct. At this point we lack $260,000 to complete the EIS. So that is an area that we do flag. We realize that that is a great concern to New Mexico and to you two gentlemen. So it's something we would like to work with you so that we can complete that EIS.

The CHAIRMAN. Let me ask about off road vehicle use. The Forest Service has mandated that all National Forests need to revise their off highway vehicle policies to allow off road vehicles only on those routes and areas that are designated for off road use. Will the BLM adopt a similar policy by requiring all BLM districts to revise their policies to deal with this issue as well?

Secretary KEMPTHORNE. Mr. Chairman, I can't tell you that there is a current directive for them to revisit that. I will tell you that the vast majority of our BLM is multiple use taking into account the variety of utilizations including recreation that the public enjoys. So we'll communicate with U.S. Forest Service and we'll look at what their suggestions are and then see what application that might happen at BLM. But again, our BLM properties are multiple use.

The CHAIRMAN. I think that the Forest Service lands are generally multiple use too. But I think they have found that some additional regulation in this area is appropriate. Some restrictions in this area are appropriate. I think it is something that would be useful to look at.

With regard to hard rock mining reclamation, the State of New Mexico has a great many abandoned hard rock mines. In an estimated 15,000 of those are openings that are connected or resulted from hard rock mining. I think this is true throughout the West.

Senator Domenici and I are working on legislation that will relate to this, but the Office of Surface Mining recently came out with an interpretation of the Surface Mining Act Amendments of 2006 that limits the ability of the State of New Mexico and other western States to use a portion of their coal abandoned mine land

funds for hard rock reclamation. This is something we need to try to fix by legislation. Would you be able to support legislation to correct this problem?

Secretary KEMPTHORNE. Mr. Chairman, I'm aware of the issue. I'm aware that a portion of those funds are directed for coal specific activity. I would be certainly willing to have discussions with you and see what proposals and if we can't find a path forward with regard to that.

The CHAIRMAN. Right. Senator Domenici, go ahead.

Senator DOMENICI. I'm not sure that you are aware of this. If not, just tell me. You'll find out. But New Mexico had emergency drought wells, water wells, as a result of funding appropriated in 2007. The USBR began construction of several water wells for communities in New Mexico. When do you anticipate these wells will be completed, and is there enough funding to benefit more communities in addition to the funding necessary for those for their completion? Are you aware of this?

Secretary KEMPTHORNE. Senator Domenici, I'm not.

Senator DOMENICI. Right.

Secretary KEMPTHORNE. But I will look into that and I will get back to you with a response.

[The information referred to follows:]

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: Enclosed are responses prepared by the Department of the Interior and its bureaus to questions submitted by the Committee following the February 13, 2008, hearing on the fiscal year 2009 Budget Request. We apologize for the delay.

During the hearing, Senator Domenici asked Secretary Kempthorne a question relating to the construction of emergency drought wells in New Mexico, including when we anticipated completion of the construction and whether funding was available to benefit more communities. At that time, Secretary Kempthorne committed to providing Senator Domenici with a response, and I am happy to include information received from the Bureau of Reclamation in this letter.

According to Reclamation, it has allocated $12 million to the Drought Program and funded a total of 42 projects under this authority. Ten of the projects are in New Mexico and 2 are on the Navajo Nation, with $4.5 in total funding allocated to these specific projects. The New Mexico/Navajo Nation projects are expected to be completed in fall 2008. On March 31, 2008, Reclamation entered into an interagency agreement with the Indian Health Service (IHS) transferring responsibility for the construction of four of the New Mexico wells to the IHS. Reclamation has also entered into contracts with other entities for the design of the six remaining wells, and construction is anticipated to begin this summer.

Construction of the first of 2 Navajo Nation wells began last month, with the second to begin this month. Of the $12 million originally allocated, approximately $520,000 remains available for new projects. Together with funding appropriated in fiscal year 2008 and other funding carried over, a total of approximately $1.7 million remains available for emergency drought assistance this fiscal year.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

JANE M. LYDER,
Legislative Counsel.

Senator DOMENICI. Alright. Let me talk about oil shale for a minute. I do intend to get together with the Senator from the State of Colorado and talk a little more about this issue. But I'm extremely disappointed by a 1-year moratorium in the fiscal year 2008 Omnibus Appropriations Act which makes funds unavailable to publish final regulations for commercial oil shale.

Mr. Secretary, has the Administration been able to continue the work on oil shale regulations despite this provision?

Secretary KEMPTHORNE. Mr. Chairman, we have. Or excuse me, Senator Domenici, we have. As you noted we do have pilot projects: five that are in Colorado, one that is in Utah.

Senator DOMENICI. This is oil shale I'm talking about.

Secretary KEMPTHORNE. Yes, I believe we have the pilot projects on oil shale.

Senator DOMENICI. Excuse me.

Secretary KEMPTHORNE. With regard to the moratorium that does not allow us to proceed to a final regulation. We fully understand that and we are complying. I will tell you that we are proceeding however, with the draft programmatic EIS with regard to oil shale that will allow public comment to be taken.

I believe that we are allowed to proceed on draft regulations. But we just are precluded from a final. So we will respect that. I did submit a letter that was in opposition to the moratorium, but I respect the moratorium. I believe we're in compliance with the spirit of it.

Senator DOMENICI. Right. So you're on the side of those who passed the Energy Policy Act and said that we should proceed. That was a bipartisan deal. You are attempting to enforce the provisions of that law with your letter that you just described. Is that correct?

Secretary KEMPTHORNE. That is correct, Senator Domenici. We do believe and that's why we have the pilot projects that the oil shale, we need to determine what is the technology that can utilize to bring that resource. But again we do follow the law and the law currently does not allow us to go forward with that final regulation.

Senator DOMENICI. Mr. Chairman, I have about 8 or 10 more questions. I'm going to submit them. You can proceed as you see fit.

The CHAIRMAN. Ok.

Senator Salazar.

Senator SALAZAR. Thank you very much, Chairman Bingaman and Senator Domenici. Secretary Kempthorne, thank you for your distinguished service to our country. I appreciate your work.

Secretary KEMPTHORNE. Thank you very much.

Senator SALAZAR. No one has spent a lot of time on commercial oil shale leasing with my colleague, Senator Domenici. But I will just say this that 80 percent of the oil shale reserves are located in the State of Colorado. I work very hard in a bipartisan basis on this committee to help pass the 2005 Energy Policy Act.

In my view what is happening is we're still moving forward with doing all the research and development that has to take place for us to see whether or not oil shale can be commercially developed. But a delay in the finalization of the regulations for commercial oil shale leasing, it seems to me, is driven from a common sense point of view of the research and development that is currently taking place. It is an issue which I would hope to be able to discuss further with Senator Domenici.

Because I do think that one of the things I've often said to my colleague is that this committee has worked so hard to pull to-

gether some very significant pieces of energy legislation since 2005. He had the list here in a committee hearing that we had last week.

I'm a proud member of this committee and the many achievements that we've had for the last 3 years. Had it not been for the two Senators from the land of enchantment leading us in this bipartisan effort, we would not have those achievements. So, the oil shale issue, you know, Senator Domenici, you and I can talk about and see how we can deal with it.

Let me just ask a couple questions that I wanted to ask with respect to the budget. The first has to do with what is a disruption of what has been a traditional sharing of the Federal leasing revenues between the Federal Government and State government. Last year also, the Administration proposed changing that formula to, I believe, a 52–48 share. I think that I have heard that maybe it's a 51–49 share. But that has continued on through this year.

I'm proud to say that we have a bipartisan effort to try to get that formula back to its traditional 50–50 split. That legislation is sponsored by Senator Barrasso, Senator Enzi, Senator Tester, Senator Bingaman and others. I would hope that as we move forward that we can have your support as a Western understanding Secretary of the Interior about the importance of that 50–50 traditional split.

Secretary KEMPTHORNE. Mr. Chairman, Senator Salazar, I do understand your point of view. I'm sure that if I were in my previous position as Governor of Idaho I would thoroughly understand it. I will note for the record that this program was in place up until the year 2000. Then it was discontinued.

In 2008 the appropriators did reinsert it. In 2009 we do have it in the budget. It is a 49–51 split. It is to cover the administrative cost, so.

Senator SALAZAR. Ok. We will be back on that. I'm sure that you will be hearing both from Republican and Democratic Senators who will be supporting the legislation that we have.

I want to quickly shift over to an issue that's also a budgetary issue relating to the Naval Oil Shale Reserve in Colorado and Anvil Points. From that legislation, a trust fund was set up in which the provisions under the law did not allow the money from that trust fund to be dispersed until clean up of Anvil Points occurred. It was certified by your Department.

You sent us a letter a couple of weeks ago and talked to both Senator Allard and myself about how you were moving forward with that. In the President's budget, $24.7 million of the money that's set forth in that trust fund essentially has been taken to fund the activities of the Federal Government. In my view, Secretary Kempthorne, that is a theft on the part of the Federal Government of money that should have been distributed under a different kind of formula, the 50–50 formula between the State of Colorado and the Federal Government. So I would hope that you would be able to help us as we move forward to try to correct what I think is an injustice to the State of Colorado.

Secretary KEMPTHORNE. Senator Salazar, as we have read the law and the interpretation of that transfer act, the key point is certification. We have not yet been able to certify. The reason I was able to send you sir, and Senator Allard, the letter is based in large

part because on December 23, Governor Ritter of Colorado gave agreement to our plan for the clean up of Anvil Point.

We believe that by June we can define the full scope of this that our engineers are working with the State of Colorado and that we can determine what is the cost of that. The certification, once that occurs, which again I believe can be June 1, then the State is entitled to receive future revenue into that account. At no point does the law allow us to take what has currently accumulated and distribute to the State.

It is only at the point of certification of future revenue. The revenue source is, on a monthly basis, anywhere from one to $2 million. So there will be a new revenue stream for the State of Colorado once the certification occurs.

Senator SALAZAR. My time is up, but I will only say, Secretary Kempthorne, that the money that has been accumulated in that trust fund essentially is coming from the bonus payments and the lease royalty revenues that would otherwise have been distributed both to the State and Federal Government. So for the calculations that you just went through which would end up taking this money and putting it into the Federal treasury is an abandonment of the traditional rules we've had under the Mineral Leasing Act with respect to how we distribute those moneys. So that's another one of those issues of contention that we have in our State.

Mr. Chairman, I have a whole host of other questions, but hopefully we'll have a chance to get through them. If not, I'll submit them for the record for a response.

Secretary KEMPTHORNE. Mr. Chairman, may I just say.

The CHAIRMAN. Yes, go right ahead.

Secretary KEMPTHORNE. Senator Salazar, I do understand your point of view. Again, I hope you understand our point of view that this is the interpretation of the law that we believe is in fact the law. So if it is subject to any further discussion we'd be happy to have it. But that's our interpretation.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thank you very much, Mr. Chairman, and I'd like to follow up on Senator Salazar's first question, Mr. Secretary, about the Administration's proposal to deduct this 2 percent from the State share of Federal mineral revenues. It says it's for administrative expenses.

I will tell you, Mr. Secretary, I've been all around the State of Wyoming, and the people of Wyoming find this offensive. They find it unacceptable. I could ask questions about this for the whole 5 minutes. I may, and then maybe if we have a second round of questions, go into some other things.

About 20 States were affected. It's $45 million. I look at this and ask what analysis was used by the Administration to determine this level of administrative deduction?

Secretary KEMPTHORNE. Senator, again I would go back to the history of this issue where up until the year 2000 it was an administrative charge that was assessed. It was stopped. In 2008 it was an item that the appropriators did include in the budget. In 2009, it therefore continues.

Senator BARRASSO. We're going to try and reverse that, Mr. Secretary. It's my understanding that my staff has already asked your

Department what it truly costs to administer the Federal mineral royalty collection and auditing for Wyoming. I don't know if you have a figure on that. Right now, the impact on the people of Wyoming is about $21 million. It is difficult for us to believe that that truly is what it costs the administration to do the kind of administrative work it's talking about.

Secretary KEMPTHORNE. Senator, I'm sorry I do not have a number for you.

Senator BARRASSO. When we take a look at this amount of money and we look at what our State does in terms of collecting information, auditing, all the mineral severance taxes from all the lands, well beyond that of just Federal lands in Wyoming, we do it in Wyoming for about a fifth—a fourth of that cost, about $5 million. We look at this and say if Washington is really interested in efficiency perhaps, then the people of Wyoming ought to do all the collection of all the money.

We could save a lot of money. Then give this back to you, your 50 percent and save money for both the people of Wyoming and the Federal Government. I don't know if either Department considered that alternative of having the folks of Wyoming do our own auditing and it will save money in the long run.

Secretary KEMPTHORNE. Senator, we'd be happy to have a discussion with them. I believe we're going to.

Senator BARRASSO. If I could turn to another topic, Mr. Chairman. That would be the issue of Sylvan Pass which is the area between Yellowstone, that you're very familiar with and the folks in Cody, Wyoming, where this is a big issue, in Park County. The record of decision was signed in 2007 by the National Park Service. It provides for winter use in Yellowstone and Grand Teton National Parks.

The decision included several policies that are controversial in Wyoming, not the least of which is access to the Park through Sylvan Pass at that East entrance. I understand that a group of local citizens and the Park Service have had meetings to discuss future management of the pass. I also understand that there is a June 1, 2008, deadline to finalize an agreement.

Is the Park prepared to make meaningful changes to the decision in order to meet the mission in the pamphlet that you brought to my office? I'm talking about the first piece of legislation that established Yellowstone Park that said it is there for the enjoyment of the people.

Secretary KEMPTHORNE. Right. Senator, I appreciate the question. The citizens of that community have been very helpful. The Park Service has been having very good discussions and dialog. We're very mindful of the desire for that pass to remain open. That's a key access point.

We're also mindful of a safety issue with regard to avalanche. I believe what ultimately is going to be resolved is that as long as safety is maintained and we do not have an avalanche warning situation that we can continue to have access through that pass.

Senator BARRASSO. Thank you very much, Mr. Secretary. I look at this from a health standpoint, and I know safety is always an issue. In the 35 years that this has been going on there with the pass there has not been any, sort of, loss of life. Although in the

park, loss of life happens every year. This past year there have been several heart attacks, motor vehicle accidents. These have not occurred near Sylvan Pass or because of winter use, but at other places in the park.

Secretary KEMPTHORNE. Yes.

Senator BARRASSO. Mr. Chairman, with your permission if there's going to be another round of questions I may wait to start the second set until that time.

The CHAIRMAN. That will be fine.

Senator Craig.

Senator CRAIG. Thank you very much, Mr. Chairman. Mr. Secretary, it's great to have you back before the committee.

I've been sitting listening to an interesting dialog going on here and your reaction to it: a moratorium on final rules on oil shale, a cut in royalties to the States, and the balancing act that has to go on for the continued development of our natural resources. While States want it done in an environmentally sound way, they also want to be rewarded for the impact that occurs. There is some balance in the mind of a citizen of the State of Wyoming or Colorado or Idaho that they're being compensated for those complications that might occur as a result of development of resources on public lands.

I think it is phenomenally counter productive that in a rather arbitrary way, from a financial standpoint that these kinds of things occur. It seems to be off balance if there is no reward for the gains that are made for the national public to the State public. How can we justify development? Now that's a limited logic, but it is a logic that exists in our States.

I'm going to transform you now as Governor of Idaho, once upon a time ago, to Lemhi County and to Idaho County and suggest a $33.9 million cut in PILT in counties that are tremendously strapped for resource, really is unacceptable. We can't live with that. I'm glad the chairman is a champion of PILT. I've worked with him and want to continue to work with him on it.

I'd ask you to take a trip to Fort McMurray, Alberta, Canada where one of the world's renaissance in oil tar sands development is going on. Now the molecular make up of tar sand verses shale and all of that, it's not apples to oranges. It's more like oranges to nectarines. They're both citruses, if you will.

But Alberta led some years ago and they allowed their companies to lead at a time that was unprofitable to do so into an area of profitability today. They're verging on two million barrels of what's called bitumen a day produced up there. They're doing it in a—it's not an in situ concept of the kind that Shell is attempting to deal with the oil shale. It's more of a leaching process, but it involves heat underground. The environmental impact appears to be limited.

My point is this, a billion dollars a day is going off shore of this country to buy oil. Senator Domenici suggests that that is a drain of money that will make us an increasingly poor Nation. As I told you as you entered this new position as Secretary of the Interior, you would be, in part, in play with the largest oil reserves in our Nation and some of the largest in the world. I'm amazed that we can't perform in the responsible way that Alberta is performing

today in developing those resources and making ourselves less limited.

Now having said all of that let me go to the outer continental. You've given an explanation for the Department's efforts there as it relates to your concerns and our concerns about the health of the oceans. In the outer continental I see your budget is proposing a USGS study in inventory of the OCS. Does that inventory include seismic activity for the purpose of determining potential reserves, subsurface or subfloor?

Secretary KEMPTHORNE. Senator, it does not. It would be the mapping that we do not currently have.

Senator CRAIG. But it would—one of the things we don't currently have are modern, current evaluations of reserves based on current technology uses. Most of our reserve evaluations are decades old. But this would not include that.

Secretary KEMPTHORNE. It would not include it. It would be a natural follow on.

Senator CRAIG. Ok. Last question at least for this round. Idaho went through its worst fire season in history. Big burn in Idaho, two million acres, a quarter of that which burned in the Nation. I see some shifts going on here. Your budget moves the wild land fire account of BLM to the Office of the Secretary because fire management is handled in the local bureaus in the Department. I understand that.

I mentioned the importance of this recently when I just held a fire summit out in Idaho with local, State, Federal and BLM was there. They're a big player, as you know. In fact one of the biggest BLM burns in history occurred in the Murphy complex last year, mostly in Idaho, partly in the Jar Bridge in Nevada.

Talk to us about what you see this doing. The kind of work that you, I would hope, are doing cooperatively with the U.S. Forest Service. Both in part, Interior and Forest Service budgets, call for huge cuts in very important areas which would seem to leave holes in the Agency's combined preparedness as we go into what, if historic trends exist, would be another historic fire season.

Secretary KEMPTHORNE. Senator, first I'd like to say with that extraordinary fire season the heroes are the men and women, those firefighters, that were out there in the line. I know that you have traveled to the front line. I know you've seen it. The absolute peril that these courageous men and women put themselves into to protect lives and property and resources is incredible. They deserve our great appreciation.

Senator CRAIG. Without question.

Secretary KEMPTHORNE. I also had a meeting with fire managers via teleconference last week. We're seeing the nature of fires changing. We're seeing a fire season that begins earlier and lasts longer. We're seeing a fuel load that continues to build. We're seeing trees that are stressed because of the scarcity of water.

We have made an emphasis on the initial attack. Rather than letting fires to get out of hand and to the point that you simply cannot turn them. We now have policy of the initial attack with 97-percent success on that initial attack.

We also share resources with local units of government which often are first responders. In the past it has been the sharing of

both training and equipment, now it is more in the training and in that partnership that exists with State and local.

Senator CRAIG. Can I interrupt you there to say if your policy becomes initial attack and the Forest Service is this and BLM enforcers of this lands abut each other. Are you not in conflict?

Secretary KEMPTHORNE. No. We have the same policy.

Senator CRAIG. Oh, well, it wasn't practiced in Idaho last year on initial attack in many fires. It was done based on the ability to contain, the cost involved. Some fires, not BLM, Forest Service, some fires were allowed to burn. I think you ought to look at that in relation to this cooperative effort because my reaction and I think most Idahoans would suggest it's not in sync.

Secretary KEMPTHORNE. We will have that discussion. As you know the National Interagency Fire Center in Boise, Idaho is the combined efforts of U.S. Forest Service, BLM, Interior.

Senator CRAIG. Yes.

Secretary KEMPTHORNE. But Interior's and BLM is that we attack the fire.

Senator CRAIG. Yes, it is that.

Secretary KEMPTHORNE. I went down to the Murphy Complex. I met with the ranchers down there who suffered terrible devastation of their land, but we also had a fire crew. We asked the captain of that crew what did you experience. What were your orders? Did you attack? After he explained all that they had done, he received a standing ovation from those ranchers.

So, the other thing, Senator, that is very much part of this budget and U.S. Forest Service is the hazardous fuels reduction. It is critical. I would also add that the Wild Land Urban Interface. It is estimated today that 60 percent of new homes are now being built in a Wild Land Urban Interface. Without acknowledgement of that, we're in trouble. We're now directing that much of the hazardous fuels reductions are toward those Wild Land Urban Interfaces.

Again the Angora fire that was in the Lake Tahoe area, you could fly over that and you could see lines where you had had fuels reduction and how it helped the firefighters. Too, I would just note the high school in that community was just five trees deep from being lost, but it wasn't lost because ironically a vast majority of those firefighters had at some time graduated from that high school and they weren't going to lose it. So again it shows you the tremendous courage of these firefighters.

The CHAIRMAN. Why don't we see if Senator Murkowski can get her 5 minutes in on this first round before we rush to this vote? Go right ahead.

Senator MURKOWSKI. Thank you. I appreciate it and thank you, Mr. Secretary for being here this morning. I just received the Alaska Lands Transfer Acceleration Act report this morning. It was delivered to my office just as I was on my way here. So if I haven't been as attentive to your comments, it's because I've been reviewing the report.

We had expected it a couple of months ago and we've had a little bit of an opportunity to find out where we are with it. My questions to you, at least on this first round, relates to where we are with

the Land Transfer Acceleration, which is a huge priority in the State of Alaska.

We've talked a little bit about the budget. You've indicated that even though I guess it's a net reduction of $2.9 million, that in your opinion, that's not bad because it could have been a heck of a lot worse. From our opinion it's a heck of a lot worse because we're not going to be making the goals that we set out when we passed this Act several years ago.

Looking at the report, the paragraph that concerns me probably the most states here that the principle obstacle to completion of the land transfer is the massive amount of surveys still needed for issuance of final patents. We knew that this was going to be the case all along. Why have we not seen within the budget the support required to do these surveys?

I understand that just within the Cadastral Survey area of the budget we've got a net decrease of $1.1 million. We're never going to be able to meet our goals if we can't get the funding for the surveys. Give me your assessment as to what I can tell my constituents about the promises that this country made to fully and finally convey lands to the State, to Alaska natives and to finish this project.

Secretary KEMPTHORNE. Senator, I'm very mindful based on conversations I've had with you and with Senator Stevens and with the Governor that your statehood is going to be celebrated in 2009. I know the objective was that we would be able to truly celebrate. There will be approximately 96 percent of the lands will have been identified, transferred in 2009, by 2009. But you are correct in identifying that it is the cost of the surveys, therefore to allow the patent.

In a priority basis in this budget of 2009 we have $33 million that allow us to go and continue to identify the remaining lands. So in constrained budgets, we've maintained that priority to get the identification done and then acknowledging that we do need to have the funds for the survey.

Senator MURKOWSKI. It's not just the surveys. I also notice in the report that because of cost considerations, there was no Alaska field office established that would allow for adjudication. There's still some adjudicative resources that have been diverted.

We simply haven't put the effort to make it all come together. I'm not minimizing that this is not a complicated process. We knew it because of the overlapping claims that are out there.

But we also agreed that in order to meet the goals, it would require an aggressive effort and that aggressive effort was going to have to have the requisite funding behind it. I need to express my dismay that we haven't been able to commit those resources to keep the promise that we made to the State of Alaska. You need to know that I will keep pushing. I'm sure Senator Stevens will keep pushing on this because 50 years, we think, is far too long to wait.

For some with the native lands, they've been waiting for, in excess of, 50 years. So we've got to figure out how we allocate the resources, working together with all of the agencies to make this, to realize this. Mr. Chairman, I know we've got a vote and I do have

more questions of the Secretary, but I'm assuming we're going to have a second round when we come back?

The CHAIRMAN. Mr. Secretary, are you able to stay if we take about a 15 minute break and then come back?

Secretary KEMPTHORNE. I would be happy to.

The CHAIRMAN. We appreciate that.

Secretary KEMPTHORNE. Mr. Chairman, may I just go through that——

The CHAIRMAN. Yes, go right ahead.

Secretary KEMPTHORNE [continuing]. Issue with Senator Murkowski. BLM has added additional staff on this project and that's based on the 2004 activity to accelerate this land transfer.

Senator MURKOWSKI. Yes. We just need more.

Secretary KEMPTHORNE. Yes, we do.

Senator MURKOWSKI. We need more. Ok. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Domenici, did you want to make any statement before we break for this vote?

Senator DOMENICI. I can't come back so I just would like to make a statement. I have just been trying to put together a series of facts about what's happening to our country because of our dependence upon foreign oil. Let me just make a statement.

We are now expecting to spend $400 billion a year on oil that we are going to need for our own country, principally for transportation use, $400 billion a year. The conclusion everybody's going to have to make whether they like it or not is that we are getting poorer as a people and as a Nation as a result of this gigantic, sucking up of our resources annually to pay for oil.

Second, nobody knows how long this great country can sit by and do that and remain a powerful Nation, nobody knows. But we do know we're getting poorer and those others, some of them small countries, are getting richer and richer. We get poorer and poorer.

I wonder if there are some things that we did not do, Mr. Chairman, over the past year, 2 years, while we worked so hard on energy matters. If there are some things we didn't do because we didn't quite have in mind the urgency of the situation. This situation almost cries out for the United States to go to war, not war against any country, but mobilize itself like it's having a war on dependence and act like the great country that it is. Otherwise, that dependence is going to kill.

It's an incredible situation. I, myself, am going through, Mr. Chairman, what we passed over or what we refused to vote on or passed, didn't pass by one vote or the like. I'm going to come up with that and see if I could submit it to you or someone saying is it worth re-considering.

Would we consider these differently if we knew the situation? I'm not sure what the American people would say about some of these if they quite understood $400 billion a year for the foreseeable future is from us to another country saying, thank you. You have it and we'll get poorer by the day. Thank you.

The CHAIRMAN. Thank you very much and we will reconvene in about 15 minutes.

[Recessed.]

The CHAIRMAN. Ok. Why don't we get started again here and just do a second round of 5 minutes each and see if that satisfies people's need to ask questions. We hope it does. Senator Barrasso I think is next.

Senator BARRASSO. Thank you very much, Mr. Chairman. I wanted to first, Mr. Secretary, ask about the Range Improvement Funds. Wyoming ranchers, ranchers all around the country, depend on Range Improvement Funds. It's their grazing fees that pay half of the bill. The program in the past has completed valuable projects to improve range land health—improve livestock management.

This current budget eliminates the improvement funds. It just sends the grazing fees back to the Treasury. It seems to me that the work won't get done, so I have concerns. Can you just visit with me a bit about if you find these programs successful, if money has been used successfully in the past, and why this is not included for the future?

Secretary KEMPTHORNE. Yes. Senator, you're accurate. BLM will continue some activity with regard to the range. I will also say that you see that we're putting as a real priority the Healthy Lands Initiative that is going to be of great benefit. There's been a tendency in the past to look at these issues on an acre to acre basis instead of mountain top to mountain top.

We need to take this bigger look. So there is a tremendous increase in the Healthy Lands Initiative which, I believe, is going to benefit many of the ranchers and the farm families and the people in the West.

Senator BARRASSO. If I could just move to another topic that would be the abandoned mine lands payment under the Office of Surface Mining. In looking through this I couldn't find the exact line, but as you know, these funds are to be distributed in the form of mandatory funding beginning with this current fiscal year. We have the amount that goes to each of the different States. The number in Wyoming is in the $80 to $90 million range, supposed to be made in 7 equal installments over the next years.

It seems only the Federal Government can translate equal in seven installments into what has now turned into a grant program an uncountable number of unequal grants. It is something that we find bizarre.

I visited with all members of the Legislature in Wyoming this past Sunday. They had many questions on this because they have a number of possible proposals. Under the Department rules, it seems to me each one is going to require an individual line of credit. But there's not really any additional staff that you have to work on this. There's not really any funding that's included in your budget to process all of these requests instead of just making the seven equal installments.

Can you give me and can you give the people of Wyoming the assurance that we need that this distribution decision that's been made by the Administration is not going to overwhelm your Department's resources and we're actually going to get the money?

Secretary KEMPTHORNE. Yes. Senator, first, I will note that the States that are eligible for this are finding that in virtually every case the total dollar amount is doubling from what has previously been available to a State. The solicitor has reviewed the law and

again, this is the opinion that the law states that we must now do it in, as you have identified, over the period of 7 years. So one-seventh of the amount each year and that it is in the form of a grant as opposed to directly transferring to the States where they would be the beneficiaries of any interest earned, etc.

Senator BARRASSO. It's fascinating because you've sat on both sides of the bench here—and for those who participated in writing the law, who wanted nothing but clarity in the law—that all of a sudden someone can flip that so that the money doesn't go right to the States.

This is money that's been collected for the last 30 years by the Federal Government, and the people of Wyoming have still been waiting for the first penny. The spigot has not yet been turned on. That's what we're waiting for. That's why the Legislature, who is meeting today and I'm going to go back and visit with them next week, continues to ask the questions and wants to make sure that as requests come to you that you have the man power and the available resources to make sure that those checks go out in the full amount.

Secretary KEMPTHORNE. That—and, sir, that's the full expectation. Too, I know you don't mean it, but as you say I've been on both sides, that I'm not the one that flipped it.

Senator BARRASSO. No, no, absolutely, sir—but from an administrative standpoint.

Secretary KEMPTHORNE. Right.

Senator BARRASSO. This is continuing to be a major problem for the people of Wyoming.

Secretary KEMPTHORNE. Too, it probably doesn't make some of these decisions easier for you, but I do have empathy because I have sat in your seats literally. As a Governor, I understand what it is and I believe in States' rights. But I have to respect the brand I ride with now and hopefully that experience I've had in the past helped me be more effective in being a good partner with those of you here.

Senator BARRASSO. Mr. Chairman, I have pages of questions: Coal lease, bonus payments, endangered species. With your permission I'll just submit these in writing?

The CHAIRMAN. That would be most appreciated.

Senator BARRASSO. Thank you, Mr. Chairman.

[Laughter.]

The CHAIRMAN. Senator Craig.

Senator CRAIG. Thank you, Mr. Chairman. For your emotional situation I have two. Alright, fine enough. For your staying power, Mr. Secretary, they'll be limited.

I'm going to take us back to fire again because I think it's something that we are not dealing with well as a Nation nor are our two primary agencies, Forest Service, USDA and Interior dealing with it well. You're bringing to us a fire budget that's based on 10-year averages. That's what OMB does. They do their 10-year dance and they bumped you up just a little bit.

What they did not take into account was the $700 billion we put in supplementals. We put in two early on in the year and five later on in the year. I offered the five in Interior because it was obvious to us that we simply weren't going to make the grade.

You are current in your funds for services down a couple hundred million dollars that they haven't dealt with yet. You are the two primary agencies that cooperate. You've mentioned the Interagency Fire Center that are multiple agencies. Interior part or BLM, Forest Service and U.S. Fish and Wildlife Service and it's a very important resource for the region, if not the Nation.

Idaho went through its worst fire season in a long while. Our air quality in Idaho was the worst summer ever. Even the folks of the Boise Valley began to grumble a bit because a lot of that smoke came off the fires and settled into the valleys. Even some of our recreationalists didn't see the beautiful, pristine State they thought they were coming to visit and play in. Our outfitters lost millions of dollars in cancellations.

So this is a very real problem. Not only the loss of habitat, the loss of wildlife, the loss of watershed, putting a lot of people at risk, you mentioned the firefighters. As we all have great respect for. But we also lost a lot of public land resource that ultimately can be made into dollars.

I am extremely frustrated at a Congress and agencies that just don't quite get it yet. Forest Service is probably, in fire fighting, so dysfunctional today that they really can't deal with it. Their money is gone. It's dried up. They don't know how to fund them, and we haven't come up with a solution yet.

BLM is a bit different. But you also tradeoff the Forest Service a bit. They do a little bit of your fire fighting. There's a resource exchange there. It helps make you look a little better than you really are, in my opinion.

But you're not bad. You're right to engage the ground and the people on the ground because there are problems out there as it relates to coordination. But I really believe that you, the Secretary of the Interior, and the Secretary of Agriculture/the Assistant Secretary in charge of the U.S. Forest Service ought to sit down and come up with a plan to fund fires realistically and honestly and fairly.

Yes, I understand the urban wildlife, or urban interface. I understand trophy homes. I know what's going on out West as it relates to we're not fighting to save resources anymore, we're fighting to save human structures. That's changed the dynamics of it a little bit.

But I look at your budget and I just don't see that it's adequate. I think you're hoping we'll bail you out. Your response to that.

Secretary KEMPTHORNE. The response would be we will fight whatever fires nature throws at us. Whether it's Congress bailing us out, we're going to do what is necessary to protect lives, properties and the resources. That is our responsibility. That's our mission.

Senator CRAIG. Yes.

Secretary KEMPTHORNE. We do base a budget that's on a 10-year average of the past forest fire season. If you had a 5-year average it would be higher dollar amounts.

Senator CRAIG. In a few years it will get there.

Secretary KEMPTHORNE. Because the nature of these fires are changing dramatically.

Senator CRAIG. Very much so.

Secretary KEMPTHORNE. There is a warming that is taking place. The drought is expanding. I would also say that in addition to what you're talking about, Senator Craig, we're doing all that we can to be just as aggressive on the re-restoration——

Senator CRAIG. Yes.

Secretary KEMPTHORNE [continuing]. Of the resource so that we don't just have land that's lost all of its vegetation.

Senator CRAIG. Yes.

Secretary KEMPTHORNE. You have erosion problems. We have taken measures such as the pre-positioning of fire assets. When we determine that because the Santa Ana winds were setting up last fall in California, we actually had rolling stock and personnel in place and C–130s prepared to go. Then when the fire did ignite, as horrible as that fire was, it would have been far worse if we hadn't pre-positioned.

Senator CRAIG. That's correct.

Secretary KEMPTHORNE. So we're incorporating as many of these new techniques and technologies as possible. Bark beetle infestation. Again, Senator, I know you're so familiar with this because we're both from Idaho where we've seen bark beetle infestation. Where we're not getting seasons that during the winter are long enough they're killing the beetle and it just comes back in the spring and it continues to grow.

So it's a series of these elements that all combine. So I understand what you're saying.

Senator CRAIG. Thank you. Last question, water census. Critical to the West. Critical to the Nation. Could you give us a little more on what you see that doing for us as a country?

Secretary KEMPTHORNE. Yes. Senator, we have not had a water census in 30 years. We have stream gauges which are measuring tools. We need to put in additional stream gauge in a variety of the watersheds. We need to go back and put in new stream gauges in a variety of areas that have the latest of technology.

It's going to allow us to modernize equipment that is currently deployed but it's also going to allow us to increase the number of gauges. So that we can then come to some decision on an acknowledgement that water is finite. It is not unlimited.

It's also going to allow us to look at desalinization and how that might—that technology might be made to be cost effective. We'll integrate information of all of these different watersheds. As you know we've been working with the Southeast, with Georgia, Florida, Alabama because they're in drought. Now you see North Carolina, South Carolina, Maryland.

Interestingly enough, Senator, I—last week when I had a briefing on during the next 6 months where do we believe that we'll begin to see the outbreak of fires. I was expecting to see the traditional map and that during those 6 months it would be in the West. It was the East coast and it was Texas.

Senator CRAIG. Thank you, Mr. Chairman. Thank you, Mr. Secretary.

Secretary KEMPTHORNE. Thank you very much.

Senator CRAIG. We're glad to have you with us.

The CHAIRMAN. Senator Wyden hasn't had a chance. Go ahead.

Senator WYDEN. Mr. Chairman, I'm happy to have——

The CHAIRMAN. We've had one round of questions and Senator Salazar participated in that as did the rest of us. So you go ahead.

Senator WYDEN. Thank you, Mr. Chairman. Welcome, Mr. Secretary. As you know at my request the Inspector General for your Department is looking at a variety of instances where there's been political interference in a number of the Endangered Species Act decisions. I've been very troubled about this because I think it's a triple whammy of waste.

The first instance of waste in taxpayer's money occurs when the decisions are made by political interference. Then when the tainted decisions get challenged, you've got to go through these formal reviews to determine whether the decision is tainted. Finally after the wrong doing is exposed, then you have to go out and re-do the decision that has been tainted by political experience. So the bottom line is the taxpayer, under what's been going on in Interior, ends up spending three times to get the right decision instead of just once if you didn't have all of this political interference.

I think a lot of this stems from some of the ethical practices that have been tolerated at the Department of the Interior. I want to ask you specifically about a change that you made. You have put in place something called the Ten Point Plan, the model of the ethical workplace. You've got something called a Conduct Accountability Board that would review the allegations of wrong doing and has become clear it got off to a pretty rough start when the first chairman then, Mr. Limbaugh, resigned to become a lobbyist.

But what I need to understand and maybe I'm missing something. So I want you to walk through this with me. Your Conduct Accountability Board as it's been constituted can only review matters referred to it by the Deputy Interior Secretary, that's Miss Scarlet or the Chief of Staff.

So if that's the way it unfolds and I want you to make sure I am getting this correctly. Someone like Steven Griles, who engaged in these flagrant, ethical abuses and was the predecessor of Miss Scarlett, if he was still at Interior based on what I've been able to sort out. What I'm curious about is whether he could have said whether his own ethical charges would have been eligible for Board Review. Now maybe there are some other policies that speak to this.

Secretary KEMPTHORNE. Right.

Senator WYDEN. But as we've looked at the Conduct Accountability Board it does seem to say that they review matters referred to by the Deputy Interior Secretary, now Miss Scarlett or the Chief of Staff. So——

Secretary KEMPTHORNE. Right.

Senator WYDEN. [continuing]. Maybe enlighten me on how this works.

Secretary KEMPTHORNE. Senator, I appreciate the question. First, the Conduct Accountability Board never existed before. Because of issues raised by the Inspector General, because of activities that had taken place internally, I determined that we needed to have that.

One of the things that was identified was the fact that there was a sense that those who may be in a management tier would not be held to the same standards as everybody else working at Interior.

This Conduct Accountability Board was then put in place to deal with that. The—allowing the Deputy Secretary and the Chief of Staff to make a determination of what would go to that board was so that they weren't getting everything that came.

It's to deal with those areas where we now have a situation that there is disagreement or that we need to have a thorough review. We've received an information report from the Inspector General. I will also add that on that Conduct Accountability Board are two career members by design.

Now you say, what about a hypothetical where could a Deputy Secretary make a determination that they may be involved in an issue and they would say I'm not going to let this go to the board. I meet on a monthly basis with our Inspector General. I would hope future Secretaries would continue that policy.

It is in that meeting, one on one, that the Inspector General tells a Secretary what may be under examination. What is a finding? What is a flash report or if there's concerns about particular personnel. You can well imagine that if it deals with someone who has the ability that could defer having information go to the board a Secretary is going to step in.

Senator WYDEN. So, what you're saying is that my analysis is right with respect to how the Deputy Interior Secretary, now Miss Scarlett, previously Mr. Griles or the Chief of Staff can, in effect, make judgments about what would be eligible for board review. But you're saying on your watch you would step in if that was the case on the grounds that it was inappropriate. That's what you're really saying.

Secretary KEMPTHORNE. Senator, No. 1, I have—I believe, firmly, in the personnel that I have in that Deputy Secretary position, in that Chief of Staff position, individuals, that if they feel there is any question that may appear to influence their reputation they're going to recuse themselves and they're going to identify it.

Senator WYDEN. One would hope, but, you know, Mr. Secretary, after the run at your agency, and Mr. Griles, Mr. Abramoff, Julie McDonald. The fact that every time we turn around people from around the country are talking to us about political interference at the Department. It doesn't really breathe a lot of confidence and that is my concern.

Secretary KEMPTHORNE. Senator if I may respond to that.

Senator WYDEN. Sure.

Secretary KEMPTHORNE. Rick Cusick, who is the Executive Director of the Office of Government Ethics. I asked him to please come into my Department, to bring his team and to review what are our practices at the Department of the Interior and what are the best practices that are utilized throughout the Federal Government. I believe that we've identified something like there are 80 best practices, of which Interior already had in place, 60 plus and now moving on the others.

I believe that Interior in other circles is actually being utilized as examples of some positive. I was also invited last year down to the Ethics Officers Association, some 600 individuals, who are the Ethics Officers throughout the Federal Government to give a presentation of what we've done in the Department. Now I can't sit here and tell you that there won't be other issues in the future be-

cause we're dealing with humans. But I have a high regard for the employees that work at the Department of the Interior.

Yes, there have been problems. Yes, there have been actions taken. Yes, people have—are paying consequences.

Senator WYDEN. Mr. Secretary, let's not turn this into a referendum about the nature of the employees. These are phenomenal people. This is about the political leadership.

This is about an agency that has been racked by ethical transgressions where your own Inspector General has stated that short of a crime. This is his words. Short of a crime, anything goes. That's what your Inspector General has said. He is looking at Julie McDonald now to really determine what the implications are today both with respect to species and wasting money.

This is not about rank and file employee at the Department of the Interior. Those are professional people. They do an extraordinary job and they shouldn't be subject to the kind of political interference that has racked this agency.

Let me turn now, if I could to——

The CHAIRMAN. Could you get through yours?

Senator WYDEN. I'd be glad to wait for another round.

The CHAIRMAN. Why don't we do that.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. Secretary, I just want to tie up the line of questioning about the Land Transfer Acceleration Act. At the present rate of appropriations and given where we are when would you estimate, give me a best guess estimate, in terms of when we will see completion of the State, the Native Corporation Lands, the allotees. When will this process be patented and closed out?

Secretary KEMPTHORNE. Yes. Senator, what I'd ask is if you'd let me review that and make a determination of what we believe would be the timeframe.

Senator MURKOWSKI. Ok. I'd appreciate it. Because in looking at this status report it gives me great concern that we're looking at several decades. So I'd like to have a better handle on that if I can.

I want to ask you, we've had conversations about the polar bear, certainly a big focus up in the State of Alaska right now. There's several other petitions to list right now. We've got the Pacific walrus. We've got the ribbon seal, clearly some issues that are facing us in Alaska that will have a severe implications for what happens up there.

Within the budget you're proposing to cut the Pacific Walrus Distribution Survey as well as the Walrus Cooperative Research Program with the Alaska natives. Further in the budget you've got a budget only calling for $42,000 increase in funding for the listing program. In view of all that's happening up there right now and recognizing that we may see additional listings come forward, do you think that this is adequate?

We know that the only way that we'll be able to be prepared with these listings is if we have the research. That research takes money. Are we going to be ready?

Secretary KEMPTHORNE. Senator, it's a very valid question. I appreciate your emphasis on the research because that's what we're endeavoring to do.

Senator MURKOWSKI. Yes.

Secretary KEMPTHORNE. Utilizing research such as by the U.S. Geologic Survey. If I may go back to your point about walruses and your reference that it's been cut, but in the Minerals Management Service, in their budget are three different studies with regard to walrus and NOAA is also doing a study on the walrus. So we're continuing those efforts.

Specifically to your question. We believe we do have the funds necessary in 2009 to deal with the issues that we will have with regard to the Endangered Species Act.

Senator MURKOWSKI. We hope so because, again, we need to make sure that we've got that scientific research. We've got the basis for the decisions that moving forward will be absolutely critical to us. So I do hope that you're right there.

I want to ask just one last question for you. This is regarding the letter that you have received from, I believe it's 47 of us here in this Senate that have asked that law abiding citizens be allowed to carry firearms, consistent with the laws and in the parks and in the refuges. Can you give a status on this? Can you indicate whether or not you're looking at granting that exemption or where we are with that, please?

Secretary KEMPTHORNE. Senator, I would say that when I receive a letter from one Senator, I take it seriously, or one member of the House. To receive a letter from 47 Senators, I take very seriously. So we will review and I will respond to that letter. I think——

Senator MURKOWSKI. Do you have a time you're looking at?

Secretary KEMPTHORNE. It will be in the near future. I think you can appreciate that as we're dealing with the roll out of the budget and then preparing for these series of hearings. This has been——

Senator MURKOWSKI. I know there's an awful lot of people that are very anxious about this and are looking to see that such an exemption would be made available.

Mr. Chairman, I do have some additional questions remaining, but I will be submitting those to the record. I thank you for your responses today.

Secretary KEMPTHORNE. Thank you very much.

Senator Wyden. [presiding]. I thank my colleague. I want to now turn, Mr. Secretary to the ramifications from these ethical transgressions for the budget. Now in the past year since the resignation of Ms. McDonald there have investigations launched by the Inspector General and by the General Accounting Office into almost two dozen endangered species decisions. The Fish and Wildlife Service has stated that seven endangered species decisions weren't correction.

This is the comment to the Fish and Wildlife Service though it will not address four of those until "funding is made available." So what we're seeing is your own folks are saying that these ethical transgressions need to be corrected and they aren't being corrected because of budget issues. Now fiscal 2009 proposes a budget for the endangered species of $146.8 million and that's a decrease of about $6 million from the fiscal 2008 enactment of $153 million.

So my question, Mr. Secretary, is given all these investigations and the likelihood that more decisions will require further funding.

How would you see Fiscal '08 funding be made available to revise the affected decisions?

Secretary KEMPTHORNE. First, Senator, I would point out with regard to the issue of those decisions, there were 400 that Mr. Dale Hall, the Director of the U.S. Fish and Wildlife Service did undertake to review utilizing regional directors of the U.S. Fish and Wildlife Service. We also brought on Dr. Jim Mosher, who's a Ph.D. biologist who has been reviewing this. There are seven that have been identified.

The funding is available for the review. We believe that in 2008 the one issue will be able to be resolved. The others would be in 2009.

Senator WYDEN. So you would see the fiscal 2009 budget rectifying the shortfall that your own people have identified.

Secretary KEMPTHORNE. I believe so.

Senator WYDEN. Ok. Now in early December, the Fish and Wildlife Service and that was again very recently acknowledged that former Deputy Assistant Secretary Julie McDonald had inappropriate influence over endangered species science. The conservation organizations that look at this kind of thing estimated that $25.2 million is required in FY 2009 for species listing to assist in reducing the backlog of needed endangered species decision. This is about $7 million above the fiscal year enacted budget of $18.26 million.

Now the President's budget further cuts funding for endangered species despite growing needs for listing, protection and now revision of the decisions that the Department's personnel have interfered with. My question would be, how do you propose fulfilling your obligation of protecting endangered fish, plants and wildlife in reducing this very substantial backlog while spending less money.

Secretary KEMPTHORNE. Senator, it is a matter that we do have to prioritize, which we will do. We do. We actually have a slight increase over the 2008 enacted.

Also I will tell you that the Healthy Lands Initiative part of our approach is not waiting until a species gets to the point that it is either threatened or endangered. But if we can help that species, that's why. For example, you see the Bird Initiative which is included.

It keeps the funding source of the refuges at $36 million which Congress placed in the 2008 budget. We add to that $9 million additional to help us with a large variety of birds, so that we don't get to the point that they're threatened or endangered.

Senator WYDEN. Now, I would also like to get a sense of what the costs to the taxpayers have been from Ms. McDonald's political interference. Talking here about: staff time, agency resources for reviewing a policy decisions, the triple whammy that I have described. Can you get back to us say within a month and give us your estimates of the costs incurred to taxpayers from just Ms. McDonald's political interference?

Secretary KEMPTHORNE. We'll examine that and see what evaluation we can leave.

Senator WYDEN. Now the wrong doings of people in the Department have had another effect. The $153 million allocated for FY 2008 to the Fish and Wildlife Ecological Service for endangered

species protection has also raised concerns about whether that is being used both efficiently and appropriately. What can you tell us in terms of assurances about the moneys at the Fish and Wildlife Ecological Service?

Secretary KEMPTHORNE. Just that, again based upon their level of professionalism, the serious nature of the projects which they work on. Again, I think it is something that is——

Senator WYDEN. I'm not going to repeat myself. This is not about the employees down at the ground level. This is about the question of political interference.

I hope you'll take another look at it because it's one thing to talk about these employees. I know many of them in my State. They're extraordinarily professional.

But they're concerned about is that their hands are being tied. I'm concerned about the Fish and Wildlife Ecological Service and what's being done there. I hope you'll get back to me in writing.

Secretary KEMPTHORNE. Senator Wyden if I may. Director Hall has issued guidance to the Fish and Wildlife Service with regard to science and ethics. If you'd like I'll make his memorandum* part of the record.

Senator WYDEN. That would be welcome. I think what we've seen in the past is there've been an awful lot of guidances and they have not always been honored, Mr. Secretary. I think that's why you've got the Inspector General looking into such an array, almost unprecedented array of ethical transgressions is that these guidances aren't being followed. The message, I regret, has not been one that shows a sense of urgency that I think is warranted particularly given the history.

Now let's talk about some things again that I think are pretty clear. On the budget the Department is proposing a cut in payment in lieu of taxes in a program. This is of enormous importance to rural communities. They're hanging by a lifeline.

I go for town meetings in these communities and people ask me about these ethical transgressions, no moneys being chewed up to try to deal with those. The PILT Program is being cut. What's going to be done for all those communities if your budget cut goes through?

Secretary KEMPTHORNE. The history of the PILT funds, the Payment in Lieu of Taxes, from 1977—1995 was held constant at $100 million. In 1995 there was an effort to begin adjustments for inflation. No administration has ever provided the full funding for the PILT.

This year's budget, the President's proposal, last year it was $190 million that was proposed and now it's $195 million that's proposed. That's at the level that it's been for some years. But at least it does have an increase for inflation.

Senator WYDEN. Let's see the number that we have, FY 2009 budget for PILT proposes funding at $195 million a reduction of $33.9 million or 15 percent. Do we have math wrong? I——

Secretary KEMPTHORNE. No, that's the number that I decided as well.

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* Document has been retained in committee files.

Senator WYDEN. I think what you're suggesting is what the President proposed, not what was enacted.

Secretary KEMPTHORNE. That is correct.

Senator WYDEN. But, you know, the bottom line is out in the real world these people are saying, based on the information I have, is that there would be a significant PILT, you know, cut with the FY 2009 budget proposing PILT funding at $195 million which would be a reduction of $33.9 million. I think the message that concerns me is that cut on top of the enormous cut in the County Payments, you know, Program, is another one, two punch on the rural West. I mean the program is pretty much being decimated in the small amount of money on the county payments side.

The small amount of money that has been, you know, targeted is depended on "offsets" that the Congress would come up with. In the past I've furnished the Administration offsets that they supported in the past and they've spent the money on something else. So I want to give you the last word on the PILT and the County Payment issue.

But I hope you'll take another look at this. Because the combination of the PILT cut plus the shellacking that the County Payments, you know, Program is going to take is a huge one, two punch on the rural West, on rural America. I've been in rural counties in my State where they're talking about calling out the National Guard. They just cannot pay for the essential services.

I know you know about this because you come from a State like mine where the Federal Government owns most of the land. So will you take another look at the PILT and the County Payments situation and see what you can do to beef those up?

Secretary KEMPTHORNE. Senator, we'll look at them, of course. One of the things too when you talk about these rural communities, again, Senator Craig would indicate, I'm very familiar with them. Part of it is in a resource management plans that we can have plans that allow for additional harvest of timber that is a source of income for some of these counties and would help us with the reduction of some of the fuel load which is adding to the fire problem.

Senator WYDEN. I hope you and the Administration will support the Thinning bill that I'm going to be introducing, you know, shortly which responds directly to what you're talking about. I think there is a lot of merchantable timber, you know, out there. I think we could get it, consistent with protecting, you know, old growth.

I'm willing to take some tough stands in terms of doing it. I think, for example, people ought to have a right to appeal a question about a timber practice. But they shouldn't have a constitutional right to a 5-year delay. So we're going to be showing you legislation before long.

Secretary KEMPTHORNE. Good. I would very much like to see that.

Senator WYDEN. Let me leave you with one last point if I might, Mr. Secretary. I think you and I shared a very favorable history in the Congress. When I came to the Senate I think if not the first, I was one of the first two or three to support the Kempthorne Endangered, you know, Species, you know, legislation. Still have the welts on my back to show for some of that.

So I'm interested in sensible, natural resources policy. But I'll tell you in both of these areas, on the ethical side, on the budget side, on the priorities, you know, side. I hope there'll be some changes in the last 10 months. We've known each other a long time and I think I can pretty much leave it at that.

You've got another, you know, 10 months. The ethical transgressions that have taken place at this agency are giving a bad name to a wonderful agency. One that has scores of dedicated professional people.

You've got to get to the bottom of it. You've got to get to the bottom of it. You've got to send a different message. I think that's what the Inspector General is doing.

We've got to get on top of these budget issues. So, I hope that you'll use what you've got, 10, 11 more months, whatever the number is on both of those fronts and why don't I give you the last word for purposes in the morning.

Secretary KEMPTHORNE. Alright. Senator, I appreciate that. I agree. I enjoyed our friendship when we were both colleagues in the Senate.

We've had some very good conversations together. I appreciate your diligence. I appreciate your Western perspective. I appreciate your support of my efforts to bring reform to the Endangered Species Act.

One of the things I find so ironic are people today that are being affected by the Endangered Species Act that now say that they wish they would have supported what we were trying to do. But they were waiting for the ultimate solution, whatever that was. That's been a number of years ago.

It brings me no solace when I have people that should have been with us to now say we were right. Because now we're adhering to an Endangered Species Act as written and it is the law. It leads to our administration of that law. But we'll do what is right for the species.

Much of the discussion here today was about our environment but also our energy security. We're charged with both to somehow help, aggressively, lessen reliance on foreign energy. In the 5-year, and unfortunately I was not able to respond, but in the 5-year plan which we have offered and is now the 5-year plan for off shore continental shelf in this budget is $8.5 million. So that Minerals Management Service can do all the environmental examinations necessary so that we do it right. There's 48 million new acres that are included in that, of new exploration opportunities.

The initiatives, the fact that in this 2008 we were able to establish four new initiatives that were plus up by Congress in a bipartisan effort. I believe, and I know I would have appreciated as a Senator to see something I voted for the previous year that it comes back and it is still there. It wasn't just a one time whim. The plus ups are retained in those four initiatives. We've added four new initiatives dealing with critical crisis that, I think, the country will be facing whether it's in water or oceans or the decline of birds, the border security.

So, they're—I'm enthusiastic about the responsibility we have, but I'm very serious about the challenges to carry it out. I appre-

ciate, Senator Wyden, what you have said with regard to ethics. I will do my utmost. I will do my level best.

That's why I've invited people like Rick Cusick to come in. That's why I hired—I have a new team of ethics officers. So that many of these transgressions—I don't, I hope you don't leave the impression that I have been here for years and have done nothing about it.

The first thing I did. The first person I met with a year and a half ago when I became Secretary was our Ethics Officer. The fact that we have Bureau Directors, Assistant Secretaries, that put out their communications about ethics. So I think this has been a good discussion this morning. I appreciate it. Look forward to working with you.

Senator WYDEN. I think I've got to give you another last word, Mr. Secretary. Because I just want to make the link between policy and the ethics side. Because I think your point about the Endangered Species Act really highlights the need for the ethical, you know, changes.

What we sought to do several years ago and I still happen to think by and large it's the right way to go was to empower people at the local level to get more of the decisionmaking out of Washington, DC, so you would say what works in rural Idaho or rural Oregon wouldn't work in the Bronx. You need to have, you know, flexibility on the ground as it relates to species. You make judgments, you know, about what ought to be protected in Washington, DC, as part of a Federal debate, but you really tailor the restoration plans to what will make sense for stakeholders at the local level.

But to do that we've got to get these ethical changes in place. When we have situations like the Inspector General cranking up more investigations and the situation with Mr. Limbaugh, you know, who when I got your letter and I understand the timing and the dates and all the rest. But he was the first person. He resigned to go to a lobbyist. It doesn't send the right message. I hope that we can turn that around and you feel free to comment again if you'd like.

Secretary KEMPTHORNE. Alright.

Senator WYDEN. We'll make this the absolute last word for purposes of the morning.

Secretary KEMPTHORNE. Ok. First, I don't want to leave an impression that somehow Mr. Limbaugh has done something wrong. That's a dedicated public servant, a professional. He left the employment of the Federal Government. A lot of us will whether voluntary or not in 10 months.

So, I just must say that while he was here, we were fortunate to have him. Now you mention about the local level and I totally agree. I believe in States' rights. That's why I voluntarily left the U.S. Senate to go run for Governor.

I believe in the United States of America. One of the things that's in this budget are the cooperative conservation grants, some $320 million. I could show you example after example of very exciting things that are taking place on the ground through volunteers, through partnerships with local, State, tribal governments. They're exciting.

Out in our neck of the woods, Big Sky Country, I was in Montana. I stood in a meadow surrounded by approximately 100 people, most of whom were ranchers and their families, interspersed with Federal and State officials. This was the Black Foot Challenge. The Black Foot River where the story about a river runs through it is written.

They were so proud of what they had done together in a collaborative process and it had to break down a culture of mistrust because the local ranchers didn't trust the Federal Government. But ultimately they saw that they wanted to see the conditions and the heritage of their land continue and that there were some suggestions by the Federal officials. The essence of the Black Foot Challenge is that some decades ago they decided that the most effective way to get water from point A in the North to point B in the South was to not to have all this meandering of a natural stream flow, but you plumb the thing.

It cutoff the water resource to the entire stretch of the Eastern land. They lost the water fowl. They lost the fish. They lost the aquatic plants.

They went back and they took the plumbing out. They're putting back in the meandering. As I stood in the middle of that meadow with their maps and their charts, I said, ladies and gentlemen, you're going to be surprised by what I say standing here in Montana. But you have just described and if I just changed a few names on the maps you have just described the Everglades. It's the same thing.

Decades ago a decision was made to get water from here to here a straight line is the best way. Now that we're going back and taking out some of that plumbing which is ultimately the goal, you're going to see the return of water fowl, of aquatic species. You're going to see the fish come back.

I can go on and on about the examples. It is so exciting. In Minnesota, the National Wildlife Refuge and what's been done there. So there's this new era of cooperation between citizens and those who have the honor of serving as public servants whether Federal, State, local, tribal governments. It's very exciting.

We're in constrained budget times. But we're going to do the very best with the money we have to fulfill our mission.

Senator WYDEN. Last word was yours, Mr. Secretary. We're adjourned.

Secretary KEMPTHORNE. Thank you, Senator Wyden.

[Whereupon, at 12:27 p.m. the hearing was adjourned.]

APPENDIX

Responses to Additional Questions

Responses of the Department of the Interior to Questions From Senator Bingaman

DEPARTMENTAL MANAGEMENT

Question 1. What level of funding is included in the Budget request to implement the appeals/hearings requirement for the hydropower licensing provisions of the Energy Policy Act of 2005? How many such appeals have been initiated to date? How many appeals have been resolved? Please provide a listing of all such appeals and a description of the outcome (settled, including whether conditions were modified; Departmental condition upheld; or other condition adopted).

Answer. The FY 2009 budget includes $400,000 to meet the appeals/hearings requirements of the hydropower licensing provisions of the Energy Policy Act of 2005. As of March 18, 2008, the Department of the Interior has received and resolved 11 appeals as follows:

Docket Number	Case/Project Name	Disposition
DCHD 2006-01	Idaho Power Company v. Bureau of Land Management (Hells Canyon Complex).	May 16, 2006-Dismissed by Administrative Law Judge based on a Stipulation providing for revision of the conditions and withdrawal of the disputed issues.
DCHD 2006-02	Public Service Company of New Hampshire v. Fish and Wildlife Service (Merrimack River).	August 28, 2006—Dismissed by Administrative Law Judge pursuant to a Settlement Agreement providing for revision of the prescriptions and dismissal of the request for a trial-type hearing (TTH).
DCHD 2007-01	Avista Corporation v. Bureau of Indian Affairs (Spokane River and Post Falls Projects).	January 8, 2007—Administrative Law Judge issued a decision containing findings of fact. (The ALJ's authority is limited to findings of fact and does not extend to taking action on the conditions themselves).
	PUD NO 1 of Pend Oreille Cnty—Box Canyon.	Administratively rejected, 2-1-2006. License issued prior to enactment of EPAct.
	PUD NO 2 of Grant County vs FWS, BOR (Priest Rapids).	Settled 2006 at the beginning phase of TTH.
	PUD NO 1 of Chelan County vs FWS (Rocky Reach).	Alternative challenge only (no TTH challenge). Settled May 2006 and alternative withdrawn.

Docket Number	Case/Project Name	Disposition
	PACIFICORP vs FWS (Condit).	Pending FERC action.
	South Carolina Pub Serv Auth vs FWS (Santee-Cooper).	Dismissed & Stipulated—not a full TTH.
	Progress Energy Carolinas, Inc. vs FWS (Yadkin-Pee Dee).	Settled at the beginning of the TTH, 9-11-2007.
	FPL Energy Maine Hydro, LLC. vs FWS (Bar Mills).	Settled at the beginning of the TTH, early 2006.
	PACIFICORP vs FWS (Klamath).	TTH concluded 10-2-2006. Decision favorable to FWS.

MINERALS MANAGEMENT SERVICE

Question 2. What is the status of the Kerr-McGee (Anadarko) litigation relating to the Outer Continental Shelf Deep Water Royalty Relief Act? Does the Administration intend to pursue an appeal on the merits? When is that determination expected?

Answer. Kerr-McGee filed suit against the Department of the Interior in the Western District of Louisiana's Federal District Court over the enforceability of "price threshold" clauses in deepwater leases from sales during the years 1996-2000. The Court granted summary judgment in favor of Kerr-McGee Oil and Gas Corporation on October 30, 2007. On December 21, 2007, the U.S. Department of Justice filed a timely notice of appeal with the Federal District Court to protect the interests of the United States in the Kerr-McGee litigation. DOJ's office of the Solicitor General is currently deciding whether to further pursue this appeal. If this ruling stands, the total implication of lost royalty to the Government is estimated to be in the range of $23 to $32 billion.

Question 3. The Energy Policy Act of 2005 contains a provision providing royalty incentives for natural gas production from deep wells in shallow waters of the OCS. The Department also extended such relief administratively prior to enactment of that provision. Please provide a list of the price thresholds that have applied under the administrative and legislative royalty relief provisions for deep gas produced in shallow water. What is the justification for the level of the price thresholds? Have these price thresholds ever been triggered?

Answer. Four different price thresholds apply to deep gas royalty relief in shallow water in the Gulf of Mexico (GOM), depending on when the host lease was issued and when the well qualifying for that relief began producing. Three price thresholds are applied under the administrative royalty relief provisions and one additional price threshold is applied to the royalty incentives contained in the Energy Policy Act of 2005. The following table shows those price thresholds and the leases to which they apply.

A price threshold (PT) in year 2006 dollars of. . .	Applies to the Royalty Suspension Volume (RSV) earned by a qualified deep well that starts producing. . .
(PT#1) $4.00 per MMBtu	Within the first 5 years on a shallow water lease issued in OCS Lease Sale 178 (March 2001), unless it converted to the RSV terms provided in administrative regulations issued in 2004.
(PT#2) $5.72 per MMBtu	Within the first 5 years on a shallow water lease issued in OCS Lease Sales 180, 182, 184, 185, or 187 (August 2001-August 2004), unless it is converted to the RSV terms provided in administrative regulations issued in 2004.

A price threshold (PT) in year 2006 dollars of. . .	Applies to the Royalty Suspension Volume (RSV) earned by a qualified deep well that starts producing. . .
(PT#3) $9.88 per MMBtu	Between March 2003 and May 2009 on a shallow water lease under regulations that became effective May 2004.
(PT#4) $4.47 per MMBtu	After May 2007 on a shallow water lease under regulations issued as a result of the mandates in the Energy Policy Act of 2005.

The first 3 price threshold levels were established in connection with royalty incentive programs that would expire after 5 and 6 years. The price threshold initially selected for the 2001 sale (PT#1) was based largely on an analysis of gas prices expected at the time of the lease sale. The levels selected for later lease sales (PT#2) and the administrative program formulated in 2003(PT#3) were raised in an effort to encourage accelerated drilling at a time when gas production from the shallow water of the GOM was sharply declining. The higher price threshold levels were designed to enhance the incentive to drill and produce quickly by increasing the chances that the relief would be realized before longer term gas sources (deep water, LNG, Alaska) become significant by increasing the chance that the relief would be realized. The lower price threshold selected for the Energy Policy Act regulation (PT#4) reflects a determination that high gas prices have generally replaced the incentive provided by royalty relief, that the incentive in the administrative program has not achieved results that justify the forgone royalties involved, and the fact that the Energy Policy Act provides no expiration date for the added ultra-deep incentive.

Price threshold #1 has been triggered every year but 2002 and price threshold #2 has been triggered every year after 2002. Only one lease with a qualifying deep well issued under these lease-based price thresholds has produced (the remaining leases issued in those years have converted to thresholds under MMS regulations (PT#3)). The price threshold #3 has not been triggered (in 2006, 34 leases produced with a deep gas RSV-that production represented about 2 percent of total gas production from the GOM in 2006). Assuming price threshold #4 remains unchanged in the final rule, it would be triggered for 2007 and royalties would be due on production covered by the EPAct royalty relief provisions for 2007. However, it is not likely that any well has yet met the other EPAct criteria for this relief.

Question 4. Will oil and gas activities in the area covered by the most recent OCS lease sale in the Chukchi Sea have impacts on polar bears? What analysis has the Department done on this issue? What are the views of the Fish and Wildlife Service?

Answer. The Chukchi Sea Sale 193 EIS concluded that routine activities including seismic surveying, geotechnical studies, and exploration drilling would likely have slight adverse effects on polar bears. Any routine activities that may affect polar bears would be subject to compliance with the Marine Mammal Protection Act (MMPA) and with the ESA. The MMPA provides for an authorization process to limit unintentional effects. The issuance of MMPA authorization would not allow any more than a negligible level of adverse effects to polar bears.

To support the EIS analysis, MMS completed an Oil Spill Risk Analysis. Potentially significant impacts to polar bears could result from accidental crude oil spills during production and transportation activities. The potential for a large spill to contact coastal concentrations of polar bears is influenced by spill timing, location, and size; wind and current patterns; and spill response. The Department's selection of Alternative IV decreased this risk by keeping potential platforms farther offshore. Based on this and an informal determination that these effects would not "jeopardize the continued existence" of the polar bear population, the MMS and U.S. Fish and Wildlife Service jointly agreed that conferencing under the provisions of ESA was not necessary at that time.

The FWS recently listed the polar bear as a threatened species under the Endangered Species Act (ESA) because of loss of sea ice habitat. In its listing decision, FWS stated that oil and gas exploration, development, and production activities do not threaten the species throughout all or a significant portion of its range based on:

- Mitigation measures in place now and likely to be used in the future;

- historical information on the level of oil and gas development activities occurring within polar bear habitat within the Arctic;
- the lack of direct quantifiable impacts to polar bear habitat from these activities noted to date in Alaska;
- the current availability of suitable alternative habitat; and
- the limited and localized nature of the development activities, or possible events, such as oil spills.

The FWS also issued an Interim Final Rule under section 4(d) of the ESA that states that if an activity is permissible under the stricter standards imposed by the Marine Mammal Protection Act; it is also permissible under the Endangered Species Act with respect to the polar bear. This rule will ensure the protection of the bear while allowing for the continued development of natural resources in the arctic region in an environmentally sound way.

Question 5. Section 388 of the Energy Policy Act of 2005 gave MMS the responsibility to authorize alternative energy projects on the OCS. What is the status of your implementation efforts?

Answer. MMS has made significant progress implementing its new alternative energy authority on the OCS. As an important first step in establishing a new program that will involve frontier areas of our Nation's Federal OCS, MMS initiated and completed a programmatic environmental impact statement (PEIS) that analyzed in a high-level fashion the types of environmental and socioeconomic impacts anticipated to result from all phases of offshore alternative energy development (e.g., initial site assessment, construction, commercial operation and ultimate decommissioning). In this PEIS, MMS analyzed the anticipated impacts from wave energy, wind energy and ocean current energy activities on the OCS. MMS issued the draft PEIS in March 2007, subsequently held pubic hearings in April and May, and issued a Final PEIS in November 2007. MMS published its Record of Decision this January and formally adopted 52 environmental best management practices that will be considered in evaluating and authorizing any alternative energy project on the Federal OCS.

MMS is near completion of its proposed rulemaking for alternative energy and alternate use activities on the Federal OCS. In December 2005, MMS issued its Advance Notice of Proposed Rulemaking soliciting comments from the public on a broad array of issues pertinent to establishing a comprehensive regulatory program for issuing leases, easements, and rights-of-way that assures safe and environmentally responsible development of alternative energy projects on the OCS. MMS has been careful and deliberate in the development of this rulemaking as we recognize the importance of these regulations in providing a clear roadmap for entities interested in exploring alternative energy opportunities offshore, and in satisfying our Nation's need for diversified, non-fossil sources of energy to coastal regions with ever-increasing demands for electricity. MMS is on schedule to publish a proposed rule by this summer for public review and comment, and a final rule by the end of this year.

In order to encourage alternative use, in November 2007 MMS announced an interim policy for authorizing limited resource data collection and technology testing in advance of final rules. This policy would not authorize the construction of wind turbines, nor would it authorize commercial energy activities or offer any priority right or preference in subsequent commercial lease sales. As a result of the announcement of this Interim Policy, we have over 40 viable nominations to date, from entities interested in developing projects on the Federal OCS on both the East and West coasts. MMS intends to announce shortly its next steps for authorizing limited leases under this interim policy.

MMS recently completed its draft Environmental Impact Statement (EIS) review, as required by the National Environmental Policy Act, for the proposed Cape Wind energy facility off the coast of Massachusetts on Federal submerged lands in Nantucket Sound. The draft EIS was made available for public review and comment this January, and MMS held a series of public hearings on the draft EIS in Massachusetts March 10th through 13th. MMS expects to finalize its environmental analysis for the project by the end of this year.

The MMS has also dedicated significant resources towards promoting the critical environmental studies work necessary to educate and inform the MMS and other Federal agencies as they move forward in evaluating and authorizing these new technologies in frontier ocean environs. In addition to the programmatic EIS discussed above, in June of 2007, MMS held a workshop among industry, regulators and scientific experts to identify offshore alternative energy information needs. MMS held a northeast and mid-Atlantic bird workshop in February 2008 to identify priority bird study needs, identify potential mitigation measures, and build partner-

ships to carry out collaborative research. In addition, MMS has established a new Alternative Energy component of its Environmental Studies Program. Through this MMS Environmental Studies Program, MMS has already identified proposed alternative energy-related studies for FY 2009 and FY 2010.

Question 6. When will the proposed rules be published? Can you describe the basic approach that the agency will take in authorizing these projects? Do you anticipate a lease by application process, some other form of authorization based on applicant nomination, or a competitive lease sale process patterned after the five-year program for oil and gas leasing? How long do you expect it will take for a project to be authorized?

Answer. MMS is near completion of its proposed rulemaking for alternative energy and alternate use activities on the Federal OCS. In December 2005, MMS issued its Advance Notice of Proposed Rulemaking soliciting comments from the public on a broad array of issues pertinent to establishing a comprehensive leasing program that assures safe and environmental responsible development of alternative energy projects on the Federal OCS. MMS has been careful and deliberate in the development of this rulemaking as we recognize the importance of these regulations in providing a clear roadmap for entities interested in exploring alternative energy opportunities offshore, and in satisfying our Nation's need for diversified, non-fossil sources of energy to coastal regions with ever-increasing demands for electricity. MMS is on schedule to publish a proposed rule by this summer for public review and comment, and a final rule by the end of this year.

The basic approach contemplated in the draft proposed rulemaking is similar to our oil and gas leasing program in which there is competitive lease issuance followed by subsequent plan reviews at the initial site assessment and commercial operation phases. By statute, MMS is required to determine if there is competitive interest for each proposed lease, easement, or right-of-way. If there is competitive interest, MMS will conduct a lease sale to ensure a fair return in exchange for private use of our Nation's OCS. The proposed regulations will include provisions for environmental protection, coordination with affected states, payments, bonding and financial assurance, decommissioning, inspections and enforcement.

Initially, we expect to both entertain individual project applications for alternative energy leases, as well as propose regional areas for alternative energy leasing through a call for nominations. In either scenario, MMS will conduct a lease sale if it is determined there is competitive interest in a given area, as required by subsection 8(p)(3) of the OCS Lands Act (amended by Section 388 of Energy Policy Act). Initially, we do not expect to develop a 5-year leasing program for alternative energy as we are required to do for oil and gas, but our regulations will offer the flexibility to adopt appropriate leasing programs as development increases offshore and such a program proves useful.

Once regulations are finalized for the program, we believe MMS can begin evaluating lease requests immediately, and potentially authorize one or more commercial leases within 2 years.

Question 7. Last fall, MMS published a call for applications for authorization to collect data on the OCS relating to alternative energy development? How many applications did you receive? How many have been approved?

Answer. In light of the fact that our program regulations have not been completed within the timeframe originally contemplated (November 2007), MMS announced an interim policy for authorizing limited resource data collection and technology testing in advance of final rules. This policy would not authorize the construction of wind turbines, nor would it authorize commercial energy activities or offer any priority right or preference in subsequent commercial lease sales. In response to our announcement of this Interim Policy, we have over 40 viable nominations to date, from entities interested in developing projects on the Federal OCS on both the East and West coasts. MMS intends to announce shortly its next steps for authorizing limited leases under this interim policy.

Question 8. How many acres of the OCS are under lease but not producing oil and gas?

Answer. Currently there are about 7,740 active Federal OCS leases encompassing about 43 million acres in the Gulf of Mexico and offshore California and Alaska. About 6,085 of those Federal OCS leases (34.8 million acres) are not producing oil and gas: 31.31 million acres in the Gulf of Mexico; 0.18 million acres off California, and 3.35 million acres offshore Alaska. Primary terms for these leases are set at 5 to 10 years, depending on water depth, and are extendable only by activities leading to production or actual production of oil or gas to ensure that acreage is not acquired and held out of production.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Question 9. The Department has interpreted the Surface Mining Control and Reclamation Act Amendments of 2006 as prohibiting the use of previously unappropriated state share balance payments for abandoned hardrock mine reclamation. This is despite the fact that section 409 of SMCRA has allowed non-coal reclamation to be undertaken with these funds for many years. This interpretation is a big problem for New Mexico and other western states. Will you work with me to remedy this problem?

Answer. I understand and appreciate your concerns. However, Section 409 of SMCRA limits funding for non-coal reclamation to state share and historic coal share AML funds. The previously unappropriated state share balance funds you refer to actually remain in the AML Fund. Uncertified states and Indian tribes may still use State or Tribal share and historic coal share monies from the AML Fund for non-coal reclamation subject to Section 409 of SMCRA. States are also receiving replacement funding from the Treasury as provided for by the 2006 amendments in Section 411. Those replacement funds fall outside the authorization in Section 409 for non-coal reclamation. Further, Section 411 itself limits use of those replacement funds by uncertified states to the priorities described in Section 403 related to coal AML problems.

We are ready, of course, to work with you as appropriate to address this issue.

Question 10. The Surface Mining Control and Reclamation Act Amendments of 2006 provide for the repayment of unappropriated state and tribal share balances over seven years. Please provide a chart showing the expected annual payments of unappropriated balances to each state and tribe under these provisions.

Answer. The following chart shows the total unappropriated balance to be distributed in seven equal annual payments and the actual first year fund distribution made for Fiscal Year 2008. We expect to provide the same annual payment as in FY 2008 for the next six years, FY 2009 through FY 2014. The last year's distribution will be slightly adjusted to correct for rounding and distribute the exact amount due to each state and tribe as shown in the chart.

Annual Payments for Prior Balance Replacement Funds

State/Tribe	Total State/Tribal Share Balance to Distribute as Prior Balance Funds	FY 2008 1st Annual Prior Balance Replacement Fund Distribution
Alabama	20,392,584.98	2,913,226
Alaska	2,262,651.79	323,236
Arkansas	64,924.73	9,275
Colorado	29,824,085.59	4,260,584
Illinois	31,337,587.81	4,476,798
Indiana	45,968,100.79	6,566,872
Iowa	26,611.85	3,802
Kansas	453,775.66	64,825
Kentucky	136,629,091.04	19,518,442
Louisiana	1,724,874.00	246,411
Maryland	4,434,691.50	633,527
Mississippi	934,788.80	133,541
Missouri	1,118,258.83	159,751
Montana	56,483,602.15	8,069,086
New Mexico	21,066,519.27	3,009,503
North Dakota	13,921,230.24	1,988,747
Ohio	26,214,335.45	3,744,905
Oklahoma	2,394,017.04	342,002
Pennsylvania	63,459,961.11	9,065,709
Tennessee	-	-
Texas	23,348,838.75	3,335,548
Utah	16,521,373.90	2,360,196
Virginia	29,799,414.55	4,257,059
West Virginia	149,851,959.08	21,407,423
Wyoming	578,905,314.38	82,700,759
Crow Tribe	9,227,458.55	1,318,208
Hopi Tribe	6,156,670.98	879,524
Navajo Nation	36,277,452.75	5,182,493
Total	1,308,800,175.57	186,971,452

Question 11. There has been concern over recent years regarding the level of funding for state regulatory grants. Please provide a chart showing on a state-by-state basis the funding for the regulatory program over the past 10 years. What are the trends in funding and why?

Answer. The most significant trend in regulatory grant funding is that it was basically unchanged from FY 2002 through FY 2007. Total funding over the past 10 years increased 27%, but the majority of the increase was in FY 2008. The increase was in response to States that experienced serious difficulties in continuing to operate their regulatory programs on flat or decreasing funding.

Question 12. The SMCRA Amendments of 2006 provided that Indian Tribes can be granted primacy to administer the regulatory program under Title V on lands within their reservations. What is the status of implementation of this provision? Has any tribe applied for primacy? Please describe your work with the Tribes with respect to regulatory primacy.

Answer. We are currently considering rulemaking to further define some issues, such as what might constitute a partial program. We are currently in the process of consultation with those tribes with coal reserves on tribal lands regarding whether to undertake rulemaking and, if so, the possible content of proposed regulations.

In addition to the primacy provisions, the 2006 amendments provide for 100 percent funding of the costs of developing, administering, and enforcing an approved Tribal program. Also, under the Energy Policy Act of 1992 and Section 710 (i) of SMCRA, the Department, through the Office of Surface Mining, provides grants to the Crow and Hopi Tribes and the Navajo Nation to assist them in developing regulations and programs for regulating surface coal mining and reclamation operations on Indian lands. The grant amounts are based on each Tribe's anticipated workload to develop Tribal regulations and policies, to assist OSM with surface coal mine inspections and enforcement (including permitting activities, mine plan review and bond release), and to sponsor employment training and education concerning mining and mineral resources. These grants fund 100 percent of the Tribal primacy development activities.

With this in mind, the Department's budget request includes an increase of $500,000 to support implementation of tribal primacy in FY 2009.

Question 13. OSM is in the process of revising permanent program regulations relating to excess spoil and stream buffer zones that many believe will facilitate the use of mountaintop removal coal mining in the eastern United States. I have voiced concern about this rulemaking, and I understand that others share my concern. What is your time table for issuing the final rule?

Answer. As you know, OSM published a proposed rule and associated draft EIS in August 2007, and took public comments on those documents until November 23, 2007. We anticipate publishing a final rule by the end of 2008.

BUREAU OF LAND MANAGEMENT

Question 14. Section 365 of the Energy Policy Act provides mandatory funding from lease rentals for the pilot project to improve Federal oil and gas permit coordination. However, the Budget apparently proposes to replace this mandatory funding with a new user fee. I have several questions about BLM's implementation of this program.

Question 15. How much of the funding under the program will be used to pay for positions in BLM during FY 2008? Of these, how many positions have been dedicated to inspection and enforcement? Please provide a listing of new positions funded by office and job function. Please describe the positions you anticipate funding in FY 2009.

Answer. In FY 2008, $9.1 million will go towards labor costs to fund the positions listed on the tables in Attachment 1 and 2 (same positions displayed by function and office, respectively). An additional $10.3 million will go toward operating costs. Of the positions listed in Attachment 1, 43 total positions are for inspection and enforcement (41 in BLM and 2 with state agencies in New Mexico) and 22 total positions are for monitoring (16 in BLM, 2 in the Forest Service, and 4 with state agencies in Montana, Utah and Wyoming). The tables provided as Attachments 1 and 2 reflect new positions and do not include the existing positions that were funded with base oil and gas program funding. Attachment 1 lists positions by function, and Attachment 2 lists positions by field office. The BLM anticipates funding all of the positions listed in the tables provided as Attachments 1 and 2 (same positions displayed by function and office, respectively). No additional positions are proposed at this time.

Question 16. How many positions have been paid for in the Fish and Wildlife Service with these new funds? The Forest Service? Please provide a listing of new positions funded by office and job function. Please describe the positions you anticipate funding in FY 2009.

Answer. Full time equivalent (FTE) of 15.75 positions in the Fish and Wildlife Service have been paid for with Pilot Office funds. Additional USFWS FTE are

funded with USFWS base funds. Nine positions in the Forest Service have been paid for with Pilot Office funds, with 3 additional positions pending in Farmington for FY2008. The tables provided as Attachments 1 and 2 reflect new positions and do not include the existing positions that were funded with base oil and gas program funding. Attachment 1 lists positions by function, and Attachment 2 lists positions by field office. In FY 2009, we anticipate funding all of the positions listed in the tables provided in Attachments 1 and 2 (same positions displayed by function and office, respectively) plus the additional three Forest Service positions pending in the Farmington Field Office for FY 2008. No additional positions are proposed at this time.

Question 17. What assumptions does the FY 2009 Budget make with respect to leasing in the Arctic National Wildlife Refuge? Please provide the specific information and data supporting the assumptions contained in the Budget with respect to revenues. What assumptions does the Budget make regarding: (1) the price of oil; (2) the timing of production; and (3) the magnitude and location of oil production? What assumptions does the Budget make regarding bonus bids and what is the basis for each assumption? Did you look at comparable lease sales? If so, please provide the specific information as to the location, timing, resource estimates, and bonus bids for each comparable sale. What infrastructure do you assume will be necessary for production from the Arctic Refuge? How many miles of pipeline within the Refuge will be required, given your assumptions regarding the magnitude and location of production?

Answer. These assumptions have not changed substantively from previous years' budget requests. ANWR bonus bid estimates are based on expected values of the most recent information we have on geologic probability curves and risks, as well as probability functions for costs and prices. Adjustments were made based on the past lease sale history in the North Slope area of Alaska, which lowered some of our earlier estimate of the value and does not reflect more recent sale activity. The general list of assumptions for this revenue analysis is given below:

1. The geologic inputs were based on the joint analysis by staff experts of the USGS and BLM regarding oil potential and probabilities using the most recent USGS estimates of the oil and gas resources of the 1002 area of ANWR (Arctic National Wildlife Refuge, 1002 Area, Petroleum Assessment, 1998, Including Economic Analysis U.S. Geol. Open File Report 98-34, 1999) and the various updates including Undiscovered oil resources in the Federal portion of the 1002 area of the Arctic National Wildlife Refuge: an economic update U.S. Geol. Survey Report 2005-1217.
2. Economic inputs regarding oil pricing were based on Energy Information Administration's March 2005 scenarios for long range average delivered price of crude oil.
3. The current calculations were also based on the following assumptions:

- We assumed that the first lease sale (and resulting bonus bid collections) will be in FY 2010;
- We assumed no production (and hence no royalties) will occur until at least 10 years after first lease sale;
- We assumed that 2 sales will be held, the first in FY 2010, the second in FY 2012;
- We estimated that 1.4 million acres would be offered in the first sale and 850,000 acres will be sold based on previous North Slope sales.

The assumption on the price of oil is based on the DOE/EIA Annual Energy Outlook price scenarios. No production is anticipated from ANWR until 10 years after the first lease sale, and there are no specific estimates on production. The FY 2009 Budget request assumes that if Congress authorizes development during FY 2008 that lease sales would be scheduled in 2010 and 2012. It also assumes bonus bids of $7 billion in the first lease sale and $1 billion in the second lease sale. There are no lease sales that can be used as true comparable sales although North Slope lease sale data was factored into the estimate.

The estimates were developed based on a Monte Carlo Discounted Cash Flow model (a complex analysis that combines random number generation, probability, and multiple iterations of the exercise), using 35 known mapped structural prospects. Each prospect was run 1,000 times in the Monte Carlo model, with the condition that hydrocarbons exist, considering a number of differing factors. Similarly, the same was done for the one large stratigraphic play that covers approximately the northwestern third of the 1002 area. It is assumed that wells, processing facilities, and pipelines would be constructed to match the size (volume and area extent) and location of oil found. The infrastructure would have to satisfy the requirements

stipulated by BLM. It is assumed that sharing of facilities and pipelines will occur whenever possible. These assumptions are applied for each iteration of the analysis.

All infrastructure costs are the responsibility of the developer(s) and would be permitted by BLM. There were no specific assumptions made regarding the amount of pipeline or the magnitude and location of production. Estimates were based on the Monte Carlo analysis. All pipelines would be permitted by the BLM with costs borne by the operator(s). There are additional costs for shipping the oil through the Trans-Alaska Pipeline to Valdez and then by tanker to the lower 48.

Question 18. What is the total amount of funding for the oil and gas I&E program included in the request for FY09? Please provide a table showing the funding for this program (both requested and enacted) for the previous 10 fiscal years.

Answer. The President's 2009 Budget retains 2008 increases for domestic energy programs, plus an additional $400,000 to address inspection and environmental issues associated with energy development. This funding will be redirected from the oil shale program following the completion of funding in FY 2008 of the programmatic oil shale EIS. We will provide a table responding to this request under separate cover.

Question 19. I had requested funding for additional inspectors in the Farmington Field office. How many additional inspectors have been added to this office in each of the past three fiscal years?

Answer. In FY 2005, staff at the Farmington Field Office included: 21 I&E inspectors, classified as Petroleum Engineering Technicians (PET) (14 PETs, 3 PET leads, 1 supervisory PET, 1 PET working as a Natural Resource Specialist focusing on environmental surface compliance, and 2 students training as PETs) and 3 Production Accountability Technician (PAT) auditors. In addition, support is provided by two PETs assigned to the Federal Indian Mineral Office for trust responsibilities on Navajo allotted leases, five Tribal I&E inspectors working under cooperative agreements with the Navajo, and an onsite State Office Coordinator, bringing the total staff count contributing directly to I&E to 32. No new additional staff was hired in FY 2005; however, 2 I&E PET inspectors, one supervisory PET, and three Tribal I&E inspectors were reassigned by consolidation to the Farmington Field Office from the BLM's Cuba, NM, office. The Cuba office inspects and audits Federal and Jicarilla Indian reservation lease activities.

In FY 2006, the Farmington Field Office hired four additional PETs and two additional PATs, with mandatory funding provided under the Energy Policy Act of 2005. In FY 2007, the Farmington Field Office hired three additional PATs and one additional PET.

Question 20. Are you planning to hire additional inspectors in offices where the workload is increasing due to coalbed methane production? Please provide specifics.

Answer. Yes. Please see the response and table provided in response to Question 15. Each year the BLM prepares an Inspection and Enforcement Strategy for each Field Office that has oil and gas inspection responsibilities. Within this strategy each office identifies the number of inspectors and inspections it plans to complete during the year. Each office also identifies the total number of inspections that are necessary to be performed by law and policy. This information is also used to direct available funding to the offices that are not meeting the goal of the necessary inspections. In order to address the problem of not completing 100 percent of the inspections, the BLM will allocate FY 2008 funds to the areas of highest concern. It takes about 1-2 years to train staff to meet maximum effectiveness.

Question 21. What is the total amount of requested funding for oil and gas NEPA compliance for FY09? Please provide a table showing the funding for NEPA compliance (both requested and enacted) for the previous 10 years.

Answer. The BLM's FY 2009 Budget Request does not specify a funding amount for NEPA compliance within the Oil and Gas Management program. The costs of NEPA compliance are not individually tracked within the BLM's oil and gas financial management system. They are aggregated across various portions of the BLM's oil and gas budget, such as APD processing, processing of sundry notices, and inspection and enforcement.

Question 22. What is the total backlog of APD's? Please provide a table showing the backlog over the last ten years and the number of APD's received, processed, and issued during each of the last ten years. Please display this information on a state-by-state basis.

Answer. The tables below show the number of complete APDs pending at the end of year and the number of APDs received, processed and approved each year for the last ten years.

Pending APDs Administratively Complete at End of Fiscal Year										
State	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alaska	1	1	6	15	0	0	0	0	0	0
California	18	51	24	5	6	7	3	4	41	3
Colorado	28	44	33	74	67	65	52	74	129	177
Eastern States	6	26	10	7	10	23	12	21	9	1
Montana	36	40	102	67	134	114	82	89	7	7
Nevada	1	0	0	0	0	0	7	6	0	0
New Mexico	318	255	368	503	740	692	501	546	459	353
Utah	91	147	150	266	526	443	353	397	1,421	1,237
Wyoming	387	349	1,060	1,059	1,597	1,436	1,204	1,324	244	143
Nationwide	886	913	1,753	1,996	3,080	2,780	2,214	2,461	2,310	1,913

APDs Received During Fiscal Year										
State	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alaska	2	14	11	23	12	6	18	8	9	9
California	395	219	121	70	118	69	116	235	198	280
Colorado	122	184	254	299	265	323	502	605	896	870
Eastern States	28	37	39	23	14	73	70	136	49	91
Montana	183	89	271	213	221	325	421	451	529	260
Nevada	7	0	0	1	7	4	15	9	7	14
New Mexico	1,034	832	1,280	1,351	1,087	1,385	1,668	1,619	1,843	1,376
Utah	389	271	394	680	496	639	792	1,245	1,584	1,298
Wyoming	984	2,859	1,607	2,159	2,365	2,239	3,377	4,043	5,377	4,172
Nationwide	3,144	4,505	3,977	4,819	4,585	5,063	6,979	8,351	10,492	8,370

APDs Approved During Fiscal Year										
State	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alaska	3	6	8	11	12	8	14	8	10	7
California	410	172	87	72	108	73	109	232	162	313
Colorado	84	153	209	235	208	296	407	608	668	797
Eastern States	34	13	22	27	13	44	63	110	42	91
Montana	121	103	160	168	202	294	213	425	269	247
Nevada	6	1	0	0	6	3	10	10	8	14
New Mexico	716	600	898	930	960	1,183	1,492	1,475	1,866	1,286
Utah	292	157	316	505	463	437	677	770	1,016	1,128
Wyoming	682	554	1,569	1,688	1,568	1,623	3,467	3,380	3,704	3,678
Nationwide	2,348	1,759	3,269	3,636	3,540	3,961	6,452	7,018	7,745	7,561

APDs Returned During Fiscal Year										
State	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alaska	0	1	1	2	21	1	1	0	0	0
California	22	21	56	24	12	4	5	3	1	0
Colorado	10	16	29	20	51	29	17	30	90	61
Eastern States	1	3	4	6	5	20	13	8	3	14
Montana	6	21	26	18	59	64	79	29	19	138
Nevada	0	0	0	0	0	0	0	2	3	0
New Mexico	105	307	158	310	413	407	165	95	129	113
Utah	65	47	51	34	84	120	178	16	81	241
Wyoming	80	131	298	216	1,645	537	441	535	783	836
Nationwide	289	547	623	630	2,290	1,182	899	718	1,109	1,403

TOTAL APDs Processed During Fiscal Year										
State	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Alaska	3	7	9	13	33	9	15	8	10	7
California	432	193	143	96	120	77	114	235	163	313
Colorado	94	169	238	255	259	325	424	638	758	858
Eastern States	35	16	26	33	18	64	76	118	45	105
Montana	127	124	186	186	261	358	292	454	288	385
Nevada	6	1	0	0	6	3	10	12	11	14
New Mexico	821	907	1,056	1,240	1,373	1,590	1,657	1,570	1,995	1,399
Utah	357	204	367	539	547	557	855	786	1,097	1,369
Wyoming	762	685	1,867	1,904	3,213	2,160	3,908	3,915	4,487	4,514
Nationwide	2,637	2,306	3,892	4,266	5,830	5,143	7,351	7,736	8,854	8,964

Question 23. How many acres administered by the Forest Service and the BLM have been leased for oil and gas development during each of the past ten fiscal years? Please display this on a state-by-state basis and by agency.

Answer. The following table lists the total acreage leased for oil and gas development during each of the past ten fiscal years. This acreage includes lands administered by the BLM, the Forest Service and other surface managing agencies, such as the Bureau of Reclamation and the Department of Defense. The BLM automated system for storing and retrieving information about oil and gas leases is not able to distinguish between different surface management agencies below the Section level. It is able to identify all the various administrative agencies which may lie within a given Section, but it is not able to precisely align the acreage included in an oil and gas lease to the various agencies that are identified within the Section. As a result, it is difficult to generate accurate reports distinguishing lease acreage between various surface managing agencies.

Number of Acres Leased During Each of the Past Ten Fiscal Years by Geographic State

State	FY 98	FY 99	FY 00	FY 01	FY 02	FY 03	FY 04	FY 05	FY06	FY 07
AL	80	0	7,855	4,486	4,185	8,990	5,077	80	11,970	80,629
AK	0	861,318	0	0	567,769	11,500	1,403,561	0		939,867
AZ	55,921	0	0	35,584	6,983	3,040	1,224	22,659	13,337	313,476
AR	48,011	74,442	21,573	178,785	71,247	95,792	182,158	172,858	121,563	99,484
CA	39,638	38,430	34,811	25,290	29,079	60,520	34,343	5,629	74,468	24,475
CO	336,590	242,911	299,978	594,369	448,029	252,004	241,188	237,406	353,172	466,822
CT	0	0	0	0	0	0	0	0	0	0
DE	0	0	0	0	0	0	0	0	0	0
FL	0	0	2,018	0	0	3,368		0	0	0
GA	0	0	0	0	0	0	0	0	0	0
HI	0	0	0	0	0	0	0	0	0	0
ID	0	0	40	0	5,798	671		0	0	7,355
IL	0	0	0	0	112	0	0	0	0	0
IN	0	0	0	0	0	0	0	0	0	0
IA	0	0	0	0	0	0	0	0	0	0
KS	958	2,354	1,154	599	2,378	5,764	1,240	160	320	1,238
KY	1,264	0	1,143	0	2,103	0	4,968	0	3,604	0
LA	25,442	12,333	322	606	3,033	511	1,366	1,985	1,767	2,773
ME	0	0	0	0	0	0	0	0	0	0
MD	320	0	0	0	0	0	0	0	0	0
MA	0	0	0	0	0	0	0	0	0	0
MI	0	18,650	2,337	0	3,939	4,050	0	480	160	3,925
MN	0	0	0	0	0	0	0	0	0	0
MS	78,586	8,524	25,920	19,826	54,755	15,741	41,205	51,600	47,450	89,135
MO	0	0	0	0	0	0	0	0	0	0
MT	363,402	289,719	380,273	551,660	293,461	172,874	221,740	313,016	200,161	222,192
NE	760	80	503	7,126	0	1,880	0	0	80	0
NV	181,938	69,534	235,348	746,400	259,920	116,292	638,632	1,359,085	1,405,878	830,272
NH	0	0	0	0	0	0	0	0	0	0
NJ	0	0	0	0	0	0	0	0	0	0
NM	213,957	130,552	190,598	130,193	192,124	239,979	214,756	184,786	160,852	170,080
NY	0	0	172	0	0	0	0	0	0	0
NC	0	0	0	0	0	0	0	0	0	0
ND	67,110	28,705	21,944	52,858	39,354	6,099	82,527	149,814	64,549	61,460
OH	337	193	1,870	268	121	0	5,676	418		85
OK	13,155	12,432	8,732	8,619	6,018	12,389	3,827	12,428	68,218	37,083
OR	837	11,948	12,605	4,272	5,006	160	0	0	255,619	24,944
PA	0	0	7	0	835	0	0	0	0	0
RI	0	0	0	0	0	0	0	0	0	0
SC	0	0	0	0	0	0	0	0	0	0
SD	8,200	0	62,235	91,880	2,760	548	10,862	33,533	24,775	29,590
TN	0	0	0	0	0	0	0	0	0	0
TX	5,784	31,781	13,396	60,972	38,156	43,877	19,509	2,625	16,857	27,720
UT	278,702	217,934	247,126	284,928	222,070	240,527	118,878	1,001,681	654,484	402,913
VT	0	0	0	0	0	0	0	0	0	0
VA	0	870	5,805	0	0	0	0	0	1,039	0
WA	663	32,899	33,891	16,297	11,544	210,188	192,979	45,423	106,484	23,511
WV	0	0	34,358	0	0	9,830	8,974	12,307	18,539	0
WI	0	0	0	0	0	0	0	0	0	0
WY	1,880,476	1,516,941	1,004,479	1,182,253	541,827	547,695	722,431	706,234	1,069,680	775,707
Total	3,602,131	3,602,550	2,650,493	3,997,271	2,812,606	2,064,289	4,157,121	4,314,207	4,675,026	4,634,736

Data from Public Land Statistics

Question 24. How many acres of lands administered by the Forest Service and the BLM in states west of the hundredth meridian have been under oil and gas lease in each of the past ten fiscal years? Please display by state and agency.

Answer. The following table lists the total acreage under oil and gas leases in states west of the hundredth meridian at the end of each of the past ten fiscal years. This acreage includes lands administered by the BLM, the Forest Service and other surface managing agencies, such as the Bureau of Reclamation and the Department of Defense. The BLM automated system for storing and retrieving information about oil and gas leases is not able to distinguish between different surface management agencies below the Section level. It is able to identify all the various administrative agencies which may lie within a given Section, but it is not able to precisely align the acreage included in an oil and gas lease to the various agencies that are identified within the Section. As a result, it is difficult to generate accurate reports distinguishing lease acreage between various surface managing agencies.

Number of Acres Under Lease in States West of the Hundredth Meridian										
State	FY 1998	FY 1999	FY 2000	FY2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
AK	68,892	861,318	936,183	934,801	1,502,570	1,514,340	2,758,162	2,732,167	2,732,167	3,344,519
AZ	111,740	99,503	94,710	114,090	113,704	105,019	106,243	96,498	71,372	384,848
CA	195,575	211,684	240,393	251,530	271,863	324,286	308,473	310,327	363,592	380,987
CO	3,545,425	3,517,023	3,601,812	4,085,387	4,536,151	4,616,263	3,444,060	3,251,386	4,509,374	4,819,654
ID	5,654	5,654	5,694	5,694	11,492	10,262	2,465	2,465	1,794	9,149
KS	106,057	119,526	121,137	120,215	121,193	125,722	121,117	120,199	112,803	113,441
MT	3,303,337	3,322,359	3,545,178	4,008,357	4,297,245	4,414,309	4,353,092	4,348,334	4,019,639	4,020,480
NE	11,035	7,071	7,413	14,620	14,620	16,500	16,180	16,180	15,720	15,400
NV	1,604,381	1,262,267	1,076,632	1,616,905	1,959,558	1,812,613	1,970,999	2,870,920	4,107,869	4,452,856
NM	5,297,774	5,222,671	5,223,145	5,178,780	5,352,622	5,441,387	4,825,779	4,740,549	4,822,574	4,759,364
ND	842,433	733,738	749,824	764,715	802,108	765,267	751,442	874,434	862,285	799,816
OK	247,702	254,884	245,457	251,556	256,706	266,390	241,236	226,575	276,350	296,443
OR	37,888	43,683	55,131	40,189	43,483	43,281	37,890	37,730	276,911	303,021
SD	254,000	172,095	227,840	250,258	249,362	238,924	104,697	128,769	131,759	134,284
TX	358,645	376,812	363,759	388,325	419,209	467,141	447,723	443,998	422,849	420,347
UT	3,362,414	3,256,028	3,271,712	3,420,577	3,734,868	3,818,544	3,424,273	4,125,544	4,497,123	4,681,529
WA	39,015	44,134	79,224	91,011	102,555	312,743	493,050	532,747	629,235	650,665
WY	13,514,046	13,505,687	14,039,281	14,761,867	15,359,523	15,319,452	10,026,872	9,586,782	12,864,048	12,580,651
Total	32,906,013	33,016,137	33,884,525	36,298,877	39,148,832	39,612,443	33,433,753	34,445,604	40,717,464	42,167,454

Data from Public Land Statistics

Question 24a. How much acreage is under lease but not producing?

Answer. Approximately 32.8 million acres are under lease but not producing.

Question 24b. How many of these acres are under lease with no drilling activity occurring?

Answer. The BLM tracks the number of leases and acres in production; however, because drilling activity can be very short term, in some cases only two to three days, the BLM does not track how many acres under lease currently have drilling activity taking place.

Question 25. How many wells were started on federal lands (BLM and Forest Service) in each of the past 10 fiscal years? Please provide by state. Please also provide the number of completions per state per year on federal lands.

Answer. The number of wells drilled on Onshore Federal Minerals, by state, is shown in the table below.

Number Of Wells Started (Spud) During the Year on Federal Lands

Geographic State	FY 1998[2]	FY 1999[2]	FY 2000[2]	FY 2001[2]	FY 2002[2]	FY 2003[2]	FY 2004[2]	FY 2005[3]	FY 2006	FY 2007
Alabama				1	1		6	0		
Alaska	1	6	12	13	13	7	7	6	6	7
Arizona										
Arkansas	4	6	11	1	7	5	4	6	11	13
California	480	223	108	91	100	108	97	147	135	155
Colorado	58	67	121	158	156	206	195	207	386	400
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii										
Idaho										
Illinois	1									
Indiana										
Iowa										
Kansas	7	1	5	8	3	6			5	5
Kentucky				2						
Louisiana	14	6	9	5	2	9	14	15	39	39
Maine										
Maryland										
Massachusetts										
Michigan	1		2	1	1	1	7		1	2
Minnesota										
Mississippi	1	7	7	5	7	6	3	4	11	11

Number Of Wells Started (Spud) During the Year on Federal Lands

Geographic State	FY 1998[2]	FY 1999[2]	FY 2000[2]	FY 2001[2]	FY 2002[2]	FY 2003[2]	FY 2004[2]	FY 2005[3]	FY 2006	FY 2007
Missouri										
Montana	63	91	108	117	109	124	98		107	131
Nebraska	1						1		1	1
Nevada	9	1			3	4	4	5	8	8
New Hampshire										
New Jersey										
New Mexico	792	609	920	1000	821	1077	726	218	968	1,088
New York		1				1				
North Carolina										
North Dakota	36	2	19	35	54	65	48		96	114
Ohio	1	4	1	8	1	1	2		2	3
Oklahoma	7	7	13	11	6	7	5		13	13
Oregon										
Pennsylvania	1				1				5	5
Rhode Island										
South Carolina										
South Dakota	9	2	1	2		3			7	8
Tennessee										
Texas	6	3	13	21	10	10	15		17	18
Utah	249	100	252	363	233	275	226	37	181	582
Vermont										
Virginia	2				1					
Washington		1								
West Virginia	4	2		4	4	1				
Wisconsin										
Wyoming	605	480	1259	1602	1338	1041	1244	1097	2709	2,740
TOTAL	2352	1619	2861	3448	2871	2957	2702	1742	4708	5,343

(1) Data from Public Lands Statistics.
(2) Data from AFMSS.
(3) Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005.

26. Please list the total number of new federal oil and gas leases by state by year. Please list the total number of federal oil and gas leases by state by year.

Answer. The number of new onshore Federal oil and gas leases by state for the last ten years is shown in the table below.

Number of New Leases Issued During the Year

Geographic State	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Alabama	1	0	13	4	9	12	17	1	21	76
Alaska	0	132	0	0	59	1	123	0		81
Arizona	37	0	0	24	1	3	2	20	3	59
Arkansas	57	133	26	96	81	56	129	281	149	200
California	52	43	46	42	52	65	53	12	63	34
Colorado	330	229	329	613	427	260	234	272	363	464
Connecticut								0		0
Delaware								0		0
Florida	0	0	1	0	0	2		0		0
Georgia								0		0
Hawaii								0		0
Idaho	0	0	1	0	3	1		0		4
Illinois	0	0	0	0	1	0		0		0
Indiana								0		0
Iowa								0		0
Kansas	6	9	5	3	4	12	6	1	1	9
Kentucky	3	0	13	0	2	0	7	0	3	0
Louisiana	86	10	3	9	9	4	12	9	4	7
Maine								0		0
Maryland	0	0	0	0	0	0		0		0
Massachusetts								0		0
Michigan	1	31	6	0	4	13		2	2	12
Minnesota	0	0	0	0	0	0		0		0
Mississippi	149	40	65	32	133	54	68	74	92	215
Missouri								0		0
Montana	377	274	404	334	302	219	192	306	220	203
Nebraska	4	1	3	4	0	5		0	1	0
Nevada	149	70	121	295	109	89	305	504	638	386
New Hampshire								0		0
New Jersey								0		0
New Mexico	349	256	286	241	245	231	225	278	214	207
New York			1					0		0
North Carolina								0		0
North Dakota	152	64	55	89	79	13	154	229	135	143
Ohio	4	2	6	2	2	0	31	5		1
Oklahoma	57	36	22	27	22	39	29	35	94	113
Oregon	1	5	2	5	6	1		0	157	29
Pennsylvania	0	0	1	0	2	0		0	1	0
Rhode Island								0		0
South Carolina								0		0
South Dakota	11	0	44	53	2	2	14	28	20	25
Tennessee	0	0	0	0	0	0		0		0
Texas	15	63	10	76	102	47	20	7	39	73
Utah	272	186	176	197	132	171	93	617	430	303
Vermont								0		0
Virginia	0	4	4	0	0	0		0	1	0
Washington	2	18	33	20	10	119	134	28	80	21
West Virginia	0	0	20	0	0	5	9	8	10	0
Wisconsin	0	0	0	0	0	0		0		0
Wyoming	1,990	1,469	1,204	1,123	586	598	842	797	1,244	834
Total	4,105	3,075	2,900	3,289	2,384	2,022	2,699	3,514	3,985	3,499

Data from Public Lands Statistics

Question 27. What is the current level of funding and what level is proposed for fiscal year 2009 for the administration of renewable energy development on public lands? Please provide allocation by energy type.

Answer. Solar and Wind Energy administration is handled through the Rights-of-Way (ROW) program and issuance of a permit, and many costs are reimbursed through cost recovery from the project proponent. The Lands and Realty Program base funding would generally be used to cover costs associated with pre-rights-of-way application activities which are not cost reimbursable. In the FY 2009 budget, $762,000 is estimated for this type of renewable energy ROW activities. Geothermal Energy development is handled through funding authorized through Section 234 of the Energy Policy Act of 2005 where 25 percent of receipts from Geothermal is

available for administering the program. The President's Budget proposes to restore the disposition of geothermal revenue to the historical formula of 50 percent to the states and 50 percent to the Treasury. Should this occur, geothermal energy development will be funded in the range of $1 to $1.5 million for FY 2009 from Energy and Minerals base funding.

Question 28. Please provide the status of implementation of the Geothermal Steam Act amendments contained in the Energy Policy Act of 2005. Please describe all leasing activity subsequent to enactment of those provisions.

Answer. The Final Geothermal Rule required by secs. 221-236 of the Energy Policy Act, was published May 2, 2007, and became effective June 1, 2007. A Memorandum of Understanding between BLM and the Forest Service on Coordination of Leasing & Permitting (Sec 225) was finalized on April 14, 2006. The BLM and the Forest Service, with Department of Energy as a cooperator, are in the process of preparing a Programmatic Geothermal Environmental Impact Statement, with a Final EIS estimated to be completed by the end of the year.

The table below illustrates the geothermal leasing activities by the BLM since August 8, 2005:

STATE	FY05		FY06		FY07			
	NONCOMPETITIVE		NONCOMPETITIVE		NONCOMPETITIVE		COMPETITIVE	
	Number	Acres	Number	Acres	Number	Acres	Number	Acres
CA							6	2,711
ID							5	8,902
NV	13	23,626	92	138,673	9	13,665	43	122,849
UT							3	6,022
Total	**13**	**23,626**	**92**	**138,673**	**9**	**13,665**	**57**	**140,484**

The first competitive geothermal lease sale was held on June 20, 2007 for parcels in Utah and Idaho and the second sale on July 14, 2007 for parcels in California and Nevada. The table below details the results of the two sales.

FY2007	Competitive Leases issued During Fiscal Year		
State	Number	Acres	Accepted Bonus Bids ($)
California	6	2,711	8,006,800
Idaho	5	8,902	5,707,750
Nevada	43	122,849	11,418,509
Utah	3	6,022	3,673,560
Total	**57**	**140,484**	**28,806,619.00**

Nevada, Utah, Oregon, and California are accepting nominations for competitive geothermal leasing. Idaho will be accepting nominations in the near future. A competitive lease sale is tentatively scheduled for July 14, 2008, at the Nevada State Office. That sale is expected to offer parcels for the states of California and Nevada. Utah has received nominations and will be required to conduct a wilderness suitability analysis before those parcels can be offered for competitive sale.

Question 29. Please provide a table displaying the level of funding requested (both in dollar amounts and as a percentage of the BLM budget) and enacted for each of the past 10 fiscal years for each of the following activities: Energy and Minerals; Land Resources; Wildlife and Fisheries Management; Recreation Management; and Resource Protection and Maintenance.

Fiscal Year	BA Requested and Enacted	Activity ($ in thousands)					
		Land Resources	Wildlife and Fisheries	Recreation Management	Energy and Minerals	Resource Protection & Maintenance	Total, Management of Lands & Resources
1998	Request	132,430	27,778	50,589	70,306	70,310	587,495
	Percent of MLR Requested	22.5%	4.7%	8.6%	12.0%	12.0%	
	Enacted	127,406	29,028	48,858	73,106	67,256	582,082
	Percent of MLR Enacted	21.8%	5.0%	8.4%	12.5%	11.5%	
1999	Request	152,955	33,148	50,298	71,646	74,362	660,310
	Percent of MLR Requested	24.4%	5.3%	8.0%	9.2%	11.9%	
	Enacted	144,585	31,706	50,049	73,069	74,475	611,517
	Percent of MLR Enacted	23.6%	5.1%	8.1%	11.9%	12.1%	
2000	Request	161,380	34,688	51,753	74,377	34,095	641,100
	Percent of MLR Requested	25.2%	5.4%	8.1%	11.6%	5.3%	
	Enacted	161,975	36,091	51,851	74,010	33,550	669,132
	Percent of MLR Enacted	24.2%	5.3%	7.7%	11.0%	5.0%	
2001	Request	190,452	40,712	62,519	82,087	38,875	715,191
	Percent of MLR Requested	26.6%	5.7%	8.7%	11.5%	5.4%	
	Enacted	191,726	37,902	62,708	79,419	53,684	797,446
	Percent of MLR Enacted	25.5%	5.0%	8.3%	9.9%	7.1%	
2002	Request	176,547	37,428	62,989	91,488	61,291	760,312
	Percent of MLR Requested	23.2%	4.9%	8.3%	12.0%	8.1%	
	Enacted	179,209	37,384	63,812	95,393	61,617	788,027
	Percent of MLR Enacted	22.7%	4.7%	8.0%	12.1%	7.8%	
2003	Request	177,557	33,755	62,696	104,841	76,227	812,990
	Percent of MLR Requested	21.8%	4.2%	7.7%	12.9%	9.4%	
	Enacted	182,016	33,794	59,840	105,898	78,265	826,078
	Percent of MLR Enacted	22.2%	4.1%	7.3%	12.8%	9.5%	
2004	Request	179,407	34,292	66,717	105,925	79,670	828,079
	Percent of MLR Requested	21.7%	4.1%	8.1%	12.8%	9.6%	
	Enacted	183,135	34,098	62,276	107,879	81,290	839,843
	Percent of MLR Enacted	21.8%	4.1%	7.4%	12.8%	9.7%	
2005	Request	187,761	37,884	59,886	104,423	81,178	837,462
	Percent of MLR Requested	22.4%	4.5%	7.2%	12.5%	9.7%	
	Enacted	188,014	36,947	60,589	106,631	81,501	836,826
	Percent of MLR Enacted	22.5%	4.4%	7.2%	12.7%	9.7%	
2006	Request	186,963	41,084	64,604	106,772	83,616	850,177
	Percent of MLR Requested	22.0%	4.8%	7.6%	12.6%	9.8%	
	Enacted	187,613	40,480	65,131	108,157	84,358	847,632
	Percent of MLR Enacted	22.1%	4.8%	7.7%	12.8%	10.0%	
2007	Request	186,881	40,805	63,765	134,705	83,631	863,244
	Percent of MLR Requested	21.6%	4.7%	7.4%	15.6%	9.7%	
	Enacted**	185,556	40,780	63,697	136,537	85,154	866,911
	Percent of MLR Enacted	21.4%	4.7%	7.3%	15.7%	9.8%	
2008	Request	183,432	40,922	65,135	141,533	81,966	879,438
	Percent of MLR Requested	20.9%	4.6%	7.4%	16.1%	9.3%	
	Enacted*	193,145	44,320	67,909	109,873	85,978	853,931
	Percent of MLR enacted	22.6%	5.2%	8.0%	12.9%	10.1%	

The percentages shown are of the Management of Lands and Resources appropriation not including other appropriations to the Bureau of Land Management

*2008 Consolidated Appropriations Act provided an additional $25.5 million in offsetting collection for the oil and gas management program in the BLM Energy and Minerals activity.

**Final Operating Plan Enacted amounts for 2007

Question 30. Please describe the status of implementation of the EPACT provision requiring BLM to address the issue of abandoned, orphaned and idled oil and gas wells on lands administered by BLM? How many of each category of well (abandoned, orphaned, or idled) is located on BLM administered lands? Please provide the information by state.

Answer. The BLM and the Forest Service have been working on a means of ranking orphaned, abandoned and idled wells as required by the Energy Policy Act of 2005 (EPAct). The BLM and the Forest Service, along with the Dept. of Energy, have finalized a priority ranking system for each of these three well categories. These ranking systems have been tested by select BLM and FS offices to determine their usefulness. In addition, as also required by the EPAct, a preliminary meeting was held with the Interstate Oil and Gas Compact Commission to discuss this program.

Idle, Abandoned and Orphaned Oil and Gas Wells				
State	**Shut-in Wells**	**Temporarily Abandoned Wells**	**Abandoned Wells**	**Orphaned Wells**
Alaska	38	4	15	0
Arizona	0	0	0	2
California	508	187	718	2
Colorado	303	57	330	0
Eastern States	72	16	7	8
Montana	78	124	209	0
Nevada	9	7	154	0
New Mexico	509	482	2,203	41
Utah	214	187	326	13
Wyoming	885	657	2203	7
Nationwide	2,616	1,721	6,165	73

Question 31. What level of funding is requested for the reclamation of orphaned and abandoned wells on BLM lands?

Answer. The BLM has not specifically requested funding for orphan wells, which do not have an identifiable owner, but approximately $250,000 to $500,000 in base funding is used to address the highest priority orphaned wells.

Question 32. Section 1811 of the Energy Policy Act of 2005 requires the Department to enter into an arrangement with the National Academy of Sciences to undertake a report relating to water and coalbed methane production. Please provide your timeline for carrying out this provision of the law.

Answer. The following timeline is provided for contracting with the National Academy of Sciences for a study on the effects of coal bed methane development on surface and ground water:

a. Contract completed with NAS for Workshop (Phase I)—completed Dec. 30, 2007

b. Conducted NAS Workshop in Denver—April 8-9, 2008

c. Evaluate workshop findings—Est. June 2008

d.Develop study design with NAS based on requirements of Sec. 1811 and the findings of the workshop—Est. August 2008.

e. Contract with NAS for full study—Est. October 2008.

Question 33. What is the current status of the proposed lease sale in the vicinity of Teshekpuk Lake in the National Petroleum Reserve-Alaska?

Answer. The Department is aware of the extremely valuable natural resources near Teshekpuk Lake. The draft supplement to the Northeast National Petroleum Reserve-Alaska Amended Integrated Activity Plan/Environmental Impact Statement issued in August 2007 did not identify a preferred alternative. We are considering the comments we received on the draft plan and anticipate announcing a decision early this summer. An oil and gas lease sale in the NE NPR-A is planned for the fall of 2008.

Question 34. How many new mining claims have been located over the past 10 years? Please provide number of claims located by year.

Answer. The following chart provides the information requested in the question.

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
AK	1,440	666	294	558	502	229	884	99	127	771	973
AZ	6,622	7,888	1,885	1,620	1,616	838	3,374	7,487	4,647	8,986	11,968
CA	2,344	2,345	1,476	1,648	1,144	1,674	3,320	1,230	1,632	4,341	3,520
CO	888	961	337	176	458	423	318	300	2,295	5,651	11,872
ID	1,828	2,401	1,165	565	442	924	869	1,256	1,253	1,779	2,429
MT	1,164	2,957	1,477	1,993	1,028	617	1,136	1,033	838	3,012	3,119
NM	1,361	621	728	421	278	347	383	556	1,200	3,165	4,362
NV	30,170	13,351	14,686	11,748	5,921	7,366	19,657	27,239	29,388	37,157	29,601
OR	1,164	912	678	469	695	686	849	1,673	968	1,139	1,323
UT	2,601	1,362	1,306	1,027	504	1,019	1,088	1,938	7,512	8,653	11,469
WY	2,270	1,253	415	1,902	975	1,258	257	1,539	7,544	14,437	11,734
Total	51,853	34,468	24,483	22,123	13,561	15,407	32,134	44,350	57,494	89,049	92,372

Question 35. Please provide a table displaying the total number of mining claims in each state.

Answer. The following table provides the information requested in the question.

Administrative State	Mining Claims as of 2/6/08
AK	8,853
AZ	45,803
CA	24,307
CO	24,747
ID	16,045
MT	16,933
NM	13,258
NV	198,485
OR	9,077
UT	35,052
WY	42,656
Total	435,216

Question 36. How many plans of operation for hardrock mines are pending with the BLM? Please provide a list by proposed mine and state.

Answer. The table below displays Pending Plans of Operations and Pending Total Case Acres by state as of March 4, 2008. Breaking out this information by mine would take significant fieldwork.

Plans of Operation as of March 4, 2008				
Geographic State	Authorized Plans	Authorized Total Case Acres	Pending Plans	Pending Total Case Acres
AK	57	490	28	348
AZ	41	3,998	34	27,261
CA	152	22,942	97	4,925
CO	25	668	3	37
ID	26	11,954	18	247
MT	14	8,185	5	1,524
NM	8	1,488	5	244
NV	176	121,835	101	23,421
OR	14	1,905	24	8,793
SD	0	0	1	170.
UT	49	6,219	23	892
WA	3	385	6	2,240
WY	55	26,915.387	17	9,571.96
Totals	563	206,498.839	334	79,329.006

Question 37. Approximately how many acres of federal lands are covered by open pit mines, tailings, waste facilities, plant site, or leach piles related to hardrock mines? What is the range in size of hardrock mines?

Answer. The BLM does not routinely track mine size, rather it tracks the acreage authorized in Plans of Operations. The table above lists both pending and authorized plans of operations and associated acreage, which includes open pit mines, tailings, waste facilities, plant sites, leach piles and any other land directly affected by the plan of operation. The range in acreage for a Plan of Operations may be from 50 acres to 2,000 acres. The general consensus of the Program Office is that a typical plan of operations would encompass 70-80 acres.

Question 38. How many abandoned hardrock mine sites are there on BLM lands? How many of these sites pose a threat to public health and safety? What is the estimated cost to reclaim all abandoned sites on BLM land? How much funding is included in the Budget for FY2009 for hardrock AML reclamation?

Answer. The BLM maintains an inventory of known abandoned mines located on the public lands. Most of these sites are abandoned hardrock mines. There has never been a comprehensive field inventory conducted of all abandoned mines, although BLM is currently reviewing and updating available data. As of February 1, 2008, the BLM's inventory contains 12,035 sites, of which 10,103 will require further investigation and/or remediation. In 2006, the BLM released its AML program strategic plan. Partnerships with Federal and State agencies are an integral part of the plan in order to foster effective collaboration in specified areas (such as a watershed), and to leverage funds efficiently. Each year, a committee uses AML priorities and established criteria to determine the highest priority projects to be funded. The FY 2009 budget includes $8.5 million in the Soil, Water and Air Management Subactivity for the Abandoned Mine Lands program. Coupled with other funds the BLM expends an average of $12 to $14 million annually on abandoned mines.

Question 39. What is the estimated value of hardrock minerals produced on federal lands in each of the past 10 years?

Answer. Because no royalties are paid on hardrock mineral production, the Department does not require operators to report this information.

Question 40. Please provide a table displaying the number of notice level hardrock mining operations by state.

Answer. The table below displays both authorized and pending notices by state as of March 6, 2008.

As of March 6, 2008		
State	Notices Authorized	Notices Pending
AK	41	34
AZ	161	107
CA	114	45
CO	240	32
ID	23	11
MT	30	15
NM	23	4
NV	461	64
OR	155	192
UT	102	51
WY	83	25
Total	1392	546

UNITED STATED GEOLOGICAL SURVEY

Question 41. Does the President's Budget include funding for archiving initiative for the preservation of geologic and geophysical data as provided for by Section 351 of the Energy Policy Act of 2005? Please provide a status report on implementation efforts and a time line for implementation of this provision.

Answer. The President's Budget includes $1,000,000 for the National Geological and Geophysical Data Preservation Program. Implementation and on-going activities include:

- FY 2007—developed web-based applications to collect inventory information, funded 35 States and 8 Geology Teams to inventory holdings, co-funded (with the Energy Resources Program) coal data rescue efforts in 4 States, funded 2 Geology Discipline data rescue efforts, co-funded (with the Geospatial Information Office) 2 Geology Discipline data rescue efforts, co-funded rescue of industry seismic data, and funded development and data entry for USGS Paleontology Database
- FY 2008—will design, create and populate the National Catalog of archived materials, will continue to fund State projects to inventory geological and geophysical data collections and will develop metadata on individual items in those collections
- FY 2009—continue developing and populating the National Catalog, fund State projects to inventory and preserve geological and geophysical data collections and develop metadata on individual items in those collections

Question 42. What level of funding is included in the Budget for the Mineral Information Team? Please provide funding levels for minerals information for each of the past 10 years.

Answer. Request and Enacted levels are shown on the table below.

Minerals Information ($ Millions)	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Request	16.4	16.4	14.4	15.7	15.4	14.8	13.7	11.3	11.3	10.3
Enacted	16.4	16.4	16.4	16.3	15.9	15.5	15.5	15.6	15.4	

Question 43a. Please provide the level of funding for the geology budget at USGS for each of the last 10 years?

Answer. Enacted and Requested levels are shown on the table below.

GEOLOGIC HAZARDS, RESOURCES AND PROCESSES (Dollars in Thousands)									
2000 Enacted	2001 Enacted	2002 Enacted	2003 Enacted	2004 Enacted	2005 Enacted	2006 Enacted	2007 Enacted	2008 Enacted	2009 Request
211,722	225,321	232,551	233,167	234,183	237,346	235,286	237,003	243,476	208,015

Question 43b. What is the justification for the large cut in this area?

Answer. The decrease for FY 2009 includes the impacts of major budgetary restructuring (detailed below) and reduce congressional increases and earmarks, and are proposed in order to meet the President's commitment to reduce the deficit and balance the Federal budget by 2012 while providing funding for priority initiatives.

Question 43c. What specific programs and projects do you assume will be cut?

Answer. The 2009 budget request includes proposed decreases as follows: (1) Mineral Resources Program reduction of -$25.4 million; (2) a program change of -$10.3 million from Earth Surface Dynamics Program (ESD) resulting from a budget restructure that moves funding for Global Change activities into a new integrated Global Change budget activity, and—$3.0 million for elimination of the remaining ESD program; (3) -$3.0 million in the Earthquake Hazards Program (EHP) Earthquake Grants program, and (4) general program decreases of -$1.9 million in EHP; -$492,000 in Volcano Hazards Program (VHP); -$492,000 in Global Seismic Network (GSN); and -$984,000 in National Cooperative Geologic Mapping Program (NCGMP).

Question 44. What activities is USGS undertaking in 2008 and 2009 to support the U.S. Climate Change Science Program?

Answer. The USGS conducts a significant number of studies that specifically address the strategic goals of the U.S. Climate Change Science Program (CCSP). The goals and USGS related activities include:

> CCSP Goal 1: Improve knowledge of the Earth's past and present climate and environment, including its natural variability, and improve understanding of the causes of observed variability and change. Through studies such as those on paleoclimate indicators, including those within geologic sedimentary cores, tree rings, coral reefs and ice cores, the USGS is providing important scientific information to help in refining our knowledge of the Earth's past, present and future climate variability and changes, as well as the relationship between climate causes and impacts on biological, hydrological and geological resources, causes and related impacts of climate that can only be assessed through analysis of the geological record.
>
> CCSP Goal 2: Improve quantification of the forces bringing about changes in the Earth's climate and related systems, and;
>
> CCSP Goal 3: Reduce uncertainty in projections of how the Earth's climate and related systems may change in the future. The USGS is a leader in providing multidisciplinary science of past environmental and climatic changes, conducting process studies that explore the sensitivity of ecosystems to climate change and variability, and forecasting potential future changes and their effects on landscapes, land use, and ecosystems. The combination of these studies provides integrated long-term perspectives on the effects of climatic changes and variability and on interactions through time among climatic, geologic, biologic, and human systems. Understanding the nature and magnitude of past climate and environmental changes is necessary to provide a baseline against which to identify the effects of humans as agents of environmental change and to provide a long-term perspective on climate variability that can be used in developing plans for ecosystem restoration.
>
> CCSP Goal 4: Understand the sensitivity and adaptability of different natural and managed ecosystems and human systems to climate and related global changes, and;
>
> CCSP Goal 5: Explore the uses and identify the limits of evolving knowledge to manage risks and opportunities related to climate variability and change.

In 2008, the USGS began development of a National Climate Effects Research and Monitoring Network that will track key indicators of climate change across the Nation, and link those changes through an intensive set of research watershed sites to climate change causes and effects. This will allow for the rapid and efficient de-

velopment of scenario and forecast-based decision support tools that can be used by DOI resource managers and policymakers in their decision-making processes related to critical issues regarding impacts of climate change on trust resources. Current funding is being used to develop a pilot research site and initial monitoring capacities. Funding in 2009 and beyond will be used to enhance these base programs and expand monitoring efforts in other areas. Subsequent efforts may include:

- Information delivery to increase the preparedness of resource managers and communities regarding changes in freshwater resources.
- Assessing the sensitivities and vulnerabilities of species and habitats to climate change and climate variability.
- Providing knowledge needed to increase the preparedness of the Nation for hazards (such as coastal erosion, floods, drought, landslides, wildfire, heat waves, and zoonotic diseases) that may be associated with climate change.
- Providing knowledge needed to reduce the net transport of CO_2 from the biosphere and geosphere to the atmosphere, and to monitor the performance of any future CO_2 mitigation strategies.

Question 45. A successful census would seem to require the active support of the states and local water users to ensure as comprehensive data set as possible. Does the USGS anticipate support from the states and local water users? How might the flow of information be improved to maximize the accuracy of the census?

Answer. The USGS agrees that a successful census will require the active support of states and local water users to ensure comprehensive data sets for streamflow, ground-water levels, water quality, and water use.

- Streamflow: At present, the Nation's more than 7,000 streamgages are operated under either the Cooperative Water Program or the National Streamflow Information Program. The Cooperative Water Program requires at least 50:50 matching funds from state, local, and tribal partners, and the USGS currently participates in several national and regional stakeholder meetings a year to discuss the streamgaging network.
- Ground-Water Levels: The USGS maintains a database of water-level information for about 850,000 wells across the Nation; more than 20,000 of these are actively measured. We are also actively participating in the Federal Advisory Committee on Water Information, Subcommittee on Ground Water, to design a national ground-water-level database wherein Federal, state, and local data will be readily accessible to all.
- Water Quality: The U.S. Environmental Protection Agency currently requires states to upload their water-quality information to their national database. The USGS is currently working with EPA to create a national water-quality data portal.
- Water Use: The National Water-Use Information Program (NWUIP) is the Nation's only provider of unbiased scientific information related to water usage. NWUIP will be working with state and regional water agencies that have the responsibility to collect and manage water use information that will be important for the Census. Several steps can be taken to improve the flow of information from state, regional and local water agencies to the national water census. These include: robust design of databases to accept information collected by other agencies, definition of minimum data requirements that make all data comparable at a specified level of analysis, rigorous statistical sampling and estimation of water use data, and matching of appropriate methods to available data and objectives. The USGS plans to incorporate these improvements in our water census activities.

Question 46. Streamgauging—Are there currently any sites within NSIP that are being monitored and measured through remote sensing technologies? If so, are the results reliable and being pursued elsewhere?

Answer. The USGS does not use space-based technologies for the measurement of streamflow. Discussions with NASA and testing with classified assets indicate that space-based technologies are not yet capable of yielding flow estimates at accuracies needed to manage streamflow. NASA continues to seek to improve space-based technologies.

The USGS is developing on-site radar-based technologies to measure streamflow. Although their application is limited to stable stream channels and low-conductivity waters (fresh water and ice melt), these technologies show good potential for yielding high-accuracy streamflow estimates. Radar-based technologies have the potential for helicopter deployment on large or otherwise difficult-to-reach rivers. The USGS has conducted experiments on radar-based technology in Virginia, California,

Oregon and Washington and plans to conduct additional experiments in Pennsylvania this summer.

Question 47. Glaciers and Water—Has USGS done any extensive work to evaluate how the impacts of climate change on glaciers may affect water supply in the continental United States? If so, what are the results of that work?

Answer. The USGS has not done any extensive work to evaluate how the impacts of climate change on glaciers may affect water supply in the continental United States. However, the USGS Benchmark Glacier Program, which began in 1957 as a result of research efforts during the International Geophysical Year, has now produced three glacier mass-balance records that show the recent dramatic shrinkage of glaciers in three different climatic regions of the United States: South Cascade Glacier in the North Cascade Mountains of Washington, Wolverine Glacier near the southern coast of Alaska, and Gulkana Glacier in the interior of Alaska. These glaciers are representative of a large number of glaciers within each region. Since 1989, the cumulative net balances of all three glaciers have been in rapid, sustained decline.

INSULAR AREAS

Question 48. Last year, in response to Committee concerns about the socio-economic crisis in the Northern Mariana Islands, you assured the Committee that you were closely monitoring the situation, and would keep us informed. In addition, the FY 08 Senate Interior Appropriations report directed OIA "to fully describe the use of CNMI Initiative funding in future budget justifications, coordinate regular interagency meetings between Federal and local immigration, labor and law enforcement officials; and report annually to Congress on immigration, labor, and law enforcement conditions, issues, and trends in the CNMI," However, the FY 2009 Budget Justifications for the OIA do not mention the use of Initiative funding, or contain a description of developments and coordinating activities, but they do recommend that the FY 2008 increase be cut.

Answer. We regret the oversight in not fully describing the use of funding in the budget justifications. However, the office of the ombudsman remains in full operation, providing services to workers and coordinating Federal activities with relevant Federal agencies.

$750,000 for the CNMI Initiative will contribute to the hiring of employees to support some of the following activities:

- An investigator with the U.S. Department of Labor's Wage/Hour division;
- A solicitor with the U.S. Department of Labor;
- A special agent with the Federal Bureau of Investigation;
- An assistant United States Attorney;
- An ICE or CBP agent (DHS);
- A staff attorney in the Federal Ombudsman's Office;
- A collection attorney and paralegal (to collect unpaid worker awards); and
- Several legal interns from the University of Hawaii law school.

Question 49. Will you work with the Committee and other Federal agencies to develop, maintain, and implement a plan to address the continuing labor, immigration, and law enforcement problems in the CNMI, including expansion of the Ombudsman's responsibilities?

Answer. We will work with the Committee, Federal agencies, and the CNMI to develop a plan that recognizes the appropriate role of each agency. Expansion of the Ombudsman office will depend on the roles played by other agencies, the status of Federal immigration law, and the competing priorities that must be addressed by the Department.

Question 50. Please report to the Committee within 30 days on the status of the Initiative and with a plan for the use of the FY 08 Initiative funds including: existing and additional activities by the Ombudsman's office; population, workforce and other surveys; support for other Federal and CNMI agencies?

Answer. Our planning process is on-going. We expect to report to the Committee shortly.

Question 51. Do you agree to include a "CNMI Initiative" line item under "Assistance to Territories," and a description of the program in future budget justifications?

Answer. We will ensure that the Committee is fully informed in the future.

Question 52. Under the Covenant agreement between the U.S. and the Northern Mariana Islands, the U.S. agreed to provide $27.7 million to support power, water, and other capital construction. However, because local revenues increased substantially in the 1990s, more than half of these funds have been re-allocated to other

territories. The FY 2009 budget proposes continuing this reallocation of Covenant assistance to the other territories.

Answer. The allocation of funding among the territories is consistent with Public Law 104-134 enacted on April 26, 1996.

Question 53. Given the dramatic deterioration in the Northern Mariana Islands' fiscal and economic health since 2005—a loss of 25 percent of revenues—and the current crisis in power, water and other essential services, don't you think that it would be appropriate to reexamine the policy of reallocating Covenant assistance, and instead focus on the CNMI where the need is greatest, and where the assistance was originally targeted?

Answer. Funds originally authorized for the CNMI under the Covenant were redirected by the Congress in Public Law 104-134 (1996) to capital improvements in the territories of American Samoa, Guam, the Virgin Island and the CNMI. Although the CNMI could benefit from expenditure of the entire sum, the other territories have similar serious needs for infrastructure which would not be met if the current allocations were altered.

Question 54. The Budget Justification states that the "relocation of thousands of U.S. military personnel and their dependents from Okinawa, Japan to Guam will create huge challenges for the island's infrastructure in coming years and will be an important consideration for FY 2009 and subsequent budgets." However, there is no recommendation for funding in FY2009 to respond to this huge challenge.

Answer. The Secretary of the Interior, the Office of Insular Affairs, and the Office of Management and Budget are engaged with the Interagency Group on Insular Affairs (IGIA), the DOD Joint Guam Program Office (JGPO), and the Government of Guam to address this matter. The Federal government faces a serious challenge to assign roles and resources among the appropriate agencies and stakeholders to meet both defense and civilian needs. Although no funding is currently requested, this is a high priority issue for the Department.

Question 55. What steps are being taken to coordinate planning and funding among DOD, civilian departments, and OMB to assure that the civilian community in Guam will be prepared to cope with this redeployment?

Answer. The Secretary of the Interior, the Office of Insular Affairs, and the Office of Management and Budget are engaged with the Interagency Group on Insular Affairs (IGIA), the DOD Joint Guam Program Office (JGPO), and the Government of Guam to address these challenges.

Question 56. Do the redeployment plans for the region include likely construction projects in the CNMI, such as facilities on Tinian to support training activities?

Answer. We understand that some use will be made of Tinian for training purposes. We are not fully apprised of what that will entail.

Question 57. The House, and this Committee, have passed legislation (H.R. 3079) to extend U.S. immigration laws to the CNMI with special provisions to respond to the special needs of the CNMI and it is expected to be sent to the President soon.

Question 58. Has the Interagency Group on Insular Affairs (IGIA) met to begin planning for implementation of this legislation?

Answer to Questions 57 and 58. No. The legislation introduced in the Senate and House, was the subject of substantive change when it was reported by the House Committee on Natural Resources and subsequently passed by the House of Representatives. When we are certain of the final form of the legislation and Senate action, the Administration will take steps to begin implementation.

Question 59. Would you briefly describe the tasks which Federal agencies, including OIA, will need to undertake when this bill becomes law, and the estimated cost of implementation?

Answer. The Department of Homeland Security will shoulder most of the implementation of H.R. 3079 after action is taken by the Congress. Because of changes in the provisions of the bill, the cost of implementing the legislation has not been finalized.

Question 60. The economic assistance provisions of the Compact with the Republic of Palau (P.L. 99-658) terminate at the end of fiscal year 2009. This does not leave much time for the Administration to develop recommendations on future assistance and for Congress to properly consider them. If it becomes necessary, as a stop-gap measure, would you support extending U.S. program assistance to Palau, except for disaster response programs, so that Palau would be treated in the same manner as the Federated States of Micronesia and the Republic of the Marshall Islands under the Compacts approved in 2003 (P.L. 108-188)?

Answer. The first discussions concerning the review of Palau's Compact of Free Association took place in Palau on March 10, 2008. It is premature to judge whether an extension of program assistance might be necessary. Palau's compact is markedly

different from the original agreements with the FSM and the RMI, including the assumptions regarding future financial assistance.

Question 61. What will be the reduction in financial assistance to Palau after FY 09, Palau's options to replace those funds, and the likely impact of the reduction?

Answer. The final major payments under section 211 and section 221 of the Palau compact are estimated to be $13,271,000 for fiscal year 2009. This amount can be supplemented under the terms of the compact with $5 million drawn from the compact-funded trust fund. After fiscal year 2009, the compact allows Palau to withdraw $15 million annually from the trust fund. Palau will need to make fiscal adjustments to its tax and budget policies to deal with a $3 million annual shortfall for 2010.

BUREAU OF INDIAN AFFAIRS

The Navajo Regional Office has done a very good job of processing the rights-of-way approvals necessary to construct water supply pipelines on the eastern part of the Navajo reservation. That project, being funded by the State of New Mexico, will eventually hook into the Navajo-Gallup Project.

Question 62a. Does the BIA have sufficient funding in 2008 and the 2009 budget to continue processing those rights-of-way applications?

Answer. The BIA has budgeted money for FY 2008 and 2009 that will enable it to continue processing these applications.

Question 62b. Does the BIA have any funding in 2008 or the 2009 budget to contribute towards the construction of the water supply lines in the Eastern Navajo area? Is water supply part of the Federal Government's trust responsibilities to Federally-recognized Indian tribes?

Answer. Neither the FY 2008 nor 2009 budget requests include funds to contribute towards the construction of the water supply lines in the Eastern Navajo area as there is no authority for the BIA to request funds for a proposed settlement solution that has not been approved by Congress. Helping to secure and protect Indian water rights are a trust responsibility of the Federal government. Water supply needs of Indian tribes are currently being addressed by various federal agencies: Department of Agriculture programs, Environmental Protection Agency, Indian Health Service, the Bureau of Reclamation and the BIA.

Question 63. Please outline the activities in 2008 and 2009 that are planned with the funding provided for the Navajo Indian Irrigation Project.

Answer. In FY 2008, the BIA received $12,414,000 for the Navajo Indian Irrigation Project (NIIP). The funding will be used for:

- Correction of the remaining transfer deficiencies.
- Correction of Block 8 and 9, Stage 1 Pumping Plants and laterals Transfer Inspection punch list items.
- Ongoing Endangered Species Act compliance work as required by U.S. Fish and Wild life Services. This work will meet BIA's environmental commitments in the Finding of No Significant Impact (FONSI) for this project. The Recovery Implementation Program (RIP) activity is being undertaken in coordination with Federal, State, and Tribal entities.
- Power service to NIIP.
- Construction management on present contracts, designs for future work, and operation and maintenance work for completed features during construction status of the NIIP.
- Technical assistance to the Navajo Agricultural Products Industry, the tribal agri-business.

In FY 2009, the BIA has requested $3,242,000 to correct remaining deficiencies work identified by the OIG, $700,000 for BIA Program Coordination and $8,479,000 to initiate new construction on Block 9, Stages 2 & 3 to be managed and constructed by BOR.

Question 64. How much funding was provided in 2008, and how much is in the 2009 budget, for the BIA's water rights negotiation and litigation program? How much for the water rights planning and assistance program?

Answer. In FY 2008, $6.8 million was appropriated for Water Rights Litigation & Negotiation and $5.6 million was appropriated for Water Resource Management, Planning & Development.

In FY 2009, the President's Budget requests $6.9 million for Water Rights Litigation & Negotiation and $5.8 million for Water Resource Management, Planning & Development.

Question 65. How much funding did the BIA provide to the Middle Rio Grande Conservancy District in FY2007 for operations, maintenance, and betterment of irri-

gation facilities of the 6 Middle Rio Grande Pueblos? What specific work was performed with that funding? How much funding is recommended in the FY 2009 budget?

Answer. The BIA obligated via contract modification $1,200,000 in FY 2007 for Middle Rio Grande Conservancy District (MRGCD) operation, maintenance and betterment work. The MRGCD manages water in the system by mowing, tree trimming, and dredging ditches as well as maintaining structures such as diversions, checks, gates, sluices and turnouts. The FY 2009 budget proposes $1.2 million for MRGCD work plus $160,000 for BIA administrative costs

Question 66. Congress is trying to better understand the magnitude and response necessary to address the contamination issues that exist on the Navajo Nation as a result of uranium mining.

Answer. Recently, the Bureau of Indian Affairs (BIA), Environmental Protection Agency (EPA), Department of Energy (DOE), Nuclear Regulatory Commission (NRC), and Indian Health Service (IHS) began working together to address public health and environmental impacts from historical uranium mining on the Navajo Reservation. Uranium mining has left the Navajo Nation with a legacy of over 500 abandoned uranium mines, four inactive uranium milling sites, a former dump site, contaminated groundwater, structures that may contain elevated levels of radiation, and prospective environmental and public health concerns.

The federal agencies will assess and remediate contaminated structures, assess potentially contaminated water sources and assist affected residents, assess and as necessary require cleanup of abandoned uranium mines, continue the remediation of groundwater at inactive uranium milling sites, assess and cleanup the Tuba City Dump, and assess and treat health conditions.

Question 67. What actions is the Department of the Interior currently undertaking to assess the scope of the contamination problem? Is the Department currently undertaking any remediation activity at this time? Is it likely that water resources on the Navajo Reservation have been contaminated as a result of Uranium mining?

Answer. As noted in the response to the previous question, the several agencies engaged in this matter plan to assess and remediate contaminated structures, and an assessment of potentially contaminated water sources is planned. Since 1999, the BIA has been conducting assessment activities of uranium contamination of groundwater, springs, contaminant migration pathways, sources, and receptors for the purpose of formulating a final plan. Groundwater monitoring data indicates that the uranium plume in the groundwater extends to the west and southwest of the site. The Department is awaiting the results of further testing expected later this year in order to comprehend the extent of the problem.

The BIA is currently assessing the need for an interim measure to prevent contamination of nearby water supplies. If an imminent threat to water supplies is identified, the agencies will determine the most appropriate authorities to achieve an interim remedy. These authorities might include a Superfund response or enforcement action.

Question 68. Is there any funding in the 2009 budget to address the problem of radiation contamination on the Navajo Reservation?

Answer. There is no funding requested for this in 2009. If monitoring and testing conducted in 2008 at the site of the Tuba City Dump indicate a need for interim remedial measures to mitigate potential threats to public health, funding will be redirected to address urgent needs.

Question 69. What Indian water rights settlements are authorized but still awaiting completion of implementation activity? For those settlements, has the Administration requested sufficient funds in the FY'09 budget to keep implementation activity on a timeframe expected in the settlement legislation?

Answer. Since Indian water rights settlements are unique and often complex agreements, some settlements take longer to fully implement than others. For example, settlements calling for the construction of irrigation facilities or other water infrastructure necessarily will take longer to be implemented than settlements that simply allocate already developed water resources. To the extent that implementation is measured by the appropriation of specific funds authorized in settlement legislation, only three settlements have not been fully funded. Those are the Truckee-Carson-Pyramid Lake Water Rights Act, Pub.L. 101-618, which has required ongoing appropriations for the completion of the Truckee River Operating Agreement; the Colorado Ute Indian Water Rights Settlement Act (Animas LaPlata), Pub.L. No. 106-554, which requires appropriations for continued construction of the Animas La Plata Project; and the Snake River Water Rights Act (Nez Perce), Public Law No. 108-447, which was enacted in 2004 and has a statutory funding schedule that extends to FY 2011. The Department's FY2009 budget contains funds to maintain the

funding requirements of these settlements on the timeframes expected in the settlement legislation.

BUREAU OF RECLAMATION

Question 70. What is the current schedule for completion of the Animas-La Plata Project? What activity is scheduled for 2008 and planned for 2009?

Answer. Construction of the project is scheduled for completion in FY 2012, with close out activities expected to continue into FY 2013.

Activities scheduled for FY 2008 include the completion of Ridges Basin Dam and appurtenant features; completion of Ridges Basin Inlet Conduit; the award of construction contracts for the relocation of County Road 211 and the relocation of utilities around the reservoir basin; the award of the first contracts for the construction of the Navajo Nation Municipal Pipeline; and testing of the Durango Pumping Plant and Ridges Basin Inlet Conduit in preparation for the initial filling of the reservoir in FY 2009. In addition to construction funding, this request includes funding for operation and maintenance of improvements for wetland and wildlife mitigation lands associated with the project.

Activities planned for FY 2009 include the completion of construction and testing on Durango Pumping Plant; the start of the initial filling of Lake Nighthorse; continued construction of the Navajo Nation Municipal Pipeline; and continued work on the relocation of County Road 211 and utilities around the reservoir basin. In addition to construction funding, this request includes continued funding for operation and maintenance of improvements for wetland and wildlife mitigation lands associated with the project.

Reclamation's budget proposes a massive cut for rural water projects. Several years ago, Reclamation proposed similar cuts due to the fact that it did not have an authorized rural water program. It now has an authorized program.

Question 71a. What is the basis for the proposed cuts?

Answer. The "Rural Water Supply Act of 2007," Public Law 109-451, authorized a rural water supply program in Reclamation to address rural water needs in the 17 western United States. The FY 2009 President's budget includes $1 million for this program to provide assistance to non-Federal entities to conduct appraisal investigations.

Prior to the authorization of the "Rural Water Supply Act", Congress authorized several individual rural water projects. Funding in the amount of $39 million is included in the FY 2009 President's budget request for these rural water projects, which are separate and distinct from any projects that may be authorized under the Act.

Question 71b. What are the financial implications of the proposed cuts on the Fort Peck, Garrison, Lewis & Clark, Mni Wicone, North Central Montana, and Perkins County Projects? Will costs increase for those projects if funding is slowed or stopped?

Answer. The FY 2009 President's budget request includes $26.2 million for the Mni Wiconi rural water system and $12.76 million for the Garrison rural water system. In all cases, if funding is slowed or stopped, the costs to complete the projects will increase as a result of inflation and rising prices for materials.

Question 72. It does not appear that Reclamation's budget includes any funding to initiate the loan guarantee program authorized by the Rural Water Supply Act of 2006 (P.L. No. 109-451).

Answer. Reclamation's 2008 appropriation included $1 million in funding for Title II. Since the program is still under development, it is anticipated that there will be carry over funds to continue the initiation of the program in 2009. Therefore, no additional request has been made for FY09.

Question 73. What is the basis for the Administration's delay in establishing the loan guarantee program? What is the status of the criteria that the Secretary is to establish which identifies the entities and projects for which loan guarantees will be available?

Answer. Reclamation is drafting a regulation to implement this program.

Question 74. Elephant Butte Irrigation District and El Paso Water Improvement Dist. No.1, recently signed a settlement agreement related to operation of the Rio Grande Project. This agreement is historic in nature and important for long-term stability in the area.

Answer. The Operation Agreement was signed by the districts on February 14, 2008, in El Paso, Texas. Reclamation expects to be able to sign the agreement in early spring 2008. A Compromise and Settlement Agreement will need to be completed before we can execute the agreement, after which lawsuits filed in New Mex-

ico by Elephant Butte Irrigation District and in Texas by El Paso County Water Improvement District No. 1 are expected to be dismissed.

Question 75. What is Reclamation doing to finalize the settlement agreement? What activities does it need carry-out to ensure that the settlement is implemented?

Answer. Reclamation is coordinating with the Department of Justice to make sure that final clearance is received prior to signing the agreement. Reclamation will also work with the irrigation districts to finalize an Operations Manual that will detail the day to day operations of the Rio Grande Project as well as the water accounting process. Implementation of the basic requirements of the agreement will begin with the 2008 irrigation season. The irrigation season began on February 20, 2008. Monthly meetings with the irrigation districts and the International Boundary and Water Commission will ensure that the new agreement will be properly implemented. Reclamation coordinates with the International Boundary and Water Commission on the allocations and deliveries to Mexico from the Rio Grande Project water supply.

Question 76. What is the status of Reclamation's review of the El Paso office and will the Districts' be consulted as part of that review?

Answer. Reclamation is assembling a panel to review the El Paso Field Division operations. Panel members will need to be knowledgeable of Project operations and requirements. All parties that receive services from the Rio Grande Project will be given the opportunity to comment.

Question 77. There are ongoing concerns that the 2003 biological opinion is not sustainable and that long-term compliance is not sustainable. Does Reclamation share that concern? Please explain any actions that Reclamation is taking to address any concerns with the 2003 Biological Opinion.

Answer. To address concerns about the long-term sustainability of the 2003 Biological Opinion, as the Federal action agencies, Reclamation and the U.S. Army Corps of Engineers have decided to seek a new biological opinion and have it in place by the 2010 irrigation season. We are working closely with the U.S. Fish and Wildlife Service as well as with the entire Middle Rio Grande Endangered Species Collaborative Program to determine an appropriate course of action. Multi-agency personnel are working on hydrological and biological modeling to help determine what water operations could be carried forward in a new biological assessment and Section 7 consultation. Reclamation is also seeking greater participation and contributions from non-federal partners so that the next biological opinion can be more sustainable. In addition, Reclamation is pursuing the idea of a combination Section 7/Section 10 ESA compliance strategy to meet compliance needs of federal and non-federal participants in the long-term. At the same time, Reclamation continues to acquire as much supplemental water as possible and to carefully manage its use.

Question 78. What specific activities are being carried out with the funding provided in 2008 to address ESA issues in the Middle Rio Grande?

Answer. Specific FY 2008 activities being carried out include: acquisition of supplemental water and pumping from the Low Flow Conveyance Channel to meet ESA flow requirements; hydrological and biological modeling to develop sustainable water management strategies; operations and maintenance (O&M) of stream flow and groundwater gages in the MRG; O&M of four Rio Grande silvery minnow (RGSM) breeding and rearing facilities; rescue, relocation and augmentation of RGSM; RGSM population surveys, health assessment, genetics, longitudinal movement and nutrient availability studies; Southwestern willow flycatcher surveys; water quality monitoring; habitat restoration project planning, construction, monitoring and maintenance; fish passage studies, design, and environmental compliance; continued development of decision support system to increase irrigation efficiencies; public outreach, technical and administrative support, contract administration and program management.

Question 79. Please explain in details the activities that Reclamation intends to undertake with the funding provided for its portion of the Water for America initiative? There is a line item for "Enhanced ESA Activities," which includes some funding for the Middle Rio Grande Project. What specific activities are going to be undertaken in the Middle Rio Grande?

Answer. The path toward recovery of both the Rio Grande silvery minnow and the Southwestern willow flycatcher is linked to the availability and suitability of habitats on which each species depend. Funding associated with "Enhanced ESA Activities" will be used for habitat restoration projects designed to benefit both the minnow and the flycatcher.

Question 80. What is the projected balance in the Reclamation Fund in FY'08 and FY'09? Are there projections in the budget beyond the FY'09 timeframe? If so, please identify those projected balances.

Answer. The projected balances in the Reclamation Fund are $7.612 million for FY 2008 and $9.232 million for FY 2009. There are no projections beyond FY 2009.

Question 81. What is the status of the litigation involving drainage issues with the San Luis Unit? Is a settlement of these issues imminent? If so, what are the general terms expected in a potential settlement?

Answer. Parties continue to make significant progress in the San Luis Drainage Collaborative Resolution Process. During a March 5, 2008, meeting, Senator Feinstein and other congressional members tasked the parties with specific deliverables to advance the concepts associated with current resolution and to draft proposed legislation, which would be required to resolve the issue. The legislation discussed at the March 5 meeting would have the following general parameters: to provide a solution to drainage problems; to eliminate drainage liability to the United States; to provide benefits to the environment; to minimize need for Federal appropriations; to sustain San Joaquin Valley agriculture; to avoid redirected impacts to third parties and to comport with State Water Project operations. Under this proposal, the United States would be relieved of the obligation to provide drainage to the San Luis Unit (SLU) and each SLU water service contractor would assume responsibility to provide drainage through implementation of an in-valley solution that is generally consistent with Reclamation's Record of Decision.

Question 82a. What significant ESA issues does Reclamation expect to encounter in FY'08 and FY'09?

Answer. Some Reclamation projects affect species listed under the Endangered Species Act (ESA). As a result, we envision a number of ESA-related issues in FY 2008 and FY 2009.

Central Valley Project

ESA protected species representing both anadromous (migratory with spawning in freshwater) and delta-resident life histories occur in the San Francisco Estuary and its tributaries. Reclamation expects to encounter significant issues in FY 2008 and FY 2009 relating to:

- Delta-smelt: This species is listed as "threatened" under both Federal ESA (FESA) and California ESA (CESA). It is a small species that spends a substantial portion of its life-cycle within range of the CVP export facility in Tracy, CA. The species has been intensively studied for almost twenty years, yet significant gaps in scientific understanding remain. Protective export curtailments have been in place to protect this species since the 1990s. There are special protective measures for Delta-smelt currently in place pursuant to an interim order in *NRDC* vs. *Kempthorne*. The US Fish and Wildlife Service (FWS) Biological Opinion (BO) governing the CVP Operations Criteria and Plan (OCAP) is being re-consulted as a result of rulings in the same case. A new OCAP BO from FWS is expected by September 2008.
- Longfin smelt: This species formally became a candidate for protection under CESA on February 29, 2008. It is a small species that spawns and spends part of its juvenile development within range of the CVP export facility, but for the rest of its life-cycle occurs in higher salinity water in San Francisco Bay and along the California coast. Longfin smelt has been petitioned for listing under the ESA and in 2008 we expect to issue a 90-day finding on whether the petition presents substantive information. Interim protective measures applying to the State Water Project are currently being implemented, and approximately match those ordered for Delta-smelt in NRDC vs. Kempthorne. The extent to which the CVP will be required to modify its operations specifically to protect longfin smelt during 2008 has not been determined due to the process outlined above. However, the CVP is currently monitoring salvage for reproductive condition of entrained longfin smelt and occurrence of longfin larvae in cooperation with California Department of Fish and Game (DWR).

Anadromous species

- Chinook salmon: Sacramento River Winter-run Chinook are FESA-listed as Endangered, while Central Valley Spring-run are FESA-listed as Threatened. Runs of Chinook salmon declined unexpectedly in 2007. This may result in lower allowable take levels in the upcoming year with effects on CVP operations, if take limits are not met.
- Steelhead: The California Central Valley Steelhead Distinct Population Segment is FESA-listed as Threatened. Steelhead are believed to be the salmonid species most in decline in the Central Valley. The OCAP biological opinion endangered species consultation with NMFS may place constraints, designed to protect steelhead, on CVP operations.

- Green sturgeon: The population of green sturgeon residing in the Sacramento Valley was FESA-listed as Threatened in 2006. Gate operations at Red Bluff Diversion Dam are implicated in killing adult sturgeon in 2007. New operational constraints may be imposed to protect green sturgeon at Red Bluff.

Question 82b. Are there any situations where contract water deliveries are at risk because of restrictions that might be imposed because of the ESA?

Answer. The following information responds to this question:

Klamath Basin Project

The Klamath Basin Project (Project) has been undergoing formal ESA consultations with both FWS and National Marine Fisheries Service (NMFS) on the operations of the Project. The three agencies have worked closely together. Reclamation received a favorable BO from FWS in April 2008 which requires both the continuation and addition of conservation activities, and anticipates a favorable BO from NMFS with similar requirements. We are currently reviewing to determine the budget implications of the FWS, and will review the NMFS BO for the same once finalized. The NMFS BO will be subject to an independent outside peer review. If the BO determines the Klamath River instream flows contained in Reclamation's proposed action are inadequate to protect threatened salmon, it could result in negative impacts to the Project water supply. Until the new NMFS BO is in place, the 2002 BO governs the Project operations. To date, forecasts for 2008 indicate a limited potential for impacts to the Project deliveries this summer.

Central Valley Project

Potentially, overall project supply or our ability to deliver the water on a desired schedule may be affected by actions necessary to comply with the ESA. In order to reduce the risk to the project water supply Reclamation will use P.L. 102-575, Title XXXIV, Central Valley Project Improvement Act of 1992 (CVPIA), (October 30, 1992) Sections 3406(b)(1), (b)(2) and (b)(3) and the Environmental Water Account (EWA) for ESA related actions this year to the extent possible. Reclamation and DWR are coordinating the operations of the CVP and the State Water Project with the operations of other water districts to minimize the potential that our ability to deliver the water to the south of the Delta users is not negatively affected as a result. There may be situations where these programs and operations cannot be utilized, and these actions could affect the project water supply available to our contractors or our ability to deliver the water.

Any additional in-stream flow or temperature requirements for Chinook salmon or steelhead that may result from our ESA consultation on CVP operations on the Sacramento, American or Stanislaus Rivers that cannot be covered by CVPIA or EWA could affect the water supply available for the CVP contractors in those basins.

Klamath Basin Project

The Project has very little carry over storage and essentially operates on an annual water supply. The ESA requirements of the 2002 BOs are based on water year types that are defined by ranges of inflow. The current snowpack, which represents approximately one-half of the inflows to Upper Klamath Lake, is at 125 percent of average. Should there be a short duration high volume run off season, there would be no place to store the water and it would be spilled. Then, as inflows drop off later in the season, there is the potential for impacts to the Project deliveries in order to meet BO lake and river requirements.

DOI CLIMATE CHANGE ACTIVITIES

Question 83. Population growth, over-allocated watersheds, environmental needs, and aging water facilities are also stressing water supplies. These situations are likely to be exacerbated by the impacts of climate change on water. Does DOI have an aggressive plan to better understand the impacts of climate change on water and to begin to implement appropriate mitigation strategies? If so, how is this reflected in the 2009 budget?

Answer. Sustained drought, changing climate, rapid population growth, increased environmental and energy needs, in addition to aging water facilities has created water conflicts leading to a growing interstate and intrastate competition for water resources throughout the West.

In 2007, the National Science and Technology Council reported that "[a]bundant supplies of clean, fresh water can no longer be taken for granted." The Council of State Governments echoed this concern, concluding that "water, which used to be considered a ubiquitous resource, is now scarce in some parts of the country, and not just in the West . . . The water wars have spread to the Midwest, East, and

South, as well." Competition for water is increasing because of rapid population growth and growing environmental and energy needs. These water needs are escalating at a time of chronic drought and changes in water availability resulting from climate change.

In FY 2009, Reclamation will partner with U.S. Geological Survey (USGS) to implement the Water for America Initiative aimed at addressing these issues. The FY 2009 Reclamation budget request for the Initiative is $31.9 million. Of this amount, $19.0 million appears as the Water for America Initiative line item. The remaining $12.9 million is included in specific projects for enhanced endangered species recovery activities ($8.9 million) and investigation programs ($4.0 million).

The initiative will begin a nationwide assessment of water availability, water quality, and human and environmental water use to be completed by 2019. The assessment is the first water census in 30 years, a precursor to working with States to better manage water. Good management begins with good information.

The 2009 proposal also includes $8.2 million for USGS investments in science programs to support the water census, including additional investments of $3.7 million to expand and modernize USGS streamgages.

As we have noted in the past, uncertainties persist on the timing, scale, and site-specific incidence of climate change impacts, including with regard to water. Reclamation is proactively pursuing the integration of climate change information into our water and power operations planning and project specific studies (e.g., the recently adopted Colorado River interim operating guidelines for Lake Powell and Lake Mead, the Central Valley Project Operations criteria and plan, and the Yakima River Basin Water Storage feasibility study). To further our knowledge of the potential impacts of climate change, Reclamation is aggressively pursuing collaborative research efforts with other federal agencies, universities, and state and local agencies. As a part of the Water For America Initiative, Reclamation will begin a significant program of gathering and examining basin and project-specific data to determine if long-term shifts in hydrology from climate change are within operational capabilities, and recommend any needed changes.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR MENENDEZ

Question 84. There is zero funding for the Highlands Conservation Act under the new budget. The Highlands Region stretches across four states—from northwester Connecticut, across the lower Hudson River Valley in New York, through New Jersey and into east-central Pennsylvania and this program protects open spaces in this region and a watershed which supplies drinking water for millions. We need this program more than ever because the population is growing rapidly and we are losing thousands of acres to development. We managed to secure $1.7 million in funding in the last appropriations bill, but this is just a drop in the bucket. Why has this Administration turned its back on the Highlands?

Answer. Since enactment of the Highlands Conservation Act, Congress has provided $3.7 million for the program, including $1.8 million in 2008 in the Fish and Wildlife Service land acquisition account. The funds are being used to conserve land in the Highlands region located in the States of New Jersey, New York, Pennsylvania, and Connecticut.

We agree that the program is important and beneficial to the four States; however, the 2009 budget for the Fish and Wildlife Service emphasizes programs that support the bureau's mission. The Department will continue to work with the U.S. Department of Agriculture, the four states, local governments, and many partners in the Highlands Region as provided for in Public Law 108-421.

Question 85. Over the past 7 years, we have seen fewer endangered species listings than at any other point since the Endangered Species Act (ESA) was enacted. We have also seen a growth in the number of "candidate species". the most recent Candidate Notice of Review (CNOR) listed 280 candidates. For these species, listing as threatened or endangered is warranted, but precluded by other higher priority listing activities. In the past 7 years, why have so few candidates moved from the candidate list to either the threatened or endangered list? I am concerned that your department is not making the "expeditious progress" in listing vulnerable species that is required by the ESA.

Answer. The Fish and Wildlife Service (Service) has been focusing its listing funding on addressing the petition backlog, due to the ESA's requirement to make a determination on a listing petition within 12 months of receiving it. At the same time, the Service has strongly encouraged cooperative conservation activities for candidate species, so that listing might become unnecessary for some of them. In FY 2008, at our request, Congress moved $3 million from critical habitat funding to listing fund-

ing. This is enabling the Service to begin to address the listing backlog. The FY 2009 President's Budget retains this additional $3 million for listing.

Question 86. How many species has the Fish and Wildlife Service (FWS) moved from the candidate list since you became Secretary? Among those species, how many were listed as endangered or threatened, how many recovered, and how many became extinct?

Answer. Since becoming the Secretary on May 26, 2006, 20 species have been removed from candidate status. These removals have occurred for several different reasons: 7 species were removed due to conservation efforts that resulted in improved status for the species or provided information that the species was more abundant than previously believed; the other 13 species were removed due to changes in taxonomy or lack of enough information on threats and status to justify continuing to consider the species as a candidate for listing. Of these 20 species removed from candidate status, none were removed due to being listed or to having become extinct.

Question 87. Of the existing candidates, how many does FWS contemplate listing this year? Given the large number of candidate species, why does the proposed FY'09 budget ask for funding reductions to the endangered species program? I am particularly troubled by the decrease in candidate conservation money and the listing program funds. Reducing funding does not seem to be the best way to either protect vulnerable species or clear the backlog of candidates.

Answer. For FY 2008, we hope to propose listing determinations for 71 species, including many candidate species, and finalize a listing determination for 1 species. For FY 2009, we hope to propose listing determinations for 21 species and finalize listing determinations for 71 species.

The FY 2009 request for endangered species is well above the FY 2007 enacted level. Most of the reductions from FY 2008 are a result of the elimination of Congressional earmarks, many of which entailed pass-through funding for other entities.

We are confident that the funding requested for the Endangered Species program in FY 2009 will allow us to fulfill our responsibilities under the ESA while also meeting other Service priorities. In addition, the Service believes that savings can be achieved through streamlining program management.

Question 88. How much money does the Department estimate is needed to address the backlog of species on the CNOR, thereby allowing the FWS to act on each of the candidate species?

Answer. In the December 2007 CNOR we identified 280 species as candidates. Each species is different and the cost to prepare proposed and final listing determinations, with concurrent critical habitat designations, varies substantially. A very rough average estimate is approximately $163 million for each species. We, are, however, combining species into multispecies listing packages, where appropriate, to evaluate species with similar threats or in similar ecosystems. We anticipate this approach would result in significant cost-savings.

Question 89. The December 2007 CNOR states that the FWS is hampered by lack of resources and the requirements of the Anti-Deficiency Act. Has the Department of the Interior ever asked for a change in the statutory cap on listing program dollars?

Answer. Every year we brief the Department and Congress on the appropriateness of the cap based on our projected statutory and litigation workload. In FY 2008, at our request, Congress moved $3 million from critical habitat funding to listing funding. This is enabling the Service to begin to address the listing backlog. The FY 2009 President's Budget retains this additional $3 million for listing.

Responses of the Department of the Interior to Questions From Senator Akaka

Question 90. There is a 20% reduction in the Office of Insular Affairs budget for assistance to Territories, Coral Reef Initiative, and a similar reduction to Coral Reef Initiative grants. Please explain the rationale. The geothermal fund was zero-ed out. (From $6,183 thousand in FY08) What is the rationale?

Answer. The request for the Coral Reef Initiative in the OIA fiscal year 2009 budget request is $750,000. This represents a 50% increase from the Department's request for fiscal year 2007. Limitations on resources preclude the Department from requesting the $979,000 appropriated for fiscal year 2008, which was itself $229,000 more than the Administration's request.

Question 91. The National Park Service submitted to the President a list of certified eligible centennial proposals for FY 2008. This list will remain valid for the next 8 years, although I understand that the Secretary has the option of amending

it. How are projects selected? When will the project selection be finalized? Is there a prioritization process for future funding of projects?

Answer. The list of eligible centennial proposals for fiscal year 2008 that was released last August anticipated legislation to create a mandatory $100 million matching fund for the Centennial Challenge. It was not intended to be an eight-year list, but instead to provide proposals that could be considered for 2008. Since January, the National Park Service has been working to narrow the list of eligible proposals for 2008 to be funded from on the appropriation of $24.6 million for the Centennial Challenge. Although the proposals on the eligible list that are not funded this year will provide a solid start as we look at fiscal year 2009 and beyond, we will make annual calls for proposals to ensure that we meet requirements described in the legislation. Future calls will also provide parks, programs, and their partners' ongoing opportunities to be part of this effort to prepare national parks for their 100th anniversary.

Projects and programs approved for funding in 2008 were selected through a rigorous process involving six criteria and eligibility reviews beginning in the summer of 2007. The approved projects will be announced in the coming weeks; they meet all criteria and are based largely on regional priorities as provided by the National Park Service's National Leadership Council. The method by which we request and evaluate future calls will be based on the requirements of the Centennial Challenge fund legislation.

Question 92. I was pleased to join with Senator Bingaman in introducing the Administration's Centennial Challenge initiative, and as you know, we held a hearing on the bill last August. It seems that the major outstanding issue is the need to find an appropriate offset for the mandatory spending in the bill. Does the Administration have any recommended offsets to allow this legislation to move forward?

Answer. The Department has shared some ideas for an offset with Committee staff in a bicameral and bipartisan fashion, but all parties have been unable to reach consensus to date. There are several mandatory proposals with savings in the President's budget for FY 2009. We are not asking Congress to use any of these proposals specifically to offset the Centennial Challenge proposal; we reference these proposals only to illustrate some options for offsets.

Question 93. Under the Covenant agreement between the U.S. and the Northern Mariana Islands, the U.S. agreed to provide 27.7 million dollars annually to support power, water, and other capital construction. However, because local revenues increased substantially in the 1990s, more than half of these funds have been re-allocated to other territories. The FY 2009 budget proposes continuing this reallocation of Covenant assistance to the other territories. Given the dramatic deterioration in the Northern Mariana Islands' fiscal and economic health since 2005—a loss of 25 percent of revenues—and the current crisis in power, water and other essential services, don't you think that it would be appropriate to reexamine the policy of reallocating Covenant assistance, and instead focus on the CNMI where the need is greatest and where the assistance was originally targeted?

Answer. As we noted in the response to question 53, funds originally authorized for the CNMI under the Covenant were re-directed by the Congress in Public Law 104-134 (1996) to capital improvements in the territories of American Samoa, Guam, the Virgin Island and the CNMI. Although the CNMI could benefit from expenditure of the entire sum, the other territories have similar serious needs for infrastructure which would not be met if the current allocations were altered.

Question 94. I was pleased to see that the Administration has proposed increased funding for National Park Service operations. Given that increase, however, I'm curious why funding for Kaloko-Honokohau National Historical Park is proposed to be reduced?

Answer. Kaloko-Honokohau National Historical Park is expected to receive $1.856 million dollars in FY 2009, a reduction of $33,000 from the FY 2008 Enacted Budget.

The majority of the decrease from the enacted budget stems from a $65,000 transfer from Kaloko-Honokohau NHP to centralized funding for GSA space rental costs. The year after a park receives a programmatic increase for newly leased office space the funding is transferred to External Administrative Costs to pay this portion of a centralized bill.

The remainder of the decrease of $6,000 reflects the park's share of an effort by the Department of the Interior to reduce travel and relocation expenses Department-wide. However, the park operations funding includes a $38,000 increase to its budget to cover fixed costs, which results in an effective increase of $32,000 to the park's budget in FY 2009.

Question 95. During the past year, there have been several media reports about the Park Service planning significant visitor fee increases at several park units. Please provide me with a list of all proposed fee increases.

Answer. The NPS has no entrance fee increases planned for 2008 with the exception of Assateague Island National Seashore. If approved, the rates will align more closely with the neighboring Chincoteague National Wildlife Refuge. Additional entrance fee rate proposals for 2009 are pending the Director's decision to move forward with civic engagement.

The NPS has approved expanded amenity fee increases at 6 parks for camping, boat launch, and tours as authorized by the Federal Lands Recreation Enhancement Act. Expanded amenity fee adjustments are typically based on comparability to local services and are usually done annually. This comparability process has been used since fees were authorized by the Land and Water Conservation Fund Act of 1965 to ensure that rates do not unfairly compete with local private service providers. All such fee adjustments require extensive civic engagement and consultation.

Question 96. One of my concerns about increased visitor fees is that any new fee revenues be used to supplement, and not offset, existing appropriations. And while your proposed budget does provide for an increase in park operations, it proposes a significant cut in the park construction budget. Doesn't this proposed decrease in the construction and major maintenance budget really mean that more park funding needs are being shifted onto visitors in the form of higher visitor fees?

Answer. There is no direct correlation between higher visitor fees and significant cuts in the NPS construction budget. Fee revenue is used primarily to enhance visitor services and address deferred maintenance on visitor facilities. The NPS has extensive fee expenditure policies and comprehensive review processes approved by Department of the Interior, OMB, and Congress to ensure that fee money does not supplant appropriations and annual operational costs. Annually about 25% of fee revenues fund large complex rehabilitation or new construction projects in parks. This percentage has not changed since the Fee Demonstration Program was established or as a result of cuts to the NPS construction budget.

Question 97. Recently there has been much publicity concerning attempts to overturn existing NPS regulations addressing the use of firearms in national parks. One of the arguments made by proponents of allowing visitors to carry loaded firearms into national parks is that the parks are dangerous for unarmed visitors. In your opinion, are units of the national park system unsafe? Do you have any data as to the level of violent crime in national parks, and whether this is a significant law management problem? The Budget Justification states that the "relocation of thousands of U.S. military personnel and their dependents from Okinawa, Japan to Guam will create huge challenges for the island's infrastructure in coming years and will be an important consideration for FY 2009 and subsequent budgets." However, there is no recommendation for funding in FY 2009 to respond to this challenge.

Answer. Regrettably, we understand that criminal activity can take place in virtually any area, including a park area. However, we do not believe that units of the National Park System are, as a whole, unsafe. With approximately 280 million visits last year the National Park Service reported only 384 violent crimes. These statistics include crime numbers reported by the U.S. Park Police which focuses the majority of its law enforcement efforts in metropolitan areas such as Washington D.C., New York, and San Francisco. The probability of becoming a victim of violent crime in a national park area is roughly 1 in 708,333. These statistics are far lower than other similarly-situated communities.

Question 98. What steps are being taken to coordinate planning and funding among DOD, civilian departments, and OMB to assure that the civilian community in Guam will be prepared to cope with this redeployment?

Answer. As we noted in the response to question 54, the Secretary of the Interior, the Office of Insular Affairs, and the Office of Management and Budget are heavily engaged with the Interagency Group on Insular Affairs, the DOD Joint Guam Program Office, and the Government of Guam to address this matter. The Federal government faces a serious challenge to assign roles and resources among the appropriate agencies and stakeholders to meet both defense and civilian needs. Although no funding is currently requested, this is a high priority issue for the Department.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR JOHNSON

Question 99. Mr. Secretary: Over the past decade the AmericaView program has grown from existing in one state to over 30 states. As part of the USGS, it has provided valuable remote sensing expertise, technologies and applications to almost 20 different federal agencies and numerous state governments across the country. It is

structured to empower the states in collaboration with the federal government to decide what their remote sensing needs are and how to meet them. This paradigm has proven very successful in fighting forest fires in California, managing droughts in Georgia and preventing Lyme Disease epidemics in Massachusetts. At the same time, NASA, USGS, Homeland Security and many other federal departments are relying on AmericaView to utilize the data obtained through our satellites and provide necessary trainings to maximize such efforts. With this program serving so many needs, how does the AmericaView Program funding fit into the National Land Imaging Program budget picture over the long term, since it is not in your budget this year?

Answer. Land imagery is necessary for the inventory and monitoring of global agriculture, tracking the status of Earth's ecosystems and natural resources—including impacts of climate variability—and assessing the condition of the Nation's urban and rural infrastructures. In addition, land imagery supports the military and intelligence missions and is used for disaster mitigation and response, and many other operational applications important to governments worldwide.

Implementing NLIP and maintaining current land imaging capabilities is a top priority for the Department, and may require additions, upgrades and changes to resources related to land remote sensing, satellite and data operations, and land science. The 2009 budget focuses on land imagery acquisition as its top priority, but the role of organizations such as AmericaView to provide operational land imagery services, such as developing and distributing land imaging products and performing research, education, and training to States, localities, and tribal governments throughout the United States, is likely to remain important.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR CANTWELL

SCIENTIFIC INTEGRITY

In draft documents for the Environmental Assessment of proposed oil and gas lease sale 202, Minerals Management Service biologists concluded that the proposed actions would be reasonably expected to have "significant adverse impacts" and, in the case of pink salmon, that "eventually, adult populations may gradually decline to extinction." However, the final Environmental Assessment, as edited by upper management non-scientists, changes those conclusions to state that the proposed action would have "insignificant" impacts. Supervisor Paul Stang, then Chief of the Leasing and Environmental Section for Alaska Region MMS—and now with Shell Alaska—wrote that the edits were needed because "as you know, a conclusion of significance under NEPA means an EIS & delay in sale 202. That would, as you can imagine, not go over well with HQ & others."

Question 100a. Why were supervisor non-scientists allowed to overrule and change the scientific conclusions of a MMS biologist?

Answer. The supervisors and managers who oversee and review NEPA documents are scientists. NEPA and its implementing regulations call upon Federal agencies to use an interdisciplinary approach to analysis. We have wide-ranging discussions among our biologists, oceanographers, engineers, geologists, and social scientists. When differing opinions arise, and cannot be resolved, managers consider science, technology and the applicable laws in arriving at the agency conclusion.

MMS presented the analyst's conclusions regarding potential impacts regarding pink salmon in the Sale 202 EA. Where the agency and other agency experts disagreed with the analyst was in the application of the threshold level for significance. The definitions for a significance threshold are a value judgment rather than a set standard. The Sale 202 EA defines a significant impact to fish as "[a]n adverse impact that results in an abundance decline and/or change in distribution requiring three or more generations for the indicated population to recover." The fact that an expert misinterpreted the referenced "indicated population" in application of the threshold definition does not mean that the agency changed his conclusions.

Question 100b. Is this regular practice in the agency?

Answer. Normal MMS practice is that when substantive changes in the approach and conclusions of an analysis are proposed or occur, the changes are reviewed by other scientists and in particular MMS subject matter experts in the field of the analysis under review. In the case of pink salmon, other MMS fisheries experts and oil spill risk analysts presented management with professional opinions that differed from the assigned analyst.

Question 100c. Is the timing of oil and gas lease sales and pressure from MMS headquarters normally a consideration for agency scientists when making scientific conclusions?

Answer. The tentative sale date determines the critical action dates for completion of the lease sale and NEPA processes. As in any effective organization, due dates are an important stimulus for keeping a project on track. However, the timing of oil and gas lease sales and any perceived pressure from MMS headquarters do not dictate conclusions of the analyses.

The e-mail quote is misleading. The MMS had already prepared an EIS on Sale 202—the Beaufort Sea Multiple-sale EIS. The MMS completed an EA to analyze whether a Supplemental EIS was necessary to prepare for Sale 202, although the agency was not required to use that mechanism. The NEPA regulations of the Council on Environmental Quality require supplementation of an EIS where there are "significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts." We concluded that new circumstances and relevant new information did not present a seriously different picture of the environmental impact of the proposed project from what was previously envisioned and fully and adequately analyzed, and thus we concluded that preparation of a supplemental EIS was not needed.

Question 101. It appears that timing of the sale and pressure from headquarters was clearly a factor here—what guarantee can you give me that it was not a factor in the scientific conclusions of other environmental analyses for other oil and gas lease sales?

Answer. Scientific conclusions are not driven by sale timing or management pressure. The MMS follows a well established process for preparation of our NEPA documents—from identification of the issues, alternatives, and mitigation measures evaluated in the documents, through methodologies to develop scenarios of likely activities, to peer, management, and Solicitor reviews. Concurrent with our NEPA analysis, we prepare environmental evaluations for the Endangered Species Act, Essential Fish Habitat, and other required consultations. Normal MMS practice is that when substantive changes in the approach and conclusions of an analysis are proposed or occur, the changes are reviewed by other scientists and in particular MMS subject matter experts in the field of the analysis under review.

Question 102. Fish and Wildlife Service just released a new Scientific Code of Professional Conduct. Why is this code applicable to only the FWS and not other agencies in the Department of Interior?

Question 102a. Does this code of conduct apply to political appointees? If not, why not?

Answer. The Secretary of the Interior has directed each bureau to develop its own scientific code of conduct. Overall, these efforts are being coordinated by the Department of the Interior Research and Development Council of which the Fish and Wildlife Service is a member. The U.S. Geological Survey has also developed a scientific code of conduct. The Service's recently adopted Scientific Code of Professional Conduct is incorporated into the USFWS Manual (212 FW 7) and is applicable to all Service employees, career and political, that are involved in the conduct, direction or supervision of scientific activities, or the interpretation, translation or application of the results of scientific activities.

INVASIVE SPECIES EXCLUDED FROM CONSIDERATION BY THE CHUKCHI SEA EIS

Recently released internal agency emails show that a Minerals Management biologist stated that the Chukchi Sea lease sale 193 Environmental Impact Statement should have assessed the potential impact of invasive species due to oil and gas development. Despite the expert opinion of this agency scientist, upper management decided to exclude invasive species from considerations by the EIS, and responded by removing the scientist from working on invasive species issues. In internal emails, management justified their decision to exclude invasive species by stating that "the MMS has no specific program authorities relevant to the prevention of introduction of invasive species. The U.S. Coast Guard is responsible for inspection of all ships, including transported semi-submersible drilling rigs, for possible transport of invasive species."

Question 103a. Did DOI/MMS consult with the Coast Guard on invasive species for the Chukchi Sea lease sale 193 Environmental Impact Statement?

Answer. The U.S. Coast Guard promulgates and administers regulations implementing the National Aquatic Invasive Species Act. There is no formal process for consultation with the Coast Guard on invasive species, however the Coast Guard receives notices of all sales and sale-related environmental documents for review and comment.

Under Executive Order 13112, the Secretary of the Interior co-chairs an Invasive Species Advisory Committee. The committee recently published the 2008—2012 National Invasive Species Management Plan for public comment. However, it should

be noted that the Executive Order explicitly states that the requirements of the order do not affect the obligations of Federal agencies under 16 USC 4713 (the authority for Coast Guard's ballast water regulations).

Question 103b. Is it normal for agencies to disregard environmental concerns in the creation of an EIS because those issues fall under the jurisdiction of a different agency? Agency officials have consistently touted the thoroughness and comprehensiveness of the

Answer. As with many Federal agencies, it is normal for MMS to defer to the expertise and regulations of agencies that have jurisdiction over activities and resources being considered in a NEPA document. In some cases, such deferral to other agency expertise is required by law via consultation and permitting requirements. In this case, MMS deferred to the environmental analysis and resulting rulemaking by the Coast Guard with respect to invasive species.

Question 103c. Chukchi Sea lease sale EIS. How is the EIS comprehensive if agency officials intentionally and knowingly chose to disregard certain environmental impacts like the potential impact of invasive species?

Answer. This issue was not raised in scoping meetings or through public comment. The issue of invasive species was raised by one of the agency's scientists (a fisheries biologist, not an invasive species specialist) during preparation of the Chukchi Sea Sale EIS. The issue was discussed among Regional and HQ specialists. The issue focused on a general concern about the government's (i.e., Coast Guard's) management of invasive species rather than a particular environmental impact associated with the proposed action. Further, it was determined that the risk of introduction posed by the limited number of potential vessels did not warrant additional analysis.

Question 103d. On what other occasions has DOI or MMS removed scientists from working on certain issues when their professional scientific opinions on those issues ran counter to what the agency is attempting to achieve?

Answer. MMS supports robust discussion among NEPA analysts and other agency specialists, as demonstrated by the recently circulating internal e-mails. Mission-critical work does not mandate specific conclusions or outcomes; it mandates that work be completed to support timely and informed decisions. Employees may be given alternate work assignments if they are unwilling to comply with or implement Departmental or agency policy and decisions.

INTERNATIONAL POLAR REPORT

In the weeks before the Chukchi Sea oil and gas lease sale, the Arctic Council's Arctic Monitoring and Assessment Programme was set to release an international assessment of oil and gas activities in the arctic. Numerous press reports surfaced, however, indicating that the United States blocked the release of significant portions of that report, preventing the publication of any science policy recommendations. It is my understanding that it was the U.S. State Department in partnership with the Department of Interior's Minerals Management Service that took the lead on the U.S. involvement in the development of this report.

Question 104. Did the United States prevent the public release of parts of the Assessment of Oil and Gas Activities in the Arctic 2007 international report, including science policy recommendations?

Answer. Reports of the Working Groups to the Arctic Council are developed through a consensus process. The Oil and Gas Assessment Report is comprised of three parts and was presented to the Senior Arctic Officials (SAOs) for their receipt in Narvik, Norway, in late November, 2007. The Technical Report was developed by science and engineering experts. It was received and has been released with the concurrence of the United States. The Overview report developed by the Arctic Monitoring and Assessment Programme (AMAP), a working group comprised of governmental delegations (not science or technical authors), has also been received and released with the concurrence of the United States. The Executive Summary and Recommendations portion of the intergovernmental AMAP report, however, was not accepted by the SAOs and has not been released because a few of the government members of the Arctic Council did not concur.

The United States has reviewed the documents to ensure that they are scientifically correct and consistent. The United States fully supported the release of the Oil and Gas Activities in the Arctic-Effects and Potential Effects science technical document. However, a review of the AMAP Executive Summary and Recommendations section by the United States concluded that a number of adjustments to the policy recommendations were necessary to, among other things, recognize that some of the recommendations had homeland security implications, raised domestic governance concerns and issues with the treatment of proprietary data. For these and

other reasons, the United States and other governments concluded that the AMAP Executive Summary and Recommendations should not be published at this time. It must be emphasized that the recommendations in question were policy recommendations and no changes to any of the science or technical recommendations in the technical report were made.

Question 105. What role did the Department of Interior or the Minerals Management Service play in blocking the release of important elements of this report?Did Department of Interior or Minerals Management Service employees take any actions that resulted in preventing the release of parts of the report?

Answer. The Department advised the State Department as to its concerns with the AMAP Executive Summary and Recommendations section. Upon review of the Executive Summary and Recommendations section, Interior concluded that it contained policy recommendations that did not appear elsewhere in the AMAP overview document, calling into question the executive summary recommendations and the process used to develop these recommendations. Secondly, there was no detailed analysis accompanying the policy recommendations anywhere in the complete report that provided sufficient explanation tying the policy recommendations to the scientific assessment and overview documents. As a consequence, it was impossible for Interior to understand either the genesis of these policy recommendations or their advantages and disadvantages. Also, as a matter of policy, the United States does not accede to documents containing recommendations that it does not fully expect to be able to accept and implement.

Question 106. Did the Department of Interior and Minerals Management Service block this report because of the impending Chukchi Sea oil and gas lease sale? Was the Chukchi Sea sale in any way a factor in the decisions to block parts of this report?

Answer. No, the Chukchi Sea sale did not influence either the Department or the Minerals Management Service. The Department's concerns regarding the Executive Summary and Recommendations section (the other two parts of the Assessment have been publicly released) are primarily based on the recognition that some of the AMAP intergovernmental recommendations had homeland security implications, raised domestic governance concerns and issues with the treatment of proprietary data. Further, these recommendations had not undergone a full examination within the U.S. interagency process normally accorded such recommendations.

Question 107. Did any of the recommendations of the report that were blocked by the Department of Interior and Minerals Management Service run counter to the actions about to be taken through the Chukchi Sea oil and gas lease sale?

Answer. No, we do not believe that the recommendations run counter to the actions taken through the Chukchi Sea oil and gas lease sale, and neither the Department nor the Minerals Management Service blocked the recommendations.

ENVIRONMENTAL RISKS OF THE CHUKCHI SEA OIL AND GAS LEASE SALE 193

In letters commenting on the Chukchi Sea Environmental Impact Statement, the U.S. Fish and Wildlife Service and Environmental Protection Agency both stated that the MMS analysis repeatedly downplayed the likelihood of major oil spills and the impact they would have on the environment. As EPA wrote, "EPA is very concerned that the risk to environmental resources . . . is understated." According to the National Marine Fisheries Service (NMFS), the proposed lease sale's environmental analysis "did not present a strong enough case to NMFS that marine resources would be adequately protected." On endangered species, the EPA commented that "EPA is concerned that relevant information regarding risks to threatened and endangered species from oil and gas development has not been adequately considered."

Question 108. Why did MMS move forward with the Chukchi Sea oil and gas lease sale despite strong assertions from three separate federal agencies that MMS had not yet adequately considered the environmental impacts?

Answer. The amount and detail of information needed for a NEPA analysis depends upon the decision it is intended to support. The four-stage review process established by the 1978 amendments to the OCS Lands Act provides for phased evaluation and informed decision-making to ensure that OCS oil and gas activities are conducted in an environmentally sound manner. This "tiered" approach to NEPA compliance and decision-making is encouraged by the NEPA regulations (40 CFR 1502.20 and 1508.28) to focus on issues ripe for decision. As a program progresses, more detailed and additional information may become available to support more focused and detailed analyses. In the same way, our incremental consultations with the National Marine Fisheries Service and the Fish and Wildlife Service under ESA

section 7 is designed to allow MMS and the Services to incorporate more detailed information specific to the proposed activities and locations.

NMFS was a cooperating agency on the EIS. Under ESA Section 7, Fish and Wildlife Service conducted incremental step consultation with MMS. The FWS initial determination on lease sale 193 was that during the pre-development stage, jeopardy was not reasonably expected. MMS received concurrence from NMFS for our conclusion of no adverse effects to essential fish habitat. EPA comments on the draft EIS included several recommendations to include additional supporting information in the final EIS. MMS provided the requested information.

MMS believes that our NEPA analyses, ESA biological opinions, and existing regulatory framework are appropriate and sufficient to make an informed decision on the lease sale. Our Environmental Studies Program and continuing consultation and collaboration with other resource and regulatory agencies will provide the appropriate information and framework for future decisions on proposed OCS activities and for providing environmental protection.

Question 109. Why did the final EIS continue to downplay the risk of oil spills, consistently using the qualitative term "unlikely" despite, as EPA pointed out in its letter on the draft EIS, the 31-51% probability of a major spill? According to EPA, this level of probability of a major spill "represents a significant risk."

Answer. In our response to comment 013-005 from EPA in the Chukchi Sea Planning Area Oil and Gas Lease Sale Final EIS the MMS states:

> The text in Section IV.A 4 has been revised to clarify that 0.33-0.51 is the estimated range of the mean number of large spills for Alternative I, III, or IV over the lifetime of production and is not the percent chance of one or more large spills occurring.

The MMS estimates that, most likely, there will be zero large spills over a 25-year production period if 1 billion barrels of oil is discovered and produced. However there is a risk. The mean number of large oil spills estimated (0.33-0.51) is less than one spill over that period. While the MMS defines a "large" spill as greater than or equal to 1,000 barrels, a spill of the same size would be considered "moderate to major" using the U.S. Coast Guard classification.

No one can predict whether a large spill will or will not occur as a result of the Chukchi Sea Lease Sale. The historical record indicates that we would not expect a large spill to occur. Advances in technology and procedures are reducing risks from previous levels in the past.

Question 110. Does MMS still believe that the risks of major oil spills in the Chukchi Sea are "unlikely" despite having a probability, by MMS's own admission, as high as 51 percent? Other agencies also commented that the EIS underestimated the probability of a major oil spill occurring. Why did MMS not "incorporate a more comprehensive approach to oil spill risk" as recommended by EPA?

Answer. At this time, MMS does consider the risk of a large spill (≥1,000 barrels) to be unlikely to occur in this frontier area. There are currently no proven recoverable oil resources. The oil spill risk analysis assumes that the economically minimum 1 billion barrels of oil is discovered and produced. Given that assumption, MMS estimate of the mean number of large spills (0.33-0.51) is less than one spill over the assumed 25-year production period.

In our response to comments 013-005 and 013-012 from EPA in the Chukchi Sea Planning Area Oil and Gas Lease Sale Final EIS, the MMS clarified that the numbers are mean spill numbers and not probabilities and explained our oil spill risk analysis model as follows:

The Oil Spill Risk Analysis (OSRA) model has been developed and refined over many years by the DOI as a tool to evaluate the risk of potential oil spills on the OCS. The OSRA model addresses the following independent factors:

> 1) the chance of one or more large spills occurring as a function of the quantity of oil to be produced and handled at individual production sites, pipelines, and tanker routes;
>
> 2) the probabilities of various spill trajectories from production sites and transportation routes as a function of wind, current, and ice circulation for the area; and
>
> 3) the location in space and time of vulnerable resources defined according to the same coordinate system used in the spill-trajectory simulation.

The results of these individual parts of the analysis are combined to estimate the total oil-spill risk associated with production and transportation at locations within a proposed lease area. The information from each component is used separately and together in the risk analysis that is present in the EIS.

Regarding the oil-spill trajectories, we follow a stochastic approach. A total of 2,700 trajectories (1,575 in winter; 1,125 in summer) were launched from each of the 1,002 hypothetical launch points for a total of 2,705,400 trajectories. The two spills that EPA commented on are the sizes of a platform and a pipeline spill assumed for purposes of analysis.

We acknowledge that there is considerable uncertainty with regard to the location, timing, and density of biological resources in the Chukchi Sea. As in the past, we intend to continue to improve the resource information in the model as it becomes available.

The combined probabilities represent the chance of one or more spills greater than or equal to 1,000 barrels, and the estimated number of spills (mean), both occurring and contacting a certain environmental resource area, land segment or group of land segments within 3, 10, 30, 60, 180, or 360 days, over the entire 25-year production period.

The MMS uses the three components listed above to derive the combined probabilities. The MMS estimates the chance of one or more spills occurring over the production life of the Alternative. The information from more than 2 million trajectories is used to tabulate the likelihood of whether over 90 resources, 126 land segments, and 17 grouped land segments are contacted over the six time periods. These two components are combined through matrix multiplication to derive the combined probabilities.

The analysis of impacts from large oil spills assumes no cleanup and is thus conservative. Oil-spill cleanup is analyzed separately as a mitigation measure. However, it is a requirement that a response program and equipment be onsite and available.

Question 111. Were the calculated environmental risks based in any way on assumptions regarding the future cost of oil?

Answer. The spill rate for large oil spills was derived from the number of platforms, wells, and miles of pipelines used in the scenario for the EIS. The scenario used to derive this information was based on hydrocarbon resource estimates that included both technically recoverable and economically recoverable resources. The scenario used for the oil spill risk analysis and the environmental impact analysis is for discovery and production of 1 billion barrels of oil, which was determined in the assessment to be the minimum economically recoverable amount.

Question 112. Were any analyses in the Chukchi Sea oil and gas lease sale EIS based on assumptions regarding the future cost of oil? If so, what was the assumed future cost of oil? Why was this price used? Are these assumptions realistic? Would the analyses' outcomes have differed if a different future price of oil had been assumed?

Answer. The scenarios analyzed in the EIS were based on evaluations of economic resource potential, technical feasibility and assumptions of industry interest. All of these factors are influenced by the prevailing price of oil when decisions are made regarding activities. High oil prices would tend to encourage activities, but high prices also result in higher costs for operations which would increase investment risks. When the EIS was written, the prevailing oil price was approximately $50 per barrel, and this price level was implicit in the scenario assumptions. Now oil prices are over $100 per barrel. However, in Alaska and elsewhere the level of offshore activities has not doubled with oil prices. Companies making billion dollar investment decisions typically take a longer term view of oil prices, recognizing that oil prices could drop as fast as they went up. The previous scenarios are reasonable, even with higher current oil prices, because technical, regulator, and high-cost impediments will still restrict industry operations in the Chukchi.

In his testimony before the House Select Committee on Energy Independence and Global Warming on January 17, 2008, Minerals Management Service Directory Randall Luthi touted the supposedly extensive environmental research and analysis behind the agency's decision to proceed with the Chukchi Sea lease sale. He testified that "the MMS and the FWS [Fish and Wildlife Service] have continued to work closely together, particularly in Alaska, to assure that energy development has little or no negative effect upon wildlife resources." Mr. Luthi failed to mention, however, that the U.S. Fish and Wildlife Service and the National Marine Fisheries Service both recommended that MMS abandon the planned lease sale for an alternative, more environmentally sensitive plan—a recommendation the agency did not follow.

Question 113a. Is Mr. Luthi's testimony that MMS is working to "assure that energy development has little or no negative effect upon wildlife resources" a misrepresentation of the facts?

Answer. No. The 1978 amendments to the OCSLA established a national policy of making the Federal OCS "available for expeditious and orderly development, subject to environmental safeguards," and prescribed a four-stage process for oil and

gas development, with review at each stage. This four-stage review process provides a "continuing opportunity for making informed adjustments" to ensure that OCS oil and gas activities are conducted in an environmentally sound manner. The MMS completes the appropriate NEPA analyses and ESA consultations at each stage of OCS activities. The MMS regulatory framework has been developed over years of experience, research, and consultation to maximize the safety of operations and minimize harm to the environment. Typically, MMS authorizations for OCS activities include additional required proposal-and site-specific mitigation and monitoring measures.

Question 113b. If you believe it is not a misrepresentation of the facts, are you saying that FWS, EPA, and NMFS are wrong in their assessments of the Chukchi Sea EIS? Was NMFS scientifically wrong in stating that the EIS "did not present a strong enough case to NMFS that marine resources would be adequately protected?"

Answer. For Endangered Species Act (ESA) section 7 consultation on Chukchi Sea Sale 193, the Fish and Wildlife Service conducted incremental step consultation with MMS. The FWS initial determination on lease sale 193 was that the pre-development stage, jeopardy was not reasonably expected. The ESA consultations with both FWS and NMFS are incremental consultations and MMS will re-consult should any development activities be proposed in the Chukchi Sea. The MMS received NMFS concurrence with MMS determination of no adverse effect to essential fish habitat.

The EPA did not assign a level of EO (Environmental Objections) or refer the document to CEQ with an assigned level of EU (Environmentally Unsatisfactory). Instead, the EPA assigned a rating of EC-2 (Environmental Concerns-Insufficient Information) to the Sale 193 EIS. EPA indicated that this conclusion was based on their concern about the uncertainties in the information, resources estimates (Opportunity Index), and probability of exploration, production, and development activities and the risks associated with these activities. Such uncertainties are inherent in exploration of a frontier area. Many of the uncertainties will be resolved over time with the completion of additional environmental studies, exploration seismic surveying and drilling, and monitoring of industry activities.

Question 113c. How can the environmental analyses be considered extensive when MMS non-scientist managers consciously decided—against the advice of agency scientists—to exclude some environmental impacts such as invasive species?

Answer. The supervisors and managers who oversee and review NEPA documents are scientists. It is not uncommon for individuals within an agency—both staff-level and management-level scientists—to have different opinions on a subject, based on their experience and expertise. Our NEPA documents are prepared by a multidisciplinary team that includes not only biologists and other environmental scientists, but also engineers, spill response experts, and regulatory specialists who understand the role of MMS regulations and existing lease stipulations in providing protections to the environment. The MMS considers the views of all of its analysts, including those who disagree with past findings and agency policies. Any individual staff member may express a view during the NEPA process. That individual may not have the full array of information or the full suite of expertise that ultimately form the basis for MMS's decisions. Ultimately, it is up to the agency to resolve issues and render the final agency decisions.

ARCTIC OIL SPILL RESPONSE

In community forums held by MMS in Alaska to receive public comment on the draft Chukchi Sea EIS, community members consistently expressed major concerns over who would respond to a major oil spill in such a remote region. In those forums, MMS representatives usually answered that question by indicating that oil spill response and cleanup would be the responsibility of the oil companies.

Question 114a. Does any federal government agency have the assets and resources currently in place to effectively respond to a major spill in the Chukchi sea and arrive on-scene to begin effective cleanup of a spill within 4 hours? Within 12 hours? Within 24 hours?

Answer. Under the Oil Pollution Act of 1990, industry is responsible for having the equipment and personnel in place to respond to a major oil spill. The type and number of specific pieces of equipment, location and staging of equipment and time for deployment of equipment are evaluated for each proposed activity based on location of the project, and site specific assessment of the oil spill trajectory and resources potentially at risk. The statute also requires that an operator have an approved Oil Spill Response Plan prior to commencing exploration or development ac-

tivities. The MMS has regulations in place that implement the Act, and is responsible for the review and approval of Oil Spill Response Plans.

A Federal response would only be initiated if the Coast Guard determined that the industry response effort was unsatisfactory. The Coast Guard would initially rely on the equipment inventories available under an industry approved response plan. In a spill event, the Coast Guard would have access to these assets which would also affect their ability to respond to a non-oil and gas industry discharge and provide more rapid response to an incident. Both the Coast Guard and the State of Alaska maintain or have access to additional private, local and national oil spill response equipment inventories, vessels and aircraft that could be mobilized into the Chukchi Sea area. Much of the equipment and personnel already maintained through third party response organizations within the state could be mobilized within 24 hours or less.

MMS will require industry to establish and maintain equipment and resources to clean up a potential worst case discharge. This will include on-site equipment for immediate response and additional equipment that can be mobilized to the site. MMS can also require equipment be pre-staged at specific locations to reduce response times to protect resources or habitat based on a risk assessment for the time and location of the activity.

Under the Oil Pollution Act, industry is directly responsible for responding to an oil spill. There is currently no exploration or development activity in the Chukchi Sea and the response structure has not been established. Following lease sale 193, industry began working with the Federal and State agencies to develop and form a new oil spill response organization and structure specifically for the Chukchi Sea area similar to the oil spill response structure currently in place and approved for the Beaufort Sea. Most of the oil spill response tactics, types of response equipment and training programs that have been developed and approved for use in the Beaufort Sea can also be used in the Chukchi Sea.

Exploratory drilling has been conducted previously in the Chukchi Sea in 1989-92 by Shell. Shell established a dedicated oil spill response barge that essentially housed a complete oil spill response organization including major equipment inventories, personnel and an incident command and communications center. This barge was maintained on-site throughout each drilling program. The oil spill response structure was supported by dedicated helicopters for air support and on-site support vessels. Shell adopted a similar approach for its proposed Beaufort Sea exploratory drilling program. The MMS expects a similar response strategy for any exploratory drilling activities resulting from sale 193—major equipment inventories and response personnel will be staged adjacent to exploratory drilling activities to facilitate immediate response actions in the event of an oil spill.

In the event of development activity, the MMS expects industry to establish an oil spill response structure that will include substantial onsite equipment inventories and offsite inventories staged in Barrow or other Chukchi Sea communities that could be mobilized and deployed within 4-12 hours.

Question 114b. Does MMS believe that relying primarily on a response by the oil companies is a sufficient oil spill response plan for the protection of fragile arctic resources?

Answer. Yes. The Oil Pollution Act firmly establishes an operator's responsibility for providing sufficient personnel and equipment to address a potential worst-case discharge from their facilities. Through our oil spill response plan regulations, an oil company is required to thoroughly evaluate the area where they operate and provide sufficient response personnel, oil spill response tactics, and equipment inventories that are appropriate to the operating environment and serve to limit the impact of an oil spill on the receiving environment. Prior to any oil exploration, development or production operations, spill response assets must be immediately available in the operating area to support the activities. MMS also requires that all aspects of the oil spill response plan are exercised and tested on a routine basis to ensure that the actions described in the plan are appropriate and can be implemented without delay.

In addition to the required company response plans, an added layer of response preparedness is supplied through the "Alaska Federal and State Preparedness Plan for Response to Oil and Hazardous Substance Discharges and Releases" (Unified Plan) and region specific Subarea Contingency Plans. These plans identify environmentally sensitive areas, wildlife and other natural or man-made resources at risk, recommended oil spill response tactics and response and other logistical assets both in the subarea and across the state, to combat the spill. The plans also contain a list of response scenarios specific to the region that identify what actions should be taken by each entity responsible for oil spill response. Operator oil spill response plans must be consistent with these plans per OPA 90 and MMS regulations.

It should be noted that with oil and gas exploration activities also come oil spill response capabilities that would not otherwise exist in the Chukchi Sea. These assets would be available to respond to oil spills from other sources, thereby limiting the environmental impacts of those spills as well.

Question 114c. Has MMS consulted with the U.S. Coast Guard on the adequacy of oil spill response capabilities in the Arctic?

Answer. Yes. MMS works closely with the U.S. Coast Guard during all phases of our operations in OCS waters. The MMS ensures the Coast Guard is given the opportunity to review and comment on oil spill response plans during our project permitting process. The Coast Guard is included in MMS oil spill drills to carry out their role as Federal On-Scene Commander and to evaluate oil company preparedness and response.

Through the Alaska Regional Response Team (ARRT), the Coast Guard coordinates with all Federal and state agencies that have regulatory oversight or resources that could be impacted in an oil spill, to evaluate response capabilities. Through the Unified Plan and the various Subarea Contingency Plans for Alaska, the ARRT identifies environmentally sensitive areas, wildlife and other natural or man-made resources at risk and response and other logistical assets both in the subarea and across the state to combat the spill. As oil and gas operations move into the Chukchi Sea, the appropriate subarea contingency plans will have to be updated to include response scenarios for these operations and to include the significant spill response assets that will be brought into the region to support these activities.

Question 114d. Does MMS and DOI believe that the U.S. Coast Guard currently has the assets and resources necessary to effectively respond to oil spills in the arctic?

Answer. For activities related to potential OCS oil and gas activities, the Coast Guard would have sufficient assets. MMS requires oil companies to have the assets on-site and in the operational area to respond to their potential worst-case spill. There will not be any exploratory drilling taking place in the Chukchi until the operators have significant oil spill response equipment both on site and in close proximity to their drilling operations. In a spill event, the Coast Guard would act as the Federal On-Scene Commander and with the appropriate State, Local and Responsible Party On-Scene Commanders to oversee spill response operations. For an OCS oil spill, the Coast Guard should not be required to supply response equipment since that responsibility rests entirely with the responsible party. MMS through its inspection program would ensure the assets were available and in working order.

For non-oil and gas related releases, the Coast Guard would have to mobilize all spill response assets from Kodiak or the West Coast via the Pacific Strike Team. In the event of a spill, the Coast Guard has the authority to contract with private entities to provide oil spill removal services through Basic Ordering Agreements with these companies. To augment their response assets the Coast Guard would most likely contract with oil spill response organizations within the state and activate Department of Defense assets to provide response equipment and personnel.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR DOMENICI

FIRE RETARDANT LAW SUIT

I know you are aware of the lawsuit in Judge Malloy's court in Missoula, Montana regarding the use of fire retardant. I assume that part of the dilemma has to due with endangered species and their habitat. The court has demanded an EIS that requires that the Department and its agencies to complete certain consultations.

Question 115. Are these consultations going to be completed before the next court date?

Answer. The U.S. Fish and Wildlife Service completed its biological opinion and transmitted it to the U.S. Forest Service on February 15, 2008. Subsequent to that action, we understand that the Forest Service issued its Decision Notice and Finding of No Significant Impact on February 18, 2008 in compliance with applicable court orders in the litigation *Forest Service Employees for Environmental Ethics* v. *U.S. Forest Service*.

NATIONAL PARK SERVICE BUDGET—PERMANENT FUNDING

Mr. Secretary, the proposed budget for the National Park Service shows a modest increase of one half of one percent in discretionary funding and a large increase of 60 percent in permanent funding.

Question 116. What is the basis for the large increase in permanent funding?

Answer. The increase appears large as compared to the fairly modest mandatory funding provided to the National Park Service. The proposed increase in permanent funding is for the establishment of a $100 million mandatory fund, the Centennial Challenge, which would match non-federal cash donations for signature projects and programs at national parks. Authority for the program would exist through 2018. Such a fund would allow the National Park Service to leverage private contributions with Federal funding in order to improve and enhance our national parks for another century of conservation and visitor enjoyment. It is vitally important that this legislation be in place as soon as possible to maintain the energy and excitement of our partners, our dedicated employees, and the public at large that has been generated as a result of the Centennial proposal.

The Centennial Challenge funding will require at least a dollar-for-dollar match from non-Federal donations, with some projects leveraging a higher proportion of non-Federal funds. If fully subscribed, the annual overall benefit to the National Park Service would exceed $200 million ($100.0 million in Federal funds and at least $100 million from philanthropic donations).

The Secretary of the Interior presented an initial list of eligible signature projects and programs in August 2007. The National Park Service will announce in the coming weeks the final list of projects and programs that will be funded in 2008. This project list draws on ideas generated through listening sessions, public engagement, and the input of NPS professionals. Over the next 10 years, the list will be expanded and the Secretary may amend the list annually. An annual report will provide financial information, such as the amount of donations collected, the rate of spending, and significant milestones and projects completed.

NATIONAL PARK SERVICE OPERATIONS BUDGET

Mr. Secretary, you have proposed an increase of $160.9 million for the operations portion of the National Park Service budget for FY 2009. That represents an eight percent increase over the funding you received in FY 2008. However, the overall budget for discretionary funding for the National Park Service would increase by only $14 million or one half of one percent in FY 2009.

Question 117. What areas of the National Park Service budget have been reduced to achieve an eight percent increase in funding for park operations with only one half of one percent increase in the overall budget?

Answer. As noted, the FY 2009 President's Budget request proposes an operating increase of $161 million for the National Park Service, including $31 million for fixed costs. To support operations in preparation of the Service's 100th anniversary, funding for lower priority congressional earmarks and items that can be deferred are reduced.

The FY 2009 request for Construction is over $172.5 million, or about $46 million less than the FY 2008 enacted level. Nevertheless, significant resources are proposed to be invested in maintenance and rehabilitation in the FY 2009 request. A total of $18.9 billion is requested for park asset programs, an increase of $145 million over 2008. Funding for the repair/rehabilitation program is level with the 2008 enacted level at $99.6 million; preventive maintenance is up 27 percent or $21.2 million; and funding for roads from the federal highway program is expected to increase by $15 million to $240 million.

The FY 2009 budget request for land acquisition projects is level with the FY 2008 budget request but represents a $22 million decrease from the FY 2008 enacted level. This request seeks a balance of acquisition and other conservation programs that can leverage Federal funds. Using alternatives to Federal acquisition allows us to achieve conservation goals in partnership with others in lieu of adding more lands to Federal ownership. In FY 2009, the National Park Service is requesting $45.5 million for National Recreation and Preservation programs, which is $22 million below the FY 2008 enacted level due to the elimination of unrequested earmarks and funding for activities that are a lower priority than park operations.

BUREAU OF RECLAMATION—NEW MEXICO MINNOW SANCTUARY

The Reasonable and Prudent Alternatives specified in the 2003 Fish and Wildlife Service's Biological Opinion on the Rio Grande Silvery Minnow required the construction of two minnow refugia. In order to comply with this mandate, I have secured funding for the construction of a minnow sanctuary.

Question 118. What is the status of the sanctuary's construction and when will it be completed?

Answer. A contractor is on site completing the final phase of construction. They are scheduled to complete the sanctuary in October 2008.

Question 119. Does the USBR have sufficient funding in FY2008 to complete construction of the Minnow Sanctuary or will additional FY2009 funds be required?

Answer. The FY 2008 funding is sufficient to complete construction.

Question 120. Will you please provide my office with a long-term operations plan for the Sanctuary?

Answer. The U.S. Fish and Wildlife Service has developed an operating plan for the sanctuary, and we will be happy to provide it to you. The plan spells out the long term goals and covers in some detail an initial phase of operations during which the capacity and performance of the facility can be fully assessed allowing us to put a detailed long term plan together.

ESA COLLABORATIVE PROGRAM

Mr. Secretary, in order to address endangered species issues in the Middle Rio Grande Valley, I established the Middle Rio Grande Endangered Species Act Collaborative Program. As you are aware, this provides a forum for all interested parties to discuss ways to address endangered species issues in a cooperative way and has been largely successful in producing consensus.

Question 121. How is compliance with the 2003 Biological Opinion proceeding? Do you feel that adequate funds for this purpose are included in the President's budget request?

Answer. To address concerns about the long-term sustainability of the 2003 Biological Opinion, as the Federal action agencies, Reclamation and the U.S. Army Corps of Engineers have decided to seek a new biological opinion and have it in place by the 2010 irrigation season. We are working closely with the U.S. Fish and Wildlife Service as well as with the entire Middle Rio Grande Endangered Species Collaborative Program to determine an appropriate course of action. Multi-agency personnel are working on hydrological and biological modeling to help determine what water operations could be carried forward in a new biological assessment and Section 7 consultation. Reclamation is also seeking greater participation and contributions from non-federal partners so that the next biological opinion can be more sustainable. In addition, Reclamation is pursuing the idea of a combination Section 7/Section 10 ESA compliance strategy to meet compliance needs of federal and non-federal participants in the long-term. At the same time, Reclamation continues to acquire as much supplemental water as possible and to carefully manage its use.

Question 122. What construction activities required by the 2003 Biological Opinion do you anticipate will be completed in Fiscal Year 2009?

Answer. The Rio Grande Silvery Minnow Sanctuary will be completed in FY2009. Additional acreage of habitat restoration projects will also be completed.

Question 123. Will the USBR work with federal agencies, state government agencies, tribes, local government and other non-governmental groups in implementing the ESA Collaborative Program?

Answer. Yes, Reclamation is actively working with both its federal and non-federal Collaborative Program partners to develop a proposed action for a new Biological Opinion. Reclamation remains eager to work side-by-side with all groups as we move toward a more sustainable long-term Biological Opinion, especially to the extent that the non-federal partners are willing to meaningfully participate and make viable commitments to this process. Since Reclamation's responsibility in the Middle Rio Grande is limited to water storage and delivery, it does not deplete water from the Rio Grande. Reclamation's compliance with either the current or future Biological Opinions will need to rely on those entities that deplete water to come forward with solutions to meet flow requirements. If it becomes clear that Reclamation will not be able to meet BO flow requirements and no solutions are offered from non-federal entities, there may come a time in the near term when Reclamation and the Corps of Engineers will have to initiate a separate Section 7 Consultation.

RURAL WATER IMPLEMENTATION AND PROJECTS

Question 124. Please describe what the Department has done to date regarding the implementation of Title II of the Rural Water Supply Act of 2006.

Answer. Reclamation is drafting a regulation to implement this program.

Question 125. Please describe the current funding request for authorized rural water projects and the necessary amount of funds necessary to address the current backlog of projects. Response: Below is a table showing rural water projects, their total estimated costs, costs as of September 30, 2007, and balance to complete. All dollars are Federal only. The first priority for funding rural water projects is the required O&M component, which is $15 million for FY 2009. For the construction component, Reclamation allocated funding based on objective criteria that gave priority to projects nearest to completion and projects that serve tribal needs.

Dollars in $000's

Project Name Rural Water System (RWS)	Total Estimated Cost 1/	Funding as of 9/30/07	FY 2009 President's Request	Balance to Complete
Mni Wiconi RWS	$452,144	$331,977	$16,240	$103,927
Garrison – State RWS	461,393	203,391	3,880	254,122
Garrison – Indian RWS	310,589	53,497	3,880	253,212
Fort Peck Reservation/Dry Prairie RWS	262,918	38,350	0	224,568
Lewis & Clark RWS	362,073	74,869	0	287,204
North Central/Rocky Boys RWS	273,057	8,644	0	264,413
Perkins RWS	24,626	11,007	0	13,619
Jicarilla RWS (UC Region)	45,000	2,600	0	42,400
TOTALS	**$2,191,800**	**$724,335**	**$24,000**	**$1,443,465**

1/ Estimated cost based on October 2008 indexing amounts

USBR DESALINATION RESEARCH PROGRAM

Question 126. I am interested in the process and the schedule the Administration will undertake to develop both a short and long-term strategy within your desalination research program.

Answer. Reclamation is building on the basic strategy presented in 2006 and outlined in the FY 2009 budget request. We expect to receive the National Academy of Science's review of the potential role of desalination technologies in early spring 2008. The NAS review will be incorporated with an internal review of desalination technologies and our Managing for Excellence activities to identify both short and long-term strategies.

Question 127. What portion of the funds do you intend to provide for in-house research vs. extramural grants?

Answer. Approximately $1,200,000 is intended to support in-house research, $1,075,000 is intended to support grants for external work, and $1,600,000 is intended to support operation and maintenance at the Brackish Groundwater National Desalination Research Facility.

Question 128. Please describe what the guiding principles/goals of the program would include.

Answer. The guiding principals/goals of the program include: A sustainable expansion of water supplies through advanced treatment technologies, applied research to reduce the cost and energy requirements of treating impaired waters, enhanced federal and non-federal partnerships to accelerate the implementation of the technology and reduction of institutional barriers, leveraging of existing funds and knowledge, strong program/peer review processes and, most important, strong technology transfer to the private sector and to communities looking for water supply solutions.

Question 129. Please describe which broad BOR mission areas would be supported by the desalination research.

Answer. One of Interior's and Reclamation's goals, as described in the DOI Strategic Plan for 2007 to 2012, focuses on developing improved water treatment technologies. This directly supports Reclamation's core mission to provide reliable water supplies, by making degraded supplies available for a range of uses. Improved water treatment technology has the potential to reduce conflict over limited water supplies. The Office of Science and Technology Policy's Subcommittee on Water Availability and Quality identified critical actions to provide the tools necessary to enhance reliable water supply, including identification and pursuit of appropriate Federal research opportunities for improving and expanding technologies for use of marginal or impaired water supplies. Such technologies include desalination, water treatment and reuse.

Question 130. Please describe how you intend to coordinate with other federal/state/local and commercial entities within the desalination research program.

Answer. The FY 2009 Budget Justification describes Reclamation's basic desalination strategy and actions. While more details will be developed in the first half of 2008, we can say that internal management and coordination activities are being formalized and strengthened. We are working to implement a strong technology transfer program both in Reclamation and Interior. We continue to coordinate an Interagency Consortium with federal agencies and government labs.

ONSHORE MINERAL DEVELOPMENT

Question 131. Currently, the oil and gas industry has to pay for archaeological surveys, wildlife studies and the cost of preparing third-party NEPA documents. If the APD processing fee is enacted, will the BLM re-assume the costs for these other APD related studies or will the agency continue to urge industry to pay those costs?

Answer. The $4,150 fee would cover the cost BLM incurs in processing an APD at present. These costs do not usually include archaeological surveys or wildlife studies. In most cases the BLM prepares the NEPA documents for APD processing. In cases where the BLM is delayed, by staffing and workload issues, in preparing NEPA documents (EAs or EISs) a third party may fund the preparation of appropriate NEPA documents.

BLM OIL AND GAS MANAGEMENT

Question 132. I was pleased to see that the President's budget for oil and gas management includes an increase of $7.8 million over FY 2008. Please comment on the factors that necessitate this increase.

Answer. The net program increase in the oil and gas management program, after accounting for changes in the cost recovery and fee collection accounts, is $7.8 million. Most of this net change is due to the increase of $11.2 million for remediation of the Atigaru legacy well in Alaska. There are two other decreases that impact the net change: a decrease of $1.9 million for the oil shale program, due to the completion of the Programmatic EIS in 2008, and a decrease of $1.2 million for various administrative efficiencies. The net change in the oil and gas program, when the increase of $1.6 million for fixed costs is accounted for, is $9.4 million.

Question 133. In the budget proposal, you estimate that approximately 9,100 APDs will be received in 2009. This is an increase over the number planned for 2008. Will the increase to the Oil and Gas management funds be sufficient to expedite oil and gas lease applications?

Answer. Yes. The BLM anticipates that 9,500 APDs will be processed in FY 2009, 400 more than will be received. This will further reduce the number of pending APDs.

UNITED STATES BUREAU OF RECLAMATION (USBR) 2003 BIOLOGICAL OPINION FLOW REQUIREMENTS

The USBR is tasked with providing water in order to comply with the Fish and Wildlife Service's 2003 Biological Opinion. However, it is unclear where the USBR will obtain this water once the Albuquerque-Bernalillo County Water Utility Authority begins diverting its allocation of San Juan-Chama Project water.

Question 134. In light of potential water shortages, how will the USBR meet the requirements of the 2003 Biological Opinion with the proposed budget, particularly when the cost of water may increase significantly?

Answer. With carryover leases available in 2008 and anticipated supplies being made available to Reclamation from the State of New Mexico in the near future, it is highly likely supplies will be adequate through 2009. Reclamation and the State of New Mexico are currently working on an agreement that would make available to Reclamation some of the State's Rio Grande Compact credit water for use in Reclamation' s supplemental water program in 2009 and beyond.

In addition to the above short term supplemental water supply arrangements, Reclamation, the Corps of Engineers, and the US Fish and Wildlife Service are working closely with the Middle Rio Grande Endangered Species Collaborative Program to address potential water shortages in the future. These efforts include modeling focused on developing hydrologically viable water management scenarios that can meet Endangered Species needs and working closely with basin stakeholders on new water management and/or supply options that can provide wet water for species needs. These efforts are intended to be the cornerstone of a new Biological Opinion for 2010.

Question 135. Chama Project water cannot be used for meeting the requirements of the ESA unless it is acquired by a "willing sellor or lessor". If water cannot be acquired from project contractors, where do you anticipate you will get the water to meet the requirements of the ESA in 2008? What are you doing to address this potential problem?

Answer. During the 2008 irrigation season, we expect that there is sufficient supplemental water already in storage to meet ESA flow requirements of the 2003 biological opinion. These supplies consist mainly of carryover storage from previous years' leases of "willing lessors" of San Juan-Chama water.

In the Energy Policy Act of 2005, language was enacted to provide royalty relief for marginal deep and ultra-deep natural gas wells with prohibitively high costs of production in the Gulf of Mexico. A proposed rule is pending at MMS, which proposes a price threshold for shallow water/deep gas production.

Question 136. Mr. Secretary, please provide the reasoning behind eliminating the royalty relief provisions mandated by Congress in EPACT 2005.

Answer. When the Energy Policy Act was enacted, the Administration opposed the deep gas and deep water royalty relief provisions, stating that they were unwarranted in today's price environment. The President's Fiscal Year 2008 budget included a proposal to repeal sections 344 and 345 of the Energy Policy Act, and on April 20, 2007, the Department of the Interior sent a legislative proposal to Congress. The FY 2009 Budget continues to seek these repeals. Section 344 extended existing deep gas incentives by mandating a royalty suspension volume of at least 35 billion cubic feet of natural gas for certain wells completed at depths greater than 20,000 feet sub-sea on leases located in 0-400 meters of water. This section also directed that the same methodology used to calculate suspension volumes in the MMS's 2004 rule for wells completed between 15,000 feet and 20,000 feet of sub-sea on leases in 0-200 meters of water be applied to leases in 200-400 meters of water. Section 345 mandated royalty suspension volumes for leases in water depths greater than 400 meters issued in the first five years after enactment (August 8, 2005-August 8, 2010).

Through MMS's recent analysis of the efforts of existing deep gas incentive programs in light of operating experience under current and projected gas prices, we found that the MMS deep gas incentives appear to have had far less effect on deep depth drilling than we originally expected. The MMS's original estimates of the sensitivity of deep depth drilling to royalty relief were based largely on theoretical models of operator behavior and reservoir profitability. In contrast, MMS's recent analysis studied the observed effects over the past few years of natural gas price increases and the provision of royalty relief incentives on deep gas drilling. After accounting for the price effects in this empirical analysis, MMS concluded that only 10 to 12 percent of the increase in deep drilling appears associated with current deep gas royalty relief incentives. As such, the results observed do not appear to provide support for the added incentives included in the Energy Policy Act over a broad range of gas prices experienced during the past 4 years.

Section 345 also reduced MMS's flexibility to provide royalty relief incentives only when appropriate. At this time, current and expected price levels provide ample incentive to develop and produce in the challenging conditions found in the deep waters of the Gulf of Mexico, so there is now no need to offer royalty relief there. Indeed, the Energy Information Administration's (EIA) most recent forecast predicts that over the next 5 years oil prices will average more than $75 per barrel and gas prices almost $7 per million British thermal units. Even in a longer horizon, EIA predicts that oil and gas prices will remain double or more the level seen in the 1990s and early this decade.

Question 137. As result of Section 388 of EPACT 2005, MMS has a statutory authority to develop renewable and alternative energy sources. Mr. Secretary, please explain the status of MMS' alternative energy program.

Answer. MMS has made significant progress implementing its new alternative energy authority on the OCS. As an important first step in establishing a new program that will involve frontier areas of our Nation's OCS, MMS initiated and completed a programmatic environmental impact statement (PEIS) that analyzed in a high-level fashion the types of environmental and socioeconomic impacts anticipated to result from all phases of offshore alternative energy development (e.g., initial site assessment, construction, commercial operation and ultimate decommissioning). In this PEIS, MMS analyzed the anticipated impacts from wave energy, wind energy and ocean current energy activities on the OCS. MMS issued the draft PEIS in March 2007, subsequently held pubic hearings in April and May, and issued a Final PEIS in November 2007. MMS published its Record of Decision this January and formally adopted 52 environmental best management practices that will be considered in evaluating and authorizing any alternative energy project on the Federal OCS.

MMS is near completion of its proposed rulemaking for alternative energy and alternate use activities on the OCS. In December 2005, MMS issued its Advanced Notice of Proposed Rulemaking soliciting comments from the public on a broad array of issues pertinent to establishing a comprehensive regulatory program that assures safe and environmentally responsible development of alternative energy projects on the OCS. MMS has been careful and deliberate in the development of this rule-

making as we recognize the importance of these regulations in providing a clear road-map for entities interested in exploring alternative energy opportunities offshore, and in satisfying our Nation's need for diversified, non-fossil sources of energy to coastal regions with ever-increasing demands for electricity. MMS is on schedule to publish a proposed rule by this summer for public review and comment, and a final rule by the end of this year.

In light of the fact that our program regulations have not been completed within the timeframe originally contemplated, in November 2007, MMS announced an interim policy for authorizing limited resource data collection and technology testing in advance of final rules. This policy would not authorize the construction of wind turbines, nor would it authorize commercial energy activities or offer any priority right or preference in subsequent commercial lease sales. As a result of the announcement of this Interim Policy, we have 40 viable nominations to date, from entities interested in developing projects on the Federal OCS on both the East and West. MMS intends to announce shortly its next steps for authorizing limited leases under this interim policy.

MMS recently completed its draft Environmental Impact Statement (EIS) review (as required by the National Environmental Policy Act) for the proposed Cape Wind energy facility off the coast of Massachusetts on Federal submerged lands in Nantucket Sound. The draft EIS was made available for public review and comment this January, and MMS held a series of public hearings on the draft EIS in Massachusetts March 10th through 13th. MMS expects to finalize its environmental analysis for the project by the end of this year.

The MMS has also dedicated significant resources towards promoting the critical environmental studies work necessary to educate and inform the MMS and other Federal agencies as they move forward in evaluating and authorizing these new technologies in frontier ocean environs. In addition to the programmatic EIS discussed above, in June of 2007, MMS held a workshop among industry, regulators and scientific experts to identify offshore alternative energy information needs. MMS also held a northeast and mid-Atlantic bird workshop in February 2008 to identify priority bird study needs, identify potential mitigation measures, and build partnerships to carry out collaborative research. In addition, MMS has established a new Alternative Energy component of its Environmental Studies Program. Through this MMS Environmental Studies Program, MMS has already identified proposed alternative energy-related studies for FY 2009 and FY 2010.

ONSHORE MINERAL DEVELOPMENT

I am a disappointed that the President's FY 2009 Budget proposes to repeal several provisions in Section 365 of EPACT 2005, which would lead to an increase in the cost to domestic energy production. This was a bipartisan provision supported by almost every member of this panel, and signed by the President, Mr. Secretary. The budget request provides that the Bureau of Land Management (BLM) permanently charge a $4000 processing fee for Applications for Permits to Drill and have the fee deposited in the General Fund. Under this proposal the Permit Pilot Offices would be funded by the APD processing fee instead of mineral leasing rentals.

Question 138. Mr. Secretary, please explain the rationale behind charging a processing fee for APDs?

Answer. In the 2008 Consolidated Appropriations Act, Congress imposed a one-time assessment fee of $4,000 for applications for permits to drill processed by the BLM. This authority will expire at the end of FY 2008. The 2009 BLM budget effectively makes permanent the intent of the 2008 Congressional action with respect to charging a fee to APD applicants. The Administration will re-propose legislation to amend Section 365 of the Energy Policy Act of 2005 not only to allow the BLM to undertake a rulemaking to permanently institute cost recovery on APDs, but also to authorize a $4,150 interim fee while the rulemaking is under development.

Question 139. Do you believe that charging an APD processing fee in addition to rentals will have a negative effect on domestic production of oil and gas? If not, why?

Answer. No. The APD processing fee is only a very small percentage of the total cost of developing an oil or gas well.

Question 140. I have heard a great deal about this new fee from my constituents back home. In your judgment, what will be the effect of the fee on small producers?

Answer. The effect of the fee on small producers should be negligible. The fee may cause all operators to be more prudent when applying for drilling permits, so that they only apply for permits for those wells that they actually intend to drill.

Question 141. What kind of progress on processing permits can we anticipate with implementation of a processing fee?

Answer. In fiscal year 2007 the BLM processed more APDs than were received. We estimate that in FY 2008 and in FY 2009 this trend will continue.

NET RECEIPT SHARING

This year's budget proposal, as it did last year, would reduce the states' share of receipts from mineral leasing activities on public domain lands by two percent annually in order to pay for administrative costs of the Minerals Management Service. This proposal would have substantial negative impacts for many Western states, including an estimated $11.5 million annual cost to New Mexico.

Question 142. Why should funding that goes for education and other important priorities in my state, funding that has traditionally been due to New Mexico, go to fund administrative costs in your department?

Answer. The concept of net receipts sharing is that because states share in the revenue benefits of energy mineral production of Federal lands, they should also share in the costs of permitting and managing that development. Dollars deducted from states are deposited into the U.S. Treasury; they do not directly benefit the Forest Service, Bureau of Land Management or the Minerals Management Service. The purpose of the program is to recover a modest share of the Federal costs of these three bureaus associated with management of the onshore mineral leasing program. The net receipts sharing concept is not new; a similar system was in place through much of the 1990s, before it was repealed in 2000 during a time of Federal surpluses.

Despite the two percent reduction to state disbursements, mineral revenue disbursements to states are projected to increase substantially in future years. For example, in FY 2007 MMS disbursements to the State of New Mexico totaled $552.9 million. Budget estimates for FY 2009 disbursements, without proposed increases based on a separate coal bonus bids proposal, show an increase of 20 percent to over $666 million even after the net receipt sharing reductions. The state's share of Federal revenue receipts are available for funding of education and other priorities at the state's discretion.

Question 143. Have you discussed this proposal with states that currently receive royalties? And if so, what responses have you received?

Answer. The Department and MMS have been contacted by several states with concerns. We understand that states that currently receive a share of Federal royalty revenues are unlikely to want to see that share reduced, but we believe this is a reasonable and fair proposal intended to benefit all taxpayers.

MMS

Question 144. Mr. Secretary, MMS requests $164.0 million in 2009 for Offshore program activities, an increase of $2.7 million above the 2008 enacted budget. Would you please comment on the factors or activities in the Outer Continental Shelf that necessitate this increase?

Answer. A basic cornerstone of the offshore program is the 5-year OCS Oil and Gas Leasing Program. The current program was effective July 1, 2007, and included for leasing consideration areas and acreages (about 48.5 million acres) that had either never been offered, such as the expanded program area in the Beaufort Sea, Alaska, or had not been offered in many years, such as the Chukchi Sea and North Aleutian Basin, Alaska, and parts of the Gulf of Mexico. The lease sale process has many steps and decision points that must be met before a sale may be held, requiring various types of analysis and review, including environmental requirements under NEPA. Because the lease sale process takes 2 to 3 years on average, MMS could be working on various aspects of as many as a dozen sales in FY 2009, including newly available areas in the Gulf of Mexico 181 South Area, pursuant to the Gulf of Mexico Energy Security Act of 2006, and the North Aleutian Basin offshore Alaska.

Section 388 of the Energy Policy Act gives the Department and MMS the authority to grant leases on the OCS for sources of energy other than oil and gas, i.e. alternative energy like wind, waves, and currents; and for use of existing Federal OCS facilities for other purposes, i.e. alternate use. A new office was established and staffed to meet these new responsibilities. Interest in alternative forms of energy is growing. In response to a November 2007, request for nominations of areas for data-gathering and/or technology testing under an Interim Policy, MMS has over 40 viable nominations to date for Federal OCS areas off the Atlantic and Pacific coasts. MMS intends to award limited leases under the Interim Policy until final program regulations are in place in late 2008 under the current schedule.

Question 145. Interest in offshore oil and gas development appears to be strong. Mr. Secretary, could you please comment specifically on the results of the three sales in 2007 and the recent sale in the Chukchi Sea?

Answer. There have been four OCS sales since the beginning of 2007, two offshore Alaska and two in the Gulf of Mexico. Sale 202, Beaufort Sea, Alaska, was the last sale scheduled in the 2002-2007 program and occurred on April 19, 2007, and resulted in the issuance of 90 leases for just over $42 million. The most recent sale was Sale 193, Chukchi Sea, Alaska, held on February 6, 2008. It was a record sale for the Alaska offshore, garnering over $2.66 billion in bonus bids on 488 tracts.

The first sale in the new 2007-2012 leasing program was Western Gulf Sale 204, held August 22, 2007. There were 274 leases issued from Sale 204, for just over $287 million. Central Gulf Sale 205 was held October 3, 2007. Sale 205 was the first Central Gulf sale in 18 months and also offered the newly reconfigured planning area containing acreage that had been in either the Western or Eastern Gulf planning areas. Sale 205 resulted in the issuance of 683 leases for over $2.8 billion.

BLM BORDER ISSUES

In the last two years the Bureau of Land Management has received a $2.5 million increase to its Law Enforcement budget and has requested an additional $1 million increase in its Hazardous Materials Management budget to address border issues and environmental degradation associated with illegal immigration on its lands in the Southwest.

Question 146. Mr. Secretary, I see significant budget increases in the BLM's Law Enforcement and Hazardous Materials Management budgets related to illegal immigration. What type of support and funding are you receiving from the Department of Homeland Security on these issues?

Answer. While BLM is responsible for the stewardship of BLM public lands near the border, the Department of Homeland Security (DHS) has the primary responsibility for security along our international border. The BLM has a close working relationship with the DHS Border Patrol. However, we do not receive funding from Homeland Security. BLM funds law enforcement, environmental restoration, and other activities to address the border impacts on public lands from its budget. The agreements that we've entered into with DHS help facilitate and support on the ground activities, in part to ensure the safety of our officers, employees, and visitors to the public lands. For example, we are currently working with the Border Patrol to share radio frequencies to enhance communications, and recently BLM Law Enforcement met with the Border Patrol in Yuma, Arizona and El Centro, California to coordinate effort in those areas to improve on operations targeting human and drug smugglers crossing public lands near the border. BLM and other land management agencies bear these costs.

Question 147. How are funding and responsibilities on these issues divided between your Department's agencies and the Department of Homeland Security?

Answer. While control of the border is the responsibility of the Department of Homeland Security, Interior is responsible for resource management and the safety of visitors and employees on Interior-managed lands near the border. The Departments of Agriculture and the Interior signed a Memorandum of Understanding (MOU) with the Department of Homeland Security in March 2006. The MOU integrates three Departmental missions in order to facilitate Border Patrol access to Federal lands and improve its ability to gain operational control of the border while allowing the Department and USDA to continue to protect environmentally sensitive lands under their respective jurisdictions. The MOU also improves communication and cooperation among all three Departments.

Interior has established a border coordination office in Tucson, Arizona, to cover the entire southwest border and in Boise, ID to cover the Canadian Border. Through these offices, Interior works with the Border Patrol, Interior agencies, and other border entities to ensure we are coordinating on issues relevant to the border, such as infrastructure installation, deployment of resources, information sharing, and addressing environmentally sensitive issues. These offices have proven invaluable to ensure we are protecting sensitive ecosystems while allowing DHS to secure our borders. We have also established a new position of National Borderland Coordinator, who reports to the Deputy Secretary. This individual works with Interior bureaus and DHS to coordinate compliance with environmental and cultural resource statutes and policies (such as ESA and NEPA) that typically apply during the construction and deployment of security infrastructure at international borders.

In the FY 2009 budget, Interior proposes an $8.2 million increase for a multi-bureau effort to improve border safety for Interior and tribal lands along the southwest border with Mexico. The initiative aims to (1) protect employees, visitors, and

residents from the impacts of illegal activity along the border; (2) mitigate environmental damage caused by that illegal activity; and (3) improve communication and coordination to more effectively address these issues in partnership with the Department of Homeland Security and other relevant agencies.

PAYMENTS IN LIEU OF TAXES (PILT)

Counties with large amounts of federal lands, including 32 counties in New Mexico, benefit from the PILT program. The Administration recommends a significant reduction in funding for the PILT program (only $195 million for FY 2009 compared to the $228.9 million appropriated for FY 2008).

Question 148. Please explain the rationale for this decrease to the PILT program.

Answer. The 2009 budget request for Payments in Lieu of Taxes is $195 million, an increase of $5 million over the 2008 President's budget to adjust for cost of living increases and inflation in counties. This is a program decrease of $33.9 million from the 2008 enacted level. The 2009 budget request funds PILT at a level that is 56 to 96 percent higher than the PILT payments during the 1990s. In fact, as recently as 2000, PILT was funded at $134.4 million and has since increased by 70 percent. To constrain spending and focus on deficit reduction, the budget proposes to maintain this program at levels that are closer to historic amounts. In addition to the annual PILT payments, the Department allocates over $4.0 billion annually to states and counties in revenue sharing and grant program funding.

US PARK POLICE

Mr. Secretary, the Department of the Interior Inspector General's Office reported this month that the US Park Police has failed to adequately perform its missions, "which has resulted in deficient security at national icons and monuments and an inability to effectively conduct police operations." This report has received a substantial amount of media attention and I hope it is receiving due attention at the Park Service as well.

Question 149. What is the National Park Service doing to address these allegations?

Answer. The Department and the National Park Service have been working closely with the OIG, and have reviewed the findings and recommendations cited in the report. To date, the Department has developed a Management Oversight Team and begun implementing an action plan to address the report's recommendations. The Department has also assembled a team of veteran U.S. Park Police and National Park Service law enforcement officers to immediately assume operational, day-to-day direction of the Park Police. The Chief of the Park Police is detailed to work with the Management Oversight Team to address corrective actions.

The top priorities of this team include:

- Instilling renewed confidence in the Park Police's historic mission as the oldest Federal law enforcement organization;
- Assessing the status of firearms training and qualification;
- Insuring all officers have appropriate safety equipment;
- Developing site-specific security plans and staffing for national icon memorials;
- Implementing a plan for improved Park Police financial oversight; and
- Any additional priorities identified by the Management Oversight Team.

The Secretary will receive weekly progress reports from the Management Oversight Team and will ensure that all actions are appropriate and consistent with the Department's commitment to excellence and public service.

CENTENNIAL CHALLENGE

Mr. Secretary, S. 1253, the National Park Centennial Challenge Fund Act, which was introduced last year at the request of the Administration, contains language to authorize the National Park Service to accept qualified donations for a listed signature project. It is my understanding that the National Park Service has existing authority to accept donations and to use a combination of federal funds and non-federal funds to perform projects.

Question 150. To what extent has the National Park Service used its authority to fund projects with a combination of federal and non-federal funds in the past?

Answer. Currently, the National Park Service has over 180 park friends groups that contribute time, expertise, and privately-raised funds to support our national parks. Contributions from friends groups total approximately $58 million in support for national parks across the country. Sixty-seven nonprofit cooperating associations operating over 1,000 bookstores in national parks contribute approximately $53 million, mostly in in-kind donations, to support education, interpretation, and research

in national parks. The National Park Foundation, chartered by Congress, strengthens the enduring connection of the American people and their national parks by raising private funds, making strategic grants, creating innovative partnerships, increasing public awareness, and providing approximately $22 million in support to the National Park Service.

Contributions received in National Park Service donation accounts, which include donation box receipts, direct donations to parks and programs of the National Park Service, and checks or fund transfers from park partners is approximately $27 million. Most contributions from friends groups, cooperating associations, and the National Park Foundation are not transferred to National Park Service accounts. They are spent on the National Park Service's behalf by the partner, with approval of the National Park Service. Contributions from friends groups and cooperating associations are represented by program services on IRS 990 forms. Program services are those activities that form the basis of an organizations current exemption from taxes and represent funds spent in support of their mission, to support activities and programs of national parks or the National Park System.

- Acadia National Park—Restoration and Maintenance of Hiking Trails, plus a Trail Endowment (Acadia Trails Forever). $13 million ($9 million private, $4 million NPS). Ongoing Project.
- Cape Cod National Seashore—Highlands Center Adaptive Reuse and Development Project. $10 million ($3.5 million private, $2.8 million lease revenue, $3.7 million NPS). Ongoing Project.
- Chesapeake and Ohio Canal National Historical Park—Catoctin Aqueduct Restoration Project. $2.585 million ($1.35 million private, $1.15 million State of Maryland, $85 thousand NPS). Ongoing Project.
- Colonial National Historical Park—Jamestown Project: 400th anniversary of the founding of Jamestown infrastructure development. $17.5 million ($5 million private, $11.5 million NPS, $1 million other public). Completed Project.
- Edison National Historic Site—Access and Infrastructure Improvements to Historic Lab Complex. $11 million ($8 million private, $3 million NPS). Completed Project.
- Flight 93 National Memorial—National Memorial and Park Development. $57.95 million ($30 million private, $10.97 million NPS, $6.73 million FLHP, $10.25 million State of Pennsylvania). Ongoing Project.
- Gettysburg National Military Park—Visitor Center/National Museum Project. $95 million ($83.8 million private, $11.2 million NPS). Ongoing Project.
- Grand Teton National Park—Grand Teton Discovery and Visitor Center Project. $18 million ($10 million private, $8 million NPS). Completed Project.
- Theodore Roosevelt Inaugural National Historic Site—Ansley Wilcox House Rehabilitation and Addition. $2.23 million ($1.5 million private, $730,000 NPS). Ongoing Project.
- U.S.S. *Arizona* Memorial—Visitor Center Replacement Project. $33.7 million ($26 million private and other nonfederal, $7.7 million NPS). Ongoing Project.
- Yellowstone National Park—Old Faithful Visitor Education Center Project. $26 million ($15 million private, $11 million NPS). Ongoing Project.
- Yosemite National Park—Lower Yosemite Falls Trail Improvement Project. $14 million ($12 million private, $2 million NPS). Completed Project.

Subtotal: $300.965 million ($207.95 million private [69%], $73.885 million NPS [25%], $6.73 million FLHP [2%], $12.4 million other public [4%]).

NPS is currently reviewing three additional partnership construction projects that utilize a combination of private and NPS funds. These have an estimated value of $93.5 million; $75 million in private funds (80%) and $18.5 million in NPS funds (20 %).

- Golden Gate National Recreation Area—Trails Forever Initiative. $30 million ($22 million private, $8 million NPS).
- National Mall and Memorial Parks—Ford's Theatre Development. $50 million ($42.3 million private, $7.7 million NPS).
- Yosemite National Park—Yosemite Trails Initiative. $13.5 million ($10.7 million private, $2.8 million NPS).

Grand total all NP partnership construction approved and under consideration that combine NPS and private funds: $394.465 million ($282.95 million private [71%], $92.385 million NPS [23%], $6.73 million FLHP [2%], $12.4 other public [4%]).

Moreover, the Challenge Cost Share Program focuses on NPS funding matches, with the maximum award being $30,000. In FY 2007, nearly $6 million in non-federal dollars were leveraged against $2.4 million in NPS funds, a ratio of 2.5:1.

Question 151. Why does the National Park Service need a separate mandatory funding account to implement the Centennial Challenge if it already has the authority to leverage existing funds with private donations?

Answer. Although the National Park Service has benefitted throughout its history from generous philanthropists and partners without the promise of matching funds, the Centennial Challenge will help us awaken the potential for increased philanthropy in national parks. A mandatory funding account is needed to give potential donors confidence that matching funds will be consistently available. The account would also allow larger investment projects and programs to become a reality. The Centennial Challenge fund will provide the Federal fuel for unprecedented park philanthropy and accomplishments to benefit all Americans, especially our Nation's youth.

INDIAN WATER RIGHTS SETTLEMENTS

Mr. Secretary, un-adjudicated Indian water rights claims in the western United States are a great source of uncertainty. In my view they pose the greatest impediment to effective water management in the West. During your confirmation hearing before this Committee, you committed to Senator Bingaman and me that you would make New Mexico Indian water rights settlements a priority. These include the Aamodt, Abeyta and Navajo settlements.

Question 152. What progress have you made with respect to the Aamodt, Abeyta, and Navajo settlements?

Answer. We have been working with the parties in the *Aamodt* and *Abeyta* settlements to resolve non-monetary issues. The Department is holding un-contracted San Juan-Chama Project water for potential use in New Mexico Indian water rights settlements and has provided recommendations to the parties about how that water should be split between the two settlements. Based on those recommendations, the parties were able to reach agreement on how the project water should be allocated. Also, we have been engaged in discussions with the parties about settlement legislation and have provided technical guidance on issues such as waiver language.

With respect to the Navajo settlement, the Department has been working to develop information to assist in developing a possible solution, including a draft environmental impact statement on the proposed Navajo-Gallup Water Supply Project and the hydrologic determination on water availability in New Mexico. The Department has also completed an updated (November 2007) appraisal-level estimate of the costs of constructing the project.

Question 153. Have you provided the parties to the Abeyta settlement an official administration position on their proposed settlement? If not, when will you do so?

Answer. The Administration provided the position on this settlement at the beginning of September 2007.

Question 154. How do you plan to secure a commitment from OMB that a reasonable federal contribution will be made available for the New Mexico Indian water rights settlements?

Answer. We will continue to meet with OMB to keep them informed of developments in the New Mexico settlements and to work with them to identify approaches to these settlements that are fair to taxpayers as well as the settling parties.

BUREAU OF RECLAMATION—ENERGY-WATER COORDINATION

Question 155. Please describe what the USBR is doing to reduce their energy demands on moving water through the system and developing new water supplies through desalination and the recycling of brackish water.

Answer. Reclamation continues to invest in research to make desalination and recycling more affordable to communities that need additional water supplies. An important component to reducing cost is making the process more energy efficient. Through research at the new Brackish Groundwater National Desalination Research Facility, we will be conducting research to apply renewable energy technologies for the removal of salts and other contaminants from water as well as more conventional ways to reduce energy consumption.

Question 156. Please describe your current research on developing new water efficiency technologies. In addition, please provide an overview of the current and future research that will be undertaken to address the water demands on energy production and energy demands on water production.

Answer. Reclamation continues research and development of more efficient water treatment technologies, which reduce energy demands. Reclamation also continues its many years of research into improving efficiency of its hydropower operations, thereby producing the same amount of electricity with less water.

Reclamation is currently finishing several seawater desalination pilot and demonstration research projects. We do not anticipate any significant starts in FY 2009.

WATER FOR AMERICA INITIATIVE

Question 157. Please describe Reclamation's future vision for the Water for America Initiative and any necessary authorities needed to implement the program.

Answer. Through the Water for America Initiative (Initiative), Reclamation will partner with the U.S. Geological Survey to address 21st century water challenges and assure secure water supplies for future generations. Reclamation's efforts focus on two of the Initiative's three strategies: (1) Plan for Our Nation's Water Future; and (2) Expand, Protect, and Conserve Our Nation's Water Resources.

With increasing demands on water for domestic, agriculture, industry, recreational and wildlife uses, states face difficult choices in allocating scarce water supplies. Through the Initiative, Reclamation will assist states, local governments, and tribes to meet increasing demands, better define water sources and alternatives and plan for improved management.

To implement the Initiative's approach toward expanding, protecting, and conserving water resources and to ensure that such efforts continue as necessary into the future, additional authority will be necessary. The Administration is working to develop legislation that would establish this authority.

Question 158. Please describe how funds will be budgeted to reduce conflict amongst water users.

Answer. The Water for America Initiative will incorporate, from the *Water 2025* Program, the highly successful process of allocating and leveraging funds in the areas of conflict in the western states. Challenge grants will be awarded on a competitive basis that gives priority to "hotspots" Reclamation has identified in the West where existing supplies are not adequate to meet water demands for municipalities, agriculture and environmental needs.

Question 159. Please describe how the initiative will be coordinated with the U.S. Geological Survey.

Answer. The Water for America Initiative was conceived and developed in conjunction with the USGS senior leadership from both agencies continue to confer on strategies for planning and developing the programs proposed under this initiative. The most recent example of these efforts is Reclamation and USGS's joint participation in the annual meeting of the Federal Advisory Committee on Water Information, where both agencies presented information on the current status of development for the different components of the initiative.

Question 160. Please describe the role the states will pay in your request to initiate watershed studies. Furthermore, describe the modeling that will be used.

Answer. Reclamation will work with willing state and local partners to focus on areas with high levels of anticipated water supply/demand imbalances. Details regarding the modeling and other analysis tools to be used in conducting these studies are being developed by a team of staff and managers from each of Reclamation's five regions. This team is also developing plans for outreach to potential state and local partners in selecting the initial basins to be studied.

U.S. GEOLOGICAL SURVEY—WATER FOR AMERICA INITIATIVE

Question 161. Please describe how USGS intends to implement its share of the joint USBR/USGS Water for America Initiative.

Answer. The USGS intends to implement its share of the Water for America Initiative in this manner:

- Perform a nationwide assessment of water availability and human and environmental water use by 2019, describing the status of and trends in water flows, ground-water storage and water use;
- Proceed with regional-scale studies that compare water storage and flows under current developed conditions to prior conditions for each of the Nation's 21 water resource regions;
- Cooperate with state and local governments in selected watersheds or aquifer systems to increase use of new technologies in water planning and management;
- Cooperate with states to map the geologic framework of the Nation to improve characterization of the Nation's aquifers;
- Modernize the Nation's more than 7,000 streamgages by replacing obsolete telemetry to ensure continued real-time operations and provide more frequent measurements that are needed for improved water management; and
- Stabilize the long-term network by re-establishing critical streamgages discontinued in the past two decades.

Question 162. Please describe the process and methodology you will undertake to initiate a water census of water availability, water quality and water use.

Answer. The water census of water availability and use will follow the principles first outlined in Circular 1223, Concepts for National Assessment of Water Availability and Use (http://pubs.usgs.gov/circ/circ1223/). The primary spatial unit of study will be the 21 water resource regions outlined in this report. Products resulting from study of each water resource region will include a water budget for each of the 378 hydrologic accounting units that make up the 21 water resource regions, as well as an analysis of the trends in major components of the water budget. The Water for America Initiative will work closely with the National Water-Quality Assessment Program, the National Stream Quality Accounting Network and the Toxic Substances Hydrology Program to evaluate and incorporate information about water quality and how it limits water availability.

Question 163. Please describe the modeling you use to analyze water from a watershed perspective.

Answer. The goal of our water availability and use studies will be to integrate information about surface-water flow, ground-water flow, water storage, water use, water quality and aquatic ecology into a cohesive picture of water availability. The USGS will use a variety of models to do this. Statistical models will be used to extrapolate information from areas where we have measured data to areas with little data. Deterministic watershed models will be used to analyze hydrologic accounting unit inputs and outputs and generate the watershed budget. Ground-water models will be used to integrate information on changes in recharge, flow and storage in aquifers. A wide variety of such modeling tools is available, and we have not yet selected the specific models that we will use in these efforts.

Question 164. Please describe the coordination undertaken with both state and federal agencies tasked to oversee differing components within the basin regarding water.

Answer. To accomplish the objectives of the Water for America Initiative, the USGS will coordinate with several agencies within each state and with a number of Federal agencies. We are developing a process now to include these critical partners. To date, the USGS has sought stakeholder input on the priorities for water resources regional studies at national meetings such as the Federal Advisory Committee on Water Information annual meeting and the joint meeting of the Interstate Council on Water Policy and the Western States Water Council. State and Federal partners will be asked to evaluate the types of data and information products planned in the initiative to ensure they are useful to them for water-resource management and policy decision making. Additionally, the USGS will work with state and Federal partners to find efficient and effective means of incorporating their vast sources of hydrologic information into our analysis. We will reach out to state agencies dealing with water allocation, agricultural water use, safe drinking water and water needs for stream ecology—the state geological surveys, state engineers and state water resources agencies, to name a few. Within our own Department of the Interior, important Federal stakeholders are the Bureau of Reclamation and the U.S. Fish and Wildlife Service. We will coordinate activities with the U.S. Environmental Protection Agency, Department of Agriculture, Department of Commerce (NOAA), Department of Energy (National Laboratories), Department of Homeland Security (FEMA), and Department of Defense (Army Corps of Engineers).

COAL BONUS PROPOSAL

Question 165. The Department has proposed elimination of deferred bonus bids on federal coal lease sales, which Congress authorized in 1976 so that smaller bidders could participate in lease auctions. Beyond the five year window that is discussed in the budget request, is it possible that the Department's proposal will generate less revenue by making lease sales less competitive over the long-term?

Answer. The Department projects that the change in demand and competition for Federal coal leases resulting from this proposal will negligible over the next 10 years, and estimates the bonus proposal will roughly result in more than a $7 million increase in coal bonus revenues received through 2018 than would have been received without this change. The Department assumed that total bonus bid receipts from individual sales would be reduced by 20 percent based on an assumption about bidder estimates of the time-value of money. However, this reduction would be offset by the fact that the government would receive the full amount of these bids sooner than it currently receives payment under the current deferred bonus system. Any change in the total bonus receipts is difficult to predict as the situation for each coal lease is unique. The Department anticipates that the competitive sale of the current inventory of coal lease applications will be completed within the next 5 years. Rev-

enue projections beyond the next 5 years are more speculative as the Department has not yet received coal lease applications that will reach competitive sales beyond the end of the 5-year period.

Question 166. Since states receive 50 percent of the bonus for federal coal leases, how can the Department reconcile their proposal with Executive Order 13132, relating to the principle of federalism and how it must be applied to Administration policies?

Answer. The states will receive their share of the revenue from a competitive coal lease sale in one lump sum rather than being spread over 5 equal annual payments. The states would therefore have the opportunity to invest the amount received to grow it to the same value that would have been received on a deferred basis. Mining Law Administration and Abandoned Mine Lands

The FY 2009 budget request for Mining Law administration remains level with the FY 2008 enacted level of $34.7 million. The BLM currently collects fees for mining claims, part of which offsets the BLM's cost of administering the mining laws.

Question 167. Is it correct that BLM collects more from these fees than the BLM is given to administer the program?

Answer. The BLM's mining claim fee collections are variable and depend entirely on the economic state of the mineral industry. And although a portion of the fees collected are used to offset BLM's appropriation, the purpose of the fees is not simply to recover BLM's costs. In some years, the BLM has collected more than its appropriation, in other years, much less. Please see the table below for the past five years.

Fiscal Year	Total Mining Claim Fees Collected	Appropriation	Appropriation Offset
2003	$26,963,000	$32,696,000	($9,326,550)
2004	$26,843,000	$32,696,000	($106,375)
2005	$38,449,000	$32,696,000	($263,950)
2006	$52,700,000	$32,696,000	$20,332,220
2007	$54,652,000	$32,696,000	$23,907,910

Question 168. If Congress were to ask BLM to use excess mining revenues to address the public safety issue associated with abandoned mines, what progress could we expect to see?

Answer. In 2006, the BLM released its AML program strategic plan. The plan was developed with participation of Federal and State partners. Priority was given to State-designated watersheds, and sites situated in proximity to populated and high-use areas. Partnerships with Federal and State agencies are an integral part of the plan in order to foster effective collaboration in specified areas (such as watersheds), and to leverage funds efficiently.

Although not complete, the BLM's Abandoned Mine Lands (AML) inventory and database currently has 12,035 sites: 10,103 require further investigation and/or remediation. Many sites in the database have multiple physical safety and environmental hazards. The sites with the highest potential for harm to public health and safety have already been identified by the various Federal, State, and Tribal partners.

The work currently identified in the Strategic Plan includes a wide variety of cleanup solutions, for example, mitigation with signs and fences, complete closure or removal of physical safety hazards, bat gating, restoration of streambeds, and removal of hazardous materials to repositories.

The BLM and its partners continue to work to improve AML site data.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR MURKOWSKI

NPS

Question 169. National Park Service (NPS) Director Bomar unofficially has stated that Centennial Challenge funds would not be used for projects outside of park

boundaries. As you know, the Alaska National Interest Lands Conservation Act permits the NPS to establish sites and visitor facilities outside of park boundaries. The South Denali Project Implementation Plan, which represents a partnership between the NPS, the State of Alaska, and the Matanuska-Susitna Borough, recently was finalized. As authorized under ANILCA, this plan will expand NPS visitor facilities, services, and recreational opportunities into Denali State Park. Will there be a park boundary rule disqualifying projects such as this one from receiving Centennial Funds?

Answer. For fiscal year 2008, the National Park Service limited proposals for Centennial Challenge funding to those within park boundaries. Proposals from parks, like those you cite, with specific authority to undertake projects outside their boundaries were considered on a case-by-case basis. The National Park Service expects that the legislation to create the mandatory fund for Centennial Challenge projects and programs will come with its own requirements, and we will ensure that those requirements as well as specific park authorities are considered when selecting Centennial Challenge projects.

ENERGY

Question 170. OCS Revenue Sharing: Mr. Secretary, in the Energy Policy Act of 2005 we granted limited revenue sharing of Outer Continental Shelf oil and gas lease revenues, mostly to gulf coast states for four years. Your FY09 budget acknowledges that revenue sharing ends the next year. But, I would suggest it will be much easier to build support for responsible offshore drilling if all states were to get a fair level of revenues to cover the infrastructure and regulatory costs onshore that offshore development necessarily entails. Would you be willing to work with us to try to craft an affordable, but equitable extension of OCS revenue sharing that will cover all states that permit OCS development to occur off their coasts?

Answer. The Administration has supported revenue sharing which maximizes the incentives for new production by focusing on new leases in new areas. We would welcome the opportunity to work with Congress to increase domestic energy production through expanded access to oil and natural gas resources on the OCS.

ANWR

Question 171. I notice that your budget again this year assumes that opening of the Arctic coastal plain will produce some $7 billion of lease revenues within the first five years. I know some here have been dismissing that estimate, but given the results of last week's OCS sale where companies bid $2.66 billion for leases in the Chukchi Sea, in deep waters sporting far greater costs than an on-land deposit in ANWR would, that budget assumption could prove reasonable. Obviously getting a super majority in Congress to support a limited exploration and development program in ANWR has proven difficult to say the least, even with oil prices that continue to hover around $90 a barrel. But, I would like to think that reasonable minds can find a way that this country can tap its largest potential on-shore oil deposit in a way that will aid the total environment by protecting valuable lands and providing funding for alternative, carbon-free energy production. Would you be willing to engage in a dialogue this year on how ANWR could be opened in an environmentally acceptable manner?

Answer. Yes. As I've said before, the President's National Energy Policy aims to improve America's energy security by increasing domestic production of fossil fuels, promoting increased energy conservation, and stimulating the development of alternative fuels. As you mention, the coastal plain in the Arctic National Wildlife Refuge is the Nation's single greatest onshore prospect for future oil. This year's budget proposal assumes enactment of legislation that would open the 1002 area of the refuge to exploration with lease sales to begin in 2010, generating estimated bonus bids of $7 billion in 2010 and future streams of revenue from royalty collection once production commences. These receipts would be split 50:50 between the U.S. Treasury and the State of Alaska.

GAS METHANE HYDRATES

Question 172. Mr. Secretary, coming from Alaska, which holds so much of the nation's potential methane gas hydrate supplies, I am a bit disappointed that there is no money in your budget for specific gas hydrate research, especially since the Energy Policy Act of 2005, in its reauthorization of hydrate research, anticipated that we would be spending $35 to $50 million in the next two years on basic hydrate production and environmental control research. I do know that there is about $3 million for such research in DOE's budget, but none that I can find in the USGS budget. I understand that the Administration is reluctant to support research for

any fossil fuel production at current high oil and gas prices, but wouldn't you agree that methane hydrate research is fundamentally different since we need far more basic research to determine whether the hydrates can be economically recovered and released without significant discharges of greenhouse gases? Isn't this exactly the type of research the government should be paying for?

Answer. Since passage of the Energy Policy Act, the Department has focused additional resources on gas hydrate research. In FY 2009, there is a total of $1.3 million requested for gas hydrate research.

The 2009 budget includes $350,000 for BLM gas hydrate research, chiefly to accomplish work on resources assessments. The MMS methane hydrates program totals $492,000 in 2009, and will focus on developing a technically recoverable methodology to be implemented into the existing hydrates assessment model. MMS will also analyze existing core data and basin modeling for determining thermogenic expulsion rates from hydrocarbon rock sources.

The USGS also has a number of active research projects on gas hydrates with a variety of partners. Most recently, the USGS actively participated in the Department of Energy—British Petroleum Exploration Alaska—U.S. Geological Survey drilling project which conducted research drilling on the North Slope of Alaska to collect samples and gather knowledge about gas hydrate for its potential as a long-term unconventional gas energy resource. This stratigraphic test well enabled the research team to gather core, log, reservoir performance, and fluid data from an ice pad location at Milne Point. The USGS is working with DOE to determine the next stage of gas hydrate work on the North Slope of Alaska.

The USGS is also the science lead on the India Gas Hydrate research project, a collaborative effort with the Indian Directorate General of Hydrocarbons (DGH). The primary objective of the Indian Government's National Gas Hydrate Program is to study, drill, and sample gas hydrates along the continental margin of India in order to meet the long term goal of exploiting gas hydrates as a potential energy resource in a cost-effective and safe manner. The USGS and DGH just held a scientific forum in order to publicly release the first research findings from this collaborative effort.

USGS also participates in the Gulf of Mexico (GOM) Gas Hydrates Joint Industry Project (JIP), goals of which include: (1) characterizing gas hydrates in the deepwater GOM; (2) assessing and understanding the potential safety hazards associated with drilling wells through sediments containing gas hydrates; (3) developing a database of seismic, core, log, thermophysical, and biogeochemical data to identify current hydrate containing sites in deepwater GOM; (4) a drilling and sample collection field testing program to collect data and obtain cores to characterize the hydrate containing sediments in deepwater GOM; and (5) developing wellbore and seafloor stability models pertinent to hydrate-containing sediments in the GOM. The USGS analyzed seismic data to evaluate drilling sites for the JIP and is currently developing the drilling and sampling plan for the upcoming JIP field expedition in a few months.

The USGS is also working with the MMS and the BLM to characterize, evaluate, and assess gas hydrate resources underlying Federal lands. The USGS also conducts a number of geophysical and laboratory studies related to gas hydrates. The geophysical studies are conducted to link the geologic framework to natural gas hydrate occurrence and to better interpret gas hydrate occurrence and characteristics in the subsurface. Laboratory studies of physical properties of gas hydrate-sediment mixtures and pure gas hydrates are essential for understanding drilling results and developing parameters to constrain numerical models of gas hydrate behavior.

FISH AND WILDLIFE SERVICES

Question 173. You have requested an appropriation of funding for a land exchange in the Izembek National Wildlife Refuge. The director of the US Fish and Wildlife Service has supported this exchange in a House hearing. Does the Department of the Interior continue to support this land exchange, which will exchange 60,000 acres of State and private land and add over 45,000 acres of NEW wilderness, for a road easement of 200 acres?

Answer. There is no request in the FY 2009 budget for a land exchange at Izembek National Wildlife Refuge. What next year's budget justification includes is a list of all refuges, waterfowl production areas, wetland management districts, and Farm Service Agency (FSA) properties that involve ongoing projects in the negotiation or acquisition phases of the land exchange program and for which it is anticipated that some action may take place during the fiscal year. Director Hall testified in October 2007, that the Service could support legislation introduced by Congressman Young (HR 2801) if it was amended to ensure that a full National Environmental Policy Act (NEPA) analysis of the proposed exchange is required. The Direc-

tor also noted some legal deficiencies in the bill that would require technical correction. We would be happy to discuss these issues with Subcommittee staff.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR BURR

Question 174. The Lost Colony at Fort Raleigh NHS was damaged by fire in 2007. What is the extent of damage and how much will it cost to replace the damaged structures, equipment, and costumes?

Answer: The fire destroyed the two-story costume building, the maintenance building and a maintenance shed used by The Lost Colony. The buildings belonged to the National Park Service and the contents belonged to The Lost Colony.

The total cost to replace the damaged structures, equipment and costumes is $3,075,400, which includes:

Costume shop	$443,500
Fire suppression system	$81,100
Plans, debris removal, site preparation	$60,000
Equipment, supplies and materials	$37,800
Maintenance shop	$253,000
Costumes	$2,200,000

Question 175. What is the Federal and non-Federal share of costs to replace the damaged structures, equipment, and costumes?

Answer. The Federal share of the costs is $875,400 and the non-Federal share is $2,200,000.

176. What is the status of rebuilding the Lost Colony structures and replacing equipment and costumes destroyed by fire in 2007?

Answer. The estimated completion date of the construction phase for the costume shop was March 17th, and August 1st is the estimated completion date for the construction of the maintenance shop.

Question 177. When do you anticipate all work to be completed?

Answer. We anticipate all work to be completed by September 30, 2008.

Question 178. How will the proposed schedule for rebuilding and replacing structures, equipment, and costumes impact the 2008 performance season?

Answer. The desired date for the Roanoke Island Historical Association to move into the costume shop is March 18, 2008. The building must be furnished before the actors can have access. Rehearsals are scheduled to begin May 1 with the opening of the play on May 31.

Question 179. In late December, the well respected National Academy of Public Administration (NAPA) released a report entitled "Back to the Future: A Review of the National Historic Preservation Programs." This report is the result of the Office of Management and Budget's recommendation that the National Park Service (NPS) conduct an independent study of the historic preservation programs. The NAPA panel found that "the National Historic Preservation Program stands as a successful example of effective federal-state partnership and is working to realize Congress' original vision to a great extent." They also concluded that "a stronger federal leadership role, greater resources and enhanced management are needed to build upon the existing, successful framework to achieve the full potential of the National Historic Preservation Act (NHPA) on behalf of the American people." Considering a few key report recommendations, and realizing this report was released at the very end of the department finalizing their FY09 budget, I have several questions regarding the Department of Interior's (DoI) proposed budget for our Nation's Historic Preservation Programs. The Panel believes that the DoI and the NPS should "strengthen the performance of the National Historic Preservation program and expand resources based on its demonstrated effectiveness." Specifically the panel recommends "funding and full-time equivalent increase sufficient to address the increased workload since fiscal year 1981 in National Register eligibility opinions, tax credit reviews, Section 106 reviews, and HPF grants administration, and to redress, at least in part, the significant decline in inflation adjusted funding." However, when compared to the final funding levels received in FY08, the DoI's proposed budget would decrease funding for State Historic Preservation Offices, the workhorses of all historic preservation programs, by over 9 percent and decrease funding for tribal preservation offices by nearly 40 percent. These offices are performing federally man-

dated work, how do you expect them to continue to achieve their high level of performance given your proposed funding cuts?

Answer. The NPS recognizes the importance of the work undertaken by the State Historic Preservation Offices and the Tribal Historic Preservation Offices in implementing the mandates of the National Historic Preservation Act. These programs, along with the more than 1,600 Certified Local Governments, are the National Park Service's core partners in managing the nation's historic preservation programs. However, heavy demands on the Federal budget require some budgetary constraints.

The FY 2009 President's budget focuses on providing additional resources and capacity to park operations in preparation for the NPS centennial in 2016. The funding requested in 2009 for State and Tribal Historic Preservation Offices is essentially level with the President's request for FY 2008.

Question 180. The panel also recommends that the NPS expand its mission to make building the capacity of State and Tribal Historic Preservation Officers a top priority and goes on to suggest that "the NPS hold regular national and regional conferences, develop additional training and provide intensive, on-site technical assistance." Are there enough resources for these activities in the current proposed budget?

Answer. In FY 2008, NPS will provide the following training workshops and conferences using appropriated funds: training workshops for new State Historic Preservation Officers and Historic Preservation Fund grants managers; workshops on the Save America's Treasures and Preserve America grants programs at 7 statewide and 2 national historic preservation conferences; and an intensive 3-day training for new Federal Preservation Tax Incentives program in various states.

NPS will also offer technical assistance workshops at the Historic Tax Credit Developers Conference, the National Housing and Rehabilitation Association Annual Meeting, the Traditional Building Conference; the AIA Historic Resource Committee New England Meeting; the National Conference of State Historic Preservation Officers Annual Meeting; the National Association of Preservation Commissions; and the Tax Credit Field Session at the National Trust conference.

In addition, the NPS National Center for Preservation Technology and Training (NCPTT) will offer training in Monument Conservation; Cemetery Preservation Workshops; Remote Site Surveillance and Monitoring Technologies Symposium; Environmental Adaptations in Design; Prospection in Depth, NCPTT Archeology and Collections Training; a Preserving Coastal Forts Workshop. NPS will also offer training for tribes on the Native American Grave Protection and Repatriation Act (NAGPRA) compliance process and applying for grant opportunities. We anticipate providing similar training activities for our programs and partners in FY 2009.

Question 181. Another panel recommendation is that the "NPS build on the National Historic Preservation program's success over the past three decades by providing a stronger national leadership role." In addition to its planning for the National Parks Centennial Celebration, we would hope that the NPS intends a high profile celebration on the upcoming 50th Anniversary of the National Historic Preservation Act (NHPA). What resources are provided in your proposed budget for NHPA celebration activities and if there are no resources proposed, then what do you anticipate the request will be in future years?

Answer. The 50th anniversary of the National Historic Preservation Act will occur in 2016. At this time, the NPS has not yet proposed resources to commemorate this anniversary. Over the course of the next eight years, the NPS will consult with its partners, including the State Historic Preservation Officers, the Tribal Historic Preservation Officers, the National Conference of State Historic Preservation Officers, the National Association of Tribal Historic Preservation Officers, and the National Trust for Historic Preservation, to commemorate this important anniversary and build upon the 40th anniversary celebrations that occurred in 2006.

RESPONSES OF THE DEPARTMENT OF THE INTERIOR TO QUESTIONS FROM SENATOR BARRASSO

Question 182. What does it cost to administer the federal mineral royalty collection and auditing in Wyoming?

Answer. A breakdown of costs associated with MMS's collection, accounting, and distribution functions is not readily available on a state by state basis. The MMS administrative cost tracking system is not set up to track costs on a state basis. For example, each month companies submit royalty reports and payments for numerous property types—Indian, Federal onshore and/or offshore. Each monthly report and payment includes multiple properties from multiple states. MMS doesn't process those reports and payments on a state by state basis. Audits are another example.

While some audit work is done on a property basis, many audits are conducted on all of the property types that a company leases—Indian, Federal onshore and/or offshore. In those cases where audits are done on a company basis, MMS cannot allocate its administrative costs by property type or by state.

The purpose of the Administration's net receipts sharing proposal is to partially cover Federal costs of the Forest Service, Bureau of Land Management and the Minerals Management Service associated with management of the Federal mineral leasing program, for which states share in the revenue. However, under this proposal, these receipts are deposited in the U.S. Treasury and do not directly benefit the three bureaus. For MMS, these costs are associated with the management of the Federal mineral royalty collection, auditing and disbursement functions for onshore Federal and Indian lands, including funding State of Wyoming auditors operating under a delegated audit agreement with MMS.

The Administration's net receipts sharing proposal acknowledges the challenge of specifically allocating MMS costs (and those of other bureaus such as BLM and the Forest Service) by individual state. The proposal addresses concerns raised about the administrative complexity of the original process by simplifying how costs are allocated. Instead of attempting to allocate specific program costs on a state-by-state basis, the Administration has proposed a simple two percent deduction.

Question 183. How many successful range improvement projects were completed last year?

Answer. During 2007, the Bureau of Land Management (BLM) constructed or installed 489 range improvement projects such as fences, cattle guards, and water developments. In addition to structural projects, the BLM also implemented vegetation treatment projects on approximately 36,882 acres. Vegetation treatment projects include such activities as spraying for weeds, invasive species removal, and seedings. Most of these improvements and treatments were done with the assistance of the grazing permittees. In some cases, companies representing industries or private organizations have contributed funding.

Question 184. What level of appropriated funds was used in these efforts?

Answer. BLM used approximately $17.7 million on the above mentioned projects.

Question 185. Wyoming needs funding to help manage grey wolves. As you know, wolves cross jurisdictional boundaries. Most recently, a fifth wolf from Idaho was located in Oregon. In 2004, a wolf from Yellowstone was killed by a vehicle on I-70, 30 miles west of Denver. What action is the Department of Interior undertaking to insure DOI shares relevant information and data with State and local officials in a timely manner?

Answer. Once the delisting of the Northern Rocky Mountain Distinct Population Segment (NRM DPS) of gray wolves becomes effective on March 28, 2008, funds from Endangered Species Act programs will no longer be available for wolf management within the DPS. However, private funding and other forms of Federal funding could be available to help manage a delisted wolf population. Such funding includes directed appropriations, Pittman-Robinson Wildlife Restoration Act grants, and other Federal grant programs. The Service will continue to assist the States as necessary and appropriate to secure adequate funding for wolf management.

In coordination with the States, we provide information on wolf sightings and activity in weekly reports posted on the Internet at: http://www.fws.gov/mountain-prairie/species/mammals/wolf/. When the Service receives multiple reports of multiple individual wolves indicating possible territoriality and pair bonding (the early stage of pack formation), or a report of multiple wolves that appears highly credible (usually made by a biologist or experienced outdoors person), we typically notify the nearest Federal, State, or Tribal natural resource/land management agency and request they be on the alert for possible wolf activity during the normal course of their field activities. Once these entities locate areas of suspected wolf activity, we may ask experienced field biologists to search the area for wolf signs (tracks, howling, scats, ungulate kills). Once the delisting of the NRM DPS becomes effective, the States will determine what mechanisms are appropriate for disseminating this type of information. However, the Service may continue to produce weekly reports for the first few months of the transition of management and monitoring to the States.

At the end of the calendar year, the Service compiles agency confirmed wolf observations to estimate the number and location of adult wolves and pups that were likely alive on December 31 of that year. These data are then summarized by packs to indicate overall population size, composition, and distribution. This information is included in annual reports, which the Service will continue to prepare in coordination with the States during the 5-year post-delisting monitoring period. The annual reports are also posted on the above-mentioned Internet site.

Question 186. Will the Department of Interior complete the 12-month endangered species review of the Sage Grouse by December of this year and is your current budget sufficient to allow that to occur?

Answer. On February 26, 2008, the Service published a notice in the *Federal Register* announcing a new status review of the greater sage-grouse and initiating a 90-day public comment period for submitting relevant information that has become available since the Service's 12-month petition finding, published in January 2005, that listing was not warranted. The timeline for completing the new finding, as ordered recently by US District Court for the District of Idaho, is as follows:

- If an update of the 2004 Conservation Assessment of the greater sage-grouse is published in November 2008, the Service will publish notice in the *Federal Register* of that fact and allow additional pubic comment for 60 days, and issue a new listing determination in May 2009.
- If the updated Conservation Assessment is not published by November 2008, the Service and plaintiffs are to confer on a reasonable extension of these deadlines to allow sufficient time for public comment and Service incorporation of the updated Conservation Assessment into its status review before making a new listing determination. However, if the Service and plaintiffs are unable to agree to an extension of the time, either party may go back to the Court for relief or further order addressing the scheduling.

The Service anticipates receiving peer-reviewed copies of the most important chapters of the updated Conservation Assessment in advance of the Assessment's publication. The Service expects to complete the finding with the funds available in FY 2008 and the funds requested in the President's Budget for FY 2009.

Question 187. The FY 2009 DOI Budget includes a provision that requires the Bureau of Land Management (BLM) to charge a $4,150 processing fee for each new oil and gas drilling permit application. This new fee does not take into account the APD processing costs that BLM already passes on such as archaeological surveys, wildlife studies, and the cost of preparing third-party NEPA documents. If the APD processing fee is enacted, does the BLM intend to re-assume the costs for these other APD related studies or will the agency continue pass on those costs in addition to the new fee?

Answer. The $4,150 fee would cover the cost BLM incurs in processing an APD at present. These costs do not usually include archaeological surveys or wildlife studies. In many cases the BLM prepares the NEPA documents for APD processing. In cases where the BLM is delayed, by staffing and workload issues, in preparing NEPA documents (EAs or EISs) a third party may fund the preparation of appropriate NEPA documents.

Question 188. Does BLM intend to use the new APD processing fee to increase staff to meet permitting program workloads in BLM field offices?

Answer. No, this new fee largely substitutes for appropriated funding, so it will be used to fund present employees working on processing of APDs.

Question 189. With the imposition of the new APD fee, can American oil and gas producers expect the BLM to process their permits efficiently, in the timeframes prescribed under the 2005 Energy Policy Act?

Answer. The intent of the Administration's proposal to amend Section 365 of the Energy Policy Act of 2005 and eliminate the fee prohibition is not specifically to generate new program funding, but rather to reduce the costs to taxpayers of operating this program by charging beneficiaries for costs incurred in permitting their operations. The proposal would redirect mineral leasing rental revenues back to the General Fund of the Treasury, offsetting new revenues from the proposed APD processing fee. Therefore, the APD fee will be used to fund existing staff processing APDs, and the fees may not directly influence APD processing times.

However, to the extent that the new fee causes producers to be more selective in submitting APDs to BLM (i.e., only requesting APDs that they expect to utilize in the near-term), this may help BLM process priority APDs more quickly and efficiently. BLM also continues to work on other ways to reduce the time it takes to process an APD. Processing times are expected to decrease as the current inventory of pending APDs is reduced.

Question 190. Rather than charge producers the new APD fee at the beginning of the process, which leaves no accountability to the BLM to process permits within the constraints of the law, has the Department considered assessing the fee near the end of the process to enhance accountability?

Answer. We don't believe this would be a practical approach. First, if the fee was not received at the beginning of the process, the BLM would not have available funding for staff and other resources to process the APD. Second, without having the fee upfront, oil and gas operators could submit numerous APDs and then only

focus on top priority APDs and leave others pending for months or years before deciding to go forward or withdraw the APD. That has occurred in some BLM Field Offices. Because BLM processes all APDs submitted, the large number of APDs pending slows down the APD process.

Question 191. Since the introduction of the new APD fee in December, has the BLM responded within the time period required by law for all permit applications? If not, why?

Answer. Even though the BLM has received additional funding and has hired additional staff from previous authorizations and the Pilot Office funding, we continue to carry an inventory of pending APDs. This is primarily the result of the rapid escalation in the number of APDs received in FY 2004 through 2006. The newly hired staff needs time to gain experience, and the experienced existing staff is expected to help train the new hires, in addition to processing APDs and Sundry Notices. As noted above, BLM also prepares the NEPA documents for APD processing. We expect to see a reduction in processing times when the newer staff becomes more proficient.

Question 192. With respect to the Department's proposal to eliminate the deferral of coal lease bonus bids over a five year period and require up-front payments, has your agency analyzed the dynamic fiscal impact of such a change in policy?

Answer. The Department analyzed projected receipts from competitive coal lease sales over the next 10 years. The Department assumed a 20 percent reduction in the bonus receipts from what would have been received on a deferred bonus basis for each prospective lease sale based on an assumption about bidder estimates of the time-value of money.

Question 193. Does the Department anticipate this policy change could reduce the number of bidders, making them less competitive and resulting in lower total collections for both the federal government and the State?

Answer. The Department does not anticipate any change in the demand for federal coal leases under this proposed policy.

Question 194. Has your agency analyzed what impact this may have on the total amount of coal being mined?

Answer. According to the Energy Information Administration of the Department of Energy, approximately 90 percent of the coal consumed in the United States is used for the generation of electricity. The Department does not believe that elimination of deferrals for coal bonus bids will have any effect on the demand for coal for electricity generation. Therefore, we do not anticipate that this change will impact the demand for federal coal leases or the amount of coal being mined.

Question 195. Could you explain how establishing criteria for National Heritage Areas creation could help shape Departmental priorities?

Answer. The Department supports an overall strategy of preserving resources for the enjoyment and education of this and future generations. The establishment of a system of national heritage areas that include criteria for the study and designation of these areas would help support the Department's priorities of resource protection and interpretation through the use of partnerships and a mix of federal and non-federal dollars for the management of these areas.

Question 196a. Will the Administration support legislative efforts to establish criteria and a funding mechanism for National Heritage Areas that do not diminish Park units operations?

Answer. Yes, the Administration believes that the establishment of criteria and a process for studying and designating national heritage areas that include a cap on funding to each area, ensures that funding to other programs in the NPS, such as park operations, are protected. As part of our legislative proposal, the Department would also require a study to be completed three years before Federal funding is set to expire for each heritage area to ensure that there is a plan in place to make heritage areas sustainable in the long-term without NPS dollars.

Question 196b. Is there any reasonable assurance that States will receive adequate funding to proceed with the management schedule to maintain a sustainable wild horse population?

Answer. As a result of a concerted effort since FY 2000 to bring the wild horse and burro population on the range down to the appropriate management level of 27,300, the BLM has been able to reduce the population from an estimated over 47,000 animals to approximately 31,000 in the wild. As a result, there are now about 32,000 animals in BLM holding facilities, with approximately 22,000 on pasture and about 10,000 in corrals. Because the average life expectancy of a horse is 30 years in captivity, and many older horses are deemed un-adoptable, BLM will be providing care for the horse for the remainder of its life.

With this in mind, in FY 2009 BLM has made caring for animals in holding a top program priority. In 2008 and 2009, the program will continue to evaluate all

factors required to gain better control of the population, costs, holding contract challenges, adoption challenges, and other factors. This will enable the bureau to efficiently develop sound ways of protecting, managing, and controlling wild free-roaming horse and burro populations.

Question 197. BLM management plans have come under increasing pressure in recent years. The agency has spent a great deal of time in court defending their NEPA documentation and subsequent actions. How does DOI justify decreasing the agency budget to complete these documents when this function is so crucial to day-to-day operations?

Answer. Since 2001, the BLM has been amending and revising its land use plans in response to changing conditions and demands on public lands. As of February 2008, BLM had completed 50 of the 135 needed revisions, and 59 RMP revisions were currently on-going, approximately 50% of which are scheduled for completion by the end of FY 2008. There are no plans to begin new RMP efforts in FY 2009. Therefore, in FY 2009, with fewer ongoing planning efforts, the BLM will be able to utilize planning funds to improve management of on-going planning projects to ensure completion within the 4 year performance goal. Attention to and management of these on-going efforts will allow the BLM to use its resources to improve the quality of its planning documents and therefore, will provide more defensible decisions.

Question 198. It is my understanding that the BLM is in the midst of travel planning for all management units. How does DOI justify reducing the planning budget at a time when these plans are being completed and intensive coordination is necessary?

Answer. As noted above, since 2001, the BLM has amended and revised its land use plans in response to changing conditions and demands on public lands. In FY 2009 with fewer ongoing planning efforts, the BLM will improve management of on-going plans to ensure completion within the four year performance goal.

Resource Management Plans include travel management decisions such as off-highway vehicle management areas and travel management network delineations. In areas where the planning offices deferred delineating travel management networks, travel management plans are being developed within 5 years of the signing of the RMP record of decision. These travel management plans, including route planning, inventory and mapping, are being funded partially through planning, but mostly through the recreation and engineering programs.

Question 199. The BLM budget proposal includes substantial increase for the National Landscape Conservation System (NLCS). Units designated in the NLCS are removed from multiple-use management. How does DOI justify promoting this agenda that strays from the agency's core mission?

Answer. The budget includes a decrease in overall program funding in 2009. It may appear that there is an increase due to the creation of NLCS budget activities in the MLR and O&C accounts. NLCS units are managed for multiple-use. For example: NLCS units are open to grazing, hunting, fishing, and recreation; all units promote research; most units are managed for wildlife habitat; and many are managed to preserve historic, cultural or archaeological features. The units included within the NLCS have been designated by Congress, the President, or the Department. The Bureau manages these units under an array of congressional and executive authorities including the Federal Land Policy Management Act (FLPMA), which provides for multiple-use management.

Question 200. Can you guarantee that other management functions will not be penalized by the creation of the NLCS and its management costs?

Answer. In FY2009, the NLCS will be entering its eighth year as an Office within the BLM. To date, the net result of creating the System has been of minimal impact to other management functions within the Bureau. We expect this historic pattern to continue. Most NLCS units included were designated as either National Scenic and Historic Trails, National Wild and Scenic Rivers, Wilderness and Wilderness Study Areas, National Monuments or National Conservation Areas prior to the administrative formation of the System. Thus, the management costs and functions for these units were already well-established and integrated within the Bureau's budget, which is also true for units added after 2001.

In FY 2009, the President's Budget proposes new subactivities for National Monuments and National Conservation Areas that represent the annual recurring costs for managing these areas. The subactivities are intended to provide more transparency in base funding to budget for NLCS National Monuments and National Conservation Areas.

Question 201. The Wyoming Landscape Conservation Initiative a pilot program for the Healthy Lands Initiative has raised many concerns in the State. The program has suffered several management inefficiencies and significant changes to the

governing body have been made. Why are you committing funds to such an initiative during a time of budget shortfalls?

Answer. The Wyoming Landscape Conservation Initiative (WLCI) is an interagency working group of partners that began in the Fall of 2006 as a long-term effort in southwest Wyoming to conserve and enhance terrestrial and aquatic habitats while facilitating responsible energy development.

The Healthy Lands Initiative (HLI), on the other hand, is a DOI initiative that is being conducted in a number of Western states including Wyoming. It focuses on certain priority areas for landscape-scale restoration efforts. It encourages DOI to work with partners such as groups like the WLCI. To date, we have had many success stories that illustrate HLI's ability to preserve the diversity and productivity of the public lands in the West, including partnering efforts that involve the work produced through the WLCI. In cooperation with the BLM, WLCI funding has supported enhancement projects that have been accomplished in a quick and efficient manner within WLCI's short tenure.

We are unaware of any management inefficiencies, and we are willing to meet with you to discuss your concerns.

Question 202. If FY09 funds are to be committed to Health Lands Initiatives, how do you plan to guarantee management improvements?

Answer. Counties and conservation districts in southwestern Wyoming were formally incorporated into the executive leadership of WLCI in January, 2008. This step will strengthen community coordination and delivery of project identification, selection and implementation. Further management improvement will be realized by staffing other partner positions, including the Wyoming Department of Agriculture position in Rock Springs.

Question 203. Particularly, what policy will the agency use for forming the agency partnerships that lead these projects?

Answer. The BLM is guided by a number of policies in forming cross-jurisdictional partnerships. These policies include the Executive Order on Facilitation of Cooperative Conservation, Section 202 of the Federal Policy and Management Act of 1976, the BLM Planning Regulations at 43 CFR Part 1600, and the BLM's policies implementing the National Environmental Policy Act..

Question 204. How are you going to guarantee that environmental paperwork will not hold up the success of these projects?

Answer. WLCI is facilitating completion of required environmental reviews. WLCI is working with partners to design and develop projects from their beginning, promoting involvement and buy-in at the local level. Additionally, a support sub-committee made up of local agency managers and representatives has been established. This group works with and solicits projects from the general public, partners, support personnel and field managers and provides staffing support in terms of NEPA and cultural analyses, engineering and contracting. This partnership will improve efficiencies in the permitting process.

Question 205. Wyoming's Wind River Reservation, located near Riverton, is home to 10,415 members of the Eastern Shoshone and Northern Arapaho tribes. Tribal members in Wyoming have worse than average rates of infant mortality, suicide, substance abuse, alcohol abuse, unintentional injury, lung cancer, heart disease and diabetes. Additionally, the Wind River Reservation has one of the highest unemployment rates of the twelve IHS areas. The male unemployment rate is approximately 30 percent while the female unemployment rate is approximately 21 percent. I want to put that number into context. The national unemployment rate is hovering around 5 percent. These statistics are important because they directly affect the health of Indian communities. Native American families living below the poverty level in areas with high unemployment rates most likely live in sub-standard housing, lack good nutrition habits, have children who struggle in school, and suffer from chronic health problems. How is the BIA working cross agency with the Departments of Health, Education, and Housing to ensure the coordination of services to Native Americans?

Answer. The Department works with other agencies to ensure the effectiveness of key services it provides to the Native American community. For example, the Bureau of Indian Education (BIE) held discussions with the Department of Education and others prior to the development of a strategic plan to address the improvement of the adequate yearly progress of BIE-funded academic schools. Both BIE, through appropriations, and the Department of Education, through a variety of programs, provide funding to BIE elementary and secondary schools, and some schools receive competitive grants directly from the Department of Education and other Federal agencies. In addition, the Human Services Program within BIA coordinates efforts with the Department of Housing and Urban Development, the Department of Agriculture's Farmers Home Administration, and other Federal agencies in an effort to

assist needy Indian families to attain decent, safe, and sanitary shelter. Human Services Program social workers interact with other Federal agencies that provide social services and mental health services for Indian communities to insure that services are coordinated to avoid duplication of service.

BUREAU OF RECLAMATION & NATIONAL PARK SERVICE OPERATIONS OF YELLOWTAIL DAM AND BIGHORN CANYON NATIONAL RECREATION AREA

Question 206. 33CFR208.11 lists the purposes: flood control, irrigation, non-corp hydropower, and water quality or silt control. Does this regulation supersede the agency's responsibility to the Flood Control Act of 1944 Section 9?

Answer. The referenced Code of Federal Regulation (CFR) was prepared by the U.S. Army Corps of Engineers for the sole purpose of addressing the use of reservoir storage allocated for flood control and navigation. Although the CFR includes a partial list of the authorized purposes for the Yellowtail Unit, it does not affect the authorized purposes of the Pick-Sloan Missouri River Basin Program which are addressed in the Flood Control Act of 1944 and its accompanying Senate and House documents.

Question 207. In the Interagency Agreement of April 15, 1998 between BOR and NPS, the BOR puts emphasis on authorized purposes. Please identify those purposes, in light of 33CFR208.11.

Answer. The authorized purposes of the Yellowtail Unit, pursuant to the Flood Control Act of 1944, include flood control, hydropower, irrigation, recreation, fish and wildlife, and sediment control.

Question 208. The 1998 Interagency Agreement authorizes cooperation for 5 years. Has the agreement been extended? Please make the most recent document(s) available.

Answer. Yes, the agreement was extended through September 30, 2007. Reclamation and the National Park Service are currently negotiating a new agreement.

Question 209. Section 9 of the 1944 Flood Control Act explains that the United States must compensate the Crow Tribe for water-power value of tribal lands condemned for the creation of Yellowtail Dam. Has this compensation been completed?

Answer. Yes. During the 1950s, several Congressional hearings (both in the House and the Senate) were held to address, among other issues, payment to the Crow Tribe for the land and for the power site needed for Yellowtail Dam and Bighorn Lake (Yellowtail Unit). On July 15, 1958, Public Law 85-523, Compensate Crow Tribe for Lands, Yellowtail Dam, was passed. This Act provided a payment of $2,500,000 to the Crow Tribe. The Act stated: "Said sum is intended to include both just compensation for the transfer to the United States as herein provided of all right, title and interest of the Crow Tribe in and to the tribal lands described in Section 2 of this resolution, except such as is reserved or excluded in said Section 2, and a share of the special value to the United States of said lands for utilization in connection with its authorized Missouri River Basin project, in addition to other justifiable considerations." Section 3 of the Act also allowed the Crow Tribe to seek further compensation through litigation. The Crow Tribe subsequently filed suit in 1959. On October 1, 1963, the United States District Court of Montana awarded the Crow Tribe an additional $2,000,000 as final settlement for the land and the power site needed for the Yellowtail Unit.

Question 210. How is compensation value calculated?

Answer. Studies were prepared by both the United States (Bureau of Reclamation) and the Crow Tribe to assess the value of the land and the power site. The study was prepared by Reclamation in 1950. This report, referred to as the Herdman Report, assessed the value of the land and power site at $1,500,000. The Crow Tribe hired a private consultant to prepare an independent assessment. Their report, prepared in 1955, was referred to as the Dibble Report. The Dibble evaluation assessed the value of the land and power site at $5,000,000. Congress, after holding hearings to evaluate input from both the United States and the Crow Tribe, settled on a value of $2,500,000. The United States District Court of Montana, after reviewing all of the evidence presented by both parties during litigation, awarded the Crow Tribe an additional $2,000,000 as final settlement for the land and power site required for Yellowtail Dam and Bighorn Lake.

Question 211. What funds are used for compensation?

Answer. The funds used to provide compensation to the Crow Tribe were part of the funds appropriated by Congress for the construction and development of the Pick-Sloan Missouri River Basin Program, including the Yellowtail Unit.

Question 213. Please provide a comprehensive list of documents governing management and operations of Yellowtail Dam and Bighorn Reservoir. Among these documents, please provide a copy of the Water Resource Management Plan.

Answer. The documents used in governing management and operations of the Yellowtail Dam and Bighorn Lake are extensive. The primary documents used for this purpose are as follows:

a. The Reclamation Act of 1902 and all other Acts constituting Reclamation law.

b. The 1944 Flood Control Act and its accompanying Senate Document 191 and 247, and House Document 475.

c. Definite Plan Report [DPR], Yellowtail Unit—Montana, Lower Big Horn Division, Missouri River Basin Project, U.S. Bureau of Reclamation, January 1950.

d. Yellowtail Unit, Montana and Wyoming Fish and Wildlife Resources, U.S. Fish and Wildlife Service, February 1962.

e. Big Horn Canyon National Recreation Area, A Proposal, A Study of the Yellowtail Reservoir Site Prepared for the Bureau of Reclamation by U.S. National Park Service, April 1962.

f. Yellowtail Unit, Montana-Wyoming, Lower Bighorn Division Missouri River Basin Project, U.S. Bureau of Reclamation, June 1962 (update to 1950 DPR).

g. Yellowtail Unit, Montana and Wyoming, Spawning Channel, U.S. Fish and Wildlife Service, May 1964.

h. Bighorn Canyon National Recreation Area Act, October 15, 1966.

i. Yellowstone River Compact, 1950.

j. Montana and Wyoming Water law.

k. Montana water right permits 43P-W-040903, 43P-W-040904, 43P-W-040905, 43P-W-040906, 43P-W-040907, 43P-W-040908, 43P-W-040909, 43P-W-040910, 43P-W-040911, 43P-W-040912, and 43P-W-040913.

l. Wyoming Water right permit no. 7636R.

m. Standard Operating Procedures for Yellowtail Dam and Afterbay Dam.

n. Letter of Understanding on Flood Control between U. S. Corps of Engineers and Bureau of Reclamation dated September 21, 1971.

o. Yellowtail Dam and Bighorn Lake Report on Reservoir Regulations for Flood Control, U. S. Corps of Engineers January 1974.

p. Memorandum of Understanding, Operation and Maintenance of Bureau of Reclamation Constructed Headworks for Bureau of Indian Affairs, Big Horn Canal Yellowtail Dam Unit, Missouri River Basin Project, December 13, 1966.

q. Cooperative Agreement Between the United States of America and the State of Wyoming Concerning the Administration and Development of Lands and Facilities at Yellowtail Reservoir for Wildlife Purposes, May 11, 1967.

r. Industrial Water Service, Yellowtail (Bighorn)—Boysen Reservoirs, Final Environmental Statement, U.S. Bureau of Reclamation, August 26, 1983.

s. Record of Decision, Final Environmental Impact Statement on Industrial Water Service, Yellowtail (Bighorn) and Boysen Reservoirs (INT FES 83-44), U.S. Bureau of Reclamation, November 1, 1983.

t. Interagency Agreement Between the Bureau of Reclamation, Montana Area Office and the National Parks Service, Bighorn Canyon National Recreation Area for the Cooperative Administration of Certain Activities and Operations with the Yellowtail Unit and within Bighorn Canyon National Recreation Area, June 8, 1998.

u. Water Resources Management Plan, for Bighorn Canyon National Recreation Area, March 25, 1996.

v. Memorandum of Understanding, Operation and Maintenance of Bureau of Reclamation Constructed Headworks for Bureau of Indian Affairs Big Horn Canal, Yellowtail Dam Unit, Missouri River Basin Project, July 3, 1997.

w. Bighorn Lake Storage Contract No. 4-07-60-WS155 between the Bureau of Reclamation and Montana Power Company (Now Pennsylvania Power and Light of Montana), November 30, 1983.

x. Bighorn Lake Storage Agreement No. 4-09060-W0507 between Bureau of Reclamation and the Northern Cheyenne Tribe, June 12, 2001.

Question 214. In the case of Yellowtail Dam and Bighorn National Recreation Area, how do you define the Secretary's obligations to the National Recreation Area, after the dam project purposes are met?

Answer. The Yellowtail Unit is operated to serve numerous authorized purposes. Contractual and legal (water rights) obligations must be satisfied first, then the remaining interests are served to the degree that the available water supply will allow. Purposes such as power generation are never fully met as this benefit is always limited by the available water supply. The National Park Service provides Reclamation with recommendations for reservoir water surface elevations that are desirable for lake recreation. Montana Fish, Wildlife, and Parks provides Reclama-

tion with recommendations for downstream fishery flows. Reclamation considers these recommendations, along with all of the other authorized purpose needs and interests, and develops an operating plan that attempts to balance the needs for all of the multiple interests with the available water supply. In years of normal or above normal water supply, the authorized purposes can be met with little or no conflict. In drought years, such as experienced during the last 8 years, all of the project purposes beneficiaries (with the exception of flood control) are impacted to some degree.

Attachment 1
For Questions 15 and 16

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Project Functional Work Areas					
Govt.	Agency	Series	Position Type	Grade	Project EIS	Perm-itting	I&E	Monitoring	Other	Total
FED	BLM	GS-0023	Outdoor Recreation Planner	GS-09		1.00				1.00
		GS-0028/401	Surface/Environmental Protection Specialist	GS-11				3.00		3.00
		GS-0193	Archeologist	GS-11		10.00				10.00
		GS-0301	EIS Project Coordinator	GS-12	1.00					1.00
			GIS Specialist	GS-09					2.00	2.00
				GS-11					2.00	2.00
			NEPA Coordinator	GS-11	2.00					2.00
			Project Manager	GS-12		2.00				2.00
		GS-0303	Administrative Assistant	GS-04		6.00				6.00
				GS-05		2.00				2.00
			Energy Program Assistant	GS-05		1.00				1.00
				GS-06		1.00				1.00
		GS-0326	Office Automation Clerk	GS-07					1.00	1.00
		GS-0335	Computer Assistant	GS-07					1.00	1.00
		GS-0340	Inspection & Enforcement Program Supervisor	GS-12			1.00			1.00
		GS-0344	Records Manager	GS-06		1.00				1.00
		GS-0401	Natural Resource Specialist	GS-11		14.00				14.00
			Natural Resource	GS-11			1.00	2.00		3.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Project Functional Work Areas					
Govt.	Agency	Series	Position Type	Grade	Project EIS	Perm-itting	I&E	Monitoring	Other	Total
			Specialist/Surface Protection Spec.							
			Supervisory Natural Resource Specialist	GS-12		2.00				2.00
		GS-0401/1301	Branch Chief, Lands & Surface Compliance	GS-12			1.00			1.00
			Branch Chief, Science and Technology	GS-12				1.00		1.00
			Natural Resource Specialist/Physical Scientist	GS-11		11.00				11.00
			Supervisory Natural Resource Specialist/Env. Scientist	GS-12		2.00				2.00
		GS-0404	Biological Technician	GS-07				2.00		2.00
		GS-0408	Botanist/Ecologist	GS-11				1.00		1.00
		GS-0430	Botanist	GS-11				1.00		1.00
		GS-0470	Soils Scientist /Reclamation Specialist	GS-11				1.00		1.00
		GS-0486	Biologist (Wildlife)	GS-11		7.00				7.00
			Biologist Lead (Wildlife)	GS-11		1.00				1.00
		GS-0802	Civil Engineering Technician	GS-07		1.00				1.00
			Petroleum Engineering Technician	GS-10			25.00			25.00
			Petroleum Engineering Technician (Lead)	GS-11			3.00			3.00
			Supervisory Petroleum Engineering Technician	GS-11			2.00			2.00
		GS-	Civil Engineer	GS-11		1.00				1.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Project Functional Work Areas					
Govt.	Agency	Series	Position Type	Grade	Project EIS	Perm-itting	I&E	Monitoring	Other	Total
		0810								
		GS-0881	Petroleum Engineer	GS-12		1.00				1.00
			Petroleum Engineer	GS-11		2.00				2.00
			Supervisory Petroleum Engineer	GS-11		1.00				1.00
		GS-0963	Legal Instrument Examiner	GS-07		8.00				8.00
		GS-0965	Land Law Examiner	GS-07		1.00				1.00
				GS-09		2.00				2.00
		GS-0986	Legal Assistant	GS-05		4.00				4.00
		GS-1170	Realty Specialist	GS-09		1.00				1.00
				GS-11		4.00				4.00
			Supervisory Realty Specialist	GS-12		1.00				1.00
		GS-1315	Hydrologist	GS-11		3.00				3.00
		GS-1350	Geologist	GS-11		4.00				4.00
				GS-12		1.00				1.00
		GS-1370	Cartographer	GS-11					1.00	1.00
		GS-1371	Cartographer Technician	GS-06					1.00	1.00
		GS-1802	Production Accountability Technician	GS-06			1.00			1.00
				GS-07			7.00			7.00
			Surface Compliance Technician	GS-07				5.00		5.00
	USACE		Section 404 Permit			3.50				3.50

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Project Functional Work Areas					
Govt.	Agency	Series	Position Type	Grade	Project EIS	Perm-itting	I&E	Monitoring	Other	Total
			Specialist							
	USBIA		Permit Coordinator			1.00				1.00
	USBOR		Permit Coordinator			1.00				1.00
	USFS		Biological Scientist					1.00		1.00
			Civil Engineering Technician			1.00				1.00
			Physical Scientist (Botanist/Ecologist [plant specialist])					1.00		1.00
		GS-0193	Archeologist	GS-11		1.00				1.00
		GS-0401	Natural Resource Specialist	GS-11		4.00				4.00
		GS-0486	Biologist	GS-11		1.00				1.00
	USFWS	GS-0486	Biologist (Wildlife)	GS-11		11.00				11.00
				GS-12		1.50				1.50
			Biologist (Regional)	GS-12		3.00				3.00
			Biologist (Washington)			0.25				0.25
FED Total					3.00	124.25	41.00	18.00	8.00	194.25
State	CDOW		Biologist (Wildlife)					1.00		1.00
	COGCC		Field Inspector						1.00	1.00
	MDEQ		Air Quality Specialist			1.00				1.00
			NPDES Permit Writer (Helena, MT)			1.00				1.00
			Water Quality Specialist			1.00				1.00
	MFWP		Biologist (Wildlife)					1.00		1.00
	NMOCD		Field Inspector				2.00			2.00
	USHPO		Archeologist			1.00				1.00
	WDEQ		NPDES Permit Writer			1.00				1.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Project Functional Work Areas					
Govt.	Agency	Series	Position Type	Grade	Project EIS	Perm-itting	I&E	Monitoring	Other	Total
			(Cheyenne, WY)							
	WGFD		Biologist (Wildlife)					2.00		2.00
	WSHPO		Archeologist (Laramie, WY)			1.00				1.00
StateTotal						6.00	2.00	4.00	1.00	13.00
Grand Total					3.00	130.25	43.00	22.00	9.00	207.25

Attachment 2
For Questions 15 and 16

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Office							
Govt.	Agency	Series	Position Type	Grade	MCFO	BFO	RFO	GSFO	VFO	FFO	CFO	Total
FED	BLM	GS-0023	Outdoor Recreation Planner	GS-09			1.00					1.00
		GS-0028/401	Surface/Environmental Protection Specialist	GS-11							3.00	3.00
		GS-0193	Archeologist	GS-11	2.00	2.00	2.00	1.00	1.00	1.00	1.00	10.00
		GS-0301	EIS Project Coordinator	GS-12					1.00			1.00
			GIS Specialist	GS-09			1.00	1.00				2.00
				GS-11						1.00	1.00	2.00
			NEPA Coordinator	GS-11				1.00	1.00			2.00
			Project Manager	GS-12						1.00	1.00	2.00
		GS-0303	Administrative Assistant	GS-04					4.00		2.00	6.00
				GS-05	1.00			1.00				2.00
			Energy Program Assistant	GS-05			1.00					1.00
				GS-06		1.00						1.00
		GS-0326	Office Automation Clerk	GS-07			1.00					1.00
		GS-0335	Computer Assistant	GS-07			1.00					1.00
		GS-0340	Inspection & Enforcement Program Supervisor	GS-12				1.00				1.00
		GS-0344	Records Manager	GS-06						1.00		1.00
		GS-0401	Natural Resource Specialist	GS-11	5.00	1.00	2.00	1.00		3.00	2.00	14.00
			Natural Resource Specialist/Surface Protection Spec.	GS-11				1.00	2.00			3.00
			Supervisory Natural Resource Specialist	GS-12		1.00	1.00					2.00
		GS-0401/1301	Branch Chief, Lands & Surface Compliance	GS-12					1.00			1.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

					Pilot Office							
Govt.	Agency	Series	Position Type	Grade	MCFO	BFO	RFO	GSFO	VFO	FFO	CFO	Total
			Branch Chief, Science and Technology	GS-12					1.00			1.00
			Natural Resource Specialist/Physical Scientist	GS-11				2.00	9.00			11.00
			Supervisory Natural Resource Specialist/Env. Scientist	GS-12				1.00	1.00			2.00
		GS-0404	Biological Technician	GS-07			1.00				1.00	2.00
		GS-0408	Botanist/Ecologist	GS-11				1.00				1.00
		GS-0430	Botanist	GS-11					1.00			1.00
		GS-0470	Soils Scientist /Reclamation Specialist	GS-11					1.00			1.00
		GS-0486	Biologist (Wildlife)	GS-11		1.00	2.00	1.00	3.00			7.00
			Biologist Lead (Wildlife)	GS-11	1.00							1.00
		GS-0802	Civil Engineering Technician	GS-07		1.00						1.00
			Petroleum Engineering Technician	GS-10	2.00	2.00	4.00	3.00	6.00	4.00	4.00	25.00
			Petroleum Engineering Technician (Lead)	GS-11							3.00	3.00
			Supervisory Petroleum Engineering Technician	GS-11			1.00		1.00			2.00
		GS-0810	Civil Engineer	GS-11			1.00					1.00
		GS-0881	Petroleum Engineer	GS-12				1.00				1.00
			Petroleum Engineer	GS-11					2.00			2.00
			Supervisory Petroleum Engineer	GS-11		1.00						1.00
		GS-0963	Legal Instrument Examiner	GS-07		1.00			3.00	1.00	3.00	8.00
		GS-0965	Land Law Examiner	GS-07					1.00			1.00
				GS-09				1.00			1.00	2.00
		GS-0986	Legal Assistant	GS-05		1.00	2.00			1.00		4.00
		GS-1170	Realty Specialist	GS-09			1.00					1.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

Govt.	Agency	Series	Position Type	Grade	Pilot Office							
					MCFO	BFO	RFO	GSFO	VFO	FFO	CFO	Total
				GS-11				1.00	1.00	1.00	1.00	4.00
			Supervisory Realty Specialist	GS-12			1.00					1.00
		GS-1315	Hydrologist	GS-11			1.00	1.00			1.00	3.00
		GS-1350	Geologist	GS-11				1.00	2.00		1.00	4.00
				GS-12	1.00							1.00
		GS-1370	Cartographer	GS-11							1.00	1.00
		GS-1371	Cartographer Technician	GS-06							1.00	1.00
		GS-1802	Production Accountability Technician	GS-06			1.00					1.00
				GS-07		1.00		1.00	1.00	2.00	2.00	7.00
			Surface Compliance Technician	GS-07		4.00	1.00					5.00
	USACE		Section 404 Permit Specialist		0.50	0.50	0.50	0.50	0.50	0.50	0.50	3.50
	USBIA		Permit Coordinator							1.00		1.00
	USBOR		Permit Coordinator							0.50	0.50	1.00
	USFS		Biological Scientist					1.00				1.00
			Civil Engineering Technician					1.00				1.00
			Physical Scientist (Botanist/Ecologist [plant specialist])					1.00				1.00
		GS-0193	Archeologist	GS-11						1.00		1.00
		GS-0401	Natural Resource Specialist	GS-11		1.00		1.00	1.00	1.00		4.00
		GS-0486	Biologist	GS-11				1.00				1.00
	USFWS	GS-0486	Biologist (Wildlife)	GS-11	1.00	2.00	2.00	2.00	2.00	1.00	1.00	11.00
				GS-12								1.50
			Biologist (Regional)	GS-12								3.00
			Biologist (Washington)									0.25
FED Total					13.50	20.50	28.50	28.50	46.50	21.00	31.00	194.25
STATE	CDOW		Biologist (Wildlife)					1.00				1.00

Section 365 Pilot Project to Improve Federal Permit Coordination
Pilot Position Type for Each Pilot Office (FY06 and FY07)

Govt.	Agency	Series	Position Type	Grade	Pilot Office							
					MCFO	BFO	RFO	GSFO	VFO	FFO	CFO	Total
	COGCC		Field Inspector					1.00				1.00
	MDEQ		Air Quality Specialist		1.00							1.00
			NPDES Permit Writer (Helena, MT)		1.00							1.00
			Water Quality Specialist		1.00							1.00
	MFWP		Biologist (Wildlife)		1.00							1.00
	NMOCD		Field Inspector							1.00	1.00	2.00
	USHPO		Archeologist						1.00			1.00
	WDEQ		NPDES Permit Writer (Cheyenne, WY)			0.50	0.50					1.00
	WGFD		Biologist (Wildlife)			1.00	1.00					2.00
	WSHPO		Archeologist (Laramie, WY)			0.50	0.50					1.00
STATE Total					4.00	2.00	2.00	2.00	1.00	1.00	1.00	13.00
Grand Total					17.50	22.50	30.50	30.50	47.50	22.00	32.00	207.25

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