

**INTERIOR, ENVIRONMENT, AND RELATED
AGENCIES APPROPRIATIONS FOR 2011**

HEARINGS
BEFORE A
SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND
RELATED AGENCIES

JAMES P. MORAN, Virginia, Chairman

NORMAN D. DICKS, Washington	MICHAEL K. SIMPSON, Idaho
ALAN B. MOLLOHAN, West Virginia	KEN CALVERT, California
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JOHN W. OLVER, Massachusetts	
ED PASTOR, Arizona	

NOTE: Under Committee Rules, Mr. Obey, as Chairman of the Full Committee, and Mr. Lewis, as Ranking Minority Member of the Full Committee, are authorized to sit as Members of all Subcommittees.

DELIA SCOTT, CHRISTOPHER TOPIK, JULIE FALKNER,
JASON GRAY, and BRENDAN LILLY
Staff Assistants

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DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2011

THURSDAY, MARCH 4, 2010.

DEPARTMENT OF INTERIOR 2011 BUDGET FOR TRUST RESOURCES AND THE BUREAU OF INDIAN AFFAIRS AT THE DEPARTMENT OF INTERIOR; STRENGTHENING NATIVE AMERICAN COMMUNITIES

WITNESSES

**LARRY ECHO HAWK, ASSISTANT SECRETARY FOR INDIAN AFFAIRS
DONNA M. ERWIN, PRINCIPAL DEPUTY SPECIAL TRUSTEE**

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. Let me first make it clear that Chairman Norm Dicks has done just a wonderful job with the Interior Committee. It is a tough act to follow. Mr. Dicks will be chairing the Defense Committee.

We want to welcome Larry Echo Hawk, the Assistant Secretary for Indian Affairs, and I believe this is the first time you have testified before this Subcommittee, but you do have a lot of fans I understand in terms of the members of this Subcommittee, which is always a good thing, a lot of credibility. So we do appreciate you coming to testify on this fiscal year 2011 budget request.

Last year the Indian Affairs budget received an historic 10 percent increase over the 2009 level, and the monies that were made available enhanced tribal government, strengthened trust resources, improved education, addressed the still intolerably high unemployment and crime level in Indian country. But I think we are all proud of this Subcommittee's work and its recognition of the government's trust responsibilities to Native Americans.

This year, and I know you have seen the same promises that we have, we are going to have to deal with a domestic discretionary freeze and far more constrained budget climate. But this budget reflects that reality, and excluding a one-time increase in 2010 to forward fund the tribal colleges and universities, the proposed budget is essentially flat coming in at the same \$2.6 billion.

Now, despite these constraints, the budget includes maintenance or increased funding in some key areas, almost \$20 million for contract support costs, \$20 million for public safety and justice, and a \$28 million total increase for tribal priority allocations. At the same time, increased funding over the last several years for construction of education and detention facilities was eliminated, and

I think the Subcommittee is going to want to question why that determination was made. You are also absorbing almost \$20 million in fixed costs. That is a lot of money. I know you will want to explain why that decision was made, and if it was not made within the agency, maybe you could make it clear where it was made and how you feel about it. We have some concern that it will impact critical staffing needs in an agency that has consistently been understaffed.

In addition, the Inspector General has been critical of BIA management and its leadership. Over 30 percent of the Inspector General's investigations involve issues in Indian country, including criminal misconduct by employees, contractors and tribal officials. So we want to know how you are addressing these issues to ensure that the funding that is appropriated by this committee goes to the critical needs of Native Americans.

We want to use the remainder of this hearing to discuss the Administration's request and how it continues to advance the needs in Indian country. I understand that you are recused from the Cobell litigation and ask that we hold those questions until we hear from our next witness, the Acting Special Trustee. It is understandable why he chose that. We agree with that decision to abstain from discussions of that issue, but it is a very important one.

Mr. MORAN. So with that, perhaps Mr. Dicks might like to make a statement, and then I would like to hear from Mr. Simpson.

OPENING STATEMENT OF MR. DICKS

Mr. DICKS. Well, I will just say this. I am very pleased that Jim Moran has assumed the chairmanship. I know he will do an outstanding job. He has already been fully engaged for many years on this Subcommittee, and I look forward to working with him and I congratulate him on making this. It took me 30 years. How long did it take you?

Mr. MORAN. It actually took you 31. I was counting.

Mr. DICKS. You were?

Mr. MORAN. It took me 21.

Mr. DICKS. Twenty-one? So he and I were both Senate staffers together. Things happen a lot faster over there.

Mr. MORAN. I am not sure how relevant this is to the record, but I actually used to work for Stormin' Norman.

Mr. DICKS. I hired wisely. Anyway, I just wanted to tell you that one of the joys of being the Chairman for the last few years was working with Mike Simpson and Kenny and Steve and Tom Cole. These guys attend the meetings, as you know, because you are here often, too. And I think it has really been a very bipartisan—

Mr. MORAN. Sometimes better than our—

Mr. DICKS. Yeah, well, we have a lot of cardinals over here. But I look forward to working with you. And one of our concerns of this committee has always been, going back to Sid Yates, has been to try to do justice to tribal Americans and the leaders of the tribes and to try to help keep our trust responsibility.

Mr. MORAN. And you have, and as I say, with Mr. Dicks' impact upon the Native Americans of this country, they may not all be aware of it, but it is very substantial and it came from the heart, a genuine commitment.

Now we could hear from the very distinguished member from Idaho, the Ranking Member of the committee.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Chairman, and let me echo what you said earlier. As I said at the last hearing, truly, it has been a pleasure to work with Norm. He has been a great Chairman, and I am glad to see that he is staying on the committee, and I look forward to working with you, Chairman Moran, and addressing the issues in the Interior budget that we face. I know both of you, as you said, have tough shoes to follow, and we on this side of the aisle would like to help you. We can do that by winning the majority more often.

Mr. MORAN. You were going so well, you know. It was just going so well.

Mr. SIMPSON. I just thought I would throw that out there.

Mr. DICKS. Quite ambitious.

Mr. SIMPSON. I have not been here 31 years, so you know, I got a few years to wait, I guess.

But good afternoon, Director Gidner, Acting Director Stevens, and thank you for joining us today. It is a pleasure to see you again, Assistant Secretary Echo Hawk. I always appreciated your thoughtfulness and integrity when we served together in the Idaho legislature and worked on state issues, and I look forward to working with you in this new capacity as we look to address the challenges facing Indian country.

SHOSHONE-BANNOCK TRIBAL JUSTICE CENTER

As you will recall from our last conversation, I told you that Mr. Cole and I had talked about and hoped to visit some of the tribes outside of our respective states this year, and we certainly hope that your schedule will allow you to join us. It was a privilege to join you in celebrating the grand opening of the Shoshone-Bannock Tribal Justice Center at Fort Hall a few weeks ago. As you know, the law enforcement needs across Indian country are great. In many cases, tribes lack both the authority and resources to make their communities safer and more prosperous. Faced with inadequate support from the Federal Government, the Shoshone-Bannock tribe had to take the initiative to address the needs of their community and find their own funding to complete construction of their Justice Center. The long-term success of this endeavor will require a true partnership between the tribes and the BIA. I appreciate the willingness of your office and the BIA staff to work with them to find the funding for operation and maintenance of this beautiful facility.

I know you recognize that it is long-past time for us to find creative solutions to the law enforcement challenges facing our Native American communities. The opening of the Shoshone-Bannock Tribal Justice Center provides us with the means for implementing one of those solutions. Neither the BIA nor Indian country seems able to meet the detention needs of each tribe individually, and creating a system of regional justice centers will ensure that each

tribe has a place to send young people who need guidance to steer them away from a life of crime.

I look forward to discussing this possibility with you further and seeing what role the Shoshone-Bannock Tribal Justice Center can play. Perhaps nowhere else in the Interior and Environment spending bill is it more apparent that this bill is about people. On Indian reservations, poverty is still commonplace. Unemployment and violence are higher than the national average, and incidents of infant mortality, alcoholism, substance abuse and suicide are far in excess of the rest of America. These disparities are real. They are not new, and they are sobering reminders that no matter what is happening abroad, there are people back home that need help.

LEADERSHIP AND BUDGET

Last year, Acting Inspector General Mary Kendall, testified before this Subcommittee that DoI Indian programs are sorely understaffed, underfunded and poorly managed and that the greatest obstacle to reform is the leadership vacuum that has existed for nearly a decade as assistant secretaries in the past have served unusually short tenures.

I am hopeful that those days are now behind us and that together we can get down to solving the myriad problems before us. The fiscal year 2011 budget for Indian Affairs is 8 percent above the fiscal year 2009 budget, but it is 2 percent below last year's level. Additionally, the BIA received \$500 million through the stimulus bill. This Subcommittee has increased our emphasis on public safety, justice, education, construction, rights protections and contract support. The fiscal year 2010 budget continues several of these investments in contract support, public safety and education. These increases come mostly at the expense of facilities construction, and I look forward today to our discussion about that. I am also interested in talking about the energy development on tribal lands and whether we are doing everything we can to help those tribes compete on a level playing field.

Finally, I hope we can spend some time today talking about the condition of our schools, whether we are creating safe environments for children to learn and grow as I believe that education is the key to improving lives no matter who we are or where we live. More than anything, though, I hope we can spend some time today evaluating whether the investments we are making in Indian country are having an effect on the disparities and violence, health and poverty that I mentioned earlier.

I look forward to your testimony and our discussion today as I always am committed to working with you to solve some of these problems. Thank you for being here today.

Mr. MORAN. Thank you very much, Mr. Simpson. I am going to get into the questions, and then we will give an opportunity to Mr. Calvert and Mr. Cole to make a statement precedent to their questions as well.

I mentioned in the opening statement that the Inspector General—

Mr. DICKS. Are you going to let him make his statement?

Mr. MORAN. Oh, yeah. Sure. That is a good idea.

Mr. DICKS. Good idea.

Mr. MORAN. Yeah.

Mr. DICKS. Novel concept.

Mr. MORAN. When you address this, I hope in your statement that you will address this issue of the concerns of the Inspector General, and I trust you will, and how you are going about correcting some of the situations that the Inspector General alluded to in terms of the management of the Bureau of Indian Affairs.

Thank you, Mr. Secretary. We look forward to your testimony.

TESTIMONY OF ASSISTANT SECRETARY LARRY ECHO HAWK

Mr. ECHO HAWK. Well, Mr. Chairman and members of the committee, I appreciate this opportunity to appear before your committee to discuss the budget of the President for Indian Affairs, and may I just first congratulate you for your chairmanship, and I guess that is to both Congressman Moran and Congressman Dicks for new assignments. And I am very pleased to be with you today. I testified last week in the Senate, and it seems like a different atmosphere in here. This feels much better just to sit with you at a table.

Mr. DICKS. We know how you feel.

Mr. ECHO HAWK. But as the Assistant Secretary for Indian Affairs, I particularly appreciate the comments that were made about doing justice and fulfilling the trust responsibilities of the United States. I feel the responsibility on my shoulders as well to do that. I did not seek appointment as the Assistant Secretary, and it was not lost upon me that in the last 8 years there have been six different people either in a confirmed or acting capacity to hold the position that I hold. And when I was called to serve here, I struggled with that a bit but decided to leave the comfortable confines of being a law professor and coming and doing what I can to serve and serve effectively.

I think many of you know my background, but I just wanted to highlight a few points. I am a lawyer, and from the very beginning of my graduation from law school, I wanted to be a tribal lawyer. And my dream came true in 1977 when I was selected to be the Chief General Legal Counsel for Idaho's largest tribe located near Congressman Simpson's hometown, Blackfoot. I was able to serve in that position for 9 years, but since I left there in 1986, I have not had full-time employment in the area of Indian law. I went into elective office in the legislature as a county attorney, as attorney general, and for the last 14 years I have served as a law professor. I have taught Federal Indian Law, but I have never worked for the Federal Government and I feel like I have been somewhat disconnected from Indian affairs on a full-time basis in that time span.

But I am back, and I can tell you I feel like I have got the most difficult job in America. I feel like I have been facing a pretty steep learning curve to figure out things that are plaguing the federal bureaucracy in Indian Affairs. It has been good for me to learn that there are many dedicated and hardworking people in the Office of the Assistant Secretary for Indian Affairs and then the Bureau of Indian Affairs and the Bureau of Indian Education. But certainly the Inspector General reports get my attention. And when we receive a report like that, you know, it is our responsibility to react and react in an effective way.

Many of the reports that I am sure are going to be referenced in the hearing occurred prior to my coming on board 9 months ago. But nevertheless, I feel responsibility to be aware of those reports and to do what I can to follow up.

I have with me today the Director of the Bureau of Indian Affairs, Jerry Gidner, and the Acting Director of the Bureau of Indian Education, Bart Stevens. And before I go any further, I just want to say something about the visits that were mentioned by Congressman Simpson and Congressman Cole. I would want to extend an invitation to all of the committee members at any time. If you have time available to travel in Indian country, I would like to accompany you to visit some of the Indian communities and facilities and see some of the issues and problems that we have out there in various regions of the country. But in particular, as the new Chairman, Congressman Moran, I would like to have the opportunity to travel with you and to visit Indian country.

The budget I think has been outlined by the Chairman, and I will not make any further comments on that. But I do want you to know that I think it has the imprint to a large extent of Indian tribal leaders because the Tribal Budget Advisory Council is something that I have learned about in the last 9 months, and it is our official mechanism to get input on budget priorities from tribal leaders. All 12 regions are represented by representatives from tribal government that give us their input. We are already in the process of working on the 2012 budget with this committee. So these are not priorities that are picked out of the air, but tribal leaders are giving us some guidance.

In addition to that, I have tried my best to travel throughout Indian country and meet directly with tribal leaders to hear their concerns. I have been to pretty much every region of the country already and heard what they have to say.

This has been a tough year for the budget with the fiscal realities that exist, and we have had to make some tough choices. Given the guidance that is given to us by tribal leaders, we have tried to emphasize the priority areas that they would like us to give attention to, but we have also had to make some tough decisions. With regard to our internal administrative operations, the cut in our cost will be uncomfortable for us and challenging, but that has been done in order to meet tribal priorities for the programs that make a difference. I know that we have management issues within our federal ranks, but I think the tribes even have greater challenges that face them.

And so I look forward to having some discussion with you about some of those tough choices that we have made. Thank you very much.

[The statement of Larry Echo Hawk follows:]

**STATEMENT OF
LARRY ECHO HAWK
ASSISTANT SECRETARY – INDIAN AFFAIRS
BEFORE THE
HOUSE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES
ON THE PRESIDENT'S
FISCAL YEAR 2011
BUDGET REQUEST FOR INDIAN PROGRAMS IN THE
DEPARTMENT OF THE INTERIOR**

MARCH 4, 2010

Good afternoon Mr. Chairman and members of the Committee. Thank you for the opportunity to provide the Department of the Interior's (Department) statement on the fiscal year (FY) 2011 President's Budget request that was released on February 1, 2010 for Indian programs. The FY 2011 budget request for Indian Affairs programs within the Department totals \$2.6 billion. This reflects a decrease of \$3.6 million from the 2010 enacted level, excluding the \$50.0 million in one-time funding to forward-fund tribal colleges in 2010. The budget focuses on priority areas in Indian Country and honors the Federal Government's obligation to federally recognized American Indian and Alaska Native governments in an informed and focused manner.

As the Assistant Secretary for Indian Affairs, I have the responsibility to oversee the numerous programs within the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education (BIE), along with other programs within the immediate office of the Assistant Secretary for Indian Affairs. The Office of Indian Affairs' BIA and BIE programs expend over 90 percent of appropriations at the local level, and over 50 percent of the appropriations are provided directly to tribes and tribal organizations through grants, contracts, and compacts for tribes to operate government programs and schools. Indian Affairs' programs serve the more than 1.7 million American Indian and Alaska Natives located on or near reservations.

The Office of Indian Affairs 2011 budget request provides funding for three of the Department's 2011 priority initiatives: the Empowering Tribal Nations initiative; the New Energy Frontier initiative; and the Climate Change Adaptation initiative.

Empowering Tribal Nations

The Empowering Tribal Nations initiative is a multi-faceted effort that will advance Nation-to-Nation relationships, improve Indian education, protect Indian communities and reform trust land management, with the ultimate goal of greater self-determination. This initiative actually began before this budget request when then candidate for President, and now President Obama, promised that a new era of change would include direct dialogue between Tribal Nations and this Administration. This promise, followed up by action, came to fruition in November 2009, when

the White House held the Tribal Nations' Conference at the Department's Yates Auditorium, with over 400 Tribal leaders in attendance.

Nation-to-Nation Relationship

This Administration believes that investing in Indian Country is the key to advancing our Nation-to-Nation relationship, and therefore seeks \$29.9 million in programmatic increases for contract support, self determination contract specialists, social workers, support for small tribal governments, and the final year of the Washington Shellfish settlement. At the forefront of this investment is contract support, which was identified by many Tribal Nations as their top priority. The increase in contract support will allow the BIA to pay approximately 94 percent of the identified need for contract support costs in FY 2011.

Funding contract support costs encourages tribal contracting and supports Indian self-determination. Contract support funds are used by tribes that manage Federal programs to pay a wide range of administrative and management costs, including finance, personnel, maintenance, insurance, utilities, audits, communications, and vehicle costs.

The requested 2011 increases will also allow the BIA to fund Self-Determination Specialist positions to ensure proper contract oversight. In addition, it will allow the BIA to add more Social Workers to assist tribal communities in addressing problems associated with high unemployment and substance abuse. We also plan for \$3.0 million of this request to go toward support for small Tribes (those with a population of less than 1,700) in order to improve the effectiveness of their tribal governments.

Protecting Indian Country

For the past several years, Tribal Nations have consistently identified that increased public safety in Indian Country is one of their top priorities. The BIA has a service population of over 1.7 million American Indians and Alaska Natives who belong to 564 federally recognized tribes. The BIA supports 191 law enforcement programs with 42 BIA-operated programs and 149 tribally-operated programs. Approximately 78 percent of the total BIA Office of Justice Services (OJS) programs are outsourced to Tribes.

President Obama, Secretary Salazar and I have heard from Indian Country that increased public safety is a top priority. The FY 2011 budget request seeks an additional \$20 million in public safety funding over the FY 2010 enacted levels. This additional funding will support the Department's "Protecting Indian Country" initiative, which will fund new law enforcement agents and provide funding for detention center operations in Indian Country.

This budget reflects this commitment to public safety in Indian Country by collaborating with the Department of Justice for additional FBI agents dedicated to protecting Indian lands. Of this increase, \$19.0 million will be provided via reimbursement by BIA to DOJ to fund additional FBI agents. The FBI has primary jurisdiction over major crimes on more than 200 reservations with approximately 105 agents available to investigate crimes that occur in Indian Country. The reimbursable funding provided to the FBI will add 45 agents as well as other personnel, assuring

that the resources will be spent in Indian Country and focused on high-priority areas like drug trafficking and the violence related to it. The budget also proposes an increase of \$1.0 million for detention center operations and maintenance for new facilities built with DOJ grants.

Advancing Indian Education

The BIE is one of only two agencies in the federal government that manages a school system, the other being the Department of Defense. Education is critical to ensuring a viable and prosperous future for tribal communities and American Indians. One of our top priorities is to improve Indian education and provide quality educational opportunities for those students who walk the hallways of the 183 BIE funded elementary and secondary schools and dormitories located on 63 reservations in 23 states and serving approximately 42,000 students.

The 2011 request maintains the Department's ongoing commitment to improve Indian education for students in bureau-funded schools and tribally controlled colleges. The budget sustains 2010 funding levels for many programs, and provides an increase of \$8.9 million for key programs. The budget request includes an increase of \$5.9 million to promote safe and secure schools. Of this increase, \$3.9 million will be used to implement safety and security programs at 10 schools to mitigate security issues identified by the Inspector General in the past year, and to train staff to deal effectively with high risk student behaviors. The remaining \$2.0 million will provide funds for 13 full-time environmental professionals to conduct environmental audits at BIE schools.

Another component of BIE funding is Tribal Grant Support Costs, which cover administrative and indirect costs at 124 tribally controlled schools and residential facilities. Tribes operating BIE-funded schools under contract or grant authorization use these funds to pay for the administrative overhead necessary to operate a school, meet legal requirements, and carry out other support functions that would otherwise be provided by the BIE school system. The budget increases funding for these activities by \$3.0 million.

I should note again that we were successful in our effort to forward-fund tribal colleges in 2010, so that one-time funding of \$50 million is not needed in 2011.

Improving Trust Land Management

In addition to the human services components of Indian Affairs, the United States holds 55 million surface acres of land and 57 million acres of subsurface mineral estates in trust for tribes and individual Indians.

This Administration seeks to advance the Empowering Tribal Nations initiative by assisting Tribes in the management, development and protection of Indian trust land, as well as natural resources on those lands. The 2011 budget request includes \$9.1 million in programmatic increases for land management, improvements, water management, cadastral surveys and dam safety.

Within these proposed increases for FY 2011, the BIA seeks to promote development within the former Bennett Freeze area in Arizona with \$1.2 million. There are more than 12,000 Navajo

people living in this area, which was subjected to restrictions on development over a 40-year period involving a land dispute between the Navajo Tribe and Hopi Tribe. Additionally, the requested increases will go toward meeting the requirements of the Nez Perce/Snake River water rights settlement and will also go toward the probate program in BIA.

New Energy Frontier

Indian Affairs works closely with tribes to assist them with the exploration and development of tribal lands with active and potential energy resources. These lands have the potential for both conventional and renewable energy resource development. The 2011 budget includes an increase of \$2.5 million in Indian Affairs for energy projects as part of the Department's New Energy Frontier initiative.

This increase includes \$1.0 million in the Minerals and Mining program to provide grants directly to Tribes for projects to evaluate and develop energy resources on tribal trust land. The budget also contains a \$1.0 million increase for conventional energy development on the Fort Berthold Reservation. To further expedite energy development on the Fort Berthold Reservation, Indian Affairs, the Bureau of Land Management, Minerals Management Service, and the Office of the Special Trustee for American Indians will create a "virtual" one-stop shop. The budget includes a \$500,000 increase to support staff onsite, as well as provide on-call access to the full range of the Department's operational and financial management services.

Climate Change Adaptation

The budget also includes \$200,000 as part of the Department's Climate Change Adaptation initiative. This funding will support BIA and tribal collaboration with the Department's Landscape Conservation Cooperatives (LCC), providing tribal input and perspective to climate adaptation issues in the form of traditional ecological knowledge. Indian Affairs will suggest strategies to address adaptation and mitigation for climate change on Indian lands when working with the LCCs. Both Indian Affairs' staff and local tribal members will be involved with the LCCs.

Cobell settlement

I was recused from participating in discussions about *Cobell v. Salazar*, a case involving the management of individual Indian trust accounts related to Indian lands, but I am pleased to report that the budget also takes into account the settlement agreement in the case. Pending Congressional action and final approval by the Court, \$3.412 billion will be expended from the Judgment Fund in 2010, including payments made to settle individual claims. Also within this total, the settlement agreement provides that \$2.0 billion will be transferred to a Trust Land Consolidation Fund to be administered by the Department of the Interior for the buy-back and consolidation of fractionated land interests.

Requested Decreases

The initiatives described above, and the related increases in the Administration's request, mark a significant step toward the advancement of the federal government's relationship with Tribal Nations. These initiatives focus on those programs geared toward empowering Tribal Nations, and reflect the President's priorities to support economic development in Indian Country.

The President has also called upon members of his Administration to meet important objectives while also exercising fiscal responsibility. Consistent with that directive, we made several difficult choices in the FY 2011 appropriations request for Indian Affairs.

The construction program contains program reductions of \$51.6 million. The request takes into consideration the \$285.0 million that was provided to Indian Affairs for school and detention center construction activities and \$225.0 million provided to the Department of Justice for detention center construction under the American Recovery and Reinvestment Act. With funding from the Recovery Act, Indian Affairs will complete a number of high-priority projects. The request also reflects a proposed transfer of some maintenance funding from the construction account to the operations account.

The amount requested for construction includes: \$52.9 million for Education, \$11.4 million for Public Safety and Justice, \$42.2 million for Resource Management, and \$9.3 million for other program construction. An increase of \$3.8 million for the Safety of Dams program is also included. At \$52.9 million, the Education Construction budget will fund phase two of the Denehotso replacement school, one school facility replacement project, and support employee housing. The budget maintains essential funding for facility improvement and repair projects at \$34.6 million. The Public Safety and Justice Construction program is funded at \$11.4 million to support employee housing and facilities improvement and repairs at detention centers.

Conclusion

The 2011 budget for Indian Affairs achieves the President's objectives of restoring fiscal discipline, helping empower tribal nations and foster responsible development of tribal energy resources and improving the Nation-to-Nation relationship between tribal nations and the United States. The pool of federal resources is not unlimited, and we heeded the President's call to act responsibly to maximize our impact while limiting spending growth.

Mr. Chairman, members of the Committee, thank you for the opportunity to appear before you today. I am happy to answer any questions you may have.

**Biographical Statement of Larry Echo Hawk
Assistant Secretary-Indian Affairs
U.S. Department of the Interior**

Larry Echo Hawk, an enrolled member of the Pawnee Nation of Oklahoma, was confirmed by the United States Senate as the Assistant Secretary-Indian Affairs for the U.S. Department of the Interior on May 19, 2009, and was sworn into office by Secretary of the Interior Ken Salazar on May 22, 2009.

Mr. Echo Hawk is the 11th Assistant Secretary-Indian Affairs to be confirmed since the position was established by Congress in the 1970s. In addition to carrying out the Department's trust responsibilities regarding the management of tribal and individual Indian trust lands and assets, the Assistant Secretary is responsible for promoting the self-determination and economic self-sufficiency of the nation's 562 Federally recognized American Indian and Alaska Native tribes and their 1.9 million enrolled members.

Prior to his appointment, Mr. Echo Hawk served for 14 years as a Professor of Law at Brigham Young University's J. Reuben Clark Law School where he taught Federal Indian law, criminal law, criminal procedure, evidence, criminal trial practice, and published several scholarly papers.

A former U.S. Marine, Mr. Echo Hawk began his law career as a legal services attorney working for impoverished Indian people in California, then opened a private law office in Salt Lake City. In 1977, he was named Chief General Legal Counsel to the Shoshone-Bannock Tribes of the Fort Hall Indian Reservation in Idaho, a position he held for more than eight years. He became special counsel to the tribes in 1998. He is admitted to the bar in Idaho, Utah, and California.

Mr. Echo Hawk was elected Attorney General of Idaho in 1990, the first American Indian in U.S. history to achieve that distinction. He had served as the Bannock County (Idaho) Prosecuting Attorney since 1986. Before that, he served two consecutive terms in the Idaho House of Representatives, from 1982 to 1986.

Mr. Echo Hawk has served on the American Indian Services National Advisory Board and Board of Trustees. He was appointed by President Clinton to the Coordinating Council on Juvenile Justice and Delinquency Prevention, which is responsible for coordinating the Federal Government's efforts to combat juvenile delinquency in the United States. He also has served on the Indian Alcoholism Counseling and Recovery Housing Program, and the American Indian Community Resource Center Board.

Mr. Echo Hawk was born in Cody, Wyoming, where his father worked as a land surveyor in the oil and gas industry. He later moved with his family to Farmington, New Mexico, where he attended public schools from first grade through high school. His athletic achievements led to an NCAA football scholarship to attend Brigham Young University, where he was a member of the varsity football team from 1967 to 1969, playing in every game during his career. He started at safety as a junior and senior, leading the team and ranking fourth in the Western Athletic Conference with five interceptions as a junior in 1968. In 1969, he was named to the Western

Athletic Conference All-Academic Football Team. He earned Academic All-Conference First Team honors as a senior. He received his Bachelor of Science degree from BYU in 1970.

Mr. Echo Hawk received his Juris Doctor degree from the University of Utah in 1973 and attended the Stanford Graduate School of Business MBA Program from 1974 to 1975. He has received numerous awards and honors, including Distinguished Alumnus Awards from both Brigham Young University (1992) and the University of Utah (2003).

In 1991, Mr. Echo Hawk was awarded the George Washington University's prestigious Martin Luther King medal for his contributions to human rights, and was honored as a speaker at the Democratic National Convention. As Idaho's delegation chair, he became the first American Indian to lead a state delegation to a national political convention.

Mr. Echo Hawk also was honored in 1995 as the first BYU graduate ever to receive the National Collegiate Athletic Association's prestigious Silver Anniversary Award, which is given to a select few prominent athletes who completed their collegiate athletic eligibility 25 years ago and have distinguished themselves in their careers and personal lives.

Mr. Echo Hawk, 60, and his wife Terry have six children and 23 grandchildren.

INSPECTOR GENERAL REPORTS

Mr. MORAN. Thank you very much, Mr. Assistant Secretary. The concern about what was cited in the Inspector General's report I suspect is shared by all the Subcommittee members. Some of it is simply a lack of continuity in terms of management of the Bureau. It is very difficult to get a handle on what is going on when you are only there for 6 to 18 months at a time. So we trust you have a commitment to stay there for some period of time to really make a transformative difference.

But the incidents of criminal misconduct by tribal officials, contractors, employees, the theft from Indian tribal organizations, the illegal disposal of petroleum products, many of these hurt the Native American people the most. So I hope we are going to get a handle on that. Of course, when that is going on at the top level, it makes it even more difficult to address the problems of crime at the individual and family level.

CRIME IN INDIAN COUNTRY

The Department of Justice shows that many areas of Indian country have the very highest crime rates throughout the country, and this committee had the hearing last year and it has been a continuing concern. The rate of violent crime in Indian country is twice what it is throughout the country. Maybe it does start at the top. But I would like to know what you are doing about that and if you could also expand a bit on an issue of particular concern that was addressed in the report last year dealing with the BIA appropriation. More than 1/3 of Native American women will be sexually assaulted in their lifetime, and almost 40 percent will suffer from domestic violence. That is an intolerable situation. And the Subcommittee provided a substantial increase in funding to address that.

So that would be the one area I would like for you to address before hearing from other members of the Subcommittee. If you would address that, Mr. Echo Hawk?

Mr. ECHO HAWK. Thank you very much, Mr. Chairman. A few comments on the remarks that you just made. With regard to Inspector General reports, I think I have already mentioned that I will take those very seriously and follow up to do what we need to do to take corrective action. But I consider it to be even more important that we practice prevention to make sure that we do not have Inspector General reports coming down. And I think this may be one of the challenging things that I have because I think a lot of people believe that we have had some history of that kind of mismanagement occurring. I think we have got a lot of good people, but I think there is room for improvement. And I am not able to micromanage an organization that has over 9,000 employees. I think my responsibility is to set a good example and select people that know, that are quality managers and let them do their jobs but hold them accountable for the responsibilities that they have.

With regard to the crime occurring in Indian country, I think this is perhaps an area where I have an opportunity to make the greatest contribution. It is clearly a priority of the President and Secretary Salazar, and I got a feeling maybe that is why I was se-

lected to serve in this position because as a law professor, I teach criminal law, criminal procedure, criminal trial practice, evidence, Federal Indian Law, but I am a former prosecuting attorney for Idaho's fourth-largest county and attorney general. In Idaho, the attorney general is the chief law enforcement officer for the State.

So in virtually any kind of crime activity that is occurring I have had hands-on experience. When you mention the violent crimes perpetrated against women and children, as a county prosecutor and as an attorney general, we had to work in the state system to address those kinds of problems. They are more aggravated within Indian country, and I will give that special attention. In fact, I think I am scheduled—I get a lot of invitations to address groups, and there is a meeting coming up where I am flying out to Albuquerque to address Federal law enforcement officers on that subject. And I think staff might tell me that is not worth doing because I have got a lot of other things, but when I said yes, I think that is an example of the kind of priority that I placed on that particular area.

Mr. MORAN. Thank you, Mr. Assistant Secretary. Mr. Dicks. Okay. Mike. Mr. Simpson.

REGIONAL DETENTION CENTERS

Mr. SIMPSON. Thank you, Mr. Chairman. Last year's conference report, as I said in my opening statement, included language encouraging the BIA to consider establishing regional detention centers at new or existing facilities. Can you describe some of the pros and cons of this and what you are doing to address this issue and what is the BIA working on in that regard? It just seems to me like it makes sense that we could create some regional detention facilities that would be good ones rather than the, as you know, having visited Fort Hall Reservation, the old detention centers and stuff. I said during the meeting out there that the conditions in it were really deplorable. Does it make sense to have regional detention facilities?

Mr. ECHO HAWK. Thank you. Congressman Simpson, I appreciated having that opportunity to be with you at Fort Hall because it is a nice thing to see an Indian community step forward and do what it takes to get a detention center and justice center in place using their own resources. That is actually, I think, given the history of the trust responsibility, something the United States could have stepped up to do, but the tribe did not wait for that to occur because of the demands that are there in the community.

But with limited resources, I think that we have to be smart about how we use whatever construction dollars are available and the regional detention strategy to me makes the most sense with those limited dollars that we have to be strategic about where we are placing those facilities so that a number of tribes will be able to benefit from detention services.

DETENTION CENTER CONSTRUCTION

Mr. SIMPSON. Your budget proposes along the same lines as safety and justice, a reduction of \$41.5 million for public safety and justice construction because the funding overlapped with the Department of Justice. However, the Justice budget says very little about

its plans for tribal construction in fiscal year 2011, let alone any 5-year construction plan as is required by this committee.

I think the committee has expressed some concerns about the commitment of the Department of Justice in some of these areas. Are we just kind of turning things over and hoping that the Department of Justice will fill in the hole here? And do we have any assurance that they are going to do that?

Mr. ECHO HAWK. Congressman Simpson, when I took over this job, one of the first things I learned about is the division of responsibilities. I think before taking this job I could not have told you who actually had responsibility for detention construction. But that has been mainly a responsibility, although not totally, within the Department of Justice. And it became very clear to me that what we need is coordination between and collaboration with the Department of Justice. And we have tried to do that, and it has not just been at my level but it has been very good to see the Secretary of the Interior and Deputy Secretary of the Interior engage with their counterparts in the Department of Justice in talking about that kind of collaboration. And we will continue to make that effort to come up with sensible ways of identifying where facilities for detention and correction should be located and how they should be financed and where the operation and maintenance is going to come from.

There have been some sore examples in Indian country that I have learned about where facilities have been built by the Justice Department with no forethought being given as to how they were going to be operated and maintained. And thus, what you end up with are facilities sitting out there that are unoccupied, and I think that is unacceptable absolutely. And we have got to do better in the future to make sure that we are properly coordinated.

Mr. SIMPSON. Do you think it would be helpful? And I ask this of both the Chairman and you, some of us have talked about having a joint hearing with the BIA and Justice to talk about this. My concern is that we take your approach on this and we expect Justice to put this \$41 million in for construction, and 4 or 5 years down the road we are back into stove-piping and so forth and we do not have the cross-coordination and we do it somehow. The longer I have sat on this committee, the more I have learned how complicated it is between these departments that have certain responsibilities. I have wondered if it would not be helpful to have a joint committee hearing at some point in time with the members of the—

Mr. MORAN. Perhaps we could discuss that with Mr. Mollohan.

FBI STAFFING IN INDIAN COUNTRY

Mr. SIMPSON. Yeah, I think it would be good because these two are intimately intertwined in what we do. As an example, this budget proposes an increase of \$19 million for 81 FBI employees dedicated to investigating crime on reservations, something that is sorely needed. Right now as I understand, there are 105 FBI agents currently working in Indian country as collateral duty. We approve this and hire the 81 FBI employees. They will be dedicated to working just on the reservations, and what happens to the 105? Will that be an adjunct to them or does the Justice Department fig-

ure that if you are going to add 81, then they can take the 105 and use them for other purposes and they no longer spend that time on the reservation?

And that is the kind of thing I would like to work out with them before we do this so that we know what we are doing is actually enhancing the criminal investigations activities of the FBI and so forth.

Mr. ECHO HAWK. Congressman Simpson, our intent, strong intent, is to make sure we are supplementing federal law enforcement activity within Indian country, and whatever resources are there presently, we want to add to that. And having that money coming through Interior at least puts us in a position to make sure that that is where the money is going, to enhance federal law enforcement.

We have a good start. We are working well with the Department of Justice right now, and I have confidence that we are going to be able to assure that that is how things are being done.

Mr. SIMPSON. I am glad to hear that you and the Department of Justice are working together, but we in Congress need to make sure also that we, between our subcommittees, are working together so that we do not just appropriate some money and hope that same amount is being done by the Commerce, Justice, Science Committee and then find out that it is not being done. So I think we all need to work together.

Mr. MORAN. Perhaps, Mr. Simpson, we could have our staff discuss it with the staff of the Commerce, Justice, Science Subcommittee and see if we can get a recommendation of how we might coordinate that. It is a very good suggestion. Thank you, Mr. Simpson. Mr. Dicks.

POLITICAL LEADERSHIP STAFFING

Mr. DICKS. Let me ask just a couple quick questions. One, have you been able to get your people in place, the various spots in your department? There has been a certain amount of slowness in getting people in place in this Administration. I just wondered if that has affected you.

Mr. ECHO HAWK. Congressman Dicks, we have been very fortunate to be able to clear the political leadership. I have four people that I work with that are political leadership, and I think that went fairly rapidly. I actually thought I was going to come on a little sooner. It took me 121 days to be confirmed, and I thought that was a long time and they told me that was record speed. So I felt lucky after I heard that. But the other people did not have to be confirmed, and that was a lot of help when those political leadership people came on board and they have been working very effectively.

CRIME IN INDIAN COUNTRY

Mr. DICKS. One of the things when we retook the majority that we reinstated, which I hope we will always do no matter who is in the majority, is having the tribal leaders come in and testify before the committee. One of the things that came up was this anomaly I think in the law that says if somebody comes onto an Indian reservation and assaults a woman, that the maximum penalty is

1 year. Now, is that being addressed in this interagency operation with the Justice Department or should Congress try to change the law up here? With your background, do you know much about this?

Mr. ECHO HAWK. Well, the 1-year maximum penalty would be the rule that applies to a tribal government, meaning that a tribal government—

Mr. DICKS. Oh, the tribal government can only do one year?

Mr. ECHO HAWK. One year. The Federal Government—

Mr. DICKS. I see.

Mr. ECHO HAWK [continuing]. Has jurisdiction under the Indian Major Crimes Act and the Indian Country Crimes Act, and those penalties, of course, can be very stringent, and that would apply to both Indian and non-Indian offenders that commit crimes against Indian people. So, federal law is strong. I think the concern of native leaders has been, is it being enforced? Is the United States investigating and prosecuting those crimes?

FBI STAFFING IN INDIAN COUNTRY

Mr. DICKS. I thought the number was 50 FBI agents are going to be hired by the BIA, is that correct?

Mr. ECHO HAWK. Under the budget proposal, the \$19 million, that is 81 FTE.

Mr. DICKS. Eighty-one?

Mr. ECHO HAWK. Eighty-one FTE. So they are not all FBI agents because they need support staff.

Mr. DICKS. Okay. Well, that is good. And the reason we are paying for this in the Interior budget is you do not want to have to argue this out with Justice. You want to make sure that these people will be under your authority, is that correct?

Mr. ECHO HAWK. That is correct, Congressman.

Mr. DICKS. So what are you going to do with these? What is your game plan for these people? Is it to go out and try to get into some of these cases that have not been prosecuted before?

Mr. ECHO HAWK. Congressman Dicks, I think the complaint of tribal leaders is that there is not swift, effective investigation and prosecution, and the response that I think that they get from Federal officials is we do not have the resources. So this is meant to add additional resources for Federal law enforcement. Having said that, I cannot resist but say the answer is not only in upgrading Federal law enforcement because that is felony class offense that we are talking about there. One of my major concerns would be making sure that tribal law enforcement, that is, dealing with the lower echelon of crimes, basically misdemeanor offenses, are also in a position to do effective investigation and policing because that is not something that the Federal Government is normally doing. They can prosecute some lower level crimes, but that is not usually what they do. So the tribal systems have to be strong and healthy as well, not just federal systems.

Mr. DICKS. So we need to continue to work on tribal law enforcement which we have supported on this committee.

Mr. SIMPSON. Along the same line, one of the problems that we learned about when we had the women coming and talking about the domestic violence against women on reservations was that oftentimes when a case should be prosecuted by the Federal Govern-

ment, the first responders to a crime are going to be local individuals. And when it comes time to actually take a case to court, the FBI comes to investigate and the first responders have not been trained well enough to take the evidence and protect the evidence at the crime scene. So as you said, we need to do a much better job with those tribal law enforcement officers that are there and training them also on how to respond to crime scenes so the evidence is preserved so that if the FBI takes it over, they have a case they can prosecute.

Mr. ECHO HAWK. That is right, Congressman. I think you said that very well.

Mr. MORAN. Mr. Chairman.

JONES ACADEMY

Mr. DICKS. Last year we asked you to do a report on the Jones Academy. You and I had a conversation about it. Are you ready yet or are you going to need a little more time or have you made a decision on what we are going to do?

Mr. ECHO HAWK. Congressman Dicks, I am not exactly sure what the timeframe is. I think we are very close to doing that. I think we are ready to—there may be somebody in the room that knows exactly what the timeframe is.

Mr. MORAN. There is a gentleman that apparently does.

Mr. ECHO HAWK. The report is due at the end of March. We are on it.

Mr. DICKS. And again, we are hopeful we can work out some accommodation here. Thank you.

Mr. MORAN. Thank you, Mr. Chairman. Mr. Cole.

REMARKS OF MR. COLE

Mr. COLE. Thank you very much, Mr. Chairman, and welcome in your new capacity. Actually, the first time I met you, Mr. Secretary, you seemed like such a nice guy. I loved the bio. You were in Oklahoma visiting Indian country, and then you told me you were going to slip down the next day, and watch Brigham-Young play the University of Oklahoma. You apologized for how bad it was going to be for Brigham-Young. As I recall, we got upset and our quarterback was put out for the next four games. That is not unusual on this committee. Mr. Simpson has done that to me with the Boise State Bullies, and Mr. Calvert routed us in the 2005 national championship game. So I am getting tired of being the junior member on this committee, I got to tell you.

Mr. MORAN. Just rubbing it in.

Mr. COLE. Yeah, I was going to say. I thought a little more respect to the committee would be appropriate.

Mr. MORAN. Beyond the Boise State Bullies treatment, Brigham-Young, when the Assistant Secretary played, he led the Western Athletic Conference, and in one year he had six interceptions? That is amazing. Nice job. That is not particularly relevant to the—

Mr. COLE. Just in defense of my alma mater and our program, I want to point out Chairman Dicks was actually trained by a graduate by the University of Oklahoma, his football coach, in the Bud Wilkinson era. So we are going to be back guys.

Mr. MORAN. Are there any other questions?

Mr. COLE. I actually have a series of questions. I am sorry. I could not resist.

I have several things in many areas. Number one, I appreciate what the Administration did last year, I really do. I thought it was dramatic. I appreciate the work that you did, Mr. Dicks, as our Chairman and we made a lot of progress. And I understand the budgetary realities that call for the situation we are in now.

TRIBAL GRANT SUPPORT

Right now we are doing about 94 percent of the contract support costs for the obligations tribes have for non-school programs. I am hearing from a variety of tribes across the country, tribes in my own state, and tribes in other states, that they are going to operate their own schools, which I think is a very good thing and something that we ought to be encouraging. It is sort of like healthcare. When the tribes operate it, frankly, they tend to do a better job than the Indian Health Service on its own. However, we are only doing a very modest increase in the money. We are only doing about 66 percent of the cost of contract services for schools that are actually operated by tribes.

So I would like to know why the discrepancy and is this an area where you are going to try to shrink that differential a little bit?

Mr. ECHO HAWK. Congressman Cole, good point, and I think there is \$3 million in this budget proposal for tribal grant schools for their contract support. And I think the answer is that we are responding to the priorities of tribal leaders, and that is why we have—in the budget it seems like we are favoring contract support for tribal government and we did not boost the tribal grant schools as much. But again, the TBAC Organization will be presenting their priorities to us very soon. We are interested in increasing the tribal grant school support, contract support. So yes, we are focused on that, and I think you will see, probably, tribes moving in that same direction with their recommendations.

Mr. COLE. Please do. Those governments will look after themselves first. I really do think the schools will be much, much better when they are operated tribally and actually people are very then accountable to their constituency.

JOHNSON-O'MALLEY

The second question, sort of related, and again this is, please, not aimed at you or the Administration because this a sin that goes back for a long time, but Johnson-O'Malley money is another place where we once again, there were cuts. We have not really increased this since 1995, so we have a succession of administrations who have decided this is not a priority, and yet we have got an awful lot of native kids in the public school system in various parts of the country without really much appreciation for their needs, their culture, or their history in many cases.

So could you tell us sort of your view of where you think we are headed down the road with the Johnson-O'Malley program which has been shoved off and forgotten in recent years?

Mr. ECHO HAWK. Congressman Cole, of course we have responsibility for the second-largest federal school system, and that may

seem to be our priority in making sure the 183 schools that we have responsibility for are properly funded. But we also understand that most Native American students by a great margin attend public schools, and the Johnson-O'Malley funds have been important because they meet unique needs of native students that are attending public schools. I am just starting to learn more about this, but at a recent meeting in Idaho, an Indian educator came up to me and talked to me about the fact that in some years, Johnson-O'Malley had just been cut out of the budget. It is good news that it is back in the budget, but the bad news is they are operating on student counts I understand that were formed in the mid- or early—

Mr. COLE. 1995, actually. It has been frozen, the account, since then.

Mr. ECHO HAWK. And that does not make much sense, does it, to operate on numbers that are old? We ought to update the student counts, and if it is worth keeping, I would advocate for funding that at an appropriate level.

MINERAL RESOURCES DEVELOPMENT

Mr. COLE. I would very much appreciate if you would look at that. And just one more question if I may, Mr. Chairman. I do not want to monopolize time. I have got a whole list. When we had a previous hearing with the Bureau of Land Management, I asked them a question that may be more appropriately addressed to you about the management of Native American mineral resources. We know the pace of development on federal lands tends to be a lot slower honestly than it does in adjacent areas that are in the private sector. I do not know if that is the case in terms of trust lands. So I would like to know, number one, what is the state of tribal mineral development? We have a lot of tribes that hold very considerable resources but I think many have a hard time developing them, marketing them, and a lot of them are in pretty distant locations where that is probably the best economic asset that they have. So I would like your view of whether or not we are doing what we need to do and whether or not the development there takes longer than it would in comparably privately held land that is adjacent to trust land?

Mr. ECHO HAWK. Congressman Cole, I will make a comment and perhaps Director of Bureau of Indian Affairs might want to supplement what I say, but there are 55 million acres of trust lands, and the United States has a vital role to play under Federal law in making sure that if there is going to be development on those lands, we have to give approvals for various things. So that means we have to have the Federal employees on staff to be able to carry out the function of granting permits for surveys or drilling permits or leases, a number of things that occur. There are also other Federal agencies that have responsibilities.

I think there are a lot of potential mineral development opportunities within Indian country, and recently there was a discovery of oil and gas in Montana that kind of spotlighted some of the problems that we have because when the oil fields were discovered, the tribes were not able to get into the production quick enough so that actually surrounding landowners around the Indian country were

drilling and taking the resource, and we were lagging behind because the federal permitting was slow. And of course, we reacted. It was before I came, but Interior Department reacted by pouring in additional resources to make sure that it would speed up that process. That is what we should do. We are the trustee. But it kind of spotlighted the problems that we are experiencing. That is part of our budget this year to make sure that we have sustained activities so that native people are treated fairly in being able to extract those resources that will create revenue and jobs for their communities.

Mr. COLE. Well, thank you for your focus on that. If there is anything that we can do legislatively to help you in terms of facilitating that process, please let us know or come forward with recommendations because it really is very important, as you know, to a lot of tribal people.

Thank you, Mr. Chairman.

Mr. MORAN. I think you speak for the entire Subcommittee on that. That is just inherently unfair, and I am glad you brought it up, Mr. Cole, and it is an excellent response, Mr. Echo Hawk. Mr. Olver.

HOUSING ON RESERVATIONS

Mr. OLVER. Thank you, Mr. Chairman, and congratulations on your assumption of the gavel, to take nothing away from the former Chairman, but he assumed a new gavel, too, in that process. Congratulations to you on that.

Mr. DICKS. Thank you. Thank you.

Mr. OLVER. I have many questions as I often do in these sorts of situations, but most of my questions—when someone else asks questions, I want to have additional clarification. First of all, let me just say, Mr. Chairman, I chair the Subcommittee on Housing and Transportation. It turns out it is my Subcommittee that deals with housing on reservations and with the building of roads on the reservations at least. So I would like to be included in any discussions that you might have with the Commerce—

Mr. MORAN. Consider it done.

Mr. OLVER [continuing]. Current Ranking Member and my Ranking Member, of course, as well, certainly not to leave him out in this so that we might look at the quality of life on the reservations and Indian country in a comprehensive kind of way.

Mr. MORAN. Excellent suggestion.

FBI STAFFING IN INDIAN COUNTRY

Mr. OLVER. So that said, I would like to go back to the detention center business. The 81 FTEs, how many of those are going to be actual FBI agents?

Mr. ECHO HAWK. Congressman, my understanding is approximately 45 of those FTEs would be agents, FBI agents.

Mr. OLVER. So 45 are FBI. And would it be fair to expect that the FBI agents themselves would be the highest paid of those FTEs that are involved in that grouping or would that not be a fair assumption?

Mr. ECHO HAWK. Congressman, I do not have any specific knowledge on this. I would have to guess probably like most people in

the room that the agents would probably be, upper tier employees, but they would also have drug intelligence analysts, as an example, and there may be people that are not classified as an FBI agent that would still be fairly significant. But other staff would be lower level.

Mr. DICKS. Could you yield just for a quick point?

Mr. OLVER. Sure.

Mr. DICKS. Who would manage this? Who is going to be responsible for this entity or agency, whatever it is?

Mr. ECHO HAWK. Congressman Dicks, it will be the Justice Department. This is their—

Mr. DICKS. It is going to be Justice?

Mr. ECHO HAWK [continuing]. Personnel. We will have—

Mr. DICKS. Are they going to manage it or you guys are going to manage it?

Mr. ECHO HAWK. They will. These are their employees, and it is their responsibility so they will be doing the work. But we will have some leverage when we send the money over. There is going to be some kind of agreement I anticipate about how that money is going to be distributed, what it is going to go for, and where it is going to be.

Mr. OLVER. But it is paid out of your budget?

Mr. ECHO HAWK. Yes, it is coming through our budget.

Mr. DICKS. Thank you.

Mr. OLVER. Well, the reason I ask that is that \$19 million provides about \$235,000 per FTE, and I guess I would love to see what the breakdown is of how that plays out. I do not know what the salaries are of people and what other things go into that budget of \$19 million.

How many FBI agents are there in Indian country?

Mr. ECHO HAWK. Congressman, I have seen the figure of 105 presented.

Mr. OLVER. One hundred five?

Mr. ECHO HAWK. One hundred five.

Mr. OLVER. And so the 45 will be a significant addition. Can you tell me how many of them are tribal members, how many of these are members of the tribes?

Mr. ECHO HAWK. Congressman, I do not have a figure on that. I have met Native Americans that are federal agents, but I have no idea how many there are. I would say not many, but there are some.

Mr. OLVER. Would it be wise or is it unwise that the FBI agents be Native Americans—after all, people on reservations need jobs, too.

Mr. ECHO HAWK. Congressman, I think with unemployment running on some reservations as high as 85 percent, any job that you can get is something very valuable to the community.

Mr. OLVER. These sound like higher paying jobs than virtually anything that otherwise would be on the reservation. So it seems to me they ought to be valuable. I am very curious, how many of the 105 are held by Native Americans, and what plan is there for training FBI agents deliberately for the work that has to be done on Indian reservations.

Mr. ECHO HAWK. Congressman, I am prompted to also say that from my past experience I used to actually do criminal defense for native people charged with major crimes in Federal Court. And I worked with a lot of FBI agents, and one of the challenges that they have traditionally had is that as they try to do their law enforcement jobs, there has been some distance and distrust among the native community to outside Federal officers coming in. And that I think has made it difficult for them to be effective in their jobs. So the more native people you could get to fill these positions, that is even better because you would naturally expect that they would be able to be accepted better in those communities.

Mr. OLVER. That strikes me, sir, as somewhat of an understatement, but a very carefully worded statement in any case.

What are the major reasons for detention? Can you give me a sense of how many people in Indian country and on the reservations are in detention and what are the major reasons for that? Maybe this is too much. I should not be throwing this at you in this kind of a way. Take time, answer please on paper or something. Give us a—

Mr. ECHO HAWK. Congressman, we would be happy to—

Mr. OLVER [continuing]. Sense of what that is.

Mr. ECHO HAWK. We would be happy to look into this and maybe respond in writing and give you some more specific information, but my memory banks at my age are not strong enough to help me remember specific figures that I have read, but in general, I think there is a very high proportion of native people that are incarcerated. And I think that is very unfortunate but it is just you know, a result of the problems that we are experiencing in law enforcement is that when you have high crime, you have high incarceration rates as well.

ARRA FUNDING

Mr. OLVER. And if you have high joblessness, you have high crime and so on it goes. I wanted to explore with you the ARRA funding. My understanding is you got \$300 million of money under ARRA for educational facilities and detention centers and such? What is the proportion that went to education and what to detention centers?

Mr. MORAN. Mr. Stevens may want to—

Mr. ECHO HAWK. I think the figure that is in my mind, Congressman, is we have \$285 million for detention and education, and I think staff is going to have to tell me what the breakdown was between education and detention.

[The information follows:]

DETENTION POPULATION

According to the Department of Justice, Bureau of Justice Statistics' Bulletin *Jails in Indian Country, 2008*, published in December 2009, federal, state, and tribal authorities held 921 per 100,000 American Indians and Alaska Natives, which is about 21% higher than the overall national incarceration rate of 759 per 100,000 persons other than American Indians or Alaska Natives.

Ms. MARY JANE MILLER. \$7 million went to detention centers, and the balance went to education and construction.

Mr. OLVER. Okay, there must be also some administrative monies in that if 285 went for the construction accounts. I think \$300 million in total was appropriated for that. Okay. That is a small difference among friends.

Mr. MORAN. Mr. Olver, they started a vote, and perhaps we could—it started at 2:58, so it just started. But I wanted to give Mr. Calvert an opportunity to ask questions, and then maybe we could let these gentlemen go before we get to the next, which is the Special Trustee. Did you have one last one?

Mr. OLVER. Well, now that I am into the ARRA funding, I was going for a while.

Mr. MORAN. Well, I sensed that.

Mr. OLVER. I just got started on that.

Mr. MORAN. I sensed that.

Mr. OLVER. I will let you go Mr. Calvert.

Mr. MORAN. Thank you, Mr. Olver. Mr. Calvert.

REVENUE GENERATING AT SCHOOLS

Mr. CALVERT. Thank you, Mr. Chairman, and I, too, want to thank Chairman Dicks for the great job he did and I look forward to serving with him on other committees and look forward to serving with him on this committee in the future.

As has been pointed out, we have a bunch of challenges especially at BIE schools. I have an Indian school in my district, Sherman Indian High School. It has been a tradition in my region for some time. I was visiting there not too long ago, and, as with all the schools, they are having difficulty meeting their maintenance budgets, operation and maintenance costs because of the budget challenges that we are having. And so my questions are going toward maybe some out-of-the-box thinking about how we can get some additional revenue to the schools so they can get caught up on some of their maintenance backlog. Part of that is public/private partnerships. Some of these schools may have resources at the school that they can share in the community, renting their facilities when they are not being used for instruction for additional revenue. Possibly the land itself can be leased for additional revenue if it does not interfere with the ongoing school operations, and hopefully those dollars are not fungible in the sense that they are taken away from their normal operating budget. They can stay at the school, per se, not be put back into the treasury, and these schools can go ahead and use these additional dollars to fix the school classrooms for instance or buy computers or to do the normal day-to-day operational maintenance on those facilities.

Also, charitable giving. You know, there are many public and private schools in America, where the staff are actually encouraged to go out and get charitable contributions to assist with putting together scholarship funds for instance or other types of endeavors, that brings additional revenue to the table which, quite frankly, right now under these challenges, we are just not going to be able to do. And so I just wanted your comment, Mr. Secretary, on whether or not we need rule changes or regulatory change or possibly legislation if in fact you are not able to do that administratively. So would you like to answer that?

Mr. ECHO HAWK. Thank you, Congressman. You know, I will give a response, and with the Chairman's permission, I will have the Acting BIE Director give additional information. But first thing I would like to say is with regard to all of your questions, I would be happy to sit down with you with my staff and work through these things to see what we can do to be helpful to that particular institution, and that may generate some ideas and it would apply to other schools as well. But I would like to do that, but I want to make sure I am staying within the parameters of law. I know that we have partnerships that are operating in BIE schools right now, so there must be some specific ways that we can do that. I am not sure about the—I think we can receive charitable gifts, but we have got to do it the right way. And so let me just defer to Mr. Stevens.

Mr. STEVENS. Sure. Thank you for your question, and I remember recently we met at Sherman Indian High School and discussed just this very issue, and it revolved around a tribe in California that has since confirmed a donation of a large sum of money over time. And the research that we have done allows something like that to happen, and it will be happening very soon, the part about the charitable donation. As far as the use of the grounds, the use of the facilities to lease out, that was something that we are still looking into. We also are looking into using land base for billboard advertisement, things like that, to raise funds to help the school and to ensure that those funds stay at the school, and that we are still exploring. I know there were some challenges when we were getting a legal opinion from the Solicitor's Office on how exactly that could happen. The good news in this whole story is that the money that the tribe is giving is coming forward, and it will be used specifically at Sherman Indian High School to develop a pathways program that involves not just instructional delivery techniques or improvements in those instructional delivery but identifying pathways for a specific student in what we call science, math, engineering and technology programs. And so we are moving forward with that, and we are really excited about doing just that.

Mr. CALVERT. And I appreciate that, and I remember meeting with the gentlemen at the campus. The reason I bring that up, it could be a significant amount of money to help and I suspect there are other schools around the country that are in a similar plight, though maybe not have the same regional advantage that this particular school has to bring in significant revenue. But it is an opportunity there, and I think it could bring significant revenue to the school. It could assist that school in becoming a premiere school that the students are proud to attend and make it a win-win situation for the students and for the community. So I think we ought to look into that, Mr. Chairman, and maybe work together to come up with a common solution. And I will be happy to meet with you at any time to do that, both on the charitable contributions and using these facilities for public/private partnerships that obviously has to benefit the school. If it does not benefit the school, then do not enter into the agreement. Thank you.

Mr. MORAN. Thank you, Mr. Calvert. I think at this point, and if the members of the Subcommittee have no objection, the vote is taking place, so we could recess until about 3:30 at which time we

would take up the Office of Special Trustee, and we want to thank—Mr. Olver, did you have a quick question you wanted to get in to Mr. Echo Hawk before we conclude?

DETENTION FACILITY FUNDING

Mr. OLVER. Well, I will try to do this in summary. I am looking at this. I first solicited that there was only a little under \$18 million that went to detention facilities, but I see that in the new budget, looking at the budget year by year, there was in the '09 budget, \$32 million for replacement and new construction and for improvement and repair. The one which is new facilities and the improvement and repair is sort of state of good repair. In the 2010 budget, the appropriation was a total of \$52 million for those two categories, and suddenly the whole program for facilities replacement and new construction has been requested as zero for the new one with only \$4 million, a drop of \$50-some million in the detention facility account.

Now, my guess is a good portion of those detention facilities from what I have heard at other times and what I think you have suggested is that some of those ought to be leveled and started again. And I am very worried that this budget is going so low on detention facilities, though personally I would rather create jobs than detention facilities. If those are needed, if the detention facilities are absolutely needed, then this is not a direction that we ought to be headed in, it seems to me.

Mr. MORAN. Is it a matter of unobligated balances that would be able to be spent, available to spend in fiscal year 2011, or was it just a policy matter?

Mr. GIDNER. My understanding is the decrease in detention center financing is because the Department of Justice received a large amount of recovery money to build detention centers, and a number of those will be coming on line. And we worked with them in the grant processes to identify where those facilities are going to go.

Mr. OLVER. But I was told that there was only \$7 million, \$7 to \$8 million was in detention centers out of the ARRA \$300 million.

Mr. GIDNER. That is in Indian Affairs, but Department of Justice had \$225 million for detention facilities in the Recovery Act.

Mr. OLVER. On the Indian reservations the Department of Justice had another \$225 million.

Mr. GIDNER. That is—

Mr. OLVER. Well, that is a help. Yes, that is a help in understanding how this flows.

Mr. MORAN. I am very glad you asked that question, Mr. Olver.

Mr. OLVER. You have no idea how closely that meets toward the real need because I suspect those detention facilities are in terrible shape.

Mr. MORAN. It does underscore the need to have this coordinated meeting of the three subcommittees, and perhaps the staff can be prepared to explain that because clearly, if the Department of Justice has that substantial investment coming on line in terms of detention facilities on Native American lands, it would naturally have an effect upon how much needs to be included in this budget. So I am glad you pursued that. Thank you, Mr. Olver.

Since there is a vote taking place now, we will recess and we will be back at approximately——

Mr. DICKS. What time is it?

Mr. MORAN. Well, we have got about 4 minutes. Did you have a question——

Mr. DICKS. Well, Mr. Calvert, did you want to——

Mr. MORAN. Well, Mr. Calvert did ask questions.

Mr. DICKS. I am sorry.

Mr. CALVERT. I said nice things about you.

Mr. MORAN. So at 3:30 we will hear from the Office of Special Trustee, and we thank the witnesses. Very good testimony. Thank you very much.

[Recess.]

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. We want to welcome the Principal Deputy Special Trustee, Ms. Donna Erwin. We all appreciate the fact that you are here today to discuss the budget request for the Office of the Special Trustee.

Before we begin questions, we would like to put the recent events in trust reform into context. The Department of the Interior has responsibility for the largest land trust in the world. The Indian Trust includes 55 million acres, surface acres, and 57 million subsurface acres of mineral estates. On behalf of individual Indians and tribes, the Department of the Interior manages over 100,000 leases for farming, grazing and oil and gas production. To address these trust assets, the Office of the Special Trustee was established by the American Indian Trust Fund Management Reform Act of 1994. OST provides department-wide oversight for the reform of the Indian Trust management and implementation of new fiduciary and accounting systems. In 1996, this country's largest class-action lawsuit was filed against the Department of Interior and then-Secretary Babbitt. Today we know this lawsuit as *Cobell v. Salazar*. I am sure the Secretary would prefer a different name, but that is what he is stuck with. The lawsuit includes over 300,000 plaintiffs and involves the breach of fiduciary duty to individual Indian trust account holders. For the past 14 years, this has been a highly contentious lawsuit. Pressure from this lawsuit has resulted in some necessary changes throughout the Department. From '96 through 2010, the Department has invested almost \$5 billion in the management, reform and improvement of Indian trust programs.

So with that context in mind, Ms. Erwin, this is a particularly interesting time for the Office of Special Trustee. Just last December, the Department announced a \$3.4 billion proposed settlement in this litigation. We will have some questions for you regarding the settlement, the \$25 million reduction to your proposed budget, and the remaining tribal trust claims. But before we get to your testimony, perhaps Mr. Simpson may have a statement.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Chairman, and thank you Principal Deputy Special Trustee Erwin. That is a heck of a title. Thank you for being with us today to testify.

Anyone who knows the executive branch will tell you that taking on an acting role is no small task because it usually means that you are carrying more than one load. No doubt you are supported by a team of highly qualified staff. But nevertheless, you have my deepest respects and sympathy.

Without question, the big news for the Office of the Special Trustee is the Cobell settlement. This has been a contentious and acrimonious case that has negatively impacted the government's relations with Indian country for more than a decade. I do not want to jinx the outcome because we still have a few more hurdles to jump, but I look forward to the day when settlement is finalized and we can close that chapter in American history. I will have a few questions about the settlement and the fiscal year 2011 budget in general, and I look forward to your testimony and our discussion today. Thank you for being here.

Mr. MORAN. Thanks, Mr. Simpson. Mr. Cole has been very much interested in this issue as well. Did you have anything you wanted to add?

OPENING STATEMENT OF MR. COLE

Mr. COLE. I thought you were going to ask Mr. Simpson. I do, actually, but you might want to correct that to a century instead of a decade.

Mr. SIMPSON. Yeah, that is true. That is true.

Mr. COLE. First of all, thank you for the Cobell settlement. I really want to commend the Administration on this. We have had successive administrations, the Clinton Administration, the Bush Administration, that did not sit down and bring this to a settlement. The Obama Administration did, and they are to be commended for that. And I suspect you are going to live through a lot of second-guessing of the details and legal fees and all that. But I think it is a fantastic achievement, and I told that to Elouise Cobell when I had that privilege of meeting her. It is remarkable, and for the role you played, again, thank you. It is very significant in Indian country.

Having said that, let me ask you a couple questions about that and then one other question.

Mr. MORAN. You know, we have not heard testimony from Ms. Erwin—

Mr. COLE. Oh, I am sorry.

Mr. MORAN. I do the same thing so—

Mr. COLE. Once again, I just prove I just follow the lead.

Mr. MORAN. So Mr. Cole is clearly brimming with some questions but maybe you want to try to answer some of them in the testimony, Ms. Erwin. Ms. Erwin, thanks again for being here, and please proceed.

TESTIMONY OF PRINCIPAL DEPUTY SPECIAL TRUSTEE DONNA ERWIN

Ms. ERWIN. Thank you, Chairman, and members of the committee. I appreciate being invited here to testify on our 2011 budget. I think you mentioned pretty much the things that are involved in that. Our request is for \$160.2 million, and that reflects a \$25.8 million reduction below the 2010 enacted. And part of that reason

is that we have a \$25 million reduction in the individual Indian accounting area in the Office of Historical Trust Accounting. They will continue to perform and do litigation support. We still have 95 tribal cases, and that involves about 116 tribes.

So the other decreases that we have, there is about \$1.5 million as a result of us insourcing some records indexing and completion of the historical record indexing project. That is where we had a lot of records throughout the country that we brought in to one central location and did the indexing and storage. So that reduction is due to that.

We have about \$1 million as a result of some of our data quality and integrity, as we have gone through and continue to make sure that the data is correct. That is starting to reduce, so as we see the results coming out, we will be reducing that budget.

We have about \$110,000 that we are reducing just through efficiencies, operation efficiencies, and then we have about \$332,000 that we are reducing due to the SAVE program and that is across the Department and how we are going to be doing those things. And that is another efficiency of operations. So that is the same thing.

As you are aware, we were initially tasked and directed to have oversight, Office of the Special Trustee. Since that time, and that was in the '94 Act, in '96 we then received some operational duties. We are doing the receiving, the accounting, the investing, disbursing, all of that. Then in 2003, the Office of Appraisal Services was moved to the Office of the Special Trustee. Then in 2007, the Office of Historical Trust Accounting now reports to the Special Trustee.

One of the things I want to thank the committee for is the continued support for Indian trust reform. Without that, we would not be where we are today. It is a significant progress, and I think without that, we would not have been able to move forward with the settlement. So I think it is very important that we give you our appreciation for that.

Several things that we hear particularly from the beneficiaries is what have we done to improve and what makes a difference.

Welcome and congratulations, Congressman Dicks. I am sure this is sad and exciting for you.

We now issue quarterly statements to the IIM individuals and we issue monthly to the tribes, and that information is so much more than they have ever received. It actually tells you that you have received this money and where you received it from, what piece of land did this come from. They also are able to see on their statements, what they own. We actually get information from the title plan. When an individual or a tribe receives their statement, they know what they own immediately. That is a huge enhancement.

We also, as we have discussed with your staff, use a centralized lock box, and that is sometimes confusing. That means that all checks, instead of going to 100 different locations, are now processed through a post office box. We send them to one post office box, they take those by armored car and they are deposited every day. They are not scattered across the country for people to handle.

It is one place, and that has really sped up people being able to get their funds, both tribes and individuals, much more quickly.

We balance with Treasury on a daily basis. We reconcile with Treasury electronically. We now have centralized systems in place.

We also have two more things, which are the trust officers and a toll-free number. We receive approximately 150,000 calls at a toll-free call center, something that the beneficiaries——

Mr. MORAN. What period of time? 150,000——

Ms. ERWIN. Annually.

Mr. MORAN. Annually?

Ms. ERWIN. Right. And that call center has live people, and they are able to answer about 90 percent of the inquiries right there and do not have to go back out to the field to ask questions. We have also placed about 50 trust officers across the country with fiduciary expertise, so that they can save the beneficiaries from having to run from one place to the other. They can go to one place and get one answer on their fiduciary trust. So we feel those have been very important.

The last two items I want to mention are that we now store records. We have heard a lot through the years about the records. We now store over 195,000 boxes of records that are indexed and we have a partnership with the archives, NARA, to be able to store those. That has been a huge improvement.

And then training. We have heard a lot about training through the years, and we have worked with a private sector trust firm to come up with certifications for the trust staff, all the government or the tribes that are doing fiduciary trust. We now have a certification program, and we have about 125 federal trust people that are certified, and that has been a big thing. We have heard, you do not have any people with trust experience, and now we have 125 people that are certified in trust and we have trained over 4,300 both tribal and Federal employees in trust, all the aspects of trust, both processes and systems.

You have my formal statement that has been submitted, and I would be happy to answer any questions that you might have.

[The statement of Donna Erwin follows:]

**Testimony of
Donna Erwin
Principal Deputy Special Trustee for American Indians
before the
Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
United States House of Representatives
March 4, 2010**

Thank you, Mr. Chairman and Members of the Committee, for inviting the Department to testify today on the President's fiscal year 2011 budget request for the Office of the Special Trustee for American Indians (OST). OST carries out the Secretary's fiduciary responsibilities for American Indian and Alaska Native communities by providing accurate and responsive trust services to individual Indians and tribal trust beneficiaries.

OST's budget request is \$160.2 million, which reflects a decrease of \$25.8 million below the 2010 enacted level. The proposed *Cobell* settlement, completion of certain projects, and more efficient operations has contributed to decreases in OST's budget request.

If the *Cobell* Settlement Agreement is approved by Congress and the Court, we foresee a decreased funding requirement of \$25 million for Individual Indian Money accounting work performed by the Office of Historical Trust Accounting (OHTA). OHTA will still perform tribal accounting for 95 pending tribal cases, which involve 116 tribes, and work on pre-calendar year 2003 special deposit accounts.

Other decreases in the budget request include:

- \$1.5 million as a result of in-sourcing records indexing and completion of the historical record indexing project.
- \$1 million as a result of the Data Quality and Integrity reduced post-conversion clean up.
- \$60,000 from implementing and automating a one-time disbursement process.
- \$50,000 from cost savings by providing disbursements to trust beneficiaries via the debit card program.

In addition, the request includes reductions that are proposed Interior-wide based on SAVE Award nominations reflecting anticipated efficiency savings of \$35,000 from travel and relocation, \$190,000 from information technology, and \$107,000 from strategic sourcing.

A few increases are included in the overall budget request, including \$800,000 for the probate workload.

OST was initially tasked with Department-wide oversight for the reform of Indian trust management and implementation of new fiduciary accounting systems. OST's oversight role expanded in 1996 to include operational responsibility for financial trust fund management, including receipt, investment and disbursement of beneficiary funds. The Office of Appraisal Services, which appraises Indian trust lands, was moved to OST in 2002. OHTA was realigned in 2007 to report directly to the Special Trustee.

On behalf of OST, I would like to thank this Committee for its continued support of Indian trust management reform. Without your full support, we would have been unable to achieve the successes we have. FY 2009 was the first year that the annual audit (*IIM and Tribal Trust Funds Financial Statements and related Report on Internal Control over Financial Reporting and on Compliance and Other Matters*) has contained no material weaknesses.

Without your sustained commitment, since FY 1996, to providing sufficient appropriations for our efforts, we would not have been able to accomplish the substantive, measureable improvements we are now realizing.

All of these improvements combine to produce our most important goal: **better services for beneficiaries:**

- Issuing quarterly IIM statements and monthly tribal statements that include land holdings as listed in the LTRO.
- All payments for land use received at a commercial centralized lockbox with imaged copies available nation-wide on a daily basis.
- Balancing cash daily with Treasury and monthly with custodian holding financial securities.
- Use of centralized systems that are integrated and interfaced with each other.
- Addition of fiduciary trust officers and a toll-free call center for responding to beneficiary inquiries.
- Independent annual audit of trust funds – the latest of which showed no material weaknesses.
- Creation of the American Indian Records Repository (AIRR); partnership with NARA and also training and National Indian Training Center.

This concludes my statement. I will be happy to answer any questions the Committee may have.

Donna Erwin
Principal Deputy Special Trustee
Office of the Special Trustee for American Indians

Ms. Erwin has served as the Principal Deputy Special Trustee since 2003. She has experience as Acting Special Trustee while awaiting the selection and confirmation of a Special Trustee.

Ms. Erwin began her government career with the Department of the Interior in August 1992 as Director, Office of Trust Funds Management, and then as Deputy Special Trustee, Trust Systems and Projects. Prior to joining the Department, Ms. Erwin had 35 years of trust experience in private sector banking, brokerage, and trust fund management. She was a Vice President & Trust Officer at Sunwest Bank of Albuquerque from 1984 until she joined the Department.

Ms Erwin was awarded the Outstanding Leadership award in 2000 from the Secretary of the Interior. She received a Presidential Rank Award in 2002.

Ms. Erwin is an enrolled member of the Muscogee (Creek) Nation of Oklahoma.

COBELL SETTLEMENT

Mr. MORAN. Thank you very much, Ms. Erwin. This is a complicated issue, a very important one, and it needs to be settled but it is also a very expensive one.

I cannot get my mind around how you are going to manage the distribution of this. It just seems like a gargantuan task. I cannot imagine that BIA really has the resources, the capability to do this. I do not know any agency does, even Treasury Department. Are you going to contract it out? Is there any kind of experience around that you can tap? What is your plan to make sure that this is done in a professional way?

Ms. ERWIN. One of the agreements during the negotiations and during the settlement is that there will be a claims administrator, and as you can imagine, there are a lot of class-action lawsuits that have happened across the country, some very large ones. There is that expertise across the country, and people that do only that. There will be a contractor in place that will handle not only the distribution but also they will handle being able to get the information out to all of the individuals so they know what they can or cannot do, what they can opt out of or how do they ask questions.

Mr. MORAN. So you have some reservoir of understanding, expertise on this. I see. You are going to have to go through the District Court for the—District of Columbia, I understand, and will have to take several steps before the settlement can be approved. Is that a lengthy process?

Ms. ERWIN. It appears to be somewhat lengthy, but it really is not. What we first need to be able to move forward on is the legislative approval. After that the court would approve the initial settlement, and then from there, the individuals are going to have the opportunity to get the information, look at the information, ask questions about the information, and then there will be a fairness hearing, and that hearing will be in front of the court to say, if you feel you have questions or you do not understand this, you are able to come forward during that hearing.

Mr. MORAN. It is invariable. I guess it is just human nature that when there is a big class-action lawsuit like this, there are always people who come forward after the fact saying, hey, I was supposed to be part of this. How are you going to handle that?

Ms. ERWIN. The same claims administrator has a process that you will be able to go through and the beneficiary may appeal or say "I think I should be included." There is a fund set aside for anyone that feels that maybe they were not included.

Mr. MORAN. Assuming they—

Ms. ERWIN. They show—

Mr. MORAN [continuing]. Show legitimacy. Well, thank you. Mr. Simpson.

HISTORICAL ACCOUNTING

Mr. SIMPSON. Thank you, Mr. Chairman. The fiscal year 2011 budget proposes to eliminate \$25 million from the historical trust accounting of individual Indian monies accounts as a result of the Cobell settlement as you said in your testimony. Roughly \$27.5 million would remain in the budget for the historical accounting of

tribal trust fund accounts which are the subject of, as you said, 95 current lawsuits filed on behalf of approximately 116 tribes.

Please explain why some of the \$25 million should not be redirected to assist with the tribal trust fund work load, and would increasing the budget for the tribal trust fund accounting help to resolve some of these lawsuits more quickly?

Ms. ERWIN. As you know, some of these lawsuits are not active and some are very active. What will be happening is that the Department, Solicitors, and Justice are working on those, and they will be looking at those as we go through them to determine what kind of resources we will need and what is the priority for settling.

Mr. SIMPSON. The question is, could they be settled more quickly if some of the money that is being dropped out of the budget, \$25 million, instead of dropping it out of the budget, was redirected toward addressing these issues?

Ms. ERWIN. And I think that probably is a better question for the legal counsel, which would be the solicitors and the Justice Department. But I am not sure that there would be any—it would speed things up. It would be something that we would have to address to them.

Mr. SIMPSON. It is my understanding that the residual balances in special deposit accounts amount to roughly \$1.5 million and that we are planning on spending \$4 million in the fiscal year 2011 to locate the rightful owners and distribute the money owed to them, this \$1.5 million.

Please explain the situation and the difficulties associated with closing these accounts, and is there an end-game or is this plan to continue on this track until every last penny of the \$1.5 million is returned to its rightful owner?

Ms. ERWIN. I am not sure that every last penny will be identified. As you pointed out, it gets more difficult. You know, you have the low-hanging fruit, the things that were easily identifiable, and the special deposit is an old system of suspense accounts prior to 2003 and going back quite a way. It is getting more difficult, it is getting more expensive to do that. We will at some point be addressing Congress saying, you know, we have some very small accounts. Is it worth doing this? We have to find cost-effectiveness in that project.

Mr. SIMPSON. Okay.

Ms. ERWIN. It is excluded from the settlement, so right now we still have to address those.

COBELL SETTLEMENT

Mr. SIMPSON. Okay. In December, the Secretary signed an order to establish a five-member secretarial commission on Indian trust administration and reform. The commission created for an initial 2-year term will make recommendations including addressing the issues regarding a performance audit of trust systems and controls. The commission's budget does not seem to appear in the fiscal year 2011 proposal. How is the commission going to be funded?

Ms. ERWIN. You are correct. It appears in the settlement agreement, and there is a portion of the settlement, of the \$2 billion, that will be going to a scholarship fund, a portion that will be used for Indian land consolidation, and there is also a portion for admin-

istration and implementation of that. In there, that is where the funding is for the commission.

Mr. SIMPSON. Okay. And one last question, Mr. Chairman, the Cobell settlement includes a \$2 billion land consolidation fund which supposedly will be administered by Interior using existing programs already dedicated to land consolidation. The fiscal year 2011 budget does not appear to account for the increased workload. For example, appraisal service is essentially level funded. Please explain how this fund will be administered in fiscal year 2011, how the increased workload will be funded, and how many estimated additional FTEs will be required.

Ms. ERWIN. I am not sure that we know how many FTE at this point. That is a BIA program in the past, and that program will have to be ramped up. It is a large amount of money, but the funding for that is in the same line item as the commission. It is in the \$2 billion, and there is a percentage in there that you can use for administrative and implementation. And so that is a huge, huge amount of money that needs to be looked at, use the expertise, lessons learned from the smaller Indian land consolidation program, and then at that point we will be addressing how many FTE will be required.

Mr. SIMPSON. But that will come out of the settlement agreement also?

Ms. ERWIN. It comes out of the settlement fund, the \$2 billion.

Mr. SIMPSON. Okay. Thank you.

Mr. MORAN. Thank you, Mr. Simpson. Chairman Dicks.

Mr. DICKS. Let me ask you, and maybe this was asked, but there were 95 other lawsuits brought on this subject. How does the Administration intend to handle those?

Ms. ERWIN. As I mentioned earlier, it is something the Justice Department and the Solicitor and the Deputy Secretary are working with, and so how they plan on handling those will be better addressed to them.

Mr. DICKS. Now as I understand it, the terms of this settlement have been extended so that we have a little more time here to work on it. Can you tell us about that?

Ms. ERWIN. Yes. There were two things in the extension, one was that it was extended to April the 16th, and the other item in there is that they extended the time for people that wanted to do claims, extended from 60 days to 90 days. So that gave some additional time for that process also.

Mr. DICKS. Is the Administration going to ask for this to be funded as an emergency?

Ms. ERWIN. I am a little unclear how we are asking for that to be funded. Is that the question?

Mr. DICKS. In a situation like this, normally this would be—Pam can help you.

Ms. ERWIN. I was just going to say, here comes Pam.

Ms. HAZE. So the last we heard, we were waiting for an answer from the White House about getting a letter to you all that would designate emergency funding for Cobell.

Mr. DICKS. Okay, so it is under consideration?

Ms. HAZE. Correct.

Mr. SIMPSON. What was the total cost of that again?

Ms. HAZE. It was \$3.4 billion.

Mr. DICKS. Okay. And this is much less than was talked about originally, right? I mean, we did a lot of assessments on this thing, and it was always my opinion that something in this range was more realistic. So I hope we can resolve this. I think this is a very important issue and I know what a problem this has been for the Department of Interior. So hopefully we can get this resolved. Who else is left? Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman. As I said, I am very glad you came to settlement. Let me just ask a couple of basic questions about that, and then I have one or two other things. Why so long in your view? We went through successive administrations, which took a long time. The Department's position over the years has varied pretty dramatically in terms of amount, whether there was a problem, or not. Why do you think it took us this long to come to this settlement and what finally brought us here?

Ms. ERWIN. Well, I think this Administration was pretty dedicated to making sure we received a settlement, and also I think as we have done more of the historical trust accounting, we have been able to show some actual statistics as to what has been found. So I think that combination obviously moves that forward.

Mr. COLE. I remember previous secretaries, though, showing us accounting that said that there was essentially nothing lost. Is that inaccurate or disingenuous?

Ms. ERWIN. Now that was a loaded question, was it not?

Mr. COLE. One or the other.

Ms. ERWIN. I think as we moved along, there were certain things—it is sort of like we just talked about, the special deposit accounts. You get to a point where it is not cost-effective to find certain documents any longer for less than a dollar or a few cents. So I think there is a point in time that you come to that you just cannot keep looking for those cents.

Mr. COLE. Well, is it not true though. I am not asking you to undo what you have done, although I would argue that the amount is considerably less than ought to have been rendered, there is the issue. You can have perfectly accurate documents. If somebody is leasing out land or mineral rights and they undervalue them and literally say, "what is worth \$100 an acre is worth 10" and they charge you 10 and you pay 10, the records look perfectly accurate, but there was massive theft that went on. Any account for that type of activity in the settlement considerations?

Ms. ERWIN. For things we have seen thus far, we are not finding those massive amounts of thefts, but we are looking at the accountings and some of the transactions. So that is something that probably I could not address.

SETTLEMENT LEGAL FEES

Mr. COLE. I will assure you you will be seeing lawsuits about this in the not-too-distant future. I mean I can just guarantee it, and I do not think it would be that hard to document. But anyway, not to belabor that, but there is a lot of concern about this, and I just want to use this opportunity maybe to address some of that. What is the structure of the legal fees involved here?

Ms. ERWIN. The structure of the legal fees we have not received the exact amount on the legal fees. Again, I think the Solicitor or Justice would be better able to answer that question. But it has not been filed yet to show exactly what the legal fees would be.

Mr. COLE. This may or may not be accurate. It is my understanding that it is pretty low. I have heard 3 to 7 percent. So as these things go, that is a remarkably reasonable set of legal fees. If we come in that range, I would be very pleased.

TRIBAL TRUST LAWSUITS

We right now have about 100 different Indian tribes, with breach of trust suits against the United States. How many of those deal specifically with Cobell or the issues raised in Cobell? Do they all deal with other issues? I know there are 18 from my state alone that are involved in various forms of litigation.

Ms. ERWIN. Some of these, and I do not know the exact number. I would have to get that for you, but some of these are asking for accountings, similar to what was asked for in the Cobell litigation, and then some of these are everything from investments to asking about land.

TRIBAL TRUST CASES

There are currently 95 cases that involve 114 tribes. Of these cases, 44 are in Federal District Courts, and these generally represent accounting cases. The remaining 51 cases are in the Court of Federal Claims, and these generally represent mismanagement cases. However, there is often some accounting-related work that is associated with the cases in the CFC, so all of the 95 tribal cases could potentially involve some sort of accounting work.

Mr. COLE. So you are going to be very busy for a long time?

Ms. ERWIN. We will be busy for a while.

HISTORICAL TRUST ACCOUNTING

Mr. COLE. Okay. Let me just end with this concern. I would really like your comments. One of the things that really frustrated me at multiple administrations over the process of Cobell was this act of, investigation of the records, computations. It went on an awfully long time. Again, I will be the first to admit, as an old historian, the state of the records were terrible. The state of recordkeeping was terrible. The problems that people had in trying to come to a fair settlement were real. But I know in Indian country, there is also a strong opinion that a lot of this was simply delay tactics to sort of push it off to another administration or wear out the plaintiffs, and I guess I would want your comment on that. I would also just urge you going forward, sometimes the pursuit of this precision that probably can never be found, it is just better to settle. I had this discussion, before I was in Congress with people in the Bush Administration back in 2000, immediately after the election of 2001, to just settle the case. I said, "You have a remarkable opportunity here given what happened before, you can sit down, even though it is going to be rough." Well, they did not do it. This Administration, to its credit, did, and I just think you can get way too caught up in these details. It is people's lives and assets, and the question is how many generations do you want people to wait for

something that really should have been theirs a long time ago? So what are we doing to make sure that that does not happen again?

Ms. ERWIN. Well, I think I mentioned earlier, and my background is private-sector trust. I was in banking for 35-plus years. So as a result, I have friends who are at Bank of America and different banks in the large trust departments, and they just say we absolutely swamp the size of any trust department. And I think as the Chairman mentioned, it is the largest land trust in the United States, and very much close to the world. And so it is quite complicated when you talk about gathering all those records and bringing them to one place. That is what the American Indian Records Repository did, and we worked in partnership with NARA, to accomplish that. And those records now, I invite all of you to please think about coming out, not only to see the Albuquerque facility where we are doing accounting but to see the records because I think it is very important that you see that those records are now in a controlled climate, seven stories underground, and we worked with NARA and they are indexed and we are able to find them.

So finding the records, moving them in and actually getting them indexed was a large undertaking.

Mr. COLE. I commend you for doing it. I certainly will take you up on your offer—I literally would love to see this and understand it a little bit better. Again, last point, a lot of tribes have the ability to be much more litigious than they have been, and a lot of law firms are much more interested in representing them probably than was historically the case. I think you are going to see a number of these suits, and I think well-grounded suits. I have seen briefs from a number of tribes on a whole variety of issues as they think through what they are going to do. What I do not want to see is the parties caught in litigation that is literally generations long. So speeding them up and coming to a settlement is good. Again, thank you for your work. I just want to tell the Chairman, when that time comes that we are working on this, I look forward to working with him and my colleagues on the other side of the aisle to make sure that we get this historical obligation of the United States taken care of.

Mr. MORAN. Good. Thank you, Mr. Cole. I am stunned that they are only talking about 3.5 to 7 percent. If it was one of these fancy dancy tort firms, they would be looking for 20 to 30 percent at least. John Edwards would probably be looking for 50 percent, no offense to John Edwards and his firm. And if this is a non-profit legal defense fund of Native American lawyers, then it seems to me that is a particularly low fee, and I hope that there is not a whole lot of pushback against that because that is very small compensation for as long as this has been going on. But I agree with Mr. Cole that we do not want to prompt a rash of litigiousness. But this is the fundamental one, and this needed to be settled. Mr. Olver. Thank you, Mr. Cole.

AMERICAN INDIAN RECORDS REPOSITORY

Mr. OLVER. Thank you, Mr. Chairman. You know, I have served on the Interior Committee for a number of years now, and I have always looked at this settlement issue as one which would never be resolved. So I have not paid that close attention to it, and to

hear that we are moving rather expeditiously toward a fair settlement of some of these claims is very gratifying.

I have not given much thought to it exactly. I do not know how to respond to that actually. But let me say, in your testimony you, toward the end, indicated that your most important goal is better services for beneficiaries, and one of these, the last one, is the creation of the American Indian Records Repository, AIRR, is that ingathering of records pretty well complete? I supposed the ingathering of records goes on, as long as anybody finds a record. So to what degree do you think that is complete now?

Ms. ERWIN. And I think you made a very good point here, Congressman, because it is, as you are creating records every day—

Mr. OLVER. This is in Albuquerque?

Ms. ERWIN. No, it is in Lenexa, Kansas. It is very close to Haskell, and we take some of the students from Haskell and they actually intern at that facility and we do training programs.

Mr. OLVER. What is Haskell?

Ms. ERWIN. Haskell is one of the Indian universities.

Mr. OLVER. Okay.

Ms. ERWIN. And it is just outside of Kansas City. It is about seven stories underground in a lime mine, and we work with NARA, which is the National Archives, in partnership and they store those records—

Mr. OLVER. Did you say a lime—

Ms. ERWIN. Lime. It is an old lime mine.

Mr. OLVER. Lime mine.

Ms. ERWIN. It was originally a lime mine. And so as a result, the conditions are perfect for storing these records. So we have worked with them. So these records come in and we have gathered the records, historical records, throughout the years, and that is what that project that we have been doing on the records is about indexing them and storing them. Now what we have done is said we do not need the contractors any longer, we are going to use our federal workers, and we have hired a small staff of federal workers that do the indexing. So every day as we create records that we all are holding in our hands, every day you are doing accounting. You are going to create more records. So those records we are now timely sending over to be stored so the—

Mr. OLVER. How many employees do you have doing that job at the center?

Ms. ERWIN. At the center we have about 40 people, but doing just the indexing, we have approximately 20 people. And those 20 people, every one in the field now are trained. They have been trained on how to handle records, what is a trust record, when do you send it in, how do you send it in, how do you index it. So they send boxes in, and then this group indexes and stores the records on an ongoing basis.

Mr. OLVER. Then the rest of the comment on that point is, you speak of the partnership with NARA, and I cannot find it anywhere else in here. My Chairman, I am sure, you and the Ranking Member know exactly what NARA is, but I do not. What is NARA?

Ms. ERWIN. NARA is the National Archives and Records Administration.

Mr. OLVER. Oh, so this center is part of the archives, the National Archives?

Ms. ERWIN. Yes, it is part. We work with NARA.

Mr. OLVER. Those that my predecessor created in Pittsfield, Massachusetts, one of those regional archive centers where people can come.

Ms. ERWIN. We have a very unique partnership with them because normally you send your records over to the archives. They become the property of the archives. We have worked with them so that they store our records but they still belong to Interior. So we are able to retrieve them.

Mr. OLVER. That is open for individual tribal members from all over the country to come in and use, or researchers—

Ms. ERWIN. They can research as long as it is not something that is going to invade anyone's privacy. We cannot give out the privacy information.

Mr. OLVER. And then lastly, the last comment, the full comment here is partnership with NARA and also training at the National Indian Training Center, what is the rest of that? What is the National Indian Training Center?

Ms. ERWIN. It is the National Indian Programs Training Center in Albuquerque. It is adjacent to the Bureau of Indian Affairs' regional office there, and we have a training program and the funding for that is provided by the Bureau of Indian Affairs, Bureau of Indian Education, and OST. And we train tribal members, we train all of our staff from across the country. We also have the ability to do distance learning out of that facility so we do not have to bring—

Mr. OLVER. You mean training in the archives area or what training? Training of all sorts? What is this?

Ms. ERWIN. Any type of training on fiduciary trust. We train on resource management, we train on records, we train on investments, and we train on auditing. We train on all kinds of things that have to do with fiduciary trust.

Mr. OLVER. For members of the various recognized tribes?

Ms. ERWIN. If the tribe has a self-governance or self-determination contract and all of the government employees that are involved in fiduciary trust.

Mr. OLVER. Okay. Thank you.

Mr. MORAN. Thank you very much, Mr. Olver. It seems like kind of an obvious question, Ms. Erwin. Have you thought about computerizing those records instead of having this mammoth cave that you will keep all these records?

Ms. ERWIN. There is a combination of the two. We have a large imaging undertaking, the historical trust accounting has imaged a lot of the records, that we are able to utilize without having to pull back down the hard copy records. As we move forward, when you see some of the efficiencies, we are able to do a lot more things electronically so that we do not have to store the hard copy records.

Mr. MORAN. Okay, well, I do not know how expensive that would be, but it does seem to me that that is the direction in which we want to go.

Ms. ERWIN. Moving forward.

Mr. MORAN. Yes.

Ms. ERWIN. We agree.

Mr. MORAN. I think it would make a lot of sense. There is something about the quaintness of where they are being stored but you know, it is not cold case. It is time to look into computerization. I suspect we would be amenable to your doing that.

It is good testimony, and we appreciate your responsiveness.

Mr. SIMPSON, did you have anything further?

Mr. SIMPSON. No.

Mr. MORAN. Okay. Mr. Olver. Let's conclude this, and again, I am sure things are going to start happening quickly. You have probably a budgetary nature, and we will work closely together and we appreciate your taking the time and the time of all of your staff. Thank you, Ms. Erwin. Meeting is adjourned.

[Questions for the Record for Bureau of Indian Affairs can be found on page 639 of this volume.]

**Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
Office of the Special Trustee FY11 Budget Hearing
Hearing Date: March 4, 2010**

Questions for the Record from the Chairman

COBELL SETTLEMENT

Moran Q1. On December 8, 2009, the Administration announced that there was a \$3.4 billion proposed settlement of the *Cobell* litigation. Can you explain what this Settlement does and why legislation is required?

ANSWER: The historic Settlement Agreement of the *Cobell v. Salazar* litigation (Settlement) resolves two sets of claims for \$3.4 billion. First, the Settlement resolves the plaintiffs' claims for a historical accounting. The resolution on this issue, like other aspects of the Settlement, is important both for the past and the future. It is important for the past, because it will result in a \$1,000 check being sent to each member of the class to settle their claims. And it is important for the future, because it brings the Government and each holder of an Individual Indian Money account into agreement on the balance of each account – something that has been contested since this litigation began.

Second, the Settlement resolves what have been called the “trust administration” claims. Such claims allege that over the years, the Government has mismanaged land and other trust assets, including proceeds from those assets, which it holds in trust for individual Native Americans. Although to date few such claims have been brought, allegations of trust mismanagement have remained a possible threat to rebuilding the long-term relationship between the Department of the Interior and Native Americans. Members of the trust administration class will receive a baseline payment of \$500, as well as the potential for an additional payment based on a formula set forth in the Settlement. An individual also may opt out of this portion of the Settlement. The Settlement ensures that any individual who opts out of the Trust Administration Class and brings his or her own claim will, if otherwise so entitled by law, still be able to obtain the necessary accounting to enable a court to render a judgment. However, the inclusion of these trust administration claims in this Settlement brings clarity and finality to these types of claims.

Two billion dollars of the \$3.4 billion Settlement will go toward addressing the root problem of fractionation by providing funds for the purpose of land consolidation. Fractionation has deprived Indian landowners of productive use and enjoyment of their lands. Generally, owners holding over 50% of interests must agree on the use of the land, such as leasing for resource development, grazing, timber harvesting, rights-of-way, and other leasing activity. But lands that were jointly owned by a small handful of individuals many decades ago are now often owned by several times that number, as the individual owners have passed away and left those interests to be divided among their heirs. When land is highly fractionated with multiple - sometimes hundreds of - ownership interests, it is difficult to obtain owner participation authorizing the use of the land. As a result, individual Indians and tribal communities cannot beneficially use highly fractionated tracts of Indian land and Interior is faced with an

increasingly difficult task of accounting for them. The land consolidation program will help unlock the unrealized benefits of these lands for the benefit of tribal communities while, at the same time, facilitating and reducing the cost of Interior's administration of them. In addition, a fund to help educate Native American students at the post-secondary level will be created and potential contributions to the scholarship program, up to a total of \$60 million from the \$2 billion, will be used as an incentive to encourage owners of fractionated land to sell their interests for the broader benefit of Indian communities. The Settlement also allows for up to 15 percent of the \$2 billion fund to be used to administer the land consolidation program and for other trust reform matters.

Lastly, legislation is necessary to implement the Settlement. The legislation ensures that the United States District Court for the District of Columbia, which has been handling the litigation for over 13 years, can continue to assert jurisdiction over it after the plaintiffs amend their complaint. The legislation also sets up two funds within the Treasury of the United States, permits the court to certify a single class of trust administration claims, and – much like the bill that Senators Dorgan and McCain put forward to resolve *Cobell* in the 109th Congress – authorizes the Secretary to administer the critical land consolidation program.

Moran Q2. There have been discussions for many years regarding settlement. What were some of the previous settlement offers suggested by the parties?

ANSWER: Over the years, there have been numerous efforts to resolve *Cobell*, often with direct encouragement from members of Congress. Many of these efforts have involved third-party mediators seeking to help the parties end the litigation. To take two recent examples, beginning in 2005, Senators McCain and Dorgan initiated significant settlement efforts. The Government spent significant time in 2006 discussing possible approaches to resolve Indian trust litigation with Senate and House committee staffs. In response to Congress's initiative, Plaintiffs' counsel at one point suggested that they would consider settling for \$27.487 billion. In March 2007, Attorney General Gonzales and Secretary of the Interior Kempthorne sent a letter to the leadership of the Senate Indian Affairs Committee and the House Resources Committee expressing support for a settlement of *Cobell* and the tribal trust cases that would provide \$7 billion to settle both sets of cases and effectuate other policy initiatives. On March 29, 2007, the Senate Committee on Indian Affairs held a hearing on the Administration's proposal, but no settlement resulted.

Moran Q3. The Administration has submitted a supplemental request to address the proposed *Cobell* Settlement. Approximately \$1.4 billion would be used to settle historical trust accounting claims and potential claims of trust mismanagement. Approximately how many individuals are involved in these two claims?

ANSWER: As of January 2010, the Historical Accounting Class was estimated to have approximately 338,000 individual members and the Trust Administration Class was estimated to have approximately 496,000 individual members. There is substantial overlap between these classes because by definition, anyone who is a member of the Historical Accounting Class is also a member of the Trust Administration Class.

Moran Q4. Have the Plaintiffs been certified as a class for both claims—that is Historical Trust Account Claims and the Trust Administration Claims?

ANSWER: The plaintiffs have been certified as a class for the historical accounting claims, and the Settlement provides that upon the filing of the joint motion for Preliminary Approval of the Agreement, the plaintiffs shall ask the court to certify the Trust Administration Class pursuant to Federal Rule of Civil Procedure 23(b)(3) and to amend the prior class certification order issued on February 4, 1997. The legislation provides authority for the District Court judge to certify the Trust Administration Class.

Moran Q5. Can you explain how the \$1.4 billion would be divided between these two classes?

ANSWER: Under the Settlement, payments for the historical accounting claims will be based on a payment of \$1,000 per account holder. As of January 2010, this is expected to amount to approximately \$338,000,000. After distribution for the historical accounting claims and any disbursements for fees, costs, or expenses required by the Settlement or the court, all funds remaining from the \$1.412 billion will be spent on settling the trust administration claims, based on a \$500 baseline payment with any additional payments calculated pursuant to a distribution formula described in the Settlement.

Moran Q6. How will the distribution of funds be managed? Will Interior be responsible, or another entity? If not, who, and how will this work?

ANSWER: Class Counsel, with the Claims Administrator, shall have responsibility for administering the distribution of the Accounting/Trust Administration Fund (the settlement funds). Interior will make its resources and contact information available to assist in the distribution of the settlement funds, but shall otherwise have no role in, nor be responsible or liable for, the distribution of the settlement funds. Class Counsel will select the Qualifying Bank(s) into which the settlement funds shall be deposited and, with the Claims Administrator, will work with the Qualifying Bank(s) to distribute the settlement funds from the Qualifying Bank(s)' Settlement Accounts. All distributions shall be made pursuant to final order of the court.

Moran Q7. The Settlement also contains \$2 billion to buy back the fractionated land interests from the judgment fund. Why?

ANSWER: As outlined in question number 1, the land consolidation fund is of critical importance to this Settlement. Both sides recognized that one of the root causes of the Department's trust management difficulties was the continuing proliferation of individual Indian interests on trust lands through the process of fractionation. Fractionation has caused the proliferation of trust accounting responsibilities for literally hundreds of thousands of individual account holders, creating enormous expense and opportunity for error. Recent estimates show there are approximately 120,000 IIM accounts that have a balance of \$15 or less with no financial activity in the last 18 months, and thousands of accounts that contain less than one dollar.

For all these reasons, the land consolidation program is a vital component of the Settlement. It looks ahead and identifies a response to the problem of fractionation that will help to improve land management in Indian country for generations to come.

Moran Q8. Assuming legislation is passed, the District Court for the District of Columbia still must take several steps to approve the Settlement, correct? Can you please tell us what those steps are?

ANSWER: If legislation is enacted, the Settlement calls for the plaintiffs to file a motion to amend their lawsuit to allege the Trust Administration Claims, along with a motion that asks the court to certify the Trust Administration Class for purposes of settlement. The plaintiffs will also ask the court to review the proposed Settlement and the parties' extensive plan to provide notice and conduct outreach to the individual members of the plaintiff classes and preliminarily approve the Settlement.

Once the court issues its "preliminary approval," the parties will send out a detailed, printed notice, describing the Settlement and explaining class members' rights and options. Additional copies of the notice will also be available on request and for download over the Internet. A firm that specializes in class administration will research returned mail to locate those with outdated addresses, and an advertising campaign in targeted media (TV, radio, and print) will promote public awareness of the pending Settlement and urge potential class members to inquire. Class members will have 90 days to opt out of the Trust Administration Class. Class members may file written objections regarding the Settlement and may appear at the Fairness Hearing to object to the Settlement.

During that time, plaintiffs' attorneys and class representatives will also file a petition with the court asking it to approve their request for attorney fees, incentive payments, and expenses. The government and any class member can object to those requests, and the court will consider these requests and any opposition to them as part of the final fairness hearing on the overall Settlement.

After the class notice period closes, the court will hold the fairness hearing to consider any objections and comments that class members or others may have submitted on the Settlement. The court will apply traditional principles of law to determine whether the Settlement is fair, and will then make a final decision on whether to approve the Settlement, reject it, or suggest changes for the parties to consider. The court will also likely decide the attorneys' fees and class representative award requests at the same time.

Moran Q9. Is there a concern that there will be individuals coming forward to say they should have been part of the two Settlement classes? Does Interior have funding for this? Who will do the work to address their claims?

ANSWER: The Parties anticipate that there will be individuals who come forward to say that they should be a part of one or two of the Settlement classes. For that reason, the Parties have already begun an aggressive outreach campaign, to notify individual Indians of how they can

register to become part of the Settlement classes prior to the formal notice process that will be initiated after the district court's preliminary approval of the Settlement.

Claims of individuals will be considered after Final Approval of the Settlement and, if found meritorious, will be paid out of the existing \$1.412 billion Accounting/Trust Administration Fund. Interior will not have to fund this separately. The Claims Administrator, with the assistance of the Parties, will evaluate these claims. Individuals who claim that they should be part of the Trust Administration Class will be able to submit any supporting documents to the Claims Administrator within 45 days of Final Approval or such later date as the District Court may order. The Claims Administrator will then make an initial determination with respect to each claimant's inclusion and will evaluate any request for reconsideration of an unfavorable initial determination. If the Claims Administrator's decision on reconsideration is unfavorable, an individual may appeal to the District Court or a Special Master the court may designate.

Finally, prior to the distribution of payments to the Trust Administration Class, the Parties will also discuss the timing and funding of a Reserve Fund available to pay certain members of the Trust Administration Class. The Reserve Fund will cover beneficiaries who did not receive notice and come forward after the distribution of the Trust Administration funds.

Moran Q10. Indians in the Trust Asset Mismanagement class can opt out of the Settlement. If some opt out and wish to litigate claims and/or want to gain access to their account records and review their account history, does your budget include funding for this work?

ANSWER: An individual who opts out of the Trust Administration Class, if otherwise entitled by law, will be able to obtain the necessary accounting to enable the court to render a judgment. Paragraph I.7 of the Settlement, on page 46, addresses the claims and rights preserved by those who opt out of the Trust Administration Class, including the right to an accounting in aid of the jurisdiction of the court to render a judgment. This was included precisely so that there would not be any prejudice to those who want to pursue individual trust administration claims. We will continue to assess our workload and reallocate existing resources, as appropriate.

Moran Q11. If Congress passes the needed legislation and the Settlement goes forward, will that be the end of work on the Cobell litigation? Will there be possible follow-up work that needs to be done?

ANSWER: There will be work in administering the Settlement but the Cobell litigation itself will end. The Settlement releases the United States from the obligation to perform a historical accounting. The Settlement also releases the United States from all claims asserted or that should have been asserted in the Amended Complaint filed on behalf of the Trust Administration Class.

HISTORICAL TRUST ACCOUNTING

Moran Q12. Your proposed budget assumes a \$25 million reduction for historical accounting of Individual Indian Money accounts. How will this impact staff levels?

ANSWER: The Office of Historical Trust Accounting had one position solely dedicated to the IIM historical accounting (the rest of the work being performed by contract staff). That position has already been moved to support the ongoing workload addressing 95 Tribal lawsuits filed against the Government. That workload is expected to increase for the foreseeable future. As a result, OHTA intends to maintain its current staffing level of 30 full time Federal employees. The reduction will result in reduced contracting support.

Moran Q13. What happens if no settlement is reached? Will you need more resources to make up for the \$25 million reduction? How much more?

ANSWER: We continue to believe the Settlement will be finalized. In the meantime, we will continue to assess our workload and reallocate existing resources, as appropriate. If the Settlement is not finalized and the Cobell litigation continues, OHTA may be responsible for completing the historical accounting of approximately 300,000 Individual Indian Money (IIM) accounts and distributing those accounting statements. This would significantly impair our ability to address the tribal lawsuits.

TRIBAL TRUST CLAIMS/LAWSUITS

Moran Q14. Over the years, Congress has funded approximately \$200 million worth of historical accounting work. However, the settlement does not address the 95 pending tribal lawsuits. Can you explain the nature of these claims and how they are being addressed?

ANSWER: Currently, 114 Tribes have 95 suits pending against the U.S. Departments of the Interior and Treasury and/or the United States. The Tribes seek accountings and/or damages for alleged mismanagement of trust funds and trust assets (oil and gas, timber, range, mining, etc.). OHTA compiles, analyzes, shares, and explains trust related information and tribal historical accountings related to these claims. OHTA works with other Interior offices (e.g., BIA, OST, and MMS) and attorneys with the Office of the Solicitor (SOL), Indian Trust Litigation Office (ITLO), and the Department of Justice Environment and Natural Resource Division (DOJ-ENRD) to provide litigation support and document production for these cases. The Administration would like to resolve as many of these claims as possible and is forming a team to address these cases.

Moran Q15. Tribes have expressed to the Subcommittee their concern with the pace of addressing these Tribal lawsuits. What is happening on these cases? How do you address 95 lawsuits at once, and are there any resource constraints?

ANSWER: Since 2002, the Government has reached full or partial settlements with six Tribes. Significant work remains to resolve the remaining 95 suits.

It is difficult to simultaneously address the 95 cases and careful prioritization of the work is often necessary because these cases are before 27 different District Courts and Court of Federal Claims judges. OHTA coordinates its work with the attorneys from Interior's Office of the Solicitor and the Department of Justice to ensure that OHTA's resources are properly deployed.

OHTA is also using statistical sampling methods to efficiently address issues that may cross-cut the cases. For example, OHTA is performing a system-wide statistical test of disbursement transactions - applicable to all tribes - to determine if money disbursed from Tribal Trust accounts was done so properly. Completion of this test would allow the Government to make a statement about the accuracy of its accounting system and might foreclose or narrow legal challenges and accounting related claims.

Moran Q16. Is the Administration's goal to settle all the Tribal lawsuits? What mechanisms are available to the parties for settlement discussions? Are you taking full advantage of them?

ANSWER: It is the Administration's goal to resolve as many of the Tribal lawsuits as possible. For the most part, direct, informal negotiations between the parties are facilitated by temporary joint stays of litigation agreed to by the courts. In some instances, settlement negotiations are facilitated by a third-party neutral evaluator or settlement judge. For example, an Alternative Dispute Resolution (ADR) Judge(s) from the Court of Federal Claims is working with Government and Tribal representatives to reach negotiated settlement in several cases. Of the 95 tribal trust cases currently pending at the trial level, approximately 70 cases have been temporarily stayed so that the parties can pursue informal settlement discussions or formal ADR processes.

Last fall, legal counsel acting on behalf of approximately 100 American Indian and Alaska Native nations proposed a meeting to discuss possible settlement of tribal trust accounting and mismanagement claims against the United States. The Departments of Justice, Interior, and Treasury have responded that they are very interested in meeting with legal counsel acting on behalf of the Nations to discuss a resolution of the litigation without protracted litigation.

Moran Q17. Is one of OST's roles to help determine what a fair settlement amount would be for Tribes and taxpayers? If so, are you currently being utilized in such a manner?

ANSWER: The Office of Historical Trust Accounting (OHTA) and OST both work with the Solicitor's Office and Department of Justice in calculating potential exposure in these cases and reviewing settlement proposals. OST in particular, carefully reviews plaintiff claims regarding investments to be sure that calculations fully recognize the nature of investment opportunities that have been available for investment of Tribal funds over time. OHTA works with the historical accounting and land/resource mismanagement claims.

PROBATE BACKLOG

Moran Q18. There is an \$800,000 increase for the probate workload. Can you explain the progress you have made to date on the backlog?

ANSWER: The trust asset distribution will be complete for over 99 percent of eligible backlog estates by the end of Fiscal Year 2010. Although the backlog will be virtually complete, OST will still have a high volume of probate packages to process. OST's volume of processing probate packages and closing estates has steadily increased from year to year since 2004. In the last three years, the number of estates closed were as follows: FY 2007 = 7,705; FY 2008 = 8,992; FY 2009 = 9,447. In addition to the upward trend in the number of estate closures, as backlogged probates were processed new accounts and eventual probates were created, which has caused the increase in annual probate processing. The increased workload is a result of ongoing probates, and not due to the backlog.

Questions for the Record from Mr. Simpson**HISTORICAL TRUST ACCOUNTING**

SimpsonQ1. The FY11 budget proposes to eliminate \$25 million for the historical trust accounting of Individual Indian Money accounts as a result of the *Cobell* settlement. Roughly \$27.5 million would remain in the budget for the historical accounting of Tribal Trust Fund accounts, which are the subject of 95 current lawsuits filed by or on behalf of approximately 114 Tribes.

- Will you please explain why some of the \$25 million should not be redirected to assist with the Tribal Trust Fund workload?

ANSWER: The 2011 budget includes \$27.5 million for tribal trust accounting, an increase of \$7.2 million since 2009. OHTA will allocate the funding to address the highest priority Tribal cases. In addition, the Administration is moving to form a team to work with Tribes with an attempt to settle as many cases as possible. OHTA will work with the Administration settlement team to develop new strategies and identify funding priorities.

- Would increasing the budget for Tribal Trust Fund accounting help to resolve some of these lawsuits more quickly?

ANSWER: Addressing the rate of settlement in the Tribal cases will depend on direction from the Department of Justice and Solicitor's Office attorneys on the demands of the Tribal cases and the need for OHTA's services. OHTA will apply its resources to support the cases as needed. OHTA will also work with the attorneys to engage a broad number of Tribes to work collaboratively to prioritize the resources available.

SimpsonQ2. It is my understanding that the residual balances in Special Deposit accounts amounts to roughly \$1.5 million, and that we're planning to spend \$4 million in FY11 to locate the rightful owners and distribute the money owed to them.

- Please explain the situation and the difficulties associated with closing these accounts.

ANSWER: Since taking responsibility for analyzing Special Deposit Accounts (SDA) for pre calendar year 2003, OHTA has completed analyses that allowed the distribution of more than \$45.7 million from SDAs. More than \$15.1 million in principal and approximately \$6 million in interest remains to be disbursed to the rightful owners. The remaining SDAs are very complex and require a large amount of research. The \$1.5 million figure represents the amount of principal funds OHTA expects will be disbursed in FY 2011.

The work involved to distribute funds from an SDA is not proportional to the amount of funds in the SDA. In other words, it can take just as much effort to complete the analysis to distribute \$100 as it does to distribute \$10,000.

To recommend that money be disbursed from an SDA, OHTA must determine the identities of the various owners in an account and verify the amount to be disbursed to each one of them. Often, money was placed in an SDA due to special circumstances surrounding the account holder, e.g., death. In such cases, OHTA must identify all legitimate heirs, and in many instances this is a very difficult and lengthy process because the deceased account holder did not leave a will.

In some instances, historical money had been co-mingled in an SDA, meaning that money in the account belongs to multiple owners, and some of these owners have died. OHTA must identify all the owners and, where appropriate, their heirs, confirm their rights to the funds, and determine how the funds are to be distributed. Once rightful ownership is determined, OHTA must also verify that the amount of money in the account is accurate and includes interest earned for the period the money was held in the SDA. OHTA then recommends to BIA the distribution of funds, upon approval by BIA, OST will actually distribute the funds.

- Is there an endgame, or is the plan to continue on this track until every last penny of the \$1.5 million is returned to its rightful owner?

ANSWER: The money held in SDAs is not Federal Government money. It belongs to individual Indians, Tribes, and non-Indian parties. With this in mind, OHTA has focused on accounts with balances of \$5,000 or greater, and continues to work on SDAs with the largest remaining balances.

Further, OHTA has also requested an opinion from the Office of the Solicitor regarding an alternative means of distributing funds from SDAs with balances of less than \$100 because it is clearly not cost effective to devote the time and effort needed to distribute funds from these small balance accounts. Currently, there are 10,494 SDAs remaining to be resolved. A total of 5,424 of these accounts have balances of less than \$100. The combined value of the small balance SDAs is \$109,778.

TRUST REFORM

SimpsonQ3. In December, the Secretary signed an order to establish a 5-member Secretarial Commission on Indian Trust Administration and Reform. The Commission, created for an initial 2-year term, will make recommendations including addressing issues regarding a performance audit of trust systems and controls. The Commission's budget doesn't seem to appear in your FY11 proposal.

- How is this Commission going to be funded?

ANSWER: The Settlement Agreement provides for an amount up to a total of no more than fifteen percent of the Trust Land Consolidation Fund to be used to implement the Land Consolidation Program and to pay the costs related to the work of the Secretarial Commission on Trust Reform, including costs of consultants to the Commission and audits recommended by the Commission.

SimpsonQ4. The GAO published a report on Trust Reforms in December 2006 and made the following recommendations which, apparently, Interior agreed with: (1) provide the Congress with a timetable for completing the trust reforms and a plan for future trust fund operations once reforms are completed; and (2) develop a workforce plan that proposes staffing levels and funding needs once trust reforms are completed.

- Can you provide us with an update on your efforts to date to implement these recommendations?
- At the time of publication, the Special Trustee estimated that data verification for land leasing activities will not be completed for all Indian lands until December 2009. Did you achieve that milestone?

ANSWER: Although OST never formally transmitted a response to GAO through the Secretary, we did informally exchange drafts and work papers on a timetable for completing trust reforms and a workforce plan for once trust reforms are complete. As a result of these informal exchanges, GAO was satisfied and closed out those requirements.

In conjunction with the December 7, 2009, Class Action Settlement Agreement in the *Cobell v. Salazar* case, Secretarial Order #3292 was signed on December 8, 2009 which establishes the Secretarial Commission on Indian Trust Administration and Reform (pending final approval of the Settlement Agreement and enactment of supporting legislation). As part of its work, the Commission will make a recommendation to the Secretary about the structure of management and administration of trust assets.

While Trust Asset and Land Management systems have been implemented and massive data clean-up efforts have taken place, maintaining accurate, timely and complete data on land leasing activities remains an on-going effort. Procedures and processes continue to be enhanced to leverage the capabilities now available to the system users. Concurrently, internal controls are being developed and implemented to mitigate the risk of reoccurrences of the past issues.

LAND CONSOLIDATION

SimpsonQ5. The *Cobell* settlement includes a \$2 billion land consolidation fund, which supposedly will be administered by Interior using existing programs already dedicated to land consolidation. The FY11 budget doesn't appear to account for the increased workload. For example, Appraisal Services is essentially level-funded.

- Please explain how this fund will be administered in FY11, how the increased workload will be funded, and how many estimated additional FTE will be required.

ANSWER: The FY11 budget does not include an increase in existing programs, such as Appraisal Services, because the settlement calls for a Land Consolidation Fund to be established in the U.S. Treasury to: (1) acquire fractional interests, (2) implement the Land Consolidation Program, and (3) pay for costs related to trust reform. The fund will be available to the Department of the Interior to expend for a period not to exceed ten years for the purposes of conducting the Land Consolidation Program. An amount up to a total of no more than fifteen percent of the Land Consolidation Fund will be used for purposes (2) and (3) above. It is not yet known how many additional FTE will be required to administer the program.

TUESDAY, MARCH 9, 2010.

**NATIONAL SYSTEM OF PUBLIC LANDS; BUREAU OF
LAND MANAGEMENT FISCAL YEAR 2011 BUDGET RE-
QUEST**

WITNESSES

**ROBERT ABBEY, DIRECTOR, BUREAU OF LAND MANAGEMENT
MIKE POOL, DEPUTY DIRECTOR, OPERATIONS
KAREN MOURITSEN, BUDGET OFFICER**

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. This is the first budget hearing for our new director, Bob Abbey. Mr. Abbey is a well-respected career individual who came out of retirement to take this job.

Chairman Dicks, nice to have you on board.

Mr. DICKS. Mr. Moran, nice to be with you.

Mr. MORAN. Thank you.

We do respect your expertise and your experience, Mr. Abbey, and we thank you for taking on this very challenging job.

The Bureau of Land Management manages more land than any other Federal agency, 253 million surface acres. It is more than 10 percent of the entire United States of America. BLM also manages over 700 million acres of onshore subsurface minerals estate. Why do we call it estate? That is just a term of art, I guess. But the BLM is also a major contributor to our Nation's energy and manages eight of America's ten largest coal mines and tens of thousands of oil and gas wells. It is a multiple-use agency. In the past it has often been considered to be overly friendly to industry, and sometimes during the last 8 years there have been charges that it was not careful enough about the long-term sustainability of the lands that it was responsible for. Managing these lands is a big challenge as there are often competing demands from many important constituencies.

BLM also manages the National Landscape Conservation System which totals over 27 million acres of special areas, mostly in the West. It includes 37 national monuments, conservation areas, 16 national historic and scenic trails of over 6,000 miles, 223 wilderness areas, 545 wilderness study areas, 60 on wild and scenic rivers and so on. So we are preaching to the choir here, that you know what you manage, but it is important to get this on the record, how massive is the responsibility of the BLM.

This does not mean that the other 225 million acres that BLM manages, of course, are any less important as critical watersheds, as wildlife habitat.

As the rest of the subcommittee members are arriving, let me share with the committee and those in the audience this quote

from John Muir, because it is quite applicable to the Bureau of Land Management.

“It is far safer to wander in God’s woods than to travel on black highways or to stay home. As age comes on, one source of enjoyment after another is closed, but nature’s sources never fail. Like a generous host, she offers her brimming cups in endless variety, served in a grand hall, the sky its ceiling, the mountains its walls, decorated with glorious paintings and enlivened with bands of music ever playing. Fears vanish as soon as one is free in the wilderness.”

That is beautifully poetic, but it really is why we give the Bureau of Land Management such responsibility for preserving God’s gifts to America in terms of our lands that need to be conserved.

So let me now just make a few brief comments on the budget request itself and get beyond the poetry into the mundane details.

This is a tight budget for BLM. Although the overall BLM request has a slight increase, the operations accounts are reduced by \$41 million while an additional \$16 million in fixed costs have not been provided. So they are going to have to be absorbed.

The budget maintains the same operations funding level for oil, gas, and coal management programs. There is a plus-up of \$3 million, for a total of \$19 million for renewable energy coordination. That is part of Secretary Salazar’s new Energy Frontier Initiative. There is a \$12 million increase for operations dealing with the Wild Horse and Burro Management program as well as a purchase of land for horse refuge somewhere in the central eastern United States. It does eliminate the challenge cost-share program that provides Department matching funds for habitat improvement and recreation access.

So with that, Mr. Simpson, we would like to hear your observations.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Chairman. That is a beautiful quote by John Muir. Apparently he had never been standing in front of a stampeding herd of wild horses.

Mr. MORAN. I think he just composed it.

Mr. SIMPSON. I was just kidding. I am sorry, I apologize.

Director Abbey, thank you for being with us today to discuss the important work of the BLM. As the largest land manager within the Department of the Interior, the BLM has the difficult, often impossible job of managing our public lands for multiple use.

It used to be that the only thing certain in life were death and taxes. Now the only thing certain in life are death, taxes, and that the BLM will be sued on every decision that they make. We all know that many legitimate goals of the BLM are undermined by litigation filed by a variety of organizations, regardless of merit. Some are justified, some are not. In fact, I would suggest some organizations exist today primarily to file lawsuits and prevent worthy projects from moving forward. Domestic energy production, grazing, and other legitimate efforts on our public lands have been stymied as a result. If we could replace the desire to litigate with the desire to collaborate, there is no limit to the challenges we

could overcome and the problems that we could address. Energy production is a case in point.

Last year, our public lands generated 15 percent of our country's natural gas and 6 percent of domestic oil. At those levels, we haven't even come close to realizing the full energy potential of our public lands. Somehow we must find a way to overcome the legal and regulatory roadblocks that are consistently thrown up in the path leading to our domestic energy independence.

I applaud the administration's emphasis on renewable energy sources and recognize the role that solar, wind, and geothermal energy will play long term. Today, however, with unemployment at nearly 10 percent and imported oil at nearly \$81 a barrel, we need to do more to unleash the potential available supplies of domestic oil and gas.

I question the wisdom of the administration proposing additional fees on onshore and offshore oil producers. If our country is ever going to stop its reliance on foreign oil, we must do everything possible to encourage energy from every possible source, including our public lands.

Energy is not the only issue on my mind today, though. There is the matter of a leaked internal planning document on potential monument designations that has caused a great deal of concern among my western colleagues, and we couldn't possibly see each other again without having a conversation about the backlog on grazing permits. And, of course, there is the small matter of the sage-grouse that I would like to discuss a little bit.

In closing, I want you to know how much I value the fine work of Idaho Director, Tom Dyer, who retired at the end of last year. He was like many people in public service today: dedicated and faithful to his work, but too often discouraged by frivolous, time-consuming litigation that prevents land managers from doing their work. Tom served the public trust and the people of Idaho well, and he will be greatly missed.

Thank you again for being here today. I look forward to working with you and I look forward to your testimony.

Mr. MORAN. Thank you, Mr. Simpson.

Chairman Dicks, would you like to make any comments?

Mr. DICKS. I look forward to Mr. Abbey's testimony.

Mr. MORAN. Very good. Mr. Abbey, you may proceed. Thank you.

TESTIMONY OF DIRECTOR ROBERT ABBEY

Mr. ABBEY. Thank you, Mr. Chairman, and members of the subcommittee. And Congressman Simpson, I echo your statements about Tom Dyer. Just an excellent public servant, someone that I was fortunate to work with a number of years, and he will be missed in that role as State director in Idaho.

Mr. Chairman, with me this afternoon is Karen Mouritsen, who is our budget director for the Bureau of Land Management. And also behind me is Mike Pool, who is our deputy director for the Bureau of Land Management.

And I thank each of you for the opportunity to discuss the Bureau of Land Management's request for fiscal year 2011. I will briefly summarize my prepared testimony and ask that the complete statement be part of the record.

BLM is responsible for protecting the resources and managing the uses of our Nation's public lands which are located primarily in the 12 Western States, including Alaska. These public lands include some of America's most spectacular landscapes and important natural resources, and serve as an engine of prosperity for our Nation. Energy generated from public lands power America's homes and businesses. Minerals and timber resources are the building blocks for the products that we consume. Grazing helps supply food for our families. And the scenery, recreational opportunities, and shared history that draws Americans to their public lands also support jobs and businesses and communities throughout this country.

The BLM is doing its part to power America's economic recovery and to create jobs here at home. In 2008, BLM managed lands and resources contributed over 500,000 total jobs and over \$60 billion in direct sales, with an estimated total impact of over \$127 billion on the American economy.

The BLM's management of public lands and natural resources also delivers value on a daily basis to the American public. In 2011, the public lands will generate an estimated \$4.5 billion in revenues, mostly from energy development.

The BLM's budget request for 2011 is \$1.1 billion for current appropriations, a net increase of \$8 million from the 2010 enacted level.

I will briefly outline some of our priorities, which include our New Energy Frontier, Climate Change Adaptation, Treasured Landscapes, and Youth and Natural Resources. I will also briefly touch on the Department's Wild Horse and Burro strategy.

NEW ENERGY FRONTIER

The BLM is focused on developing renewable energy in an expeditious manner that also protects the signature landscapes, the wildlife habitats, and cultural resources.

The budget requests a \$3 million increase, which we will plan to use to complete environmental studies of potential wind and solar energy zones. The budget also has several provisions to improve oil and gas management, including a \$10 million oil and gas inspection and enforcement fee and a \$2 million increase to improve the BLM's air quality monitoring. To encourage diligent development of new oil and gas leases, the BLM also is proposing a per-acre fee on nonproducing leases.

CLIMATE CHANGE ADAPTATION

In order to develop strategies that will help native plant and animals as well as public land users and local communities adapt to climate change, the BLM is working to understand the conditions of BLM-managed landscapes on a broader level. The budget proposal requests a \$2.5 million increase that the BLM will use to initiate up to four landscape scales assessments in 2011 and to develop and implement management strategies for the 10 eco-regions that we have completed assessments by next year.

TREASURED LANDSCAPES

BLM managed conservation lands are a vibrant array of national monuments, national conservation areas, wilderness areas, and wild and scenic rivers. The budget request includes \$37.8 million to fund 20 high-priority line item acquisition projects that will give Federal protection to more than 25,000 acres of land with key natural and cultural resources, and \$1.3 million for management of new wilderness areas designated by the Omnibus Public Land Management Act of 2009.

YOUTH IN NATURAL RESOURCES

In 2011, the BLM will continue to support youth programs in partnerships through its association with National Fish and Wildlife Foundation. BLM will direct \$1 million of the requested \$3 million in pass-through funding to the Foundation's youth program.

WILD HORSE AND BURRO STRATEGY

Placing the Wild Horse and Burro program on a sustainable track remains one of our highest priorities. BLM's management strategy of removing excess animals, offering them for adoption, and managing unadopted horses in holding facilities, resulted in our spending more than one-half of the 2009 program budget on the holding of wild horses. Our new strategy aims to slow the wild horse and burro population growth rate to bring it into alignment with public adoption demand and calls for the creation of wild horse preserves, possibly on the grasslands of the Midwest and Eastern United States.

The budget requests \$75 million for the Wild Horse and Burro program. A separate request of \$42.5 million in the BLM land acquisition account is for the purchase of land for a wild horse preserve.

Finally, Mr. Chairman, our budget request represents a decrease of \$41 million from the 2010 enacted level. A portion of this reduction is offset by \$10 million in collections from the proposed new onshore oil and gas inspection fee.

Mr. Chairman, members of the subcommittee, thank you for the opportunity to testify today. And I will be pleased to answer any questions that you might have.

Mr. MORAN. Very good. Thank you very much, Mr. Abbey.
[The information follows:]

**Statement of
Robert V. Abbey, Director
Bureau of Land Management
U.S. Department of the Interior**

**Before the
House Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies**

**Hearing on the FY 2011 Budget Request
of the Bureau of Land Management**

March 9, 2010

Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear here today to discuss the President's Fiscal Year (FY) 2011 budget request for the Bureau of Land Management (BLM).

The BLM, an agency of the U.S. Department of the Interior (DOI), is responsible for protecting the resources and managing the uses of our nation's public lands, which are located primarily in 12 western States, including Alaska. The BLM administers more land—253 million surface acres—than any other Federal agency. The BLM also manages 700 million acres of subsurface mineral estate throughout the Nation.

These public lands include some of America's most spectacular landscapes and important natural resources, and serve as an engine of prosperity for our Nation. Energy generated from public lands powers America's homes and businesses; minerals and timber resources are the building blocks for the products we consume; grazing helps supply food for our families; and the scenery, recreational opportunities, and shared history that draws Americans to the public lands also support jobs and businesses in communities throughout the country.

The BLM is doing its part to power America's economic recovery and to create jobs here at home. Investments in restoring watersheds and protecting treasured landscapes create jobs that cannot be exported. We can harness wind, solar, and geothermal power from public lands as never before, putting Americans to work while supplying clean, affordable energy for our future.

We can create summer jobs for thousands of young people by restoring America's most special places while inspiring the next generation to be good stewards of our public lands. The opportunities are vast, and with innovation and renewed attention to the benefits of responsible stewardship we can help repower our economy and contribute to a lasting foundation for prosperity in America.

Budget Overview

The BLM's FY 2011 budget request is \$1.1 billion for current appropriations, a net increase of \$8.0 million from the FY 2010 enacted level. Within the net increase of \$8.0 million, the budget includes funding increases for the Secretary's ongoing initiatives for Climate Change Adaptation and Treasured Landscapes, and continues to advance the Secretary's New Energy Frontier initiative. The budget will also enable BLM to implement a new management strategy for the Wild Horse and Burro program that was announced by the Secretary last fall.

The BLM's management of public lands and natural resources delivers value on a daily basis to the American public. The BLM manages programs that provide significant economic benefits to the Nation and to States and counties where these lands are located. Revenues generated from the public lands make the BLM one of the top revenue-generating Federal agencies. Royalties collected from energy leasing and other fees collected by the agency benefit the U.S. taxpayer. In 2011, the onshore public lands will generate an estimated \$4.5 billion in revenues, mostly from energy development. Approximately 45 percent of these revenues will be returned to the States where the mineral leasing occurs; revenues from other programs are provided directly to States and counties to support roads, schools, and other community needs.

FY 2011 Budget Initiatives

In its FY 2011 proposed budget, the BLM will focus on the following initiatives and priorities: New Energy Frontier, Climate Change Adaptation, Treasured Landscapes, Youth in Natural Resources, and reforming the Wild Horse and Burro program. Under these initiatives and priorities, the BLM will be promoting clean energy development; confronting the impacts of

climate change; taking a landscape-scale approach to conservation; connecting young people to the outdoors; and putting the BLM's Wild Horse and Burro program on a sustainable track.

New Energy Frontier

The Secretary's New Energy Frontier initiative recognizes the value of environmentally-sound, scientifically-grounded development of both renewable and conventional energy resources on the Nation's public lands. These lands contain some of the highest concentrations of solar, geothermal, wind, oil, gas, and coal energy resources in the United States.

To encourage and facilitate renewable energy development, the President's FY 2011 budget for the BLM proposes a \$3.0 million increase that builds on the \$16.1 million increase provided in FY 2010. The BLM would use the funding increase to complete environmental studies in areas with potential for development of wind and solar energy resources. Specifically, it will be used to conduct site specific studies of potential solar energy sites in Nevada, and regional studies of potential wind energy zones in Nevada and Oregon. The budget supports the Secretary's goal of pursuing conventional energy development in a balanced, environmentally-sound manner with a \$2.0 million program increase in the Soil, Water, and Air Management program for air quality monitoring associated with oil and gas development. The Oil and Gas Management budget reflects a \$13.7 million reduction in net appropriations funding. This includes a \$3.0 million program reduction in base funding that reflects the completion of Energy Policy and Conservation Act studies and a \$10.0 million decrease in appropriated funding for oil and gas inspection activities that will be fully offset with proposed new inspection fees. A decrease of \$674,000 reflects efficiency savings.

Renewable Energy Development

President Obama, Secretary Salazar, and the Congress have stressed the critical importance of renewable energy to the future of the United States. Developing renewable energy resources is central to the Nation's efforts to reduce greenhouse gas emissions, mitigate climate change, and protect the global environment. Renewable energy is also vital to our economic development

and energy independence. Developing renewable energy will create jobs and promote innovation in the United States while reducing the country's reliance on fossil fuels.

The President has established ambitious goals to increase energy production from clean, renewable sources. Through investments enabled by the American Recovery and Reinvestment Act (Recovery Act), the Administration has committed to doubling the Nation's renewable energy generating capacity over three years. To help accomplish this goal, the Secretary issued a Secretarial Order in March 2009 that makes the development, production, and delivery of renewable energy a top priority of Interior and BLM. The BLM is using approximately \$18.9 million in Recovery Act funding to verify renewable energy case records and update land status; \$13.0 million to support detailed analysis of the 24 solar energy study areas in the Solar Programmatic Environmental Impact Statement (PEIS); and \$8.8 million to evaluate and process state-specific renewable energy project applications.

Under the Secretary's direction, the BLM is focused on developing renewable energy in an expeditious manner that also protects the signature landscapes, wildlife habitats, and cultural resources of the public lands. The BLM's FY 2011 budget request supports this goal and enables continued progress in the following vital, ongoing efforts to develop renewable energy resources on the public lands:

- In late 2010, the BLM expects to issue a draft Solar PEIS, which is a landscape-scale plan for siting solar energy projects on public lands in the Southwest. This plan assesses the solar energy potential of 23 million acres of public land, and it includes a detailed review of 24 Solar Energy Study Areas.
- The BLM is "fast-tracking" 27 solar, wind, and geothermal energy projects that have the potential to qualify for financial incentives under the Recovery Act. The fast-track process focuses staff and resources on the most promising renewable energy projects, while ensuring the full environmental review required by the National Environmental Policy Act.
- The BLM is actively processing a total of 130 solar energy project applications involving 1.2 million acres of public land.

- The BLM is processing 249 wind energy applications—207 for wind testing and 42 for wind project development.
- The BLM is also processing 22 geothermal plans of development.
- Renewable Energy Coordination Offices are working in four states to expedite review of solar, wind, and geothermal energy projects on BLM-managed lands.

Conventional Energy Development

Secretary Salazar has emphasized that conventional energy resources on BLM-managed lands will continue to play a critical role in meeting the Nation's energy needs. In 2009, the onshore public lands generated 15 percent of the Nation's domestically produced natural gas, and six percent of domestic oil. The Department's balanced approach to responsible conventional energy development combines onshore oil and gas policy reforms with effective budgeting that ensures a fair return on the development of the Nation's conventional resources.

Secretary Salazar recently announced a number of reforms to bring greater certainty and order to onshore oil and gas leasing by integrating clarity, consistency, and public engagement into the leasing process, while balancing protection of other resource values. The BLM will play a key role in several policy reforms. First, the BLM will provide leadership in identifying areas where new oil and gas leasing and development will occur, taking into account industry expressions of interest but emphasizing focused analysis and appropriate planning so the BLM can consider a wide range of important natural resource values before making a decision whether to allow development of an area. Second, because the leasing system has been fraught with uncertainty and successful appeals and protests, the BLM will increase and enhance its pre-lease sale activity and interdisciplinary preparation, public input, and site visits. Finally, the BLM will publish guidance regarding the consistent use and application of the "Categorical Exclusions" established under Section 390 of the Energy Policy Act of 2005 to allow the BLM to approve some oil and gas development activities based on existing environmental analysis. The BLM will begin implementing reforms in 2010, and will continue to emphasize the reforms in 2011.

In addition to the oil and gas leasing reforms announced in January 2010, the BLM's proposed FY 2011 budget contains a number of provisions designed to improve the BLM's oil and gas management operations.

- To encourage diligent development of new oil and gas leases, the Administration is proposing a per-acre fee on each nonproducing lease issued after enactment of the proposal. This fee will be in addition to the yearly rental fee that the BLM already collects; the BLM expects the fee to generate \$330 million in revenue from onshore leases over 10 years.
- The BLM will propose a rule in 2010 to increase the onshore oil and gas royalty rate from its current 12.5% level. The BLM expects that the increase in royalty rate will generate over \$1 billion in additional revenues over 10 years.
- The FY 2011 budget includes a proposed oil and gas inspection and enforcement (I&E) fee that will generate an estimated \$10 million in 2011 to offset nearly 25% of the \$40 million spent annually on I&E. This inspection fee, paid by leaseholders, based on the number of oil and gas wells per lease, would defray Federal costs and ensure continued oversight of oil and gas operations on Federal lands. It will also allow for a \$10.0 million reduction in the net appropriation for oil and gas management program.
- As part of the BLM's effort to use the best scientific information available in the authorization of conventional energy resources, the FY 2011 budget request includes a \$2.0 million increase to improve the BLM's air-quality monitoring capabilities. The funds will help the agency implement a multi-year air quality strategy, focusing on areas with current or anticipated intensive oil and gas development.

Climate Change Adaptation

The Secretary's Climate Change Adaptation initiative recognizes the need to understand the condition of BLM-managed landscapes on a broad level; identify potential impacts from climate change; and develop and implement strategies to help native plant and animal communities, as well as public land users and local communities, adapt to climate change. The BLM is coordinating its efforts with other DOI bureaus and other partners through a network of Landscape Conservation Cooperatives (LCC). The work of the LCCs will help inform, facilitate,

and integrate the on-the-ground management activities of the DOI's resource management bureaus. The President's proposed FY 2011 budget for the BLM includes a \$2.5 million increase in support of the Climate Change Adaptation initiative, in addition to the \$15 million the BLM received in FY 2010.

As part of this initiative, in 2009, the BLM and its partners completed pilot landscape-scale assessments in four eco-regions. In 2010, working with the LCC concept, the BLM and its partners are initiating landscape-scale assessments in an additional six eco-regions and are developing proposed management strategies for the four eco-regions with completed assessments. In 2010, the BLM is also undertaking on-the-ground restoration projects to help public land resources adapt to the effects of climate change. In 2011, BLM will complete the assessments for those eco-regions with significant public land ownership; develop management strategies for the six new eco-regions with completed assessments, and begin to implement the management strategies for the initial four eco-regions with assessments completed in 2009. In 2011, BLM will also initiate up to four landscape scale assessments.

Treasured Landscapes

The National Landscape Conservation System (NLCS) and other BLM conservation lands are an integral component of Secretary Salazar's Treasured Landscapes initiative. The NLCS is a vibrant array of national monuments, national conservation areas, wilderness areas, wild and scenic rivers, and national scenic and historic trails. The dense old-growth forests, richly-hued canyons, rugged coastlines, and vast desert ecosystems of the NLCS represent a mosaic of America's natural diversity. Many areas also include jewels of the Nation's cultural landscape, including ancient ruins and pictographs, historic lighthouses, and remnants of the trails that once connected the country's far-flung regions. These lands support important wildlife habitat and wildlife migration corridors, riparian and river corridors, and wilderness, historic and cultural values. In conserving, protecting, and restoring the unique values of these lands, the BLM works across jurisdictions and with communities to manage them as part of the broader landscape to which they belong.

The Secretary's Treasured Landscapes initiative recognizes the need to take this landscape-scale approach to conservation. The FY 2011 BLM budget request makes a major contribution to the Treasured Landscapes initiative with a proposed \$13.1 million increase for high priority land acquisition projects. In total, the request includes \$37.8 million to fund 20 high priority line-item projects that will give Federal protection to more than 25,000 acres of lands with key natural and cultural resources. The budget request also includes an increase of \$1.3 million for management of new Wilderness Areas designated by the Omnibus Public Land Management Act of 2009 (P.L. 111-11), plus a program increase of \$414,000 to fund high-priority operating needs for national monuments and national conservation areas.

This year, the NLCS is celebrating its first ten years as America's newest Federal conservation lands system. Besides celebrating our past achievements, our successful partnerships, and accomplishing new projects, the BLM is looking to the future and ways to better engage with the public in caring for these spectacular places. Several national events are bringing together various voices of the West to explore the future of the NLCS and its role in preserving America's natural and heritage treasures. Local events are highlighting community efforts and promote volunteer work days to maintain and strengthen dedicated stewardship for these treasured American landscapes.

Youth in Natural Resources

With his Youth in Natural Resources initiative, the Secretary has pledged to create the next generation of conservation leaders through youth education, engagement, and employment programs. Many of today's youth have fewer opportunities than in previous generations to experience the outdoors, and the BLM is working to foster personal connections between young people and the Nation's treasured landscapes.

In FY 2010, the BLM received an increase of \$5.0 million to support programs and partnerships that engage youth in natural resource management; encourage young people and their families to visit, explore and learn about the public lands; and promote stewardship, conservation and public service. In addition to educating and engaging young people, the BLM also employs them to

conduct natural resources work, such as inventorying and monitoring and constructing trails, and restoring habitat.

In FY 2011, the BLM will continue to fund youth programs and partnerships. The BLM will also dedicate additional funding toward the Youth in Natural Resources initiative through its association with the National Fish and Wildlife Foundation (NFWF). Specifically, the BLM will work with NFWF to direct \$1 million of the requested \$3 million in pass-through funding to the Foundation to support projects that involve our Nation's youth. The BLM's funding for youth programs and partnerships will contribute to the Department's goal to increase by 50 percent (from 2009 levels) by the end of 2011, the employment of youth between the ages of 15-25 in the conservation mission of the Department.

Reforming the Wild Horse & Burro Program

Placing the BLM's Wild Horse and Burro program on a sustainable track is one of Secretary Salazar's top priorities. The Secretary and the BLM recently outlined a new national management strategy for protecting America's iconic wild horses and the open lands on which they roam.

Under the Wild Free-Roaming Horses and Burros Act of 1971, the BLM protects and manages wild horses and burros that roam across 31.8 million acres of western rangeland, including 26.6 million acres of BLM-managed public land. The BLM manages these animals as part of its overall multiple-use mission. When Congress passed the 1971 law, it found that wild horses and burros were "fast disappearing from the American scene" because of their lack of legal protection. Now, after nearly 40 years under Federal protection, these "Living Legends" of the West are experiencing robust population growth.

This success in reviving wild horse populations, however, has created a new set of challenges for the BLM and the public lands. As a result of rapid herd growth, the BLM must remove thousands of wild horses and burros from the range each year to protect public rangelands from the environmental effects of herd overpopulation. Currently, the western rangeland free-roaming

population of 37,000 wild horses and burros exceeds by more than 10,000 the number that the BLM has determined can exist in balance with other public rangeland resources and uses. The ecosystems of public rangelands are simply not able to withstand the impacts (such as soil erosion, reduced water quality, and damage to wildlife habitat) resulting from overpopulated herds that have virtually no natural predators and grow at an average rate of 20 percent a year.

The BLM's management strategy to date has focused on removing animals from the range in an effort to reach appropriate management population levels, offering these animals for adoption, and placing any unadopted horses in holding facilities (rather than euthanizing them as the BLM is directed to do under the 1971 Act). The BLM finds itself in the position of managing more than 34,000 wild horses and burros in holding facilities (pastures and corrals) at a cost of approximately \$35 million out of a FY 2010 Wild Horse and Burro program budget of \$64 million.

The current path of the Wild Horse and Burro program is not sustainable. In response to this untenable situation, Secretary Salazar announced on October 7, 2009, a new strategy aimed at putting the BLM's Wild Horse and Burro program on a sustainable track. To minimize the number of animals that must be removed from the range and placed in expensive holding facilities, the Secretary's strategy seeks to slow the wild horse and burro population growth rate to bring it into alignment with public adoption demand. With more emphasis on fertility control, the BLM will reduce the number of unadopted animals going to holding facilities. The strategy also calls for the creation and cooperative management of new wild horse preserves, possibly on the productive grasslands of the Midwest and eastern United States, as well as the showcasing of certain western herds that warrant special recognition with Secretarial or possibly congressional designations.

To advance the Secretary's plan for achieving program sustainability, the President's FY 2011 budget proposal for the BLM requests \$75.7 million for the Wild Horse and Burro program, a \$12 million program increase over the FY 2010 level of \$64.0 million. The budget includes a

separate request of \$42.5 million in the BLM Land Acquisition account for the purchase of land for one wild horse preserve.

Budget Decreases

The 2011 request for the Management of Lands and Resources appropriation and the Oregon and California Grant Lands appropriation, BLM's two operating accounts, represents a decrease of \$41.0 million from the 2010 enacted level. The reduction is comprised of base funding reductions to lower priority programs and activities, the elimination of funding for one-time earmarks, and anticipated efficiency savings. A portion of this reduction is offset by \$10.0 million in collections from the proposed new onshore oil and gas inspection fee. The request also includes a reduction of \$5.0 million in BLM's Construction account.

Conclusion

The BLM's FY 2011 budget request provides for funding the highest priority initiatives, while making difficult but responsible choices for reductions to offset some of these funding priorities. Mr. Chairman, thank you for the opportunity to testify on the BLM budget request for FY 2011. I will be pleased to answer any questions you may have.

BLM Director Robert Abbey Biographical Information

Robert Abbey was confirmed by the U.S. Senate August 7, 2009 as the Director of the Bureau of Land Management (BLM), an agency of the Department of the Interior. As BLM Director, Abbey leads a workforce of more than 10,000 employees charged with managing 253 million acres of public lands for multiple uses and 700 million acres of subsurface mineral estate.

A veteran BLM career manager, Abbey spent 32 years working for state and federal resource management agencies before retiring from the BLM in 2005. From 1997 – 2005, he was the BLM's Nevada State Director where he provided direction and oversight for 48 million acres of public land, oversaw a staff of 700 employees in eight field offices and managed an annual operating budget of \$51 million.

Abbey chaired the Executive Committee for the implementation of the Southern Nevada Public Lands Management Act from 1999 - 2005, overseeing the allocation of more than \$1.5 billion in funds for resource management and environmental projects within the state.

Prior to becoming BLM State Director, Abbey held a number of BLM management positions in Wyoming, Arizona, Mississippi, Colorado, and Nevada. He began his natural resource career in 1973 with the Mississippi State Park Commission, then moved to the Army Corps of Engineers before starting his career with the BLM in 1980. Abbey recalled, "I was intrigued by the BLM's congressional mandate to manage public lands for multiple uses but I was more impressed by the diversity of resources and landscapes managed by the agency."

Abbey earned numerous awards throughout his career, including the prestigious Secretary of the Interior's Executive Leadership Award in 2004.

From 2005 – 2009, Abbey was a partner in the private Nevada consultant firm, Abbey, Stubbs, & Ford, LLC, and served on the boards of several state and national organizations. He is a native of Clarksdale, Mississippi and a 1973 graduate of the University of Southern Mississippi where he earned a Bachelor of Science degree.

"I know from working in the field that we actually have much in common with many of our stakeholders. We all want public lands to provide for clean water and air and a healthy environment for plants, animals, and people. We want available energy resources, both renewable and non-renewable, to be developed responsibly to help reduce the impacts of climate change, carbon emissions, and reliance on foreign oil. We support opportunities to use public lands for recreational pursuits and in a manner that helps sustain communities and local economies. I believe we can achieve our common goals and better serve the public by working together while we continue our discussion on issues where we might disagree."

**Karen Mouritsen
Budget Officer
Bureau of Land Management**

Biographical Information

Karen Mouritsen is the Budget Officer for the Bureau of Land Management. Karen has worked for the BLM for eight years in the Office of Budget and the Office of Legislative Affairs. Prior to that, Karen worked for the Office of the Solicitor, U.S. Department of the Interior, on endangered species, land planning, forestry and other natural resource issues, and appropriations and administrative law issues. Karen has a J.D. and a B.S. in mechanical engineering from the University of Texas in Austin.

NATIONAL MONUMENT MEMO LEAK

Mr. MORAN. Let me start out with a couple of questions here. It was cited in Mr. Simpson's opening remarks that there was an internal Interior document that was leaked. It listed 14 areas managed by the BLM that could be considered in the future as potential national monuments.

Would you address how serious this memo was, where it fits into your budget and planning process? And perhaps address some of the anxiety that it caused among Members of Congress?

Mr. ABBEY. I would be happy to. Thank you for the opportunity to respond to that question, because it has raised anxiety among many of the public land constituency groups and stakeholders that we serve every day.

Let me assure the members of this subcommittee and to everyone else that is listening that any major public land designation will be done through an open and public process that engages the public and Members of Congress. That is a commitment that Secretary Ken Salazar has made to Members of Congress and that is a commitment that I am making today.

The information that was conveyed to members of the public and to the media was the product of several brainstorming sessions that we had internally within the Bureau of Land Management looking at areas that we manage that could possibly deserve special management attention sometime during the future. The use of an Antiquities Act to designate any of those parcels of land as national monuments is a tool that certainly is available to the administration, as it has been to many of other administrations, but it is not one that we have recommended.

Included as part of that document that was leaked to the media was a statement, right up front, that said: Prior to anyone moving forward with recommending any of these areas for national monuments, that there should be further assessment to determine public support as well as congressional support.

So the commitment that I am making to the members of this subcommittee today is right in line with the statement that was also included in that earlier document.

Again, I have worked 25 years with the Bureau of Land Management in many, many roles. I know how difficult it is to build public relations and trusting relationships with public land stakeholders. I also know how easy it is for those relationships to be adversely affected. I apologize for the anxiety that has been caused by the information that has been leaked. I don't apologize for the fact that the Bureau of Land Management has looked at areas that we manage that some of us believe may deserve someday to be considered for special management. But, again, at that point in time and when it is right for further discussion, we will be sitting here at the table with Members of Congress to determine the best approach for moving forward.

Mr. MORAN. So it would be extremely premature for anyone to act on the basis of this speculative document that is not rooted in any kind of budget or short-term, even long-term, planning process?

Mr. ABBEY. That is absolutely true, Mr. Chairman. The information that was leaked to the media and to other members of the public, again, was the product of several brainstorming sessions. It does not represent the official position of the Bureau of Land Management, and it certainly doesn't represent an official position of the Department of Interior.

TREASURED LANDSCAPES

Mr. DICKS. Would you yield, briefly? There has been a lot of talk by Secretary Salazar about his Treasured Landscapes Initiative. I have been hopeful that we would learn more about what this means.

Could you tell us anything about the Treasured Landscapes Initiative? It sounds like a wonderful idea, but I am just curious about what it is about.

Mr. ABBEY. Well, again, as was stated by Mr. Chairman in some of his opening remarks, those of us who work for the Bureau of Land Management, who have the privilege of managing the public's assets every day, understand just how significant these parcels of land are to public land stakeholders and to this great country of the United States.

As far as the Secretary's Treasured Landscape Initiative, it is a recognition that we do manage some tremendous assets on behalf of the American public, and that the actions that we take each and every day are to make sure that we understand the significance of these resources and that the actions that we implement are intended to provide the necessary protection for those lands.

As far as treasured landscapes, as you look at the Bureau of Land Management—and let me just allude to the public lands managed by BLM—We have 27 million acres that are already managed under the National Landscape and Conservation system. Those lands are including national monuments, they include national conservation areas, they include designated wilderness as well as wilderness study areas, and wild and scenic rivers as well as national trails.

But over and beyond the 27 million acres that are a part of the National Landscape Conservation System, we also manage some other tremendous resources. We manage some of the best wildlife habitat corridors anywhere in the Western United States. We manage some of the most significant cultural and archeological resources found on any lands managed by any bureau of the Department of Interior. We also manage areas of critical environmental concern. All those lands are, at least in my opinion, are part of the Secretary's Treasured Landscapes Initiative. It is a reflection on the true assets, the true values, that are associated with each of those parcels, and an understanding and appreciation that every day we need to devote the necessary attention to protect those significant resources.

Mr. DICKS. So in a sense, it is a reappreciation of things that we have had out there, but we really think of them in a different way, possibly?

Mr. ABBEY. That is true.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. MORAN. Thanks for the clarification, Mr. Chairman.

WILD HORSE AND BURRO STRATEGY

Mr. Abbey, there continues to be problems with both the conditionings of wild horses on the range and in fact the watershed condition of the range itself. You are requesting \$43 million to purchase land outside the range of the horses, where animals can be held instead of in contract holding facilities.

I wonder if you would explain to us why you feel this is warranted, what your long-term vision for care of wild horses and public lands might be, and how we are doing with the idea of controlling the population through birth control rather than through slaughter or other means. Could you share with us your thoughts?

Mr. ABBEY. I would be happy to.

Under the Secretary's Wild Horse and Burro strategy and what we have included in our budgetary request, it is a reflection that the status quo is unacceptable. That has been recognized by the Government Accountability Office. It has certainly been recognized by the Bureau of Land Management, and it is certainly recognized by Secretary Ken Salazar.

As we move forward to look at the many challenges that we face in managing wild horses and burros to make sure there are viable numbers of wild horses and healthy wild horses that remain on these public lands, there is still the challenge of what do we do with excess numbers of wild horses that exist on these public lands.

When I came into the role of Bureau of Land Management Director in August of 2009, one of the first programs that I was briefed on was the Wild Horse and Burro program, and rightly so, because there are a lot of emotions attached to this program. You know, of all the programs that the Bureau of Land Management manages and the significance of each and every one of those programs, I don't think there is any program that we manage that gets the public attention, or certainly the scrutiny and certainly the controversy associated with the Wild Horse and Burro program.

When I came on board, we were faced with an estimated population of 37,000 wild horses living on public lands within herd management areas. That is approximately 10,000 above what we have determined to be appropriate management levels. At the same time, we had at the time 34,000 horses in holding facilities, both short-term and long-term.

When I said that status quo is unacceptable, I meant that; because we cannot continue down the path that we have been managing these wild horses for a number of years; and that is to continue to round up wild horses, the excess numbers, bring them in, put them into holding facilities, and then provide the health and care to each of those horses that are going to be provided in these holding facilities for the rest of their lives. That is irresponsible to the horses and is certainly irresponsible to the American taxpayer.

So we immediately set off on a course of coming up with something else that would allow us to refocus our attention within the Wild Horse and Burro program, understanding that the primary tool that is going to be available to us, that is already available to us, to try to control the increases in populations for wild horses, is fertility control.

We are committed as part of our strategy to move forward very aggressively to apply fertility control on the wild horse herds that remain on public lands.

Now, that does not mean that we are not going to be moving forward with some additional gathers and removals of wild horses in some of these herd management areas, especially where we are exceeding appropriate management levels by two or three or four times the numbers that we have determined that the resource can sustain. We are committed to ensuring the health—that healthy horses remain on public lands in sustainable numbers. We again, using our very public planning process, have determined that those numbers reflect about a 26,600 figure.

We will continue down the path of removing horses in excess numbers and bringing them in and putting them in holding facilities until we can work with Members of Congress to provide what we are calling “horse preserves,” where we can provide a natural environment to place these horses, where there is sufficient forage and water to accommodate them for the rest of their life. It is an investment that we believe is worthy of consideration by the Congress, because by investing this amount of money at this point in time, it will allow us to create savings that we would not achieve if we maintained status quo.

Those savings would be seen as early as 2019. And I know many people will think that is too far into the distance, but unfortunately that is the way this program is managed, and that is the way that we are going to have to manage it in order to achieve the goals of the Wild Horse and Burro Act, at the same time being responsible in making sure that the strategy that we are implementing is good for the horse, is good for the range, and is good for the American taxpayer.

Mr. MORAN. Thanks very much, Mr. Abbey.
Ranking Member Simpson.

ANTIQUITIES ACT

Mr. SIMPSON. Thank you, Mr. Chairman. Let me make a statement before we start. The problem with the Antiquities Act—and I appreciate your statement saying that you will seek local input and government input on this. But the problem that most Westerners have is that this can be done by executive order overnight, and sometimes is done. The first time you hear about it is when the executive order is put out. And that is not a good way to do it. In fact, I would suggest that in a lot of these areas that you suggest may qualify for national monument designation it would be good, if you know this in advance, to start working with Members of Congress and do it legislatively, if possible.

And in fact, when Secretary Babbitt expanded Craters of the Moon by 275,000 acres in my district, he did call me. I credit him for this. He called me and worked with me and said what they wanted to do. And I asked him at the time, I said, “You know, if this is what you want to do, let me introduce a bill and we will do it legislatively, the way it should be done.” And it was toward the end of the Clinton administration. They didn’t feel that they had time to do that.

But if you are looking forward, that is really the appropriate way to do it and the way to build support for it. As you know, I am working on a wilderness bill now. It has taken me 8 years to build the public support among Idahoans to support this. But when it gets done, I know that the public will back it up. And the only way any of these things are sustainable is if the public supports them in the long run.

So if you read the history of the Antiquities Act, when it was debated in Congress originally, it was thought that it would—in fact, the gentleman that introduced it said that it will never be a national monument of more than 5,000 acres. That was the most. He couldn't imagine one being 5,000 acres. But they were to protect the Southwest tribes—what do you call them—the pots and things that they had found down there that were being salvaged by people and stuff. And nobody anticipated the Antiquities Act would be used the way it is today.

And while I don't support repeal of the Antiquities Act, because there are appropriate times it ought to be used, we ought to also understand that it shouldn't be used as a hammer. And I appreciate your statement on that, having said that.

GRAZING PERMIT BACKLOG

On to another question, grazing. As you are well aware, the grazing program has experienced increased costs due to the very significant increase of cost and litigation. As a result of this litigation and the more robust environmental reviews being conducted by the Department, the BLM now has an extensive backlog of renewing grazing permits.

Last year's Interior bill directed an additional \$1 million to begin addressing the grazing backlog this year, and I have heard from a variety of sources that BLM had requested \$11 million in its fiscal year 2011 budget to address that backlog, but OMB apparently rejected that request.

Can you provide me a record of the backlog, whether it exists? And what I would really like to know, because we look at the President's request as a suggestion—ultimately, we have to write the appropriation bill. And there will be many areas where we agree with him, some we don't. If this committee decides that grazing backlog is an issue that needs to be addressed, what I would like to know is what would it take over, say, a 5-year period of increased appropriations, to address the backlog that currently exists in the grazing permits?

If we had that, then the committee would at least have some target that we could look at that we thought was a priority. I am not suggesting to undermine the budget that is being proposed by the administration, but what we need to know from the BLM is if we decide to shift things around based on our priorities, what it will take over, say, a 5-year period to address that. But could you address the backlog?

And while you are addressing that, what is the sage-grouse decision going to do in terms of increasing that backlog on grazing permits? Will it increase the backlog because of the increased consultation on sage-grouse? Or will there be increased consultation? Or how are you going to address that issue?

Mr. ABBEY. Well, let me address the sage-grouse question first. We have been incorporating sage-grouse stipulations as part of our review of grazing permits for the last 10 years.

There has been a lot going on on public lands in preparation for trying to demonstrate progress toward improving the overall sage-grouse habitat, and therefore we have taken our role very seriously since the Bureau of Land Management is the primary manager of sage-grouse habitat. We know that the future of the sage-grouse itself, whether it ends up being listed as an endangered species, will in many respects be based upon the actions that we take from this point forward.

We have a lot of partnerships in place. We can demonstrate that we have had some successes in improving sage-grouse habitat in some parts of the Western United States. We continue to apply best management practices across the board so that we can be able to demonstrate to those that are going to be monitoring our actions that we are seeing improvements. And hopefully at the end of the day, or whenever the Fish and Wildlife Service reconsiders whether or not the sage-grouse should be listed, they will be able to see that progress has been made and that there will not be a good reason to go forward with listing the sage-grouse as an endangered species.

Mr. SIMPSON. Is grazing one of the issues in destruction of sage-grouse habitat?

Mr. ABBEY. Poor grazing practices can impact sage-grouse habitat, especially in some of the core areas. But there are a lot of factors that affect sage-grouse habitat. You know, wildland fire, and the numbers of wildfires that we have had in the Great Basin over the past several years and the vastness of those fires.

Mr. SIMPSON. As I understand it, normal grazing practices that are done appropriately are not destructive of—

Mr. ABBEY. They are not a major factor in impacting the sage-grouse habitat. And like I said, Congressman, we have been incorporating sage-grouse stipulations into our grazing permits the last several years. So I don't see business changing for many of the livestock operators. If we have poor performance, then we will deal with poor performance so that, again, we can meet our goals of demonstrating improvement.

So moving to your first question. As we move forward with the proposed budget from 2011, if we get what we are requesting, in 2011 we anticipate having a backlog of around 5,200 grazing permits. We are averaging around 2,200–2,300 permit renewals each year. So even with the increase—and I want to thank the members of this subcommittee for supporting an increase in our range program this year. If we continue down the path of the amount of money that we are requesting for 2011, we will continue to have a backlog. We are continuing to make inroads into that backlog, but we also are challenged by the continuing litigation that we must address, and make sure that any action that we take on these permit renewals can withstand the scrutiny that is sure to come.

Mr. SIMPSON. I appreciate that. And I do want to work with you trying to address this, because I know it is an issue both for the BLM and for the grazers out there that want to do their work and

graze their cattle and have some certainty in it. So we want to work with you as a committee.

Mr. ABBEY. Thank you.

Mr. MORAN. Thank you, Mr. Simpson. Chairman Dicks.

SAGE-GROUSE

Mr. DICKS. Are there good examples of habitat restoration efforts for the sage-grouse?

Mr. ABBEY. We have several examples, and I would be happy to share specific ones with you, you know, after this hearing. Unless—Karen has a list in front of you.

Mr. DICKS. Just tell me what you would do. Would you grow more sagebrush?

Mr. ABBEY. We do. Again, we place a high priority on trying to protect existing sagebrush. As we go forward and rehabilitate or restore public lands, that we also include as part of the seeding sufficient sagebrush seeds so that we can continue to maintain a sagebrush step ecosystem that is so conducive to the health of the sage-grouse.

As we look at the sage-grouse issue and the actions that we are taking, I have already mentioned that we have some excellent and outstanding partnerships in place throughout the areas. We have incorporated new actions in the State of Wyoming in partnership with the State of Wyoming.

Mr. DICKS. I understand they are a leader. That is somewhat surprising to us, but they are really helping on this.

Mr. ABBEY. That is about where—

Mr. MORAN. No offense to Wyoming.

Mr. DICKS. There is nobody from Wyoming here.

Mr. ABBEY. That is where half the sage-grouse population lives. And, therefore, they understand.

Mr. DICKS. They have a big stake in this.

Mr. ABBEY. Exactly. They have an outstanding stake in all this. And they have assumed a leadership role, and we are learning from their best management practices.

As we go forward and we identify the sage-grouse core areas, one of the actions that we will take to the degree that we can is to avoid those core areas. Those areas where it is important for mating, where we have significant populations, we would avoid those core areas to the degree that we can. If we have a proposed action or we have an existing action within those core areas, then we will do our best to mitigate those.

Mr. DICKS. Has anyone ever thought of using, under the Endangered Species Act, a habitat conservation plan which would work to try to protect critical habitat for these sage-grouse?

Mr. ABBEY. We do. And we are moving forward aggressively throughout the Western United States in putting together such habitat conservation plans, again in partnership with many others.

WILD HORSE AND BURRO STRATEGY

Mr. DICKS. Let me ask you again, going back on the wild burro issue. This is a vexing issue for our committee and for the Congress. Let me ask you this question. The BLM recently conducted a large gather. I assume that means a roundup?

Mr. ABBEY. Yes.

Mr. DICKS. Of wild horses in Nevada, during which a number of animals perished. Please justify why you are still conducting these gathers. Is there a more humane way to deal with the horse populations? Is the BLM restricting the land available for wild horses so that horse herds are unable to find forage?

Mr. ABBEY. Well, there are several questions there. Let me try my best to address each.

Mr. DICKS. And if you forget one, I will remind you.

Mr. ABBEY. I am sure you will. You know, this is not an easy program for the Bureau of Land Management.

Mr. DICKS. No. You have to deal with this every day. I understand that.

Mr. ABBEY. But the key, Congressman Dicks, is that as we move forward, we are working under our multiple-use mandate. We manage these public lands for many purposes, in addition to ensuring that we are going to have viable numbers and healthy herds of wild horses remaining in these herd management areas.

The roundup that you referred to is what we call the "Calico roundup," which is a roundup that included five herd management areas within northern Nevada. That particular herd was three to four times above what we had determined through our public planning process as appropriate management levels. So it was three or four times above what we believed the range could sustain.

Mr. DICKS. So it was not sustainable.

Mr. ABBEY. Not over the long term. As we went through and began gathering the horses and removing the horses to bring the numbers down to the 600 to 900 level, which has been determined to be the appropriate management levels, we ended up removing approximately 2,000 wild horses during that roundup. Those horses were loaded and transported to a holding facility in Fallon, Nevada, where we provided the health care to those horses that were removed from those public lands. Unfortunately, many—or, I say many—some of those horses were in such poor condition after being removed from the public lands, they died. We also had other horses that did not adapt to the change in food.

Mr. DICKS. In transportation? During the transportation, or once they were there?

Mr. ABBEY. In the facility.

Mr. DICKS. In Nevada.

Mr. ABBEY. In Nevada. We also have a veterinarian report that reported on the veterinarian's assessment of why the horses died there. Usually, we have less than 1 percent of horses die from any of the roundups that we gathered. It is my understanding that this time around we had upwards of 50 or more horses of the 2,000 that did die in the holding facility once they were removed and transported to the holding facility. Again, a lot of those deaths are attributed to the poor body conditions that those horses were in when they were removed from the public lands and transported to the holding facilities. And then other horses actually miscarried which, again, brought a lot of criticism to the Bureau of Land Management for gathering horses so near foaling season. And my response to that is that we had planned to move forward with the roundup in early December, which was well before foaling season which oc-

curs in March and April, for the most part. We were stopped from moving forward with our gathering plans through a lawsuit that we had to address. We were provided the opportunity by the judge to continue with our plans to round up the horses there in the Calico complex, and we chose to do so. We do not gather our horses during foaling season.

Mr. DICKS. Now, what about the preserves? You haven't identified where they are going to be located, and I don't think we know what the cost is of these new preserves. One is going to be in the East and one is going to be in the West?

Mr. ABBEY. Well, we haven't determined where they are actually going to be located.

Mr. DICKS. So you are looking?

Mr. ABBEY. We are looking.

Mr. DICKS. Tell us what your strategy is.

Mr. ABBEY. We would need congressional authorization for us to purchase lands, where we would then move horses to and hold them in a preserve-type concept.

The attraction of a preserve is to get them out of a contracted holding facility onto lands that are either managed or owned by the United States citizens, or owned by partners, as we go forward and provide good homes and care for these horses over the long term, the horses that are going to be removed from public lands. Those preserves would also be open to the public for viewing.

We believe that we could work with local communities on a type of tourism to bring people into and visit these icons, these American icons in a natural setting, again, as one idea. It is an opportunity for us to get out from under these long-term contracts, or these contracts that are costing us a small fortune to hold horses; moving from a contract-type facility to a facility that would be owned and managed by the Bureau of Land Management or by our partners.

Mr. DICKS. Thank you. Thank you, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Chairman.

FEE ON NON-PRODUCING LEASES

Mr. Cole.

Mr. COLE. Thank you. I want to focus on the subject of energy development on public lands, particularly this idea that, the administration is proposing an initiative to encourage—well, to actually charge a fee on “nonproducing oil and gas leases.”

Could you tell me a little bit about that, and could you tell me in your answer is the aim to encourage production or discourage production?

Mr. ABBEY. The aim is to encourage production. Congressman Cole, as you probably have seen from the statistics that we have shared with many others, right now it is my understanding that the Bureau of Land Management has leased about 45 million acres of public lands for oil and gas. Of that 45 million, we believe that there are around 13 million that are being produced today. So what we would like to do—and we continue to get requests to lease more and more of the public lands as far as the acres to increase the number of acres that are under lease by oil and gas companies—what we hope to accomplish, is encourage companies to be more

diligent in developing their leases by proposing this fee, with an incentive to move forward once they have their lease and once they have an application for permit to drill that has been issued by Bureau of Land Management, that they actually go out and drill and produce.

Mr. COLE. Do you have any evidence that companies are deliberately sitting on leases? The purpose of oil and gas companies is to produce oil and gas. So do you have reason to believe that they are deliberately holding, tying up land, as opposed to producing on it?

Mr. ABBEY. We have reason to believe that certainly the market drives the proposed actions on the part of the oil and gas industry. By that, I mean the number of applications for permit to drill. You would see that vary based upon the market conditions. If oil and gas is high in the market, then you would see a significant number of applications for permit to drill being submitted to the Bureau of Land Management. When the market is lower, you don't see a significant number of applications for permit to drill.

Mr. COLE. I would suggest that the companies are operating by economic incentives that the marketplace already produces. What worries me here is I think you are going to have a lot of companies—because they do operate on those economic incentives—say, “Look, I am not going to automatically agree to produce in a certain time frame when I don't know what the price is going to be.” And you may well have a lot of land that is currently leased and that you have leased income from, ceasing to be leased.

In the private sector in our State it is certainly not uncommon for a lot more land to be leased than be explored. Just because land is leased, frankly, doesn't mean it is economically viable or could be economically viable at one price but not at another. But from a producer's standpoint, you are going to get a lot of people who say, “How in the world am I going to know this and operate this? What if oil prices collapse?” Which is not uncommon. I mean, they are high today, but they are barely half of what they were in the summer of 2008.

So what would have been a productive lease in the summer of 2008, worthy of investment, would not necessarily be one sitting here in the spring of 2010.

Mr. ABBEY. I mean, that is true. I think as we move forward with our proposed budget request, we are asking for a \$4 per acre fee that would be an incentive for oil companies to move forward aggressively, and certainly more timely, in applying for the necessary permits so that they could drill for that oil and gas resource.

I think one of the dilemmas that we face, one of the challenges that we face, Congressman Cole, is, again, that we have over 45 million acres already leased, and we continue to have more and more demands from many of the companies to continue to lease more and more of these public lands. And there are sound business reasons to do so.

Mr. COLE. Again, I can just assure you that in the private sector there is probably—I don't know this, but I would speculate it is probably a pretty comparable proportion of leased land that is not, “in production.” That is not unusual.

Just because you do a lease doesn't mean you are going to produce, let alone produce in an immediate time frame. I think you may be walking into a difficult situation.

I already know of one major energy company (actually the second largest producer of natural gas in the United States) that will not lease on Federal lands because they think the conditions are so onerous. Now they will just go someplace else. You may end up with a significant natural resource that has income producing potential for the Federal Government and would move us toward energy independence, literally not going in the marketplace.

If you can do it on private land more cheaply and more reasonably without these kind of constraints, why in the world would you come onto public land? And I think that is happening. I really do.

I understand the intent here, but again I think part of the reasoning behind this kind of thinking, too, is the idea that somehow a lease is "nonproducing" if you are getting revenue off of it but they are not drilling, you are still making money. They are not leasing—they are writing a check to the Federal Government when they lose money.

So I would just ask you to think long and hard about that, and sit down and talk to some of the producers that you want to attract into these kinds of lands, because I think you are really moving in a very dangerous direction here that is going to cost the Federal Government money and reduce the supplies of available oil and gas domestically in the United States.

Mr. ABBEY. I appreciate those comments.

INSPECTION FEES

Mr. COLE. Let me ask you one other question. I noticed there were inspection fees on the—new proposed inspection fees for on-shore oil and gas. Could you explain what those are and what the purpose is?

Mr. ABBEY. Well, it is to offset the \$10 million reduction in our budgetary request for oil and gas. So it would be an offset.

Mr. COLE. So essentially it is a tax on the energy industry.

Mr. ABBEY. Call it what you may. We call it an offset.

Mr. COLE. Well, it is a tax if you are paying it.

Mr. ABBEY. But the key, again, is to continue the emphasis that we have. And certainly this is something that we receive a lot of support from the industry itself on the necessary inspections and enforcement of activities.

Mr. COLE. It may well be. And I am not necessarily against it, but that fee will then be added into the price of gasoline and product. Basically that is going to be a pass-through to the consumers. So effectively here you are not taxing the oil companies, you are taxing the consumer. Fair enough?

Mr. ABBEY. I will take those comments to heart.

Mr. COLE. Well, you will see them at the pump, I can assure you.

Thank you very much, Mr. Chairman. I will yield back.

Mr. MORAN. Thank you, Mr. Cole.

There may be another point of view that these natural resources are not going away, and it might be a good idea to preserve some of them for future generations. I understand that we want to reduce the cost of energy as much as we can and be as energy-inde-

pendent, but on the other hand, it is not something that we are going to lose if we don't use it, and subsequent generations will be faced with a substantial squeeze on sources of energy themselves.

So I just offer that there are other points of view in terms of the use of these natural resources. But Mr. Abbey is the——

Mr. COLE. Mr. Chairman, if I may.

Mr. MORAN. Sure. Go ahead.

Mr. COLE. You are kind to let me, just as a quick response. If that is the purpose, fair enough. But that is not the stated purpose. The stated purpose is you are trying to encourage development. It has got to be one or the other, at least if we are going to be honest in our public debate and dialogue. Your point may well be a perfectly legitimate point: We are going to withhold resources from the market. And if you do that, you are going to affect price in the market again.

Mr. MORAN. We won't get into an argument now. I just offer to make——

Mr. COLE. Yes, sir. I never argue with the Chairman.

AMERICAN RECOVERY AND REINVESTMENT ACT

Mr. MORAN. Mr. Abbey, I am going to have to leave in a couple of minutes. Chairman Dicks is going to take over. But I did want to ask you about the \$125 million in the Management of Lands and Resources appropriation that was included; actually that not only did you get the \$125, but another \$180, so we are talking \$305 million total in the American Recovery and Reinvestment Act, so-called stimulus; \$180 of that was in the Construction account.

Could you tell us how you decided to allocate that money, and how much has been spent? And I know we have experienced a very slow rate of spending in some areas. I think much of that is to make sure that the money is spent in a way that is fully accountable, but you may want to address that. And how many jobs have been created or saved with that money?

Mr. ABBEY. I would be happy to address some of your questions. And with your okay, I would also like to have Karen share some information that she may have.

Of the \$305 million that have been appropriated to the Bureau of Land Management, about \$41.5 million is being used for construction projects. These are primarily to address our backlog in construction and maintenance. We also have \$41 million that has been expended or will be expended to expedite environmental reviews for renewable energy development. That is a really great opportunity for us to expedite our increase in renewable energy as part of our Nation's national energy portfolio.

The money has really been welcomed by an agency like the Bureau of Land Management who has struggled for a number of years from not having sufficient funds to do many of the things that we have wanted to do for these years.

I have to admit that the Bureau of Land Management, as have other agencies, struggled to take the actions necessary in order to get our projects up, get the contracts awarded, so that the moneys could be spent quickly. And by that, I mean putting people back to work. We are and have made some significant progress over the course of the last couple of months. I am pleased to report to the

members of this subcommittee that by March 31, we will have met all of our second quarter goals of obligating the funds from this particular funding source. So we have caught up to where we should be as far as our proposed expenditures of these funds.

We are moving forward, addressing some of our highest priority needs as a result of this funding being made available, and we are committed to helping this Nation to put people back to work.

I don't have a specific number as far as the number of jobs. Karen, if you have anything else you would like to share.

Ms. MOURITSEN. Well, it was about 348 jobs through the end of January, based on what the contractors have reported through the government database. We can't verify that, and we actually think maybe they have created more jobs. But that was the number in there as to the end of January, and we are going to take care of about 16 percent of our deferred maintenance backlog.

Mr. MORAN. I need to go on a mission for the Chairman here. So, Mr. Chairman, the gavel is yours. Wish me luck.

Mr. DICKS [presiding]. I wish you luck. Don't come back. That was a joke, of course. Mr. Simpson.

Mr. SIMPSON. You are going to address 16 percent of your backlog maintenance with the ARRA funding? Is that why the construction request is down in the fiscal year 2011 budget?

Ms. MOURITSEN. A little bit of that, yes. Balancing the needs of the budget in this 2011 budget, we are taking care of a big chunk of the deferred maintenance backlog with the Recovery funding.

Mr. SIMPSON. So will the decrease in construction—we are decreasing it by 16 percent with the ARRA funding. We are reducing the construction budget in the future for next year. Is that backlog maintenance going to go back up now because we haven't got sufficient funds in the construction budget, in the regular construction budget for 2011?

Mr. ABBEY. We will continue to have a backlog, but they shouldn't be going up. We will continue to seek additional funds as appropriate in the future to address our construction maintenance needs.

As far as the construction funds for 2011, at least our request, I think we are asking for \$5 million less in construction than what we had in this year.

Mr. SIMPSON. You only had \$8 million this year.

Mr. ABBEY. Three million dollars of that is because we are making good progress in using the Recovery Act funds to do construction projects that would normally have come out of the construction budget. The other \$2 million of that \$5 million decrease is attributed to a one-time funding of the California Trails Center, which we completed.

GENERAL BUDGET

Mr. SIMPSON. Let me ask another thing about looking at your budget justifications. I see that the management of lands and resources see a \$36 million decrease; land acquisition sees a \$54 million increase; and I suspect \$42 million of that is the horse park.

Mr. ABBEY. That is true.

Mr. SIMPSON. But still, we are seeing a 12—that aside, we are going to see a \$12 million increase in land acquisition, while at the same time seeing a \$36 million decrease in land management.

Looking at the increased demand on BLM, things as we talked about: the sage-grouse, the backlog in grazing permits, et cetera, Is the \$36 million in decrease in management appropriate? Is that the direction we want to head, while at the same time increasing the lands available that we have?

Mr. ABBEY. I think the funding request that we have before you today will allow us to do those actions that need to be done. It will not allow us to do everything we would like to do. As you will hear from any member of any bureau, the entire Federal Government faces a difficult budget situation. We are trying to do our part to maintain our 2011 spending at the 2010-enacted levels. In order to accomplish that, the figures that you see before us are what we have proposed.

Mr. SIMPSON. Well, I would think—and I guess the purpose of the question is that at a time when we are having a difficult budget, compared to last year when things went up substantially, is that the time to be purchasing more land at the time that we are reducing the management of the lands we currently have, reducing the money for the management of the—that is the question that comes to my mind.

Mr. ABBEY. Well, I think it is an excellent question. I think what we do have is a window of opportunity to move forward at this point in time and acquire some land holdings within designated wilderness areas or national conservation areas that were recently designated through the Omnibus Act of 2009. We also had kind of a backlog of some of those acquisition proposals that would allow us to again consolidate land holdings within those designated areas, and so we are continuing to pursue that type of goal. And it is a trade off.

EQUAL ACCESS TO JUSTICE ACT

Mr. SIMPSON. Let me ask about another subject, EAJA, the Equal Access to Justice Act. I need to understand that a little bit better. When someone sues the BLM and we end up paying the attorney's fees for someone that sues, does that come out of your budget or does that come out of the Judgment fund at the Department of Justice?

Mr. ABBEY. It can come out of either fund. And Karen, if I say something wrong, you correct me.

It is part of the negotiations, it is part of the settlement discussion. But a lot of times it will come out of the Bureau of Land Management's budget. That would be something that would be determined in discussions between the Department of Interior and Department of Justice.

Mr. SIMPSON. Do you budget for that, or does it just come out of the programs that you currently have?

Mr. ABBEY. We would absorb those costs. It would come out of the existing budget. We do not plan for litigation. We do not certainly plan to lose litigation. Unfortunately that has not necessarily been the case. And when we are sued and there are settlement dis-

cussions or we lose in court, then the plaintiffs can go after their legal fees.

Mr. SIMPSON. Who decides whether you are going to settle a case or not? Is that the Department of Justice or the BLM?

Mr. ABBEY. The Department of Justice has the final say.

Mr. SIMPSON. In whether to settle a case or not?

Mr. ABBEY. In litigation.

Mr. SIMPSON. Who reviews the appropriateness of the submitted claim for legal fees, the hourly rate, et cetera?

Mr. ABBEY. It would be a combination of the Office of the Solicitor within the Department of the Interior and the Department of Justice.

Mr. SIMPSON. There doesn't seem to be a lot of transparency in this program in that the public doesn't seem to have access to who is getting these fees, what they are charging, et cetera, whereas if you are submitting a grazing permit, the public gets notice, knows who is getting the grazing permit, what they are paying for the grazing permit and everything else, yet when these EAJA fees go out to law firms, it doesn't seem like the public has access to knowing what they are. And I'm not suggesting they are inappropriate or anything else, but I just would like to know who they are. Is there a way to get for Congress to know who these fees are being paid to?

Mr. ABBEY. You know, when I briefly read about that issue in anticipation of the question coming up, it is my understanding, Congressman Simpson, that there is a poor tracking process on the part of whether it is the Department of Agriculture, the Department of the Interior, the Department of Justice, that a lot of that information is not tracked, at least for a number, for a period of time.

Again, if it is something that is important to Members of this Congress, I am sure that we could certainly implement a tracking process so that we can report back on those figures.

Mr. SIMPSON. Mr. Chairman, that might be something that is appropriate within the appropriation bill when we do it, write some language in there. I just think it is something the public ought to have a right to know just like the public has a right to know who is grazing on public lands and what they are paying for it and so forth.

LEASING REVIEW PROCESS

One other question I would like to ask. In mid-February, the Idaho delegation sent a letter to the Assistant Secretary for Land and Minerals Management, Wilma Lewis, expressing concern about a new DOI policy regarding energy and mineral development on BLM lands. Our specific concern relates to the environmental review process which, until recently, included involvement by BLM State offices but is now being centralized in Washington, DC.

Until the end of the Clinton administration, this process was facilitated entirely at the State BLM level. My understanding is that this new change will result in a new approval process including 14 reviews at separate offices under DOI and BLM. The procedural requirements of the environmental review process is already lengthy

and centralizing it in Washington will only delay approval of worthy, job producing projects.

What are the benefits of centralizing this in Washington and what steps are being taken to make sure that the environmental reviews can be done in a timely manner?

Mr. ABBEY. Well, first and foremost, we are not trying to centralize the decision making process in Washington, DC.

What we have reported out on is our intentions to move forward with an oil and gas leasing reform package that includes some directions to our field offices that as they entertain proposals for leasing, that we will assure that we apply the necessary energy and focus on reviewing those proposals prior to leasing those parcels of land rather than going forward with a cursory review or cursory analysis of those proposed lease areas, and then put and apply our energies in dealing with the aftermath of leasing an area that probably should not have been leased in the first place.

Mr. DICKS. Do you hope to avoid lawsuits by that?

Mr. ABBEY. Let me cite one example: That is our hope. I am not naive enough to think that it is going to avoid all the lawsuits. In 1998, we had 1 percent of all the leases that we had offered up were protested, and that is not too long ago, 1998, 1 percent. In 2009 we had almost 50 percent of all the parcels that we offered for lease protested. What we are trying to do with our proposed leasing reforms is to ensure some certainty to industry. I know there are some in the industry and I know probably Members of Congress who believe that all we are doing is putting on additional burdens to the industry itself.

I am here to point out that our commitment is to try to reduce our dependency on foreign oil and gas. And the best way that I can see doing that is to provide some certainty to the industry. So by moving forward with this new policy of trying to strengthen and provide a more thorough review of parcels that have been nominated both by industry or by the Bureau of Land Management is available for leasing, that the decisions that we made to move forward and lease those areas will withstand the scrutiny that is sure to come from members of the public who are sitting there wondering whether or not those areas should have been leased in the first place.

If we, again, apply our energies up front rather than after the fact, then I think we can avoid some of the lawsuits, we can certainly avoid some of the protests, and if we have litigation, then we can win some of this litigation instead of always having to defend and losing.

Mr. SIMPSON. I appreciate that, and I did just this last weekend I had people at a couple banquets I went to come up to me and complain about DOI's new regulations, that they were trying to restrict the private users of land whether it is grazing or whether it is minerals or whatever. And I said I don't think that is what they are trying to do. They are not trying to put more regulations on to restrict and make it more difficult. What they are trying to do is try to do a better job up front so that we can avoid some of the lawsuits that come along the way. Short of taking away the public's right to sue, I don't know of any other way to address it. Because I do think as we have talked about we spend far too much money

on lawsuits, money that could be better spent on managing the public lands and if there is a way to get around that I certainly would hope so.

Mr. ABBEY. I certainly appreciate your comments and I also want to say too, that our policy is intended to also bring some balance back to public land management and in our multiple use mission. Not all of the lands that have been leased over the course of the last couple of years should have been leased. We certainly understand that, and we are trying to make sure that there is such a thorough review in place so that those lands that are appropriate for leasing will go forward and be leased and hopefully developed. Those lands that should not be leased, that we won't make the mistake of leasing those and then having to deal with that and the aftermath of making those poor decisions. The work that we are proposing to take under this new leasing reform is to come up with better decisions.

Mr. SIMPSON. Thank you.

GAO MANAGEMENT CHALLENGES

Mr. DICKS. Last year, the GAO identified a series of management challenges that have the potential for fraud, waste and abuse at the BLM and other Interior bureaus. A reoccurring theme was the need to strengthen resource protection, especially with respect to the operation of oil and gas operations on Federal lands. We note that the Department and the Bureau has begun substantial policy changes. Please highlight some of the main policy and management changes you are implementing to respond to the GAO recommendations.

Mr. ABBEY. Well, let me just highlight a few. First and foremost we have already talked enough I think about the proposed oil and gas leasing reforms which I think will address some of those issues. We have also identified a need to provide appropriate funding, whether that is from a new proposed inspection enforcement fees or through the appropriations process to allow us to continue to do the necessary inspections and enforcement of the wells that have been developed on these public lands.

And also you know we are working diligently with the Minerals Management Service to ensure that there is a good accountability for the production that is occurring on these public lands so that the American taxpayer is receiving its due from the leasing and development of their resources. So there is an awful lot that is in place.

We continue to have a very positive and good working relationship with the oil and gas industry. Certainly some Members do not necessarily agree with the proposed actions or some of the actions that we take, but at the same time, we are working for the common good of this country. We do want to lessen the dependency on foreign oil and resources, our foreign oil and gas and other energy resources. As we move forward to make sure that the energy portfolio that we have in place includes the appropriate representation of renewable energy at the time of continuing to focus on conventional sources.

RENEWABLE ENERGY

Mr. DICKS. Tell us about your renewable energy initiative. I notice that the administration wants to do more on solar, wind and geothermal. Some of the outside environmental groups are worried that we have proper environmental oversight of this as well as our traditional sources of energy production.

Mr. ABBEY. And rightly so. We want to be smart from the start. That is a term that we use. It is one that we take seriously as we go forward and entertain proposals.

We have a lot of actions taking place right now in public lands as far as interest in some of these lands for the development of solar, wind, geothermal and biomass. We have a significant amount of geothermal resources underlying public lands that are managed by the Bureau of Land Management. The footprints associated with geothermal are much smaller than the footprints associated with solar or wind.

As we go forward and continue to entertain the leasing of appropriate areas for geothermal development, we are also entertaining applications for rights-of-way that would, if approved, result in commercial scale solar projects being built on public lands, as well as wind projects.

Currently, we have 34 fast track projects, and by fast track projects, I mean those projects that are in the process that have been proposed by proponents who have also filed for grants or loans from the stimulus package. So in order to qualify and receive those grants or loans from the stimulus, they would have to have their projects underway by December 2010.

So as we have received these applications primarily for solar, geothermal, wind and transmission, we are moving rapidly to address those proposals, do the appropriate analysis and reach decisions that will result in some of those projects likely being approved, while some of the other projects for which we are currently doing the analysis will likely be denied, based upon the potential impacts to some key habitat, to some potential coastal resources or some other resources that are of a sensitive nature.

Just because we are calling them fast track and because of the emphasis that we are placing on them and on renewable energy does not necessarily mean that every proposal before us will be approved for construction.

Mr. DICKS. Mr. Cole.

FEE ON NON-PRODUCING LEASES

Mr. COLE. Thank you very much, Mr. Chairman. Go back to this oil and gas thing just for a minute. I just wanted to make a point, because I, again, I accept what you are trying to do. I just think the method might not work very well. In the private sector if you want to encourage exploration and production you just control the length of the lease because it comes back up on the market. And in the private sector, usually a 3-year lease, is about what it is. Yours are longer.

Sometimes what you want to do is limit the length of the lease. This thing will come up for bid again, you either are going to have to rebid it yourself or a competitor will come in. I think, ultimately,

you would find it works because it seems to work well in the private sector.

OIL SHALE

Second let me ask you on a related issue, and I may be wrong about this. It is my understanding that in oil shale development, you are limiting now acreage to 640 acres. In the past it was 5,000 or so that they can lease or would develop. Could you explain the thinking behind that to me if I am correct?

Mr. ABBEY. Our focus right now, as far as oil shale, is to move forward and entertain proposals for research and demonstration, to have a better feel for what are the true consequences or impacts associated with oil shale development. Right now we really don't know. We have certainly proposals, we have, right now under round two of the R&DD process, we have received three applications, two in Colorado, one in Utah I believe.

As we go forward and look at the results of the research that is taking place on these leased areas, all of us will learn quite a bit as far as what are the true repercussions or ramifications to moving forward with an oil shale-type process or development process.

We know that there are likely to be some impacts to the surface. We are not sure how significant the impacts might be to groundwater. By going forward and providing the emphasis on the R&DD leases that there is an awful lot of lessons that we can learn from the results of the efforts underway today.

Mr. COLE. Are you comfortable that that is a sufficient size to actually encourage people to do it and for you to get a good reading? Because again, I respect the need and this is a relatively new technology and it is pretty important that we get it right.

Mr. ABBEY. We really don't know. Again, as we went forward with round two, we did limit the numbers of acres that we offered up under our proposal. We did not know what the reaction of the industry would be. We actually received four applications, but after doing the review three of them survived the review. There still seems to be some interest on the part of industry to go forward and do the research and help us all better understand what the possibilities are for developing this oil shale.

Mr. COLE. I would just ask you to keep us posted. There is a big difference between traditional oil and gas and there are a lot of reasons why gas leasing is down. Frankly, we are finding abundant supply way off public land and that really affects what goes on in your domain. Oil is quite another matter. We probably are never going to have sufficient supplies inside the country, and this is potentially a great resource.

LAWSUITS

Two quick other areas, one, just on the lawsuit, you really do have a lot of my sympathy. A lot of people suing you, frankly their aim is not to protect this or that particular parcel of land, it is just to stop all development on public lands. That is the only explanation, in my view, for the explosion of lawsuits that you have to deal with, and I commend you for trying to put yourself in as strong a position as you can be to deal with it, but I don't think you are ever going to be able to get out of this boat, but good luck.

Mr. ABBEY. Thank you. I need all the luck I can get sometimes.

ENERGY DEVELOPMENT ON TRIBAL LANDS

Mr. COLE. You have a tough job. Last area, and you may not be able to answer this off the top of your head but it is one again I would like to pursue with some appropriate person in the department. I am always concerned with development of resources on tribal lands. I think this is a history that is not a very happy one in this country where there has been a lot of abuses, so being careful is a good thing. But I think there is also a lot of foot dragging here, and sometimes where tribes are sitting on land that can and should be developed are denied the opportunity to do that when private development goes on all around them. They basically lose the ability to use an asset, that honestly given their location, quite a few of these tribes in their desperate situation really need to do.

So can you tell me what we are doing to expedite the ability of tribes to lease and develop what is, in the end, a trust relationship, but is their own resource and how do you see that moving forward?

Mr. ABBEY. I think you summarized it quite well. We do have a trust responsibility to provide the advice, counsel and expertise to the tribe that we may have that they may have a need for.

The ultimate decision rests with the tribe on how they would like to use their resources. There are tribes who are very interested in moving forward and developing their natural resources, and some of them are sitting on an awful lot of natural resources that can be developed that would bring in much-needed revenue to the tribal members but again it is a decision that only they can make.

Mr. COLE. I would just ask, and I will conclude with this, thank you, Mr. Chairman, if you could have somebody contact or we will contact you. I would like to sit down and explore this a little more and get a better understanding for myself about what the process is and what might be done to assist tribes to make appropriate decisions where their own resources are concerned. Thank you for your focus on that.

CLIMATE CHANGE ADAPTATION

Mr. DICKS. The budget request includes a \$2.5 million increase for climate change adaptation. Please tell us exactly what you have done with the fiscal year 2010 climate change funds.

Mr. ABBEY. Well, Mr. Chairman, we have moved forward this year and are conducting six ecoregion assessments, and by that, I mean we are compiling existing data and information that has relevance to baselining our knowledge of the resources as they exist today, and setting in motion the necessary monitoring to see what affects the climate change may have on those resources. We are also, through the ecoregional assessments, determining what are those resources that we really need to be focusing our attention on, those relative to land health. How do we, what actions can we take to increase resiliency to climate change, so that the native plants and the native species that exist, the animal species that exist in many of these ecoregions, will continue to be able to exist for years to come and won't be adversely affected by climate change.

The efforts that we have underway relative to ecoregional assessments are quite in line and supportive of what we are doing within

the Department of the Interior. All the bureaus are working much closer together than ever before to gain a better understanding of the effects, the true effects, of climate change on the resources and assets that we manage on behalf of the American public. The Bureau of Land Management and information that we are collecting in 2010 from our ecoregional assessments are being shared with the new proposed climate science centers that will be managed by the USGS in partnership with others.

Mr. DICKS. Our committee created the Center on Wildlife Adaptation and Climate Change.

Mr. ABBEY. I fully understand that, and I think it will pay huge dividends so you can take pride in that.

Mr. DICKS. Thank you. I am glad to hear you were working together. There was concern. Mr. Simpson, I know, had concern and all of us did.

Mr. ABBEY. You should.

Mr. DICKS. We are all of a sudden seeing money in every budget for climate change work and the question the committee had was will there be coordination? Are they going to get together, share information and use this money effectively?

Mr. ABBEY. To Secretary Salazar's credit, he pulled all the bureau directors together and made sure we understand how we are going to move forward and work together, not only with the climate science centers, but also with the landscape conservation, our conservation cooperatives, that are going to be developed across the United States. I forget exactly how many are being proposed, but that is under the leadership of the U.S. Fish and Wildlife Service but at the same time the Bureau of Land Management, the Bureau of Reclamation, the National Park Service as well as the USGS and the U.S. Forest Service are all going to have a role to play in supporting the actions from the landscape cooperatives.

Mr. DICKS. We had a hearing about 2 years ago on the various Federal agencies. I can't remember if we had the Bureau of Land Management or not, but we heard from them at that time that things like drought, bug infestation, fire season was longer, there are even some areas where you could see there is a rising sea, maybe in Florida, for example. Point Reyes, they had certain issues. So we share this concern, and I would even think for the people who are still skeptical, making sure that we do good science, and that the science is open to public review, should help even those who are critical, who are skeptical about the conclusions that we have reached.

So what is your long-term strategy? And where does this fit in with the soil, water and air budget?

Mr. ABBEY. Well, the Soil, Water and Air budget primarily, the increase that we are proposing in 2011 will allow us to do a better job of creating a model and monitoring for air quality issues. As we look in some of the more intensive oil and gas areas, the one vulnerability we have in many of the lawsuits that are raised is our lack of air quality data.

We are requesting some additional moneys in 2011 that will allow us to continue to augment the monitoring stations that we have in place so that we can report back to all interested parties the effects of being derived from our actions and approvals of the

authorizations that we are getting for a variety of purposes on public lands.

CARBON SEQUESTRATION

So far as the other aspect of Soil, Water and Air, I think we all understand, too, that the public lands that are managed by the Bureau of Land Management have a significant role in carbon sequestration. If we have healthy public lands, healthy resources on these public lands, then we can store more carbon through biological processes. We are also working very closely with the Department of Energy and USGS in doing some further testing regarding the potential that we have for geologic sequestration of carbon underneath the public lands that are managed by the Bureau of Land Management. We believe that there is going to be a significant role that the Bureau of Land Management can play as far as it relates to climate change.

Mr. DICKS. Dr. Mark Myers, who I had a great deal of regard for, was formerly head of the USGS, one of the things he cautioned on this subject was we know a lot about sequestration using it in oil and gas fields, but that there hadn't been much science done about doing it in other areas. What do you think of that?

Mr. ABBEY. I think he is absolutely on the mark and that is why we are working with USGS and the Department of Energy so we can do that testing so we can have a better understanding of what the true impacts might be.

Mr. DICKS. So we ought to do a few pilot projects throughout the country?

Mr. ABBEY. I think we should.

Mr. DICKS. Because I think carbon sequestration could be a huge positive, if we can make it work.

Mr. ABBEY. I agree.

Mr. DICKS. Mr. Simpson. Mr. Cole.

Mr. COLE. Just one question, if I may, and I am going to take the liberty of reading this if I could.

GENERAL MINING LAW

General mining law of 1872 is one of the major statutes directing Federal land management policy. The law grants, as I know you know, free access to individuals, corporations to prospect for minerals in open public domain lands and allows them upon making a discovery to stake or locate a claim or deposit. The claim gives the holder the right to develop the land.

That law really hasn't been changed much since 1872, so I am curious, are there efforts underway to drastically revise the hard rock mining law, do you foresee in the future either proposing something or seeing the administration propose something? Or are you comfortable with the law as the way, in the manner in which it currently operates?

Mr. ABBEY. Well, again, I hesitate to speak for the Secretary of the Interior, and I will let him answer that himself, but I would say that I think it would certainly be beneficial for us to go back and revisit the 1872 law and modernize it to the degree that it is necessary.

We still have a need as a country to develop our natural resources. And many of the mineral resources that are developed, are located first and foremost and then developed, under the mining law.

We need to be smart about it. We need to make sure there are appropriate environmental safeguards that are in place, and that those lands being staked and potentially developed for mineral resources are the appropriate ones. From my position, I do think that it is time, maybe not this year, but certainly in the very near future, that we should have conversations with Members of Congress to look at the possibilities of at least updating that law and bringing it into today's—

Mr. COLE. If you proceeded in that fashion, I would really strongly recommend that this be done slowly and carefully, and I say this as a former member of the Resources Committee. I recall hearing testimony on a couple occasions, particularly where strategic minerals were concerned, where we have a real reliance on overseas sources that are in places could be easily disrupted. This testimony described that we had quote "sufficient quantities" in the country, but partly because of environmental regulation and lawsuits they moved overseas. They actually could be developed just as cheaply and reasonably here, and frankly, in an environmentally better way than they are apt to be in a Third World country without much regulation, but that lawsuits and things like that have made it extremely difficult and we are pushing some of our companies that do this elsewhere.

So this is just an area that I think, I am really afraid we would overreact in, and it is someplace we need to move pretty carefully. If you have got some ideas, care to elaborate on here, in terms of the directions that you think modernization needs to occur, I would love to hear them.

Mr. ABBEY. Well, we would welcome the opportunity to sit down with you and share some thoughts along those lines so maybe not today but in the future.

Mr. COLE. We are going to be spending a lot of time together. Thank you.

Mr. ABBEY. If I could.

Mr. DICKS. Go ahead.

LAWSUITS

Mr. ABBEY. Let me just say one thing too, because we have talked an awful lot about lawsuits. As I have shared with the Bureau of Land Management employees, for whom I have the highest regard as being some of the most dedicated public servants that you find in the Federal Government or in government in general, we should not be fearful of lawsuits.

As we go forward and do the best job we can, we need to understand the appropriateness of our action, first and foremost, that we also include the best information that is available to us, and do the best analysis, and at the end of the analysis make the best decisions that we can, and then let the chips fall where they may.

Mr. COLE. If I may, I want to add a qualifier because I don't disagree with anything you are saying. Frankly, I appreciate that you are moving in a direction to put yourself in a defensible position

when you make a controversial decision, but, if you are really an environmentalist, you think globally. And if you push production outside the United States, and a lot of areas where again we have a good regulatory system, we have dedicated public services, we have a free press, we have scrutiny. If companies, because we make it impossible to do business here, go someplace else, this stuff usually happens someplace else and usually happens worse and the consequences for us quite often are becoming more dependent on foreign sources when we have abundant sources here.

So there is a balance to be struck here. And I am not saying litigation is the only part of it. But if the production then goes someplace else, the environment hasn't been improved in a global sense. That is how I understand climate change. The main focus, it is a global concern, it is not something we can regulate ourselves and we ought to think twice about exporting activities outside the United States where it will be less environmentally sound when conducted elsewhere.

Mr. ABBEY. Thank you.

WESTERN OREGON TIMBER

Mr. DICKS. Let me ask you this: What is going on with the western Oregon Timber and Management plan?

Mr. ABBEY. Prior to my coming on board as the director of Bureau of Land Management, the Department looked at the lawsuit that had been filed against that planning process and the decision that came out of that lawsuit from a Federal judge that ruled that there was not appropriate consultation with the U.S. Fish and Wildlife Service prior to reaching those decisions that came out of that plan. As a result of that, Secretary Salazar withdrew the plan, as proposed, and asked me when I first came on board to work with then Sam Hamilton, the Director of the U.S. Fish and Wildlife Service to put together—

Mr. DICKS. Terrible loss.

Mr. ABBEY. Terrible loss—a review team to go in and determine first and foremost what type of consultation took place, how we could do a better job, how we could continue to use the best available information that came out of that plan. There is some tremendous data that was generated as part of that 3 or 4-year effort to put together that plan. So Sam and I designated a team made up of employees from the U.S. Fish and Wildlife Service, Bureau of Land Management from the U.S. Forest Service, and I believe NOAA, to go forward, to review the situation in western Oregon and come back with some recommendations that if implemented, could create more of a collaborative process where we could hope to bring in the various stakeholders around the table so that we could discuss the alternatives that are, you know, available to us for consideration and then how best to proceed to allow for some timber harvest on those areas where the resources lend itself for harvesting of timber, at the same time acknowledging that there are other sensitive resources out that will need to be managed for.

We have just completed the initial review from the team. We are commenting back on their draft report this week. Those comments are due actually Monday of next week. Our intentions are to complete that report that would contain recommendations on how to

proceed with future planning in western Oregon, adopt those recommendations that we can support, brief the members of the Oregon delegation, potentially Washington delegation, on what our next steps are, and then put together a strategy of that we can pursue and move forward as aggressively as we can to put in place a new plan that will guide future actions.

BIOMASS

Mr. DICKS. Now you mentioned biomass as one possible alternative energy source. I happen to believe this could be a very substantial energy source and that this ought to be thoroughly considered. What is your view on that?

Mr. ABBEY. I agree. I think biomass is one of the renewable energy sources that we don't make the best use of. We have a lot of it. We need to work together with stewardship contracts and that means in partnerships with others. We need to make sure that there is a market that is reasonable as far as the cost of shipping the products to where the market is so that they can use biomass.

Mr. DICKS. That seems to be one of the key factors: how far you can go away from a mill and the boiler where you are going to use this wood.

Mr. ABBEY. If I could, Mr. Chairman, the other factor that comes into place is the sustainability of that biomass resource because people are willing to invest in those boilers and invest in the technology to put in place a use for that biomass but they would like to make sure that over time that biomass resource is going to continue to be made available to them.

Mr. DICKS. And the Federal Government could help there, as you know. What is your backlog on thinning or treating the forests that you have under your control? The Forest Service is 80 million acres that need to be treated or thinned. Do you have any idea what your backlog is?

Mr. ABBEY. I really don't.

Mr. DICKS. But I assume it is substantial.

Mr. ABBEY. Well, certainly not as substantial as the Forest Service just given the volumes of timber that they manage. We do have a backlog. We have a definite need to go forward and start managing more proactively the forests that come under our jurisdiction. Again, we need to do so smartly. We need to make sure that those sensitive resources that exist, primarily wildlife, our fisheries, are protected through appropriate stipulations, but we do have a need and a desire to go forward and thin some of these forests that are quite frankly overgrown.

Mr. DICKS. And sometimes people forget, if you do the thinning, first of all, you would have material for your biomass, sometimes if it is large enough it can be even merchantable or used for chips, but also if you have fires, where you have done the thinning, the fires are less intense and do less damage to the soil. So to me, it is wrong that we just let this thing get worse, and I would like you for the record to tell us what your backlog is. But I know what the Forest Service backlog is, 80 million acres. (tackling this problem) in my view, would create jobs. There is a whole litany of positive things that come from this work, but we have just neglected it. It is hard for us to take care of it all here, because the budget. With

a freeze, you have to cut it from somewhere else to put it into reducing the backlog.

Mr. ABBEY. I agree wholeheartedly. Appropriate management of our forests will result in healthier forests and more resilient forests and we wouldn't have the bug infestation that we are seeing in some of the areas.

Mr. DICKS. The other thing is that as the forest is regenerating itself, it takes up more carbon dioxide. That is one thing that people forget. So the thinning leads to trees growing faster and bigger, it takes up more CO₂.

Mr. SIMPSON. Are you suggesting we cut old growth forests?

Mr. DICKS. I am suggesting that when we have the new forests, they are going to take up more carbon dioxide.

Mr. SIMPSON. You are absolutely right.

Mr. DICKS. Any other questions? Okay, thank you, very good job.

Mr. ABBEY. Appreciate it. Thank you.

**Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
Bureau of Land Management Budget Hearing
March 9, 2010**

Questions for the Record from Chairman Moran

National Monuments Internal Memo Leaked

MoranQ1. In February, House Republicans leaked portions of an internal Interior Department document that listed 14 areas managed by the BLM that could be considered in the future as potential national monuments. What is the background behind the bureau compiling such a document? How will the Department and this Administration to go forward with national monument designations?

ANSWER: Secretary Salazar believes it is important that the Department of the Interior serve as a wise steward of the places that matter most to Americans. For that reason, he asked the BLM to consider what areas might be worth further review for possible special management or Congressional designation. The preliminary internal draft document reflects brainstorming discussions within BLM, but no decisions have been made about which areas, if any, might merit more serious review and consideration. Secretary Salazar believes new designations and conservation initiatives work best when they build on local efforts to better manage places that are important to nearby communities. The BLM will work with stakeholders, local governments, the governors, and the Congress as we figure out how we are going to move forward with respect to using and protecting the great outdoors of America.

MoranQ2. In a *Washington Times* editorial March 2, Senator DeMint wrote: "*Any new plans to take away states' freedom to use land as they see fit must be stopped.*" Would you care to respond to his accusations and explain whether or not you have ever had any plans or discussions about seizing lands?

ANSWER: The BLM Land Acquisition program only acquires lands from willing sellers, and that policy will continue. Any Federal lands that might merit special management or Congressional designation would only be considered using a collaborative approach with state and local officials, Congress, and the public.

National Landscape Conservation System and Special BLM Lands

MoranQ3. The BLM's National Landscape Conservation system now totals over 27 million acres and includes 37 National Monuments and National Conservation Areas, 223 wilderness areas, 545 wilderness study areas, 69 wild and scenic rivers with over 2400 miles, and 16 National Scenic and Historic Trails with over 6,000 miles. Please tell us how your management of these special areas differs from other areas you manage and explain how you will take care of this responsibility under the budget request, which is essentially equal to the enacted funding level.

ANSWER: The BLM's National Landscape Conservation System is made up of lands that have been designated by Congress or the President for their significant natural and cultural values. These lands are managed under a multiple-use framework in accordance with each unit's enacting legislation or Executive Order and with the Federal Land Policy Management Act (FLPMA) of 1976, as amended. They provide a unique opportunity to integrate multiple resource programs focused on conservation, research, and other low-impact uses. Management of these areas takes place at the local level, under the jurisdiction of the BLM State Directors. The NLCS program places great emphasis on engaging partners to support these special areas. Many BLM-administered National Monuments have FACA-chartered Resource Advisory Committees that provide input on management of these lands or a Friends Group that assists with operations. The 2011 budget request for NLCS, totaling \$68.3 million for base program activities, will continue this important work.

MoranQ4. In the FY 10 Budget, the Bureau of Land Management added "an estimated \$7.3 million of the \$15 million request will target projects and activities in the National Landscape Conservation System units in recognition of the critical ecological importance of NLSC landscapes." Reviewing the President's FY 11 budget it is unclear if these monies are still targeted for the Conservation System. What is the total proposed budget for the Conservation System in FY 11?

Is the climate initiative funding in FY 10 to the National Landscape Conservation System in the President's FY 11 budget?

If not, what is the total proposed budget of the Conservation System in FY 11? The FY10 budget for the Conservation System included the \$7.3 million as part of the Departments overall accounting for the Conservation System's budget so it is a bit confusing as to what the budget is now for the Conservation System if this is not the case.

ANSWER: The 2011 budget request for the NLCS program totals \$68.3 million, not including one-time funding allocations.

The BLM expects the 2011 climate change funding to benefit NLCS units and resources in a similar manner as it does in 2010. Through the Department's Climate Change Adaptation initiative, the BLM will continue its work in conducting ecoregional assessments and developing regional management strategies across large landscapes, and these landscapes include a significant number of NLCS units. This landscape scale information will facilitate resource management in NLCS units and other public lands throughout the Bureau. This information will also help determine the significance of the NLCS in developing strategies to support climate change adaptation. In FY 2010, approximately \$11 million of climate change funding was allocated bureau-wide to this landscape scale work, which again will benefit both NLCS and non-NLCS lands. In FY 2011, the Bureau is planning to spend approximately \$13.5 million for this type of work, including a number of positions to support the emerging network of regional Climate Science Centers and Landscape Conservation Cooperatives. As these assessments are completed, project funding will be directed toward regionally-identified conservation and restoration priorities. In FY 2010, approximately half of the \$3.9 million of climate change funding directed toward priority on-the-ground conservation and restoration work went to

projects within NLCS units. We anticipate that at least \$2 million of one-time climate change funding in FY 2011 would be directed to projects benefitting NLCS units.

In addition, the National Monuments and National Conservation Areas program would receive estimated one-time funding totaling \$8.2 million in FY 2011 from other programs for bureau-wide priority projects.

Management of Unprotected Wilderness-Quality BLM Lands

MoranQ5. In 2003, Secretary Gale Norton adopted a policy as a consequence of a settlement negotiation with the State of Utah that prohibited the BLM from identifying, designating and protecting new Wilderness Study Areas on BLM lands. The policy was a departure from that of every previous Administration, Republican and Democratic. We know that from BLM's own data, extensive areas of BLM managed lands may merit administrative recognition and protection for their wilderness qualities, yet the Norton policy remains in place. Are you planning to change that policy to assure that unprotected wilderness-quality BLM lands are identified by the BLM and managed in a way to protect their wilderness qualities, such as precluded from mineral development activities, and off-road vehicle use?

ANSWER: As noted, the 2003 settlement negotiated with the State of Utah made some significant changes to the BLM Wilderness program. The BLM is continuing to review its policies regarding the identification of lands with wilderness characteristics under the authority of Section 201 of FLPMA, as well as the authority under Section 202 of FLPMA to protect such lands in Resource Management Plans.

Oil and Gas Planning and Leases

MoranQ6. This Administration has changed some of its policies and actions concerning on-shore leasing of lands for oil and natural gas development. The BLM, under direction from Secretary Salazar, pulled several leases that were rushed out the door at the end of the previous Administration. Can you please tell us why you have delayed leases, and what the prognosis is for getting appropriate lands back on the market for domestic producers?

ANSWER: Occasionally, the BLM delays the offering of a lease when additional information or analysis is deemed necessary. In addition, the offering of leases may be delayed due to protests. In 2009, 49 percent of all BLM parcels offered at onshore oil and gas lease sales were protested. While BLM can resolve some protests easily, others require more intensive work, and, in some cases, additional NEPA analysis. The BLM cannot reoffer a parcel or issue a lease until it adequately addresses the protest. Pursuant to direction from Secretary Salazar, the BLM is developing a leasing reform policy to help decrease the number of leases that would be delayed in the future. The BLM expects the new policy to reduce the number of protests filed on parcels, as well as enhance the ability of the BLM to resolve protests prior to lease sale.

MoranQ7. The Department announced in January that the BLM would use an enhanced process for their future oil and gas leases. This involves an additional, mid-level planning step, which your critics say will slow down sales. Can you explain your new oil and gas leasing process and why you think it is necessary? Will this process delay sales or have a large impact on your management costs?

ANSWER: The BLM is developing a new oil and gas leasing policy that will ensure environmental protection of important natural resources on BLM lands, while at the same time aiding in orderly leasing and development of oil and gas resources. It will require a comprehensive parcel review process that takes a site-specific approach to individual lease sales. Each potential lease sale will undergo increased internal and external coordination; increased public participation; interdisciplinary review of available information; confirmation of Resource Management Plan (RMP) conformance; national, state, and local guidance; and site visits to parcels when necessary to supplement or validate existing data.

The BLM's new policy will allow for more public participation and better environmental documentation. The BLM expects this to reduce the number of protests filed, as well as enhance the bureau's ability to resolve protests prior to lease sales. BLM State Office quarterly lease sales will still occur as statutes require; however, the BLM anticipates extending processing time frames to accommodate the interdisciplinary review of lease sale parcels. We do not expect any increase in management costs, as any increase in costs associated with the new leasing process would probably be offset by a reduction in costs associated with responding to protests and sale delays.

MoranQ8. The Administration has also discussed the possibility of initiating a new rule to raise royalty rates for Federal onshore oil and gas leases, with a goal of raising oil and gas revenues by \$1 billion over ten years. This would not require legislation. Can you explain the current royalty rates and contrast the rates the American government charges with those charged by various States or other nations?

ANSWER: The BLM is responsible for ensuring American taxpayers receive a fair return for the natural resources the bureau manages. The BLM has conducted a review of royalty rates and other oil and gas lease terms used by States and private leaseholders. In general, State leases have higher royalty rates. Many have a base rate of 12.5 percent or higher, with the ability to increase the rate for a variety of reasons, including resource potential, location, or market conditions. The same factors can affect the royalty rate of private leases as well.

The Mineral Leasing Act of 1920 provides the authority for the Secretary of the Interior to establish a royalty rate for competitive onshore Federal oil and gas leases at a royalty rate of not less than 12.5 percent; however, current regulations set the royalty rate for these leases at 12.5 percent. Additionally, current statutes fix royalties for noncompetitive leases at 12.5 percent. This proposed change to the regulations would use the flexibility provided in statute and allow the BLM to issue competitive oil and gas leases at a higher royalty rate.

MoranQ9. Will you please supply for the record the data compiled each year by the BLM on the status of various indicators regarding the onshore oil and gas program (including acreage under lease nationally and in each state; leases issued in each state; drilling permits issued and drilled; producible leases, etc.).

ANSWER: See the attached tables.

Data for FY 2000 through FY 2009 (data last updated January 8, 2010)

Total Number of Leases in Effect

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	78	71	78	94	110	89	97	172	204	201
Alaska	171	170	229	231	340	338	338	378	371	352
Arizona	53	67	67	62	64	54	39	98	86	86
Arkansas	727	788	898	924	901	1,127	1,231	1,439	1,521	1,486
California	581	604	658	690	672	672	655	687	778	756
Colorado	4,568	5,036	5,462	5,558	4,378	4,134	5,065	5,397	6,179	5,910
Connecticut	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0
Florida	14	12	13	13	13	8	7	3	3	2
Georgia	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	5	5	8	8	3	3	2	6	16	13
Illinois	11	11	11	11	11	11	11	11	11	11
Indiana	0	0	0	0	0	0	0	0	2	15
Iowa	0	0	0	0	0	0	0	0	0	0
Kansas	486	486	482	487	471	465	450	458	485	494
Kentucky	82	83	83	77	84	81	82	76	83	76
Louisiana	610	586	518	505	501	435	404	407	531	441
Maine	0	0	0	0	0	0	0	0	0	0
Maryland	4	3	3	3	4	4	3	3	4	4
Massachusetts	0	0	0	0	0	0	0	0	0	0
Michigan	183	134	136	145	139	128	110	113	147	172
Minnesota	0	0	0	0	0	0	0	0	0	0
Mississippi	1,063	1,030	1,157	1,160	1,158	1,035	931	1,092	1,154	916
Missouri	0	0	0	0	0	0	0	0	0	0
Montana	3,718	3,922	4,222	4,376	4,223	4,202	3,729	3,750	4,185	4,093
Nebraska	30	34	34	39	35	35	29	28	29	28
Nevada	851	1,007	1,138	1,029	1,180	1,444	1,947	2,126	2,176	2,157
New Hampshire	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0
New Mexico	8,966	9,026	9,276	9,229	8,299	8,135	7,827	7,647	8,951	8,954
New York	4	4	4	5	5	5	5	5	5	5
North Carolina	0	0	0	0	0	0	0	0	0	0
North Dakota	1,554	1,571	1,653	1,595	1,494	1,669	1,638	1,510	1,565	1,772
Ohio	198	193	197	199	232	238	216	215	238	237
Oklahoma	1,205	1,216	1,235	1,261	1,159	1,134	1,186	1,193	1,268	1,298
Oregon	19	20	23	23	20	18	171	200	191	188
Pennsylvania	74	71	72	72	72	71	70	70	69	68
Rhode Island	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0
South Dakota	266	250	250	243	149	158	150	155	167	181
Tennessee	20	20	3	3	3	3	3	3	2	2
Texas	513	566	664	690	661	646	643	658	658	731
Utah	3,416	3,494	3,711	3,719	3,383	3,607	3,679	3,818	4,300	4,271

Total Number of Leases in Effect cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Vermont	0	0	0	0	0	0	0	0	0	0
Virginia	37	25	27	26	25	25	24	22	46	42
Washington	67	84	94	213	334	354	429	446	416	342
West Virginia	271	267	269	273	281	274	268	268	283	273
Wisconsin	1	0	0	0	0	0	0	0	0	0
Wyoming	20,188	21,014	21,525	21,472	15,432	14,877	16,984	16,479	18,961	17,854
Total	50,034	51,870	54,200	54,435	45,836	45,479	48,423	48,933	55,085	53,431

Data from Public Lands Statistics

Data for FY 2000 through FY 2009 (data last updated January 8, 2010)
Total Number of Acres Leased

Geographic State	FY 2000	FY2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	32,574	31,625	33,671	40,518	45,514	33,315	40,812	122,078	148,893	137,723
Alaska	936,183	934,801	1,502,570	1,514,340	2,758,162	2,732,167	2,732,167	3,344,519	3,147,183	3,113,795
Arizona	94,710	114,090	113,704	105,019	106,243	96,498	71,372	384,848	358,673	358,319
Arkansas	523,106	567,680	715,526	778,273	845,486	973,902	1,040,169	1,157,654	1,202,479	1,135,809
California	240,393	251,530	271,863	324,286	308,473	310,327	363,592	380,987	439,430	422,750
Colorado	3,601,812	4,085,387	4,536,151	4,616,263	3,444,060	3,251,386	4,509,374	4,819,654	5,241,707	4,920,123
Connecticut						0	0	0	0	0
Delaware						0	0	0	0	0
Florida	13,739	12,225	13,864	14,952	14,952	9,423	8,464	3,488	3,488	1,720
Georgia						0	0	0	0	0
Hawaii						0	0	0	0	0
Idaho	5,694	5,694	11,492	10,262	2,465	2,465	1,794	9,149	26,660	22,154
Illinois	6,592	6,592	6,592	6,592	6,592	6,592	6,592	6,592	6,592	6,592
Indiana	0	0	0	0		0	0	0	68	21,937
Iowa						0	0	0	0	0
Kansas	121,137	120,215	121,193	125,722	121,117	120,199	112,803	113,441	126,828	133,642
Kentucky	41,192	42,153	44,063	35,370	42,014	39,121	42,444	38,834	42,049	37,117
Louisiana	244,885	232,918	204,335	200,886	198,899	170,456	157,422	160,587	221,119	166,637
Maine						0	0	0	0	0
Maryland	2,637	2,142	2,142	2,142	2,803	2,803	1,829	1,829	2,637	2,637
Massachusetts	0	0	0	0		0	0	0	0	0
Michigan	108,436	71,268	74,944	77,093	75,379	67,438	63,376	60,899	80,061	101,785
Minnesota	0	0	0	0		0	0	0	0	0
Mississippi	468,391	448,583	499,341	502,373	507,708	492,977	517,276	547,825	553,448	410,687
Missouri						0	0	0	0	0
Montana	3,545,178	4,008,357	4,297,245	4,414,309	4,353,092	4,348,334	4,019,639	4,020,480	4,318,778	3,975,577

Total Number of Acres Leased cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Nebraska	7,413	14,620	14,620	16,500	16,180	16,180	15,720	15,400	11,047	9,767
Nevada	1,076,632	1,616,905	1,959,558	1,817,613	1,970,999	2,870,920	4,107,869	4,452,856	4,345,439	4,245,630
New Hampshire						0	0	0	0	0
New Jersey						0	0	0	0	0
New Mexico	5,223,145	5,178,780	5,352,622	5,441,387	4,825,779	4,740,549	4,822,574	4,759,364	5,432,045	5,468,058
New York	544	544	544	1,183	1,183	1,183	1,183	1,183	1,183	1,183
North Carolina						0	0	0	0	0
North Dakota	749,824	764,715	802,108	765,267	751,442	874,434	862,285	799,816	830,605	962,998
Ohio	41,592	40,910	41,242	41,596	47,567	45,206	43,757	43,768	47,323	47,721
Oklahoma	245,457	251,556	256,706	266,390	241,236	226,575	276,350	296,443	328,085	350,548
Oregon	55,131	40,189	43,483	43,281	37,890	37,730	276,911	303,021	289,093	278,693
Pennsylvania	7,742	7,056	7,699	7,699	7,699	6,938	6,944	6,944	6,474	4,827
Rhode Island						0	0	0	0	0
South Carolina						0	0	0	0	0
South Dakota	227,840	250,258	249,362	238,924	104,697	128,769	131,759	134,284	135,483	150,086
Tennessee	33,747	33,747	2,296	2,296	2,296	2,296	2,296	2,296	736	736
Texas	363,759	388,325	419,209	467,141	447,723	443,998	422,849	420,347	439,939	489,344
Utah	3,271,712	3,420,577	3,734,868	3,818,544	3,424,273	4,125,544	4,497,123	4,681,529	4,988,903	4,995,479
Vermont						0	0	0	0	0
Virginia	35,802	24,193	24,833	24,633	24,585	24,585	22,480	21,840	35,721	32,401
Washington	79,224	91,011	102,555	312,743	493,050	532,747	629,235	650,665	579,163	483,693
West Virginia	179,323	169,600	173,505	180,960	190,014	130,488	136,281	136,207	142,640	141,866
Wisconsin	521	0	0	0	0	0	0	0	0	0
Wyoming	14,039,281	14,761,867	15,359,523	15,319,452	10,026,872	9,586,782	12,864,048	12,580,651	13,708,523	12,732,957
Total	35,625,348	37,990,113	40,993,429	41,529,009	35,446,444	36,452,327	42,808,789	44,479,478	47,242,495	45,364,991

Data from Public Lands Statistics

Data for FY 2000 through FY 2009 (data last updated January 8, 2010)
Number of New Leases Issued During the Year

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	13	4	9	12	17	1	21	76	20	22
Alaska	0	0	59	1	123	0		81	1	6
Arizona	0	24	1	3	2	20	3	59	0	0
Arkansas	26	96	81	56	129	281	149	200	94	42
California	46	42	52	65	53	12	63	34	53	26
Colorado	329	613	427	260	234	272	363	464	320	83
Connecticut										0
Delaware										0
Florida	1	0	0	2		0		0	0	0
Georgia										0
Hawaii										0
Idaho	1	0	3	1		0		4	10	0
Illinois	0	0	1	0		0		0	0	0
Indiana										13
Iowa										0
Kansas	5	3	4	12	6	1	1	9	4	15
Kentucky	13	0	2	0	7	0	3	0	0	0
Louisiana	3	9	9	4	12	9	4	7	90	25
Maine										0
Maryland	0	0	0	0		0		0	0	0
Massachusetts						0		0	0	0
Michigan	6	0	4	13		2	2	12	18	42
Minnesota	0	0	0	0		0		0	0	0
Mississippi	65	32	133	54	68	74	92	215	13	0
Missouri										0
Montana	404	334	302	219	192	306	220	203	211	190
Nebraska	3	4	0	5		0	1	0	0	0
Nevada	121	295	109	89	305	504	638	386	399	430
New Hampshire										0
New Jersey										0
New Mexico	286	241	245	231	225	278	214	207	159	212
New York	1					0		0	0	0
North Carolina										0
North Dakota	55	89	79	13	154	229	135	143	53	243
Ohio	6	2	2	0	31	5		1	0	7
Oklahoma	22	27	22	39	29	35	94	113	63	57
Oregon	2	5	6	1		0	157	29	5	6
Pennsylvania	1	0	2	0		0	1	0	0	0

Number of New Leases Issued During the Year cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Rhode Island										0
South Carolina										0
South Dakota	44	53	2	2	14	28	20	25	0	20
Tennessee	0	0	0	0		0		0	0	0
Texas	10	76	102	47	20	7	39	73	26	90
Utah	176	197	132	171	93	617	430	303	67	155
Vermont										0
Virginia	4	0	0	0		0	1	0	20	0
Washington	33	20	10	119	134	28	80	21	2	0
West Virginia	20	0	0	5	9	8	10	0	5	0
Wisconsin	0	0	0	0		0		0	0	0
Wyoming	1,204	1,123	586	598	842	797	1,244	834	783	388
Total	2,900	3,289	2,384	2,022	2,699	3,514	3,985	3,499	2,416	2,072

Data from Public Lands Statistics

Data for FY 2000 through FY 2009 (data last updated January 8, 2010)
Number of Acres Leased During the Year

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	7,855	4,486	4,185	8,990	5,077	80	11,970	80,629	22,796	6,599
Alaska	0	0	567,769	11,500	1,403,561	0	0	939,867	5,117	26,441
Arizona	0	35,584	6,983	3,040	1,224	22,659	13,337	313,476	0	0
Arkansas	21,573	178,785	71,247	95,792	182,158	172,858	121,563	99,484	49,381	9,937
California	34,811	25,290	29,079	60,520	34,343	5,629	74,468	24,475	61,980	13,986
Colorado	299,978	594,369	448,029	252,004	241,188	237,406	353,172	466,822	276,907	46,034
Connecticut	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0
Florida	2,018	0	0	3,368	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	40	0	5,798	671	0	0	0	7,355	17,509	0
Illinois	0	0	112	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	21,869
Iowa	0	0	0	0	0	0	0	0	0	0
Kansas	1,154	599	2,378	5,764	1,240	160	320	1,238	2,763	8,893
Kentucky	1,143	0	2,103	0	4,968	0	3,604	0	0	0
Louisiana	322	606	3,033	511	1,366	1,985	1,767	2,773	40,406	10,973
Maine	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0
Michigan	2,337	0	3,939	4,050	0	480	160	3,925	17,640	34,249
Minnesota	0	0	0	0	0	0	0	0	0	0
Mississippi	25,920	19,826	54,755	15,741	41,205	51,600	47,450	89,135	922	0
Missouri	0	0	0	0	0	0	0	0	0	0
Montana	380,273	551,660	293,461	172,874	221,740	313,016	200,161	222,192	235,354	150,165
Nebraska	503	7,126	0	1,880	0	0	80	0	0	0

Number of Acres Leased During the Year cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Nevada	235,348	746,400	259,920	116,292	638,632	1,359,085	1,405,878	830,272	721,841	804,086
New Hampshire						0		0	0	0
New Jersey						0		0	0	0
New Mexico	190,598	130,193	192,124	239,979	214,756	184,786	160,852	170,080	138,772	156,575
New York	172					0		0	0	0
North Carolina						0		0	0	0
North Dakota	21,944	52,858	39,354	6,099	82,527	149,814	64,549	61,460	20,238	155,811
Ohio	1,870	268	121	0	5,676	418		85	0	567
Oklahoma	8,732	8,619	6,018	12,389	3,827	12,428	68,218	37,083	48,704	30,416
Oregon	12,605	4,272	5,006	160		0	255,619	24,944	14,358	7,734
Pennsylvania	7	0	835	0		0		0	0	0
Rhode Island						0		0	0	0
South Carolina						0		0	0	0
South Dakota	62,235	91,880	2,760	548	10,862	33,533	24,775	29,590	0	21,756
Tennessee	0	0	0	0		0		0	0	0
Texas	13,396	60,972	38,156	43,877	19,509	2,625	16,857	27,720	19,069	57,016
Utah	247,126	284,928	222,070	240,527	118,878	1,001,681	654,484	402,913	94,569	240,141
Vermont						0		0	0	0
Virginia	5,805	0	0	0		0	1,039	0	10,098	0
Washington	33,891	16,297	11,544	210,188	192,979	45,423	106,484	23,511	3,804	0
West Virginia	34,358	0	0	9,830	8,974	12,307	18,539	0	5,185	0
Wisconsin	0	0	0	0		0		0	0	0
Wyoming	1,004,479	1,182,253	541,827	547,695	722,431	706,234	1,069,680	775,707	807,846	110,344
Total	2,650,493	3,997,271	2,812,606	2,064,289	4,157,121	4,314,207	4,675,026	4,634,736	2,615,259	1,913,602

Data from Public Lands Statistics

Number of Producing Leases on Federal Lands

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
South Carolina										
South Dakota	73	73	73	75	72	72	73	74	75	78
Tennessee		3	3	3	3	4	3	3	2	2
Texas	202	170	173	175	181	194	189	193	198	198
Utah	1,279	1,185	1,199	1,219	1,235	1,228	1,343	1,327	1,586	1,427
Vermont										
Virginia		12	11	11	11	12	11	10	11	11
Washington										
West Virginia	163	162	163	159	161	161	161	160	160	156
Wisconsin										
Wyoming	6,965	7,204	7,093	7,212	7,263	7,924	7,774	6,884	7,783	7,211
TOTAL	21,726	21,531	21,529	21,729	21,889	23,511	22,859	21,680	23,293	22,599

Data from Public Lands Statistics

Data for FY 2000 through FY 2009 (data last updated January 8, 2010)
Number of Producing Acres on Federal Lands

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	6,473	6,474	6,474	6,474	6,474	6,629	7,115	6,821	8,518	7,983
Alaska	67,350	67,350	67,350	67,350	67,350	67,350	63,070	64,532	88,867	23,450
Arizona										
Arkansas	74,152	74,632	74,499	74,292	71,588	83,124	66,926	64,508	95,271	120,997
California	73,772	70,733	70,361	69,838	70,339	72,992	72,066	72,167	77,687	78,826
Colorado	1,605,768	1,321,231	1,317,236	1,323,827	1,340,546	1,380,569	1,366,280	1,390,955	1,522,230	1,522,230
Connecticut										
Delaware										
Florida	3,468	3,468	3,468	3,468	3,468	3,468				
Georgia										
Hawaii										
Idaho										
Illinois	1,371	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
Indiana									68	68
Iowa										
Kansas	109,794	109,194	109,194	109,889	109,649	109,649	109,169	109,563	110,440	110,440
Kentucky	24,062	24,063	24,071	26,039	26,039	26,853	26,421	26,421	30,885	29,262
Louisiana	65,119	64,619	65,161	64,923	64,945	67,225	63,251	62,610	92,300	52,671
Maine										
Maryland										
Massachusetts										
Michigan	34,821	30,665	30,585	30,425	31,490	31,681	29,943	29,943	29,983	29,943
Minnesota										
Mississippi	38,207	37,966	36,886	36,506	36,506	53,179	36,506	33,728	42,691	38,864
Missouri										
Montana	750,141	690,619	696,058	721,040	736,958	757,679	770,817	765,611	777,370	769,515
Nebraska	6,278	6,278	6,069	6,069	6,069	6,877	8,615	8,615	8,676	8,616

Number of Producing Acres on Federal Lands

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Nevada	20,954	15,338	15,337	15,338	15,498	23,954	14,735	14,735	14,998	14,998
New Hampshire										
New Jersey										
New Mexico	3,701,918	3,717,982	3,723,583	3,740,785	3,769,487	4,093,422	3,859,173	3,642,454	4,347,437	4,347,437
New York	543	544	544	1,182	1,284	1,284	1,284	1,182	1,284	1,182
North Carolina										
North Dakota	305,633	300,122	306,143	300,090	299,487	311,565	323,996	338,850	357,253	377,152
Ohio	31,181	32,891	33,605	34,109	36,542	38,046	37,102	36,641	38,277	40,240
Oklahoma	117,537	118,598	119,318	119,178	120,582	112,136	123,544	125,368	130,715	130,715
Oregon										
Pennsylvania	10,555	4,857	4,939	4,894	4,894	4,701	4,694	4,694	4,694	4,828
Rhode Island										
South Carolina										
South Dakota	33,897	33,897	33,897	34,497	33,377	33,377	34,378	34,647	34,727	42,591
Tennessee	2,296	2,296	2,296	2,296	2,296	2,441	2,296	2,296	851	736
Texas	117,324	105,146	106,857	110,213	113,398	114,229	120,478	121,193	130,025	130,025
Utah	983,996	881,319	895,482	904,467	916,106	950,355	1,007,603	1,014,474	1,493,683	1,092,640
Vermont										
Virginia	10,755	10,755	10,555	10,555	10,555	10,755	10,555	9,962	14,760	10,464
Washington										
West Virginia	79,911	77,948	77,948	53,232	54,987	54,967	55,099	58,642	61,102	60,400
Wisconsin										
Wyoming	3,494,526	3,611,299	3,574,044	3,664,573	3,719,919	4,109,529	4,050,915	3,587,432	5,027,052	3,794,355
TOTAL	11,758,751	11,421,865	11,413,541	11,537,130	11,671,414	12,529,618	12,267,612	11,629,625	14,543,425	12,842,209

Data from Public Lands Statistics

Number of APDs approved by Year on Federal Lands cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Pennsylvania										6
Rhode Island										
South Carolina										
South Dakota	1	2	4	1			1	4	4	
Tennessee										
Texas	14	16	15	26	29		44	13	23	24
Utah	248	378	317	323	517	66	458	896	943	557
Vermont										
Virginia		1							2	
Washington										
West Virginia	2	2	1	1						
Wisconsin										
Wyoming	1,524	1,662	1,548	1,635	3,399	3,120	3,692	3,557	3,155	1,975
Eastern States										
TOTAL	3,066	3,439	3,372	3,802	6,052	4,579	6,738	7,124	6,617	4,487

⁽¹⁾ Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005. Data will be updated as soon as system is fully updated for FY 2005.

Data for FY 2000 through FY 2009 (data last updated January 5, 2010)
**Number Of Wells Started (Spud) During the Year on Federal
Lands**

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 ⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Alabama		1	1		6	0				1
Alaska	12	13	13	7	7	6	6	7	9	7
Arizona									1	
Arkansas	11	1	7	5	4	6	11	13	12	14
California	108	91	100	108	97	147	135	155	231	162
Colorado	121	158	156	206	195	207	386	400	527	340
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii										
Idaho										
Illinois										
Indiana										
Iowa										
Kansas	5	8	3	6			5	5		2
Kentucky		2								
Louisiana	9	5	2	9	14	15	39	39	24	6
Maine										
Maryland										
Massachusetts										
Michigan	2	1	1	1	7		1	2		1
Minnesota										
Mississippi	7	5	7	6	3	4	11	11	1	3
Missouri										
Montana	108	117	109	124	98		107	131	120	51
Nebraska					1		1	1	1	1
Nevada			3	4	4	5	8	8	4	2
New Hampshire										
New Jersey										
New Mexico	920	1000	821	1077	726	218	968	1,088	1000	706
New York				1						2
North Carolina										
North Dakota	19	35	54	65	48		96	114	66	66
Ohio	1	8	1	1	2		2	3	1	

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

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Oklahoma	13	11	6	7	5		13	13	18	6
Oregon										
Pennsylvania			1				5	5		5
Rhode Island										
South Carolina										
South Dakota	1	2		3			7	8	2	2
Tennessee										
Texas	13	21	10	10	15		17	18	14	13
Utah	252	363	233	275	226	37	181	582	736	429
Vermont										
Virginia			1						2	2
Washington										
West Virginia		4	4	1						
Wisconsin										
Wyoming	1259	1602	1338	1041	1244	1097	2709	2,740	2,275	1,446
TOTAL	2861	3448	2871	2957	2702	1742	4708	5,343	5,044	3,267

⁽¹⁾ Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005. Data will be updated as soon as system is fully updated for FY 2005.

Number of Producible and Service Holes on Federal Lands cont.

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 ⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Pennsylvania	133	133	135	147	145		159	159	159	159
Rhode Island										
South Carolina										
South Dakota	67	66	63	66	65		70	71	76	74
Tennessee	11	8	8	9	9	9	9	9	9	9
Texas	278	293	296	332	332		395	407	421	411
Utah	2,902	3,189	3,330	3,935	3,745	1,095	4,702	4,702	6,852	6,593
Vermont										
Virginia	15	16	16	15	15	15	15	15	18	17
Washington	1	1		1						
West Virginia	272	276	274	290	290		289	304	303	304
Wisconsin										
Wyoming	15,734	16,891	21,950	19,217	18,943	21,830	25,936	27,483	30,164	29,514
TOTAL	58,620	60,873	61,835	65,389	63,370	50,292	77,257	79,972	86,642	85,330

Data from AFMSS

⁽¹⁾ Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005. Data will be updated as soon as system is fully updated for FY 2005.

Data for FY 2000 through FY 2009 (data last updated January 11, 2010)
**Number of Producible and Service Completions on Federal
Lands**

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 ⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Alabama	24	22	23	27	27	27	28	29	29	29
Alaska	181	181	180	330	165	226	210	213	216	215
Arizona	2	1		1			1	1	2	2
Arkansas	144	123	123	145	127	132	156	161	191	177
California	6,853	6,848	6,614	6,763	5,922	6,647	7,146	7,187	7,315	7,281
Colorado	3,308	3,374	3,446	3,998	3,653	4,166	4,673	5,030	5,710	5,543
Connecticut										
Delaware										
Florida	2	2	2	2	2					
Georgia										
Hawaii										
Idaho										
Illinois	20	17	17	19	17		17	17	18	18
Indiana									2	4
Iowa										
Kansas	460	463	454	457	450		465	465	459	458
Kentucky	160	162	260	163	160	160	161	164	164	164
Louisiana	326	311	316	400	311	365	422	472	497	492
Maine										
Maryland	9	9	9	9	9		9	9	9	9
Massachusetts										
Michigan	80	80	73	76	81		83	93	94	94
Minnesota										
Mississippi	164	157	134	142	113	120	133	137	134	134
Missouri										
Montana	1,998	2,057	2,096	2,705	2,160	66	2,623	2,685	2,752	2,727
Nebraska	33	30	30	30	27	68	32	32	32	32
Nevada	126	121	117	138	103	122	128	128	120	121
New Hampshire										
New Jersey										
New Mexico	26,803	27,545	23,095	29,750	28,398	16,090	31,846	32,694	33,776	33,523
New York	4	4	4	6	5		5	4	5	4
North Carolina										
North Dakota	714	731	682	1,180	774		995	1,024	1,107	1,088
Ohio	391	401	423	502	496		545	547	567	563

**Number of Producible and Service Completions on Federal
Lands cont.**

Geographic State	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005⁽¹⁾	FY 2006	FY 2007	FY 2008	FY 2009
Oklahoma	356	368	357	364	340		367	370	391	391
Oregon										
Pennsylvania	143	143	145	147	145		159	159	159	159
Rhode Island										
South Carolina										
South Dakota	72	71	68	72	66		71	72	78	76
Tennessee	12	9	9	9	9	9	9	9	9	9
Texas	299	315	318	335	334		398	410	423	414
Utah	3,120	3,429	3,581	4,760	3,759	1,106	4,750	4,750	6,902	6,644
Vermont										
Virginia	16	17	17	18	17	17	17	17	20	19
Washington	1	1		1						
West Virginia	293	297	295	293	292		290	305	304	305
Wisconsin										
Wyoming	16,918	18,162	23,602	21,459	19,631	22,858	26,949	28,517	31,188	30,542
TOTAL	63,032	65,451	66,490	74,301	67,593	52,179	82,688	85,701	92,673	91,237

Data from AFMSS

⁽¹⁾ Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005. Data will be updated as soon as system is fully updated for FY 2005.

Salazar Report Showing Interior Department Supports 1.4 Million Jobs

MoranQ10. On February 23 Secretary Salazar released a report, "Economic Impact of the Department of the Interior's Programs and Activities", which indicated that Department programs and activities support more than 1.4 million jobs and bring more than \$370 billion in economic activity across the country. Please explain to the Committee some of the important roles that the BLM plays in these figures.

ANSWER: The BLM manages public land resources on 253 million surface acres and 700 million acres of subsurface mineral estate for uses—including energy and mineral development, recreation, livestock grazing, and timber management—which have direct economic impacts on communities throughout the country. Preliminary figures from the Department's report indicate that BLM activities in 2008 contributed more the \$125 billion in economic activity and supported over 500,000 direct and indirect jobs. Specifically, in 2008, oil, gas, and coal contributed over \$115 billion in economic activity and supported over 450,000 jobs; recreation contributed over \$3 billion and supported over 30,000 jobs; livestock grazing on BLM lands contributed over \$1 billion and supported almost 8,000 jobs; and timber management activities contributed over \$500 million and supported over 2,000 jobs.

Sage-Grouse and Energy Development

MoranQ11. Last week the Fish and Wildlife Service and the BLM announced that, although there is scientific data to potentially support the listing of sage grouse as a threatened species, it would instead be designated a candidate for listing, and the BLM would enhance land management of sage grouse habitat. Please explain the BLM role in this decision. Explain why the BLM lands are now so important to sustain sage grouse populations and to maintain natural, sage brush and arid land habitats and watersheds in the west.

ANSWER: The BLM provided data and information as requested by the U.S. Fish and Wildlife Service (USFWS) during reconsideration of the remanded listing decision. BLM managed lands contain over fifty percent of occupied greater sage-grouse habitat, and will continue to be essential to maintaining sustainable sage-grouse populations. As land use pressures intensify throughout the west, the BLM will continue to revisit its National Sage-Grouse Habitat Conservation Strategy in close coordination with state fish and wildlife agencies and local partners in order to manage for sustainable sage-grouse populations on BLM managed lands.

MoranQ12. To what extent will the conservation plans for sage grouse you are implementing require additional wildlife management or oil and gas management funding? Do you expect that natural gas leasing in Wyoming or elsewhere will be affected by your new sage grouse habitat plans? To what extent are grazing activities potentially affected?

ANSWER: The BLM, in cooperation with state fish and wildlife agencies, is in the process of mapping priority habitat for sage-grouse which will be used to improve the land-use planning process and develop additional measures to conserve sage-grouse habitat. The BLM will use up-

to-date sage-grouse population data and additional research to better understand the impacts of various land uses, such as wind energy development, on sage-grouse habitat.

The BLM's national sage-grouse policy builds on conservation efforts already underway throughout the west. Conservation and restoration activities are fully funded through multiple BLM programs including the Wildlife Management program, and the Healthy Landscapes program, as well as through partnerships with outside organizations.

The USFWS determined that grazing itself is not a major threat to the greater sage-grouse. Improper land management practices at the local level, such as overgrazing, can contribute to negative impacts on sage-grouse habitat. The BLM will continue to monitor impacts to sage-grouse habitat throughout the west and make adjustments to management actions where appropriate.

Wild Horse & Burro Management—Purchase of an Eastern Horse Preserve

MoranQ13. The BLM wild horse management request is now increased to a total of \$76 million. In addition, you are requesting \$43 million to purchase land in the East or Midwest where animals can be held instead of in contract holding facilities. Please explain why you think the funding increase is needed and explain your long-term vision for care of wild horses and public lands.

ANSWER: Secretary Salazar's new management strategy for the Wild Horse and Burro Management program has three primary components: Sustainable Herds, Treasured Herds and National Wild Horse Preserves. Increased funding as proposed in the President's Budget and new legal authorities are needed to implement the Secretary's plan.

Sustainable Herds refers to wild herds on public lands in the West where wild horses are currently found. The BLM is taking measures to reduce the rate of population increase (currently about 20 percent per year). These measures aim to balance the number of animals that must be removed from the range with the adoption demand and reduce or eliminate the need for long-term holding.

Some of the measures that will be taken quickly to ensure Sustainable Herds include:

- 1) Reducing the total population to get closer to reaching the appropriate management level (AML) by gathering and removing excess animals to be adopted or placed in long term holding;
- 2) Using the fertility control drug Porcine Zona Pellucida (PZP) to try to reduce the rate of population increase;
- 3) Adjusting the sex ratio of wild herds in favor of males to reduce population growth rate and increase the genetic health of the herd; and
- 4) Replacing some reproducing herds with non-reproducing (or sterile) animals in certain areas to reduce the overall breeding population and balance the number of excess horses with adoption demand (currently about 3,500 animals in 2010).

Even with the increased use of fertility control and sex ratio adjustments, the BLM expects to remove an average of over 10,000 horses from the public lands each year from 2010 to 2011 to get closer to achieving appropriate management levels. As a result, holding costs will continue to increase until the balance between removal and adoption rates can be reached.

Designation of some wild herds as Treasured Herds will highlight the importance of the wild horse herds in the West for the American people, and create potential opportunities for increased ecotourism in the areas where the herds are located.

National Wild Horse Preserves will be used to care for wild horses that must be removed from Western rangelands in order to maintain the health and viability of both the wild herds and their habitat. These preserves will highlight the importance of wild horses for the American people, and will be open to the public. Currently long-term holding pastures are on private ranch lands secured through contracts and thus, are closed to the public. The preserves will provide an alternative to the long-term holding contracts, which at times have been difficult to obtain, and costs for partnership preserves are estimated to be comparable to or lower than contracts. A preserve will differ from a contracted long-term holding facility in that it would be managed and operated by the BLM or an agency partner through a cooperative agreement, and would be open to the public, thus creating opportunities for viewing, tourism and education. The \$42.5 million requested in 2011 will be used to acquire land for one government-owned preserve.

The BLM used the average price of grasslands in the Midwest, as reported by the U.S. Department of Agriculture, to estimate the cost of acquiring lands for the proposed government-owned preserve. The BLM predicts it will be possible to purchase land for a 30,000-acre preserve in this part of the country to provide forage for approximately 3,500 horses for approximately \$42 million. An additional \$500,000 is requested for acquisition management program costs associated with obtaining interests in lands for a national wild horse preserve. The BLM believes that the Midwest has the kind of land and forage-base that is optimal for providing horse pasture at the lowest cost. The BLM will proceed thoughtfully, in partnership with state and local governments and stakeholders to locate preserves.

MoranQ14. The BLM recently conducted a large gather of wild horses in Nevada during which a number of animals perished. Please justify why you are still conducting these gathers. Is there a more humane way to deal with the horse populations? Is the BLM restricting the land available for wild horses so the horse herds are unable to find forage?

ANSWER: The Wild Free-Roaming Horse and Burro Act requires the BLM to immediately remove excess wild horses when over-population occurs to restore a thriving, natural ecological balance to the range and to protect the range from deterioration. The determination of "excess" is based on wild horse population numbers, climatic information, rangeland utilization, actual use and trend data. The BLM does not restrict the land and forage available to wild horses in designated herd management areas.

Prior to the recent Nevada Calico Complex gather, wild horse numbers on the complex exceeded target appropriate management levels and forage allocations to wild horses by 300 percent, and

the grazing permittee who has 55 percent of the total permitted livestock use within the complex had voluntarily taken non-use status for three successive years.

Most of the wild horses that died after removal from the Calico Complex were animals in poor body condition due to age, pregnancy, heavy internal parasite loads, and inadequate forage on the range. Of the 1,922 horses removed from the Calico Complex, only four horse deaths were directly attributable to capture operations. To ensure gather (or capture) operations are as safe and humane as possible, the BLM has standard operating procedures by which all gather contractors must adhere. The agency gather contracts include a statement that expresses the following, "The primary concern of the contractor shall be the safe and humane handling of all animals captured". More specifically, the standard operating procedures also address: capture methods; use of motorized equipment; safety; animal characteristics and behavior; public participation; and responsibility and lines of communication.

The Secretary and the BLM are continuing to aggressively pursue less intrusive management methods that will serve to be more effective in suppressing annual rates of population increase.

MoranQ15. It seems that the BLM ought to be getting serious about implementing a contraception program for wild horses. Please explain what the BLM is doing to implement birth control for horses and what funding is involved? Would it be more efficient to release neutered horses back in the wild than holding them in expensive containment facilities?

ANSWER: The Secretary's plan to reform the Wild Horse and Burro Management program includes increasing use of fertility control, adjusting sex ratios of herds in favor of males, and establishing non-reproductive animals in some herds. BLM policy requires fertility control to be applied to all wild horse mares returned to the range following a gather unless site-specific environmental analysis indicates that this would not be appropriate. The 2011 budget request includes \$4.2 million for the application of fertility control to a total of 1,990 mares. This will include treating about 750 mares gathered to achieve appropriate management levels and 1,240 mares gathered solely for the purpose of applying fertility control. These treat and release gathers will be done in herd management areas that have already achieved appropriate management levels (AMLs) in order to help keep the areas at AML and reduce the number of horses that must be removed.

Existing fertility control vaccines (one- and two-year formulations) have many limitations, and an ideal fertility control agent has not yet been perfected for use in wild horses. The two-year Porcine Zona Pellucida (PZP-22) vaccine and time release pellet combination is only about 70 to 90 percent effective. Application requires the mare to be physically captured, and vaccinated. To substantially slow herd growth rates, 60 to 80 percent of a herd's mares need to be captured and vaccinated every two years. The BLM has devoted more attention to both the development of a longer-acting PZP vaccine and to the study of an existing formulation called SpayVac that may have the potential to slow population growth rates for as long as 4 to 5 years, or even serve as a sterilant.

Research (Bowling and Touchberry 1990; Kaseda and Kahlil 1996; Asa 1999) shows that 15 to 33 percent of foals are sired by non-harem stallions, making it unlikely that fertility control

focused on males would be effective in slowing population growth. While neutering males can slow population growth to a minor extent; a single intact stallion can breed a large number of mares. Therefore, the BLM continues to concentrate its research on finding an effective and long-lasting fertility control agent for mares.

MoranQ16. Your budget request is silent as to where the wild horse preserve will be located. How did you decide on \$42 million as the amount needed to purchase the land necessary to establish this preserve and can you give us assurances that this will cover the entire cost to purchase the land? Are there other options to consider to humanely and efficiently care for the excess wild horses, such as long-term contracts for ranch lands in areas with more productive forage?

ANSWER: The BLM used the average price of grasslands in the Midwest, as reported by the U.S. Department of Agriculture, to estimate the cost of acquiring lands for the proposed government-owned preserve. The BLM predicts it will be possible to purchase land for a 30,000-acre preserve in this part of the country to provide forage for approximately 3,500 horses for approximately \$42 million. An additional \$500,000 is requested for acquisition management program costs associated with obtaining interests in lands for a national wild horse preserve. The BLM believes that the Midwest has the kind of land and forage-base that is optimal for providing horse pasture at the lowest cost. The BLM will proceed thoughtfully, in partnership with state and local governments and stakeholders to locate the preserve.

The Secretary's plan envisions a combination of government-owned and partner-owned preserves that are open to the public and long-term holding contracts on private ranch lands that are not open to the public. The BLM believes that the establishment of government and partner-owned preserves would provide an alternative to the long-term holding contracts. These contracts have at times been difficult to obtain, leaving the BLM in the position of caring for animals in very expensive short-term corral facilities. These short-term facilities cost approximately four times as much as the long-term contracted pastures. A preserve differs from a contracted long-term holding facility in that it would be managed and operated by BLM or an agency partner through a cooperative agreement and would be open to the public.

The BLM currently has 17 contracted long-term holding pastures, located on private ranch lands, with the capacity to hold almost 30,000 horses on about 300,000 acres. Aside from one facility in South Dakota and one in Iowa, these facilities are located primarily in Kansas and Oklahoma. These facilities operate at a cost of approximately \$1.30 per horse per day. The long-term holding facilities are humane alternatives to leaving the animals in overpopulated areas on the range that lack adequate forage and result in declining body conditions.

MoranQ17. Please explain exactly how you determine the allowable population levels for the various herds. What watershed and vegetation parameters are measured? Do you have firm data on the carrying capacity of the various lands for the herds? How does domestic cattle and wildlife grazing affect the carrying capacity for wild horses?

ANSWER: BLM considers the multiple use and resource value objectives for public lands, and evaluates whether or not these objectives are being met in the land use plans. The BLM

determines the appropriate management level of wild horses and burros based on an in-depth evaluation of intensive monitoring data collected over several years within this multi-use context. Intensive monitoring data includes, but is not limited to:

1. Population inventories;
2. Studies of grazing utilization;
3. Studies of range and riparian/wetland ecological condition;
4. Trend, actual use, and precipitation data; and
5. Results of land health assessments.

The BLM determines the amount of vegetation available for use as forage through the evaluation process. The BLM then allocates the available forage to wild horses and burros, wildlife, and domestic livestock. The BLM does not use a formula to determine the proportion of forage to allocate to wild horses and burros as compared to domestic livestock or wildlife. Rather, the BLM evaluates range conditions to assess whether or not management and stocking levels for livestock, wild horses and/or burros, and wildlife are achieving rangeland health objectives.

In situations where rangeland health objectives are not being met, and wild horses and burros and/or domestic livestock and/or wildlife are identified as contributing factors, the BLM proposes changes in management or stocking levels. Proposed changes are analyzed in an environmental assessment with public involvement and final BLM decisions are subject to administrative review and appeal by parties affected by the proposal. In these situations, it is common for the BLM to propose changes in both livestock management and wild horse and burro appropriate management levels in order to meet rangeland health objectives.

MoranQ18. The budget justification and other materials always uses plural when discussing wild horse preserves. How many horse preserves will you need? Will you first see how an initial preserve works before starting to acquire more land for additional reserves? How much do you anticipate it will cost to run each horse preserve? Is acquiring land for a horse preserve an authorized activity for the BLM or will it have to be authorized first?

ANSWER: The fiscal year 2011 budget request includes funding to acquire land for one government-owned preserve. The BLM estimates the annual recurring cost (including labor and operations) to operate one government-owned preserve housing about 3,500 horses is approximately \$871,000. The Secretary's October letter notes that the Secretary's vision could include more than one preserve, managed by BLM or through cooperative agreements between BLM and private non-profit organizations or other partners.

The 2011 President's Budget includes proposed appropriations language authorizing BLM to purchase land for preserves and authorizing BLM to manage wild horses on the preserves. The Budget also includes a legislative proposal to provide BLM with additional authority to acquire lands and establish the preserves, and to enter into agreements with non-profit entities for the partner-owned preserve.

MoranQ19. In FY 2010, BLM's wild horse management budget was increased by approximately 30%. It was our understanding that the increase in funds was to be used to reform BLM's broken wild horse management program by shifting the focus away from expensive

horse removals from the range and subsequent placement in perpetual care on long-term holding pastures, and towards cost-beneficial, on-the-range management practices such as immunocontraception.

And yet, we understand that this year, BLM intends to remove another 12,000 horses from the range, and only intends to contracept 1,500. This does not sound like an improvement in the BLM's management of this American icon, but rather, more of the same. If BLM proceeds with this year's plan, there will be more wild horses in captivity than there are on the range. This was not the intent of the 1971 Wild Free Roaming Horses and Burros Act, and certainly is not the progress we hoped to see when we approved last year's budget increases.

If BLM only intends to contracept and release 1,500 mares a year while removing 12,000 others, how is this a change from the BLM's failed management actions over the past 10 years?

If BLM plans to repeat this plan over the next 10 years, how does the agency intend to pay for it?

ANSWER: Many existing herds have a population size that is several times greater than the appropriate management level. According to the Wild Free-Roaming Horse and Burro Act (1971) Section 1333 (b) (2) (iv.) "Where the Secretary determines . . . that an overpopulation exists on a given area of the public lands and that action is necessary to remove excess animals, he shall immediately remove excess animals from the range so as to achieve appropriate management levels." Therefore, the BLM is required by law to conduct substantial removals to prevent damage to the range. Gathers are typically only 80 to 90 percent efficient, therefore in many cases, it is not possible to capture enough horses to achieve appropriate management level (AML) while still leaving meaningful numbers of mares available to treat with contraceptive vaccine and release back to the range. To effectively reduce population growth, 70 percent to 90 percent of breeding age mares in a herd must be treated.

In addition to conducting gathers that require removals to stop or prevent damage to the range, the BLM also is proposing to begin "treat and release" gathers with no or minimal removals beginning in November 2010, when the full effectiveness (treatment 3 to 4 months prior to foaling) of PZP can be realized. The two-year Porcine Zona Pellucida (PZP-22) vaccine and pellet combination is only about 70 to 90 percent effective. Because of this, in 2011, the BLM is changing its management practices and has requested \$4.2 million to increase the use of fertility control from an average of 400 mares annually from 2004 to 2009 to about 2,000 mares in 2011, or about five times as many mares as have been treated in past years. It should also be noted that in order to treat and release 2,000 mares with PZP, the agency must capture and release about 4,000 horses since about half of them are stallions.

The following two types of gathers will be conducted in 2011:

- For herd management areas substantially over AML, the BLM will gather and remove animals to achieve AML with PZP treatment of additional mares that can be captured for release (about 750).
- For herd management areas at AML or slightly above AML, the BLM will gather for treatment with PZP (about 1,240) with minimal or no removal.

The BLM is also proposing to adjust sex ratios in favor of males in some herds. Sex ratios in herds vary from 50 to 70 percent mares and only about 30 to 50 percent stallions. By adjusting sex ratios in favor of males (stallions or geldings), there would be 10 to 30 percent fewer mares in a given Herd Management Area. This should be very effective in reducing comparative annual population growth rates. Sex ratio adjustments do, however, require removals.

New Energy Frontier and Renewable Energy Development

MoranQ20. This Administration has stressed its commitment to supply traditional fossil fuels while increasing supplies of renewable energy, such as solar, wind and geothermal. The BLM manages a large portion of the nation's domestic oil, gas and coal resources. Please explain how this budget proposes to support continued fossil fuel production and leasing.

ANSWER: As worldwide energy demand continues to grow, conventional energy resources from BLM-managed lands will continue to play a critical role in meeting the nation's energy needs. As such, the BLM is committed to the multiple use management mandate that Congress codified in the Federal Land Policy and Management Act (FLPMA). The BLM has budgeted sufficient funds for the continued administration of existing oil and gas and coal leases, as well the monitoring and inspection of the exploration and development operations that lessees have proposed for these leases. The BLM has also allocated adequate funding to the processes necessary for evaluating new lease offerings and offering those leases in periodic sales. The 2011 budget request for the Oil and Gas Management program proposes to shift a portion (\$10.0 million) of the cost of inspection activities from appropriations to industry by imposing new inspection fees. The budget also continues appropriations language that requires industry to pay BLM for processing applications for permits to drill (APDs).

MoranQ21. What funding is included in your request to support renewable energy? To what extent are there environmental issues associated with developing utility-scale solar, wind, or geothermal projects on public lands? One way to reduce the costs of environmental analysis is to steer proposals out of sensitive areas that could lead to timely and expensive resolution of conflicts. Can you tell us how the BLM is developing policy to ensure that only legitimate and environmentally responsible renewable proposals are considered?

ANSWER: Baseline appropriated funding for renewable energy development is \$16.7 million, including an increase of \$16.1 million provided in 2010. Of the 2010 increase of \$16.1 million, \$11.1 million supported implementation of Renewable Energy Coordination Offices and Teams and \$5.0 million supported renewable energy studies. In 2011, an additional \$3.0 million is requested to expand environmental studies associated with renewable energy development.

The BLM recognizes that renewable energy development on a large scale could impact other important natural resource values, including treasured landscapes, sensitive wildlife habitats, limited surface and groundwater resources, and diverse existing land uses. The BLM is working to understand the implications of energy development in the context of these overall landscape values. Our goal is to minimize potential impacts by siting future energy projects in a responsible, environmentally sound manner, and by focusing environmental mitigation and conservation efforts where they are most needed and beneficial.

ARRA funding for a regional multi-state Solar Energy Programmatic Environmental Impact Statement has helped to solidify the BLM's revised strategy to site large-scale renewable energy development in areas of high energy potential and with lower environmental conflict. By offering lands for development in areas with lower environmental conflict, rather than responding to individual applications, the BLM can provide for more environmentally responsible development of the public lands.

MoranQ22. The budget justification states that DOI has set a performance indicator—not just a target—of 9,000 MW of renewable energy permitted on public lands by 2011. The Secretary stated in a recent Environment and Public Works Committee hearing that “some 5,000-6,000 megawatts of new capacity, in California, Arizona, and Nevada, could be permitted for construction by the end of this year.” How do you anticipate meeting that 9,000 MW goal by the end of 2011? How many acres of development does this translate into?

ANSWER: There are 34 fast-track projects, of which seven are transmission projects that do not contribute to production capacity. The remaining 27 energy-producing fast-track projects, which must be approved by the first quarter of FY 2011 to meet U.S. Department of the Treasury incentive guidelines, have the potential to meet most, and possibly all, of the 9,000 MW target. At the present time, 1,324 MW of fast-track capacity has the potential to be approved by the end of the last quarter of FY 2010, and 7,874 MW of fast-track capacity has the potential to be approved by the end of the first quarter of FY 2011. In addition to the fast-track projects, there are 18 other projects currently pending that could be permitted later in 2011 that could add another 2,099 MW of approved capacity.

Not all the fast-track and non fast-track projects currently pending approval will necessarily attain approval, as some may be withdrawn and others may be delayed beyond FY 2011. Of the 11,297 MW of capacity currently pending, the Department of the Interior established 9,000 MW as the goal to be attained by the end of FY 2011.

The 9,000 MW of approved capacity would require authorizations on approximately 160,000 acres of public land for both wind and solar energy projects. However, actual land disturbance will be limited to smaller portions of project areas, especially in the case of wind energy projects that typically disturb only about 10 percent of a project area.

MoranQ23. What kind of attention will be given to the electrical transmission grid in the next fiscal year? The President's Budget notes that the Department supports “modernization” of the country's grid, but can you go into detail about how transmission lines sited on Federal lands will prioritize and support renewable energy?

ANSWER: The public lands have a key role in providing energy transmission corridors across the West. The Department recently completed an intensive interagency effort to designate over 5,000 miles of energy corridors on BLM-managed lands out of a total of 6,000 miles of corridors in eleven Western states. These corridors form the backbone for future transmission planning in the region. The BLM and the Department will continue to work with our regional, state, and

interagency partners to identify transmission needs and amend transmission corridors as necessary to ensure they provide access to renewable energy.

MoranQ24. I understand that the BLM used significant American Reinvestment and Recovery Act (ARRA) funding to jump-start orderly development of renewable energy on BLM managed lands. Please tell us how these projects are going and what the prognosis is for getting more clean energy on-line. The BLM received tremendous support for 31 “fast-track” projects in the American Recovery and Reinvestment Act, but there are still hundreds of solar and wind projects in the right-of-way queue. What is the Department doing to make sure that the permit process used to develop public lands ensures that sensitive places are protected and public lands fairly valued when continuing to process both the fast-track and future renewable energy projects?

ANSWER: The Recovery Act funds have enabled the BLM to move forward with parallel efforts to advance processing of renewable energy project applications and to complete the long-range planning needed for responsible renewable energy development on the public lands. As of March 1, 2010, the BLM is processing approximately 128 applications for utility-scale solar projects, which involve approximately 74,000 MW and 1.3 million acres of public land. The BLM is also expediting permitting for 34 “fast-track” renewable energy projects that have the potential to qualify for financial incentives from the Department of the Treasury under the provisions of the Recovery Act. These “fast-track” projects include 14 solar energy projects with a potential capacity of 6,521 MW (which are included in the 128 total solar applications mentioned above), seven wind energy projects with a potential capacity of 816 MW, and six geothermal energy projects with a potential capacity of 285 MW, one of which became operational in September 2009.

Concurrent with fast-track project permitting to allow companies to meet Treasury incentive requirements, the BLM is using ARRA funds to conduct the long-range planning needed for developing renewable energy projects in a manner that is responsible and environmentally-sound. A key project is the Solar Energy Development Programmatic Environmental Impact Statement (Solar PEIS), which the BLM is preparing in cooperation with the Department of Energy. The Solar PEIS is a landscape-scale plan for siting solar energy projects on BLM-managed lands in the six southwestern states (Arizona, California, Colorado, Nevada, New Mexico, and Utah) that have the best potential for utility-scale solar energy development. A Draft Solar PEIS is scheduled for release in 2010. Separately, the BLM is preparing the Restoration Design Energy Project in Arizona, which is a plan to assess the potential for disturbed lands, such as abandoned mines, to be reclaimed and developed for renewable energy uses.

In addition, the BLM is preparing a series of ecoregional assessments, also using ARRA as well as base funds, which will synthesize existing information about the natural resources within an ecoregion (such as the Sonoran Desert, Great Basin, or Colorado Plateau). These science assessments will help determine which portions of each ecoregion have the highest potential for renewable energy development and lowest potential for conflicts with ecological values and other natural resource values and uses. The ecoregional assessments are an important part of the BLM’s efforts to ensure that siting decisions for both renewable and conventional energy development are informed by good science over the long term.

MoranQ25. Last year there was Committee report language directing Interior and the USDA Forest Service to submit a report on the criteria for siting renewable energy projects, as well as a detailed strategic plan on how the agencies will coordinate their development. Can you provide us with an update on the status of that report as well as describe how those siting criteria are being applied to current planning efforts?

ANSWER: The Department is in the process of developing the Renewable Energy Report to Congress. We anticipate submittal of the Report in May.

The BLM has applied initial criteria that exclude the following lands with sensitive resource values from consideration for solar energy development:

- National Landscape Conservation System (NLCS) lands;
- Designated critical habitat for threatened and endangered species and sensitive habitat areas;
- Areas of Critical Environmental Concern (ACECs) and Desert Wildlife Management Areas (DWMAs);
- Areas designated to protect scenic values;
- Special Recreation Management Areas (SRMAs);
- Areas allocated in existing land use plans to maintain wilderness characteristics;
- Areas of known Tribal concerns; and
- Areas with significant cultural and historic resource values.

Additional and more specific siting analysis is being prepared as part of the BLM's Solar Energy Programmatic Environmental Impact Statement. The Draft Solar PEIS is scheduled for release in 2010.

Similar PEISs were completed for wind development in 2005, and geothermal development in 2008. Some of exclusion criteria listed above apply to wind and geothermal development as well. However, because wind and geothermal development are not as land-use intensive, these types of developments are less restricted.

MoranQ26. We commend DOI for approaching energy policy issues at a landscape level, which will be necessary to tackle renewable energy, transmission, wildlife and climate issues successfully. Can you describe how renewable energy planning intersects with the climate policy work the Department is pursuing? For example, how will renewable energy development fit into the Landscape Conservation Cooperatives? How will the ecoregional assessments contribute to renewable siting decisions?

ANSWER: Renewable energy planning intersects with the Department's climate change response strategy in at least two ways. First, developing solar and other renewable energy resources is central to the Nation's efforts to reduce greenhouse gas emissions, mitigate climate change, and protect the global environment. Second, the Department's efforts on behalf of renewable energy and climate change adaptation will increasingly rely on improved landscape-scale information, long-range forecasting, integrated planning, and effective partnerships to

assure that natural resource conservation strategies and energy development decisions are based on sound science and a clear sense of priorities within affected regions.

Landscape Conservation Cooperatives (LCCs) will help to coordinate and integrate Federal, Tribal, State, and NGO resource conservation and management efforts addressing climate change and other stressors (including renewable energy development) within and across large landscapes. BLM ecoregional assessments involve assembling, organizing, and synthesizing high priority, geospatial information about ecological values and change agents (including climate change and renewable energy development) within ecoregions. This information will be used to help determine which portions of each ecoregion have highest potential for renewable energy development and lowest potential for conflicts with ecological values and other natural resource values and uses. This information will help inform future planning and siting decisions for both renewable and conventional energy development.

MoranQ27. We note that funding for Resource Management Plans is diminished, yet assume there will be a need to revise and amend those plans to accommodate the more than 200 applications for utility scale renewable energy projects on BLM lands, an area where most plans are silent. Can you explain this apparent contradiction?

ANSWER: The BLM will continue to revise and amend individual Resource Management Plans (RMPs) as necessary to allow for renewable energy development, and will continue to process right-of-way applications for wind and solar energy development as well as energy transmission corridors. The BLM continues to address renewable energy development planning on a landscape-scale through its ongoing Solar Energy Programmatic Environmental Impact Statement (PEIS) and through the initiation of regional EISs for wind energy development in Oregon and Nevada. Revisions and amendments to RMPs that may be needed to support renewable energy development will not be affected by the proposed reduction to the Resource Management Planning program budget.

Oil and Gas and Drilling Permit Fees

MoranQ28. The budget proposes to establish an inspection fee on the oil and gas industry which will partially off-set the costs to the government of managing this resource. Can you explain how this inspection fee would work, who would pay it, and how you would use the receipts? Would this net approximately \$10 million per year?

ANSWER: At the start of the fiscal year, or 60 days after enactment, the BLM would send a bill to each lease or agreement holder of record that is subject to inspection. A lease or agreement would only be subject to inspection if the BLM had approved a permit within its boundaries. The BLM oil and gas program would use the inspection fee receipts to offset the proposed \$10 million reduction in discretionary appropriations. The BLM has structured the proposed inspection fee schedule to generate about \$10 million per year. This amount represents about one-quarter of the BLM's annual inspection and enforcement expenditures.

MoranQ29. The budget also proposes to continue the fee on each Application for a Permit to Drill (APD), which nets approximately \$45 million in receipts. How has this permit processing

fee worked in your experience? Does this fee cover all the costs to the BLM of permit processing?

ANSWER: The APD fee has worked very well for the BLM. The appropriations for APD processing has given the BLM a steady funding stream to be able to process APDs, while the APD fee has offset the appropriations given for the processing of APDs. The current APD fee of \$6,500 covers the average costs that the BLM incurs processing APDs.

MoranQ30. We understand that the APD fee applies to all Federal energy permits, including APDs for Indian Trust lands. Can you explain how the permit processing works on Indian lands? Of the total permits which are subject to the APD fee, how many are from Indian lands? Please provide data from 2009 actual, FY 2010 anticipated and proposed in FY 2011.

ANSWER: The APD permitting process is nearly the same on tribal lands as it is on Federal lands. The BLM ensures that the down hole drilling program meets minimum requirements, adjudicates the surface location to ensure it is on the correct Tribal lease and is within spacing requirements, ensures the surface use plan properly protects the surface, and consults with the Bureau of Indian Affairs (BIA) and receives BIA concurrence before approving the APD. The table below shows the number and percentage of APDs the BLM received and anticipates receiving on tribal lands in 2010 and 2011.

FY	Tribal APDs Received	Federal APDs Received	Total APDs Received	Percent Tribal APDs
2009	401	4,856	5,257	8%
2010 estimated	560	6,440	7,000	8%
2011 estimated	560	6,440	7,000	8%

MoranQ31. The APD fees are used to off-set the costs of the BLM activities. For Tribal lands, does the BLM have similar costs as for BLM managed lands? Does the BLM transfer some of the APD fee receipts to Tribes or the BIA to offset their APD processing activities? Is there any rationale for exempting Tribal lands from the APD fees?

ANSWER: The APD fee is based on the average cost for the BLM to process an APD. The average cost includes processing costs for APDs on BLM-managed land, on Federal land managed by other Federal agencies, on Indian Tribal lands and on Indian Allottee lands. While BLM's average cost to process an APD is \$6,500, the actual cost for processing an individual APD can vary, both within the same land ownership and across the different land ownerships.

The level of involvement by the BIA varies from office to office. As a result, the cost incurred by BLM to process APDs varies on Tribal lands and Indian Allottee lands. In some cases, BLM's costs are comparable to the costs it incurs when processing an APD on BLM-managed land. In cases where BIA has prepared the NEPA-required environmental documents, then the costs BLM incurs are lower. This is the same when BLM processes APDs on other Federal lands (e.g. National Forest land) and the surface management agency (e.g. the Forest Service) prepares the NEPA documents.

The BLM does not transfer any of the receipts from APD fees to Tribes or to the BIA. All of the receipts from APD fees are sent to the United States Treasury to offset BLM's costs.

Authorizing Item on Non-producing Wells in the Budget

MoranQ32. The budget includes a couple of major energy-related initiatives that will be sent up later for our authorizing committees to evaluate. This includes a proposed fee for non-producing wells. Can you summarize this initiative and explain how it relates to the business of this subcommittee?

ANSWER: The BLM has proposed a \$4 per acre fee on new non-producing leases, not wells. This new fee would be in addition to the lease rental now collected on leases that have not reached production. The fee is intended to be an incentive for oil and gas lessees to drill and place into production leases in a more timely manner.

MoranQ33. Last month, an industry funded study got a lot of news by claiming that oil and gas development restrictions could curb the US economy substantially over the next 20 years. One of the key findings was that annual average natural gas prices were expected to increase by 17 percent. This seems inconsistent with what we are seeing with gas prices. What have been the natural gas prices over the past three years for BLM managed wells?

ANSWER: According to the Minerals Management Service (MMS), the average natural gas price on Federal lands for onshore minerals was \$5.35 per MCF (million cubic feet) in FY 2007; \$6.72 per MCF FY 2008; and \$4.01 per MCF in FY 2009.

Oil and Gas Impacts

MoranQ34. There also have been a lot of news reports about various problems associated with oil and gas development on public lands. For instance, the Wyoming State game commission showed that mule deer populations are down 30% in and near the Jonah Gas field, extensive spills of salty, toxic waters from coal bed methane development have ruined habitats, and the BLM requires inadequate bonds to remediate pollution from abandoned wells. Please tell us what you are doing, and how industry may be partnering, to alleviate these problems in the oil and gas patch.

ANSWER: The BLM has been working with the oil and gas industry to monitor and study the environmental impact of oil and gas development on the public lands and to develop Best Management Practices (BMP) for reducing the impact of development. For example, the mule deer decline referred to by the State of Wyoming Game and Fish actually occurred in the Pinedale Anticline, located north of the Jonah Field. A long-term mule deer study funded by the oil and gas operators in the Pinedale Anticline determined that mule deer populations had declined significantly following the introduction of large-scale drilling and production on the Anticline. As a result of the study, the operators installed a liquids gathering system that has eliminated tens of thousands of surface truck trips in the Anticline each year.

The BLM has encouraged operators to initiate other BMPs such as Interim Reclamation of surface disturbance, phased development, and using telemetry rather than truck trips to monitor production facilities. This lack of substantial year-round traffic and the restoration of native vegetation have resulted in a significant increase in the mule deer herd. The 2007 Sublette Mule Deer Study Phase III stated that, "Specifically, our results indicate that indirect habitat loss associated with producing well pads may be reduced 38-63% with the installation of LGS [Liquids Gathering Systems]." For more information about these and other oil and gas BMPs, see the Technical Information page at www.blm.gov/bmp.

The obligation to permanently plug the wells and reclaim the surface is the joint responsibility of the lessee and operator. BLM is establishing new performance standards to require all currently idle (both shut-in and temporarily abandoned) wells to be routinely inspected to ensure that operators are properly abandoning wells with no anticipated beneficial use. These actions are intended to decrease the risk of long-term idle (uneconomic) wells becoming a federal liability. In addition, the BLM is implementing a policy requiring periodic reviews of bond adequacy, and requesting bond increases as appropriate.

Management Challenges and GAO Identified Problems

MoranQ35. Last year the GAO identified a series of management challenges that have the potential for fraud, waste, and abuse at the BLM and other Interior bureaus. A reoccurring theme was the need to strengthen resource protection, especially with respect to the operation of oil and gas operations on federal lands. We note that the Department and the Bureau have begun substantial policy changes. Please highlight some of the main policy and management changes you are implementing to respond to the GAO recommendations.

ANSWER: The GAO identified several areas in which the BLM faces management challenges, including managing oil and gas operations on federal lands; enhancing federal land acquisition through use of the Federal Land Transaction Facilitation Act (FLTFA); and reducing the bureau's deferred maintenance backlog. Examples of the BLM's responses to these challenges are highlighted below.

- **Managing Oil & Gas Activities on Federal Lands**—In response to the GAO's concerns about protection of environmental resources from oil and gas activities, the BLM is working with industry to encourage proactive implementation of Best Management Practices (BMPs)—environmental impact mitigation measures applied to oil and natural gas drilling and production to help ensure development is conducted in an environmentally responsible manner. In addition, the BLM is requiring the use of BMPs, as applicable, for conditions of approval on approved APDs. Examples of BMPs include reducing the visual or physical "footprint" of development, reducing human activity in wildlife habitat, and using interim reclamation to restore vegetation, and scenic and habitat resources while a well continues to produce energy. The full list of BMPs can be found on the internet at www.blm.gov/bmp.
- **Improving Federal Land Acquisition & Management**—The GAO is concerned that the FLTFA (which applies only to the sale of federal lands identified for disposal on or

before the date of enactment in 2000) has had “limited success” as a tool for sales of federal lands and acquisitions of inholdings. The BLM has taken various actions in FY 2010 to implement the GAO’s recommendations, including: developing land sales goals; involving six BLM state offices in a sales incentive program to inventory and pre-screen land for future land sales; and intensifying its efforts to educate state office teams on the FLTFA land acquisition process. A subsequent GAO report recognized the BLM for these efforts (“Challenges to Implementing the FLTFA”, November 2009, GAO-10-259T).

MoranQ36. The GAO has also indicated that there is a real disconnect between the energy operations at the BLM and the energy receipt and accounting at the MMS. There remain major problems with the two bureaus having different accounting and monitoring systems for the same oil and gas wells and coal mines. Please tell us how you are working to overcome this disconnect between the management activities of the two bureaus.

ANSWER: The Royalty Management Subcommittee of the Royalty Policy Committee (RPC) in 2007 conducted an independent examination of the Minerals Management Service’s minerals revenue management program. The Secretary had previously established the RPC to provide advice related to the performance of discretionary functions regarding management of Federal and Indian mineral leases and revenues. The Subcommittee made its recommendations in three general areas that concern the BLM and MMS jointly. The areas are: Collections and Production Accountability; Audits, Compliance, and Enforcement; and Coordination, Communication, and Information.

The Subcommittee made 35 recommendations that were subdivided into 172 tasks that concern the BLM either singly or with MMS. The Subcommittee developed the Royalty Policy Action Plan to implement these recommendations. Implementation of the Action Plan is a long-term initiative that will improve the Federal and Indian royalty management programs and result in improved processes and data management, better industry compliance, and increased coordination and information sharing between the BLM and MMS. To that end, the BLM and MMS meet on a monthly basis to discuss accomplishments and refine the strategy for accomplishing all of the recommendations in a timely and effective manner. At the end of March 2010, the BLM had completed 114 of the 172 tasks.

Climate Change

MoranQ37. The budget request includes a \$2.5 million increase for climate change adaptation. Please tell us exactly what you have done with the FY 2010 climate change funds? How is your management of public lands and public service been enhanced by this funding? What are the additional benefits of the increased funding?

ANSWER: Of the \$15 million in climate change funding in FY 2010, \$11 million is being used to support landscape-scale work, which includes ecoregional assessments, development of regional management strategies, selection of monitoring indicators for fish and wildlife species, native seed propagation, and data integration. When completed, these assessments and other activities will help guide future land use planning, including the siting of renewable energy

projects; assess cumulative impacts of environmental changes; develop localized mitigation and adaptation plans that are linked to regional strategies; prioritize on-the-ground project work; and provide an integrated framework for monitoring resources and evaluating the effectiveness of management activities.

An additional \$4 million of FY 2010 climate change funding is allocated to address specific conservation and restoration needs and support on-the-ground activities.

Working with its Federal, State, and non-governmental partners, in FY 2011 the BLM is planning to expand this landscape work to additional ecoregions and integrate this work with the emerging network of Landscape Conservation Cooperatives and Climate Science Centers.

MoranQ38. Can you please explain what the agency's overarching adaptation and restoration policy objectives are? How will the BLM reduce the risk of adverse outcomes to fish, wildlife and habitats due to climate change that is exacerbated by other stressors, including the development of energy resources on BLM lands? How is the BLM incorporating climate adaptation and restoration concerns into its energy development planning, since energy development can exacerbate the vulnerability of fish, wildlife, habitats and ecosystems to the deleterious impacts of climate change?

ANSWER: Adaptation and restoration are key elements of BLM's overarching natural resource conservation mission. As such, our adaptation and restoration policy objectives are to work strategically with other agencies and partners to leverage funding and human resources to accomplish shared conservation priorities across large landscapes. A principal aim is to ensure self-sustaining populations and a natural abundance and diversity of wildlife, fish, and plant resources on public lands. This involves taking actions to reduce controllable stressors affecting important habitats and increases the ecological resiliency of these habitats.

Area-specific climate adaptation needs and other conservation, restoration, and multiple use objectives and allocations are determined through BLM's resource management planning process. For example, BLM is engaged in an effort to remove unneeded fencing across BLM lands in Montana and the Dakotas to allow big game populations such as antelope to more easily migrate, potentially allowing for the antelope and other big game species to better adapt to climate change. It is also important to design and locate new uses such as renewable energy facilities so as to avoid unacceptable impacts to core habitat areas and essential habitat linkages. BLM incorporates the best available resource data and science into planning and design activities as they become available.

MoranQ39. Climate change adaptation was funded in FY 2010 and is proposed for funding in FY 2011 through the Soil, Water, and Air budget subactivity. Since the focus of this funding as stated in the budget is primarily to assist native plant and animal communities in adapting to climate change, can you explain to me how it is effectively being used under this subactivity and why its purpose would not be better served through the Wildlife and Fisheries Management budget activity or a native plant management subactivity?

ANSWER: Assisting native plant and animal species and communities in adapting to climate change is clearly a focus of the Department's climate change response activities. Maintaining and restoring fundamental land health attributes – including soil and water parameters -- are cornerstones to enhancing ecological resiliency and accomplishing many climate change adaptation objectives. The placement of climate change adaptation funding in the Soil, Water, and Air budget subactivity allows for the greatest flexibility in taking appropriate actions to address and respond to climate change impacts.

In FY 2010 this funding is being used to conduct ecoregional assessments; begin developing integrated ecoregional strategies that incorporate the best available climate change science; implement high priority actions on-the-ground to address conservation and restoration needs; continue our highly successful National Native Plant Materials Development Program; and identify key monitoring indicators for fish and wildlife.

Challenge Cost Share

MoranQ40. The Challenge Cost Share (CCS) Program is the Department of the Interior's effort to leverage funding through partnerships to obtain benefits in excess of what Federal funding alone could have achieved. The use of partnerships has been emphasized by the Department as a means to accomplish its various missions of managing, conserving and protecting America's natural, cultural, and historic resources. We are concerned to see the elimination of funding for the Challenge Cost Share program in the BLM and the other agencies as well. The recent Inspector General's findings of management and tracking problems at the BLM need to be addressed forthwith. We understand that CCS funded projects have significant successful accomplishments and this significantly increases the on-the-ground activities of the Bureau and its partners. What are the major management problems identified by the IG, and what specifically is the BLM doing this year to establish accountability and credibility for the challenge cost share program?

ANSWER: The Inspector General reported the following findings:

- Partner contributions not verified. This was due to the lack of program oversight and uniform policies and procedures. The lack of written agreements, cost share enforcement, and monitoring created situations in which the required dollar for dollar match was not verified and met.
- Ineffective project planning. This was due to the lack of commitment letters, lack of written agreements, lack of partner certifications, lack of funds reallocation guidelines, and management control reviews.
- Ineffective program communication resulting from misreporting, lack of reporting and lack of transparency.

The Department is reviewing Challenge Cost Share programs in response to the Inspector General's recommendations.

MoranQ41. Please provide a summary of the challenge cost share projects accomplished in FY 2009 and those anticipated for FY 2010. To what extent is the BLM able to get needed habitat and recreational enhancements done without this leveraged funding?

ANSWER: Below is a summary of CCS projects accomplished in 2009 and planned for 2010.

FY 2009 CCS Accomplishments			FY 2010 Planned CCS Accomplishments		
State	# of Projects	% of Total	State	# of Projects	% of Total
AK	14	3.71%	AK	18	3.84%
AZ	25	6.63%	AZ	30	6.40%
CA	66	17.51%	CA	104	22.17%
CO	21	5.57%	CO	25	5.33%
ES	6	1.59%	ES	1	0.21%
ID	53	14.06%	ID	52	11.09%
MT	41	10.88%	MT	50	10.66%
NM	31	8.22%	NM	34	7.25%
NV	17	4.51%	NV	18	3.84%
OR	60	15.92%	OR	69	14.71%
UT	23	6.10%	UT	36	7.68%
WY	16	4.24%	WY	28	5.97%
WO	4	1.06%	WO	4	0.85%
Total	377	100%	Total	469	100%

In FY 2011, BLM will accomplish its highest priority habitat and recreational enhancements using base resources.

MoranQ42. To what extent is the challenge cost share program a useful way for citizens, communities, industries and conservation groups to participate directly in the management of their public lands? A program that engages thousands of Americans in the very democratic tradition of working the land in conjunction with their government for the benefit of all. If this program is not reinstated, where and how will the American people find agency assistance, tools or support to volunteer to improve our public resources?

ANSWER: The BLM uses the CCS Program's financial resources to work with partners in support of partnership-driven priority projects. In 2010, the BLM's current and potential partners include Federal, State, and municipal agencies; school districts, universities, and recreational groups; nonprofit organizations and advocacy groups; local businesses and industry; and the Girl Scouts and Boy Scouts of America. In 2011, the BLM will continue to work with partners as appropriate through other base activities.

Fixed Costs

MoranQ43. The budget request claims the bureau will “absorb” fixed costs of \$16 million. How specifically is this number calculated? In recent years the BLM was not funded for fixed costs, so doesn’t this “absorption” actually constitute an across the board cut? How many FTE’s are associated with this reduction? Will the reduction be applied across all budget activities of the BLM?

ANSWER: The BLM’s 2011 estimated fixed costs total \$15,859,000. That number primarily reflects the additional amount needed to fund one-quarter of the 2010 Federal pay raise of 2.0 percent and three-quarters of an estimated 2011 pay raise of 1.4 percent. The fixed cost total also includes an increase for a non-foreign area COLA/locality pay adjustment; an increase for the Federal Government’s share of Federal health benefit plans (an estimated increase of 7.0 percent in 2011); an increase for workers’ compensation payments; a decrease for unemployment compensation payments; an increase for rental payments; and an increase for the fixed costs associated with an increase in staff in 2010.

Fixed costs will be absorbed across all BLM budget activities by making adjustments in their program plans for 2011. Several examples of the actions programs may take are the following: not refilling vacancies as they become available, consolidating positions, limiting the hiring of seasonal employees, cutting back on training, reducing contract support, eliminating underutilized space, closing or consolidating facilities, and scaling back program operations as needed.

MoranQ44. The request also has an unspecified reduction for management efficiencies. What is the composition of these reductions? Do you have experience in actually implementing such new efficiencies or is this a program reduction?

ANSWER: In 2009, the President established the SAVE Award program to challenge Federal employees across the government to submit their ideas for efficiencies and savings as part of the annual budget process. The goal of the SAVE Award is to produce ideas that will yield savings and improve government operations. The Department of the Interior received thousands of submissions on a variety of topics during the SAVE Award process which are being reviewed by the bureaus. The 2011 budget assumes \$62 million in savings, throughout the Department, from implementing SAVE Award proposals in three areas: travel, information technology, and strategic sourcing.

- **Travel Reduction**—The BLM is participating in a Department-wide effort to reduce travel and relocation expenditures through adoption of new technologies and efficiency improvements in accounting. BLM’s share of this reduction is \$3.3 million.
- **IT Reduction**—The Department anticipates savings will result from the Department-wide implementation of a common e-mail system and the consolidation of servers, data centers, and help desks. Although this is a multi-year effort, it is feasible to expect \$20 million in savings in 2011, of which BLM’s share is \$2.4 million.

- **Strategic Sourcing**—The BLM has been working collaboratively with other acquisition offices across the Department to prepare an Acquisition Improvement Plan. The Department is proposing a reduction of \$30 million in real savings in 2011, of which BLM's share is \$3.4 million. One option for achieving this savings is the expanded use of strategic sourcing.

Recovery Act

MoranQ45. The BLM received \$125 million in the Management of Lands and Resources appropriation and another \$180 million in the Construction account in the American Reinvestment and Recovery Act (ARRA). Please tell us how you decided how to allocate the funding and please provide a summary table indicating the states and the types of projects that were chosen.

ANSWER: A reallocation of funding is currently awaiting approval. BLM will submit the requested information later under separate cover.

MoranQ46. Can you tell us how much of this has been spent so far and why this rate is so low? What steps are you taking to increase the rate at which these funds expended?

ANSWER: As of May 20, 2010, the BLM had obligated \$230,594,350—approximately 75 percent of total ARRA funds appropriated to the BLM. By June 2010, the BLM will have work started on over 90% of its ARRA projects.

MoranQ47. What impact has Recovery Act funding had on the Bureau's deferred maintenance plans and projects?

ANSWER: The Recovery Act funds will accelerate the completion of some projects on the BLM's Deferred Maintenance/Capital Improvement 5-Year Plan.

MoranQ48. How many jobs have been created or saved to date with the Recovery Act funds?

ANSWER: To determine the number of jobs created or retained, Interior leverages the quarterly recipient reporting process where recipients report on the actual number of jobs created or retained. During the period of October 1 to December 31, 2009, BLM recipients reported 348.65 full-time equivalents were employed. It is important to note that this is a quarterly snapshot of jobs created or retained as opposed to the cumulative number of jobs created. With the change in the OMB recipient reporting job creation guidance that was issued on December 18, 2009, job creation/retention is now reported on a quarterly as opposed to cumulative basis.

We expect the number of jobs created or retained to significantly increase in the coming quarters as all of our projects are awarded and as we enter into the heavier construction and summer working seasons. Also, the number of jobs created or retained does not account for jobs created or retained by subcontractors of contract awards (over 60 percent of Interior's funding is awarded

via contracts) since job reporting is not required for these entities. It also does not consider the downstream job creation by suppliers or other vendors.

Wildlife and Fisheries, Threatened and Endangered Species Management

MoranQ49. The BLM is responsible for the largest amount of Federal land of any agency, and there are more and varied activities and industries allowed. The Bureau has a budget of about \$70 million to manage more than 3,000 species of fish and wildlife, 10,000 species of plants, more than 300 federally proposed or listed species and more than 1,300 sensitive plant species on 253 million acres of land. The request has reductions for these activities; these decreases will be further exacerbated by the failure to fund fixed costs. If the Subcommittee was able to provide a modest increase, can you tell us what your most crucial needs for the upcoming year would be?

ANSWER: The BLM supports the funding levels in the President's Budget.

MoranQ50. How much funding are you able to allocate to the recovery of Federally listed species on BLM lands each year versus the actual need? Despite past efforts by the Subcommittee, reports are that the practice of inappropriately charging compliance activities of energy, grazing, and non-wildlife related programs to the wildlife accounts continues, diverting at least 30 percent of funding each year from proactive conservation efforts rather charging the benefiting function. Can you please explain the problem to the Subcommittee and also tell us why it has not been rectified? How would you suggest that we do so?

ANSWER: In 2009, the BLM spent \$2.8 million to implement tasks identified in species recovery plans, and \$778,000 planning for species recovery. The BLM is responsible in whole or in part for 5,629 recovery actions in approved recovery plans of federally listed species. Approximately one quarter of these actions are Priority 1 actions deemed essential for the survival of the species. Of the Priority 1 actions, approximately 4 percent are complete; most are not underway.

The BLM's coding policy is structured to ensure employees code to the appropriate benefiting subactivity. As a result of our complex multiple use mission, there can be overlap in the benefiting programs. Although internal reviews from 2003 and 2005 indicated miscoding discrepancies within BLM wildlife accounts, there is no evidence that this situation continues to the extent previously identified. This is largely due to the hiring of additional natural resource specialists and biologists in the seven energy pilot offices that focus on evaluating and monitoring the impacts of energy development on plant and wildlife habitat.

Native Plant Conservation and Restoration

MoranQ51. Last year funds for the native plant materials program were moved out of the wildland fire management account into the wildlife account. Please summarize the activities of the native plant materials program and how it is working with other Federal agencies and industry.

ANSWER: The BLM's Plant Conservation Program is working across the country on native plant materials development with over 500 partners. These include 83 research institutions, 118 industry partners, 95 non-profit organizations, 24 botanic gardens, 22 Tribal entities, 20 state governments, 24 local governments, and 199 Federal government offices from 9 Federal agencies. From 2001 through 2009, more than 9,500 native seed collections have been made as part of the Seeds of Success program. The native seeds are stored for long-term conservation purposes as well as used in developing commercial native seed. The Native Plant Materials Development Program has worked to ensure that 122 native ecotypes are commercially available for the restoration of native plant communities on public lands. Nationwide, the BLM is coordinating 60 native seed collection teams and cooperating on numerous efforts with other Federal agencies, such as the U.S. Forest Service.

MoranQ52. The Bureau has many varied activities relating to plant conservation; it is a vital aspect of all of your restoration and climate change adaptation efforts. Please explain the various aspects of your plant conservation efforts and help us understand why there is not a separate budget activity or subactivity for this work. Can you also tell the subcommittee what the unfunded needs are for plant conservation?

ANSWER: The BLM Plant Conservation Program is responsible for protecting, maintaining and restoring the resilient plant communities of the American West. The program plays a vital role ensuring native plants are collected, conserved and available for restoration of native plant communities on public lands in a changing climate. The program consists of the following elements: 1) Identifying, evaluating, and protecting rare plants on public lands; 2) Developing genetically appropriate native plant materials for restoring and maintaining habitat for wildlife, fisheries, pollinators and endangered species to ensure that BLM's multiple-use mission and priorities are met; 3) Establishing interagency ecoregional native plant materials coordinating teams; 4) Monitoring to ensure effectiveness of native plant materials that have been developed; 5) Implementing on-the-ground habitat conservation and restoration treatments on a landscape scale; 6) Protecting, stabilizing, and restoring Western native plant communities; and 7) Enhancing partnerships and volunteer opportunities for plant conservation.

The BLM's highest priority needs for plant conservation are provided for in the President's Budget.

National Fish and Wildlife Foundation

MoranQ53. The bill language in the budget appendix failed to update the year regarding the allocation of funds through the National Fish and Wildlife Foundation. Was this just a typo? Please summarize the projects and accomplishments of your projects with this foundation during FY 2009 and your plans for FY 2010. The budget appears to allocate \$1 million of the \$3 million for this foundation for youth work. Is the youth focused work going to mean an overall \$1 million reduction in funding of work as was done in previous years?

ANSWER: The table below summarizes the funding transfers to the National Fish and Wildlife Foundation (NFWF) from BLM in FY 2009-2011.

	2009 Enacted	2010 Enacted	2011 President's Budget
Rangeland Management	\$345,000	\$345,000	\$345,000
Riparian Management	\$246,000	\$246,000	\$246,000
Wildlife Management	\$1,917,000	\$1,917,000	\$1,917,000
Fisheries Management	\$246,000	\$246,000	\$246,000
Threatened & Endangered Species Management	\$246,000	\$246,000	\$246,000
Total NFWF Funding through BLM	\$3,000,000	\$3,000,000	\$3,000,000

In FY 2009, the NFWF met the BLM allocation of approximately \$3 million with \$40 million in matched funds; accomplishing a number of plant and wildlife restoration projects such as the Bird Keystone Initiative, Fish Keystone Initiative, and Wildlife and Habitat Initiative. In FY 2010, the BLM is seeking approval from the NFWF Board to begin new habitat restoration projects that support species such as the Gunnison sage-grouse and Lesser Prairie-Chicken. The direction of \$1 million of the \$3 million in base funds requested in the FY 2011 budget for the NFWF youth programs will support programs that leverage private sector contributions to engage and employ youth in conservation activities. These efforts will directly benefit plant and wildlife restoration projects on BLM managed lands.

Helium Program

MoranQ54. The BLM manages the US helium program and is responsible for about one-third of the world's supply of helium for chip and fiber-optic manufacturing and for use in medical and scientific research. There is great concern that the US is not managing this rare resource adequately as it is becoming more and more valuable for high technology, ultra-cold science experiments and energy development. The BLM funds the helium program through the retention of some receipts, not with discretionary appropriations. Please summarize the cost to the BLM of this program, the receipts that are coming in to the government, and whether or not the Administration is planning to respond to the January 22 National Research Council report recommending substantial changes to the helium program authorization.

ANSWER: During FY 2009, the BLM spent approximately \$20 million to operate the Helium Program. The program also generated approximately \$96 million in revenues during that same period that included:

- \$70 million through in-kind and open market sales of helium.
- \$12 million through sales of natural gas and related hydrocarbons.
- \$4 million for the pipeline transmission and storage fees by industry.

- \$8 million through royalties and associated fees related to helium sales from Federal lands.
- \$2 million for reservoir management fees.

The BLM returned all revenues to the U.S. Treasury for the retirement of the helium debt, as required under the Helium Privatization Act of 1996 after covering operating costs. BLM staff members are evaluating the January 22, 2010, National Research Council report, "Selling the Nation's Helium Reserve."

Alaska Conveyance

MoranQ55. The budget proposes a \$13 million reduction to the Alaska conveyance program. Please summarize the past activities of this program and explain what the trade-offs are if this reduction is implemented.

ANSWER: BLM is reducing program funding because the budget required tough choices. Conveyance work has been ongoing since the 1960s, and the 2004 Alaska Land Transfer Acceleration Act has allowed BLM to streamline the conveyance program and reduce program costs. Since its inception, the Alaska Conveyance Program has patented 85 million acres (56 percent) with 65.7 million acres awaiting patent. Most of these 65.7 million acres of unsurveyed lands have been transferred to Native Corporations through Interim Conveyance and to the State through Tentative Approval. Both types transfer all right, title and interest of the Federal Government. However, survey and patent are required by Federal law for completion of land transfer and are necessary for almost all types of State and private development, financing, lease and disposal of property.

DOI is exploring opportunities to further streamline the program. In FY 2011 BLM will focus resources on completing the goal of transferring title to the acres it is required to convey. BLM has already issued final or interim conveyance on most of these acres, but now needs a strategy to complete final transfers.

Resource Management Planning

MoranQ56. The budget also has an \$8.2 million reduction for resource management planning. Please summarize the past activities of this program and explain what the trade-offs are if this reduction is implemented.

ANSWER: The BLM Resource Management Planning (RMP) program is responsible for facilitating the land use planning process, which includes plan development, implementation, monitoring, and evaluation. In 2011, the bureau will focus on completing its 34 ongoing RMP projects rather than initiating new RMPs or major RMP amendments.

Western Oregon Timber Program

MoranQ57. What is going on with the western Oregon timber and management plan? We understand that you are conducting a policy and public review of the plan which was rushed out

at the end of the previous administration. What is the time line for this plan and how does a failure to get a plan in place impact ongoing management activities?

ANSWER: On July 16, 2009, Secretary of the Interior Salazar withdrew the BLM's Western Oregon Plan Revisions (WOPR). Due to this withdrawal of the plan revisions, the BLM forests in western Oregon will again be managed under the Northwest Forest Plan, which guided BLM timber sales and other activities between 1994 and December 2008. Under either plan, a non-ASQ harvest of approximately 30 to 60 MMBF board feet from the reserve land use allocations is also permissible to maintain and enhance forest habitat for endangered fish and wildlife species.

As directed by Secretary Salazar, the BLM and the Fish and Wildlife Service (FWS) established an interdisciplinary task force to recommend a process for finding a long-term strategy for forest management so that the Oregon and California grant lands can reasonably, predictably, and sustainably provide economic and social benefits while providing for the recovery of threatened and endangered species in the range of the northern spotted owl.

The task force is currently working on the report.

Coal Management Issues

MoranQ58. The Committee recently did a program review of the BLM coal program, which is largely based in the Powder River Basin of Wyoming. The coal from these mines is an essential portion of our Nation's energy portfolio, but there are a number of questions that arise from this program review. In general, the BLM was found to be doing a pretty good job and no major operational challenges were noted, although there remain major policy questions.

How many Powder River Basin (PRB) lease by applications are currently pending? Who is dealing with all of this huge workload? Is there any national policy consideration concerning leasing another 10 years worth of coal, perhaps 3.9 BILLION tons, that would last well past the year 2025?

ANSWER: There are currently 13 lease applications pending in the Wyoming portion of the PRB and none in the Montana part of the PRB. The BLM's Wyoming State Office processes these lease applications and the Wyoming Field Offices oversee the NEPA process. In addition to renewable energy development, development of conventional energy sources, including coal, is an important component of the Nation's energy portfolio, supporting both economic and national security goals.

MoranQ59. Please discuss the outlook for future coal sales in the next two to three years in the PRB. Given the current economic crisis, the uncertainty regarding coal and cap and trade, and energy demands, how does government policy react?

ANSWER: Based upon the current schedule, over the next two to three years in the Powder River Basin, the BLM expects three to six coal lease sales for approximately 610 to 1,420 million tons of coal. The BLM has adjusted the coal lease sale schedule to allow companies the

time to raise the needed capital in order to submit adequate bids for lease parcels offered at a lease sale.

MoranQ60. Please provide a detailed explanation of BLM appraisal methods for fair market value of coal. How does this relate to the large surge in current leases, which may be coming out soon?

ANSWER: The two appraisal methods that are most commonly used are the comparable sales approach and the income approach. In the comparable sales approach, the value of a property is estimated from prior sales of comparable properties. In the income approach, the value assigned to the property is derived from the present worth of future net income benefits. The principles of property valuation are presented in the Uniform Appraisal Standards for Federal Land Acquisitions 1992 and in The Appraisal of Real Estate (1992). For a complete discussion and explanation, please refer to BLM Handbook H-3070-1, "Economic Evaluation of Coal Properties," which is available on the web at:
http://www.blm.gov/pgdata/etc/medialib/blm/wo/Information_Resources_Management/policy/blm_handbook.Par.29194.File.dat/h3070-1.pdf

Although we are not seeing a large surge in new leasing, appraisals will continue to be completed on a case-by-case basis using the methods outlined above which are required by professional appraisal standards.

MoranQ61. Please explain why BLM allows deferred bonus payment on all leases when they are only required to do so for ½?

ANSWER: The Mineral Leasing Act [30 U.S.C. 201(a)(1)] requires that no less than 50 percent of the lease sale acreage offered in any year be offered with an option to pay the bonus bid value on a deferred basis. A method to discern which tracts can qualify for a deferred bonus and which cannot qualify would have to be promulgated through a formal rulemaking process in compliance with the Administrative Procedures Act (APA) to avoid being arbitrary. The BLM believes the development of such a rule would be very difficult to achieve and would result in a significant increase in the workload required to respond to appeals of those that do not qualify for deferred bonus payments.

MoranQ62. During the past two years the receipt estimates for coal by the Department were far off what actually occurred. How did this happen? Is there no rigorous checking of numbers and no monitoring later on what the difference between anticipated and actual values are? Doesn't this matter to the Department?

ANSWER: On a lease-by-lease basis, it appears that the BLM is receiving bonus bids which are close to the budget-estimated receipts for the competitive sale of coal leases. The problem occurs when attempting to predict the timing of such sales by sale date. There are many variables that can affect the eventual sales date that are very difficult to predict. To improve the prediction of future revenue streams from leasing, the BLM is implementing a system of milestone reporting to gather detailed data to identify factors causing delays in order to begin to improve sale date forecasting.

MoranQ63. The use and content of the Handbook for coal is over 20 years old. When written, the PRB coal industry was just starting out. The industry is now mature and had gone through huge changes. Isn't it time to refresh?

ANSWER: The BLM reviews and updates its coal leasing policies as necessary. However, the BLM has provided updates to its coal leasing policies by formal Instruction Memorandum instead of revising the entire handbook.

MoranQ64. The coal sales dates and advance publicity are quite confusing. Why do sale dates constantly shift and how does this affect the coal program? Shouldn't such large endeavors have some predictability and supervision?

ANSWER: Several variables that affect the eventual sales date are very difficult to predict. Some circumstances that we know of that have caused the delays in sales dates include applicants requesting delays, delays in contracting for qualified specialists for required studies, and additional issues identified through scoping and environmental baseline studies.

MoranQ65. The BLM uses third party contractors to do environmental analyses. How is this done? What are the requirements of contractors to have no involvement in the projects or proponents? What about use of cost recovery and direct contracting rather than coal companies hiring contractors? Are there conflicts of interest between the industry and the environmental contractors?

ANSWER: While the applicant pays for the NEPA analysis, the contractor works for the BLM. The BLM will not accept a document until the third-party contractor has complied with all BLM standards and NEPA requirements.

Use of cost recovery is limited to those expenses that are directly incurred by the BLM for services provided by the BLM. Third party contracting does not fall within the boundaries of cost recovery. If the BLM completed the NEPA analysis on its own, or direct contracted for the NEPA document, then BLM's services would come under the umbrella of cost recovery.

MoranQ66. There appears to be a lot of confusion regarding the solid minerals Information Technology and its linkage to MMS. What IT investments are being considered and what is needed? How does that link to the MMS information on the same projects? Why not have a unified system for both bureaus?

ANSWER: Since each Bureau has a separate IT system, integration has not been considered practical due to cost and to differing responsibilities. However, the two agencies are working very closely to better interface their respective functions.

Currently, the BLM is developing an internet-based automated system to track lease inspections and production verification. The MMS will access this new BLM system in real time to plan and perform royalty accounting audits.

The MMS is arranging for its royalty database to be accessible to BLM on the internet in real time. The new BLM software will also download specific royalty production data to use as a starting point for production verification, and MMS will immediately have access to the results.

MoranQ67. How do the BLM and the MMS coordinate product verification in order to audit coal royalties?

ANSWER: Currently, the agencies exchange paper files and electronic data on disks. With completion of the software project discussed in Question 66, coordination will become more efficient.

MoranQ68. The BLM employees in the coal program have a lot of expertise and experience, but it is not clear that there is a career development and continuity plan. With the aging, highly skilled workforce on coal, how do you ensure continuity? It would really hurt to lose that expertise.

ANSWER: The BLM is currently recruiting replacement staff and is implementing a formal Mine Inspector Certification Program requiring classroom and on-the-job training. The BLM has had success with direct hire recruitment at industry related conferences and meetings. The BLM is also updating its internal guidance to provide for better continuity in the coal management program.

MoranQ69. It appears that reclamation of strip mined lands lags way behind mining. Is this the case? Please provide some information regarding the length of time it takes mines to be certified as reclaimed.

ANSWER: It is correct that final reclamation lags behind mining. For a typical strip mine, the earthwork portion of reclamation occurs at the same time as mining. The soil and other overburden are removed from the next area to be mined and placed on the last area previously mined. Once the earthwork (including soil placement and backfilling the area previously mined) is completed, the area is seeded and planted with seedlings. After a minimum of two to three years and when sufficient re-vegetation success has been achieved, the area is certified by OSM (or its delegate) as having been successfully reclaimed.

MoranQ70. Who is looking at effectiveness of reclamation?

ANSWER: The BLM, other surface management agencies, OSM, and state mining and environmental regulators all work together to monitor reclamation effectiveness. Prior to mining, federal and state agencies approve mining permits that include reclamation provisions such as post-mining land use designations and re-vegetation plans. The agencies then monitor operations during and after mining to ensure the reclamation activities are being followed so that the disturbed lands are returned to a higher and better use.

Questions for the Record from Mr. Simpson

Renewable Energy Environmental Reviews and Permitting

The Department of Interior has set a high priority performance goal of increasing approved capacity for production of renewable energy on DOI lands by at least 9,000 megawatts by the end of 2011. The public lands managed by BLM are critical to meeting this goal.

Renewable energy companies across the West are expressing frustration with the slow and often unpredictable permitting process for renewable energy projects on BLM lands. Your budget request includes a \$3 million increase for the Land and Realty Management program to prepare regional Environmental Impact Statements for potential wind energy zones and NEPA studies for potential solar energy sites in the West.

- **SimpsonQ1.** How specifically will this \$3 million increase assist the BLM in the permitting process next year? Are you anticipating similar increases in the out years?

ANSWER: The BLM will use \$2 million of the proposed increase to prepare regional EISs for wind energy development in Wyoming, Oregon and Nevada to address wind-related planning and resource conflict issues, including sage-grouse impact. Wind is the nation's fastest growing renewable energy resource. These regional wind EISs would update the BLM's existing wind energy plan and address the potential for strategic siting of wind development in these key wind resource areas.

The additional \$1 million will support site-specific NEPA studies for potential solar energy development in Nevada and California. These studies will help the BLM to propose additional high-potential energy areas with relatively low environmental conflict that can be approved and move into production more quickly. The BLM will continue to identify opportunities to accelerate renewable energy development and evaluate funding needs.

- **SimpsonQ2.** What steps are being taken to expedite the permitting process for renewable projects on public lands?

ANSWER: The BLM is working on parallel efforts to advance processing of renewable energy project applications and to complete the long-range planning needed for responsible renewable energy development on the public lands. For example, to advance project permitting:

- The BLM is currently processing approximately 128 applications for utility-scale solar projects, which involve approximately 74,000 MW and 1.3 million acres of public land.
- The BLM is expediting permitting for 34 "fast track" renewable energy projects that have the potential to qualify for financial incentives under the provisions of the ARRA.
- The Renewable Energy Coordination Offices, established in four states, facilitate this workload by bringing together the staff from the BLM, FWS, and other Federal and State agencies that have a role in the permitting process.

Concurrent with project permitting, the BLM is conducting long-range planning to develop renewable energy projects in a manner that is responsible and environmentally-sound. These key long-range planning efforts include:

- Preparation of ecoregional assessments, which synthesize existing information about the natural resources within an ecoregion (such as the Sonoran Desert, Great Basin, or Colorado Plateau). The assessments look across management boundaries to describe current land health conditions, project potential changes from natural disturbances (such as wildfire) and resource development (such as energy projects), and identify important opportunities for resource conservation and development. This science assessment will help inform the responsible siting and mitigation of energy development on public lands.
- The Solar Energy Development Programmatic Environmental Impact Statement (Solar PEIS), which is a landscape-scale plan for siting solar energy projects on BLM-managed lands in the six southwestern states (Arizona, California, Colorado, Nevada, New Mexico, and Utah). A Draft Solar PEIS is scheduled for release in 2010.
- The Restoration Design Energy Project in Arizona, which is a plan to assess the potential for disturbed lands, such as abandoned mines, to be reclaimed and developed for renewable energy uses.

BLM Air Quality Data Monitoring

I notice that your budget request includes a \$2 million increase to the Soil, Water and Air Management Subactivity to implement a five-year air quality strategy assessing and monitoring regional air quality on public lands.

- **SimpsonQ3.** How long has the BLM been in the business of air quality monitoring? What specifically is BLM's role in managing air quality on public lands?

ANSWER: The BLM has been involved with monitoring air quality on public lands since the 1970s, following passage of the National Environmental Policy Act (NEPA) and the Clean Air Act (CAA). NEPA requires the BLM to assess air-quality impacts associated with its land management decisions, and air-quality monitoring is necessary in some cases to determine conformance with these decisions. BLM complies with the CAA. Air-quality monitoring is necessary to ensure regulatory compliance. The BLM uses monitoring data collected by other entities when practical, but has responsibility and authority to monitor air resources on public lands under the Federal Land Management Policy Act.

Backcountry Airstrips

You know that Idaho is a largely rural state with wide open spaces. Like many states in the West, we have many backcountry airstrips used primarily by the general aviation community. Access to some airstrips has been reduced or eliminated without engaging the local community in an open, transparent process that allows for public input. The general aviation community has understandably been very concerned about this development throughout the rural West.

- **SimpsonQ4.** What is the current policy of the BLM relating to the operation of back-country airstrips?

ANSWER: The BLM does not operate any airstrips; therefore, the BLM does not have a specific policy relating to their operation. Airstrips on BLM-managed lands are authorized under the Airport Act of 1928. This Act, as amended (49 U.S.C. Appendix, 211–213), authorizes the Secretary of the Interior to lease for use as a public airport, any contiguous unreserved and unappropriated public lands not to exceed 2,560 acres in area. Airports leased under this authority are, therefore, operated and maintained by the lessees. We believe that this question would be best directed to the USDA Forest Service which does operate backcountry airstrips.

- **SimpsonQ5.** What is the BLM's annual cost of maintaining these airstrips and how much is budgeted in the FY11 request?

ANSWER: The BLM does not maintain any airstrips.

TUESDAY, MARCH 16, 2010.

**HEARING ON PRESERVING AMERICA'S CULTURE AND
NATIONAL TREASURES: THE NATIONAL PARK SERVICE
FY2011 BUDGET REQUEST**

WITNESSES

**JONATHAN JARVIS, DIRECTOR, NATIONAL PARK SERVICE
BRUCE SHEAFFER, COMPTROLLER, NATIONAL PARK SERVICE
DAN WENK, DEPUTY DIRECTOR, NATIONAL PARK SERVICE**

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. I give you credit for being here on time along with Mr. Cole. Thank you for, Mr. Cole, for being here on time. Mr. Jarvis.

Mr. JARVIS. Chairman.

Mr. MORAN. Nice to see you, and Bruce, it is nice to see you.

Mr. SHEAFFER. Mr. Chairman.

Mr. MORAN. We certainly welcome you. This is Mr. Jarvis's first hearing before the subcommittee, but it is not your first hearing, Mr. Sheaffer.

Mr. SHEAFFER. It is not, Mr. Chairman.

Mr. MORAN. You have had basically a lifetime of appearances before this subcommittee, but you have seen that this subcommittee has consistently supported the Park Service. I suspect we will continue in that consistent support so that not only today's visitors but future visitors will have lifetime memories as a result.

Mr. Simpson gets a big kick out of these quotes that I offer. "Short-lived moment of Zen," so I will do it again.

Back in 1875, thousands of tired, nerve-shaken, over-civilized people are beginning to find out that going to the mountains is going home, that wildness is a necessity, and that mountain parks and reservations are useful not only as fountains of timber and irrigating rivers, but as fountains of life.

So what John Muir understood 135 years ago we are still witnessing today, thanks to the National Parks. Visitations are on the rise, and, you know, in a difficult economic recession this is one of the things that has continually been made available to people regardless of their economic condition.

In 2016, a very short period of time to come, the Park Service will celebrate 100 years as the stewards of some of the most important lands and national icons in America; 392 park units, 23 national scenic and historic trails, and 58 wild and scenic rivers. So your responsibilities to these important lands and icons are enormous. In addition you are charged with preserving cultural and historic sites for future generations. Congress likes to help you with that. We will discuss that further, but I think we at this point

should quickly summarize the major components of the 2011, request for the National Park Service.

A total of \$2.7 billion, the request is almost \$15 million less than what was provided last year. I know there is a little bit of discrepancy on the 2010 amount, but when funds are unobligated, you know, that money is appropriated to have been spent, so it is our number that is going to prevail here. The 2011 request is only half a percent reduction, but within that amount you are expected to absorb \$32 million in fixed costs and realize \$17.6 million in management efficiencies, which we know is going to be difficult.

The Operations of the National Parks Accounts does have an increase of \$35 million. That is part of the President's initiative to fully fund the Land and Water Conservation Fund by 2014. You have requested a \$30 million increase for land acquisitions, although you have not requested the personnel necessary to properly manage those acquisitions perhaps. But these increases do come at the expense of a number of programs and projects that are particularly important to this committee and the Congress as a whole.

Your request eliminates both the Save America's Treasures and Preserve America Grant Program. This cannot be because there was not sufficient interest on the Congress's part. It cuts by 50 percent the Heritage Area Partnership Grants. It reduces by a third the funds for the Park Partnership Grants, and it reduces line item construction by \$38 million, even though you have billions in construction backlogs. It also decreases 73 full-time equivalent positions from last year's level.

We assume that you will absorb the \$32 million in fixed costs. It is going to make it extraordinarily difficult, though, as a result to fill over 400 vacancies. So I assume that that is how you are going to deal with absorbing those costs. But those vacancies that will not be available next year I am sure, and so there will be far fewer vacancies showing.

Although there is much in your request we are pleased about, we clearly have concerns about some of the reductions. The subcommittee intends to look closely at all of the requests before us to identify, of course, areas of waste and abuse. The full committee Chairman is particularly interested in this as well. We will have some questions in that area, but we do know you are going to help us root out wasteful spending to the extent that it exists at the Park Service. Before I ask you to begin with your opening statement, Mr. Jarvis, I know we all want to hear from Ranking Member, Mr. Simpson.

So, Mr. Simpson.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. I have to admit it is strange coming from a hearing on nuclear waste to one on our National Parks. The connection there just does not seem to fit.

But, Director Jarvis, thank you for being with us today to discuss the important work of the National Park Service and your priorities for the coming year. Let me begin by thanking you and Bruce for your efforts in addressing a number of issues over the last years. It was about a year ago that we had our first discussions about the large carryover balances in the Rec Fee Program. Work-

ing together in a collaborative fashion with the support of Chairman Dicks, we made tremendous progress in developing a workable strategy to better manage this program and reduce these balances to an acceptable level.

I also want to express my thanks to both of you for your efforts to address the complex issue relating to the potential location of a critical transmission line near the Minidoka National Historic Site in Idaho. My understanding is that an alternative location has been identified that will minimize future impacts and will meet the long-term goals of the Park Service, the local power provider, and other affected parties. Again, collaboration has been the key to this effort, and I am hopeful that we can finalize an agreement through legislation this year.

Your budget request for next year is relatively flat overall but makes some bold decisions about winners and losers. On the one hand, your request for land acquisition, if approved, would represent 144 percent increase over the '09 level of \$64 million. That is a big increase in just 2 years.

On the other hand, your budget request cuts construction funding by \$45 million, it terminates the \$25 million Save America's Treasures Grant Program that was mentioned by the Chairman, and like other bureaus of the Department of Interior, you are being forced by OMB to absorb increase in fixed costs, as was also mentioned by the Chairman. That concerns me.

I would like to delve into these and many other issues with you today and look forward to your testimony. Thank you, Mr. Chairman.

TESTIMONY OF DIRECTOR JARVIS

Mr. MORAN. Mr. Director of the Park Service, you may proceed with your statement.

Mr. JARVIS. Okay.

Mr. MORAN. Thank you, Mr. Simpson.

Mr. JARVIS. Thank you. Mr. Chairman and members of the subcommittee, I appreciate this opportunity to appear before you today to present the National Park Service's fiscal year 2011 budget, and if I may, I would submit the written testimony for the record, and I will just kind of cut to the chase and summarize my remarks.

Mr. MORAN. Thank you.

Mr. JARVIS. As you already indicated, I am accompanied by Comptroller Bruce Sheaffer. How many of these have you done now, Bruce?

Mr. SHEAFFER. A lot.

Mr. JARVIS. A lot. And also Deputy Director, Dan Wenk, is with me as well.

We really appreciate the support of Congress in achieving our goals as stewards of America's treasures. The National Park Service is charged with preserving unimpaired lands and historic sites valued for their environmental resources, recreation, and scenic worth; cultural and historic significance; and their open space.

I hope all of you have seen the Ken Burns film. If not, I can get you a copy. "The National Parks: America's Best Idea." I know many of you are fans of this great production. It reminded Americans of the courage and vision that created the National Park Serv-

ice in this country. Mr. Burns highlighted individuals from Presidents, like Teddy Roosevelt to our first National Park Service Director, Stephen Mather, but also leaders in Congress and private individuals whose strength really was their conviction that these places that they loved would be preserved and protected for the enjoyment of present and future generations.

The film also served testament to the National Park Service's incomparable workforce, and this is one of my priorities as Director. The employees highlighted, like Mount Rushmore Superintendent Gerard Baker and Yosemite Ranger Sheldon Johnson, showed that for them, their work is far more than just a job. It is a mission to carry out and carry on the legacy of inspiring future stewards that began nearly 100 years ago.

We are looking forward to our 100th anniversary in 2016, and we believe this budget will advance our goals for the preservation, interpretation, and restoration of these incredible resources.

The 2011 budget request supports gains made in past years, and we really appreciate the support of this committee in investing in the National Park System. The budget request supports several of the Secretary's goals, including preserving treasured landscapes, addressing the challenge of resource stewardship that can be and will be made more difficult by global climate change, and reaching out and engaging all Americans, especially the youth of our Nation, to create a personal connection with our National Parks.

My personal priorities, I mentioned workforce, also include relevancy, education, and stewardship. They dovetail precisely with the goals of the Secretary, the Administration, and this budget.

The budget proposal includes \$2.7 billion for discretionary appropriations and a total of \$3.1 billion when all sources are added together. It is essentially unchanged from fiscal 2010, and it reflects, frankly, the difficult budget and economic environment that we find ourselves in this country today, and the National Park Service is doing its part in that regard.

It does reflect strategic increases, combined with selected program reductions and eliminations made after long, arduous, careful and serious deliberations.

The increases include \$51 million for our treasured landscapes. The increases would build operational capacity, maintain NPS facilities, ensure our organizational capacity and professional development, and some of our critical stewardship programs, as well as security.

For instance, there is an investment of \$5.8 million that will augment our efforts to reach this country's youth and instill in them an appreciation of the National Parks. These are strategic investments in parks that will be sustained over the long term to connect kids to parks. That is being matched with \$6.4 million in recreational fee revenues, a total of \$2 million over the 2010 level.

This really does help us achieve both my and the Secretary's goal of getting youth into nature, and ultimately it could lead to some of these young folks seeking careers in conservation, perhaps in the National Park Service.

You mentioned the Land and Water Conservation Fund. The National Park Service works to assist both the state side and the federal side of LWCF, and the Administration is committed to full

funding of LWCF at \$900 million by 2014. Towards this effort we are requesting an additional \$30 million for federal land acquisition and state conservation grants for fiscal year 2011.

Climate change is really one of our greatest challenges to the parks and is one that I have a deep passion for understanding and addressing, so I fully support the Department of Interior's decision to reemphasize the role of science in the federal land management decision-making process. While there are no additional funds in the FY 2011 budget for climate change, we are sustaining the \$10 million that was provided in fiscal year 2010, and we will be strategically applying that funding to the Departmental initiative to ensure there is no duplication.

All of that is the good news. Now, the downside. Certainly everyone in this room is aware of the difficult economic challenges that are facing our country right now, so this budget reflects some hard choices.

The \$87 million in critical increases are offset by \$91 million in reductions. The proposed budget requests no funding for Save America's Treasures, Preserve America, the Challenge Cost Share, and the Competitive Sourcing Programs. It eliminates 2010 Congressional earmarks for Statutory Assistance and proposes reductions in the Construction and Heritage Area Programs.

We are asking all of our partners to tighten their belts, but we are doing our part as well. We are looking to realize management savings through approximately \$18 million in reductions in travel, information technology, centralized acquisition, and energy efficiencies.

For instance, energy savings are expected to be achieved from the implementation of our American Recovery and Reinvestment Act of 2009. On top of that we will also be absorbing, as you indicated, \$32 million in pay increases and fixed costs, primarily in operations.

The budget underscores cost containment, program consolidation, and management efficiencies to meet these fiscal realities.

The National Park Service has made investments in our future and put Americans to work using the \$750 million in ARRA funds, plus \$170 million in roadwork provided to the Department of Transportation. We want to thank you all for your support. This funding is going to be completely obligated by September 30, 2010, and it is anticipated it will reach about 1,000 capital investment and deferred maintenance projects in the park system, hitting facilities, roads, and a variety of other resources. Projects include restoration of roads, abandoned mine lands mitigation, renewable energy retrofits in parks as I have already mentioned, trail maintenance, and critical equipment replacement. The level of ARRA funding was actually a critical factor in determining our fiscal 2011 construction request.

Mr. Chairman, in closing, may I say how much we appreciate the support you and the members here have provided the National Park System in the past. We are excited to work with you to lay out the next century of stewardship. That concludes my remarks and I am open for questions.

[The statement of Jonathan Jarvis follows:]

**STATEMENT OF JONATHAN JARVIS, DIRECTOR, NATIONAL PARK SERVICE,
DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES OF THE HOUSE
APPROPRIATIONS COMMITTEE CONCERNING THE FISCAL YEAR 2011 BUDGET
REQUEST FOR THE NATIONAL PARK SERVICE**

March 16, 2010

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear before you today at this oversight hearing on the Fiscal Year 2011 President's budget request for the National Park Service (NPS).

We appreciate the support Congress has provided to help us in achieving our goals as stewards of America's treasures, including the various park units, national historic and scenic trails, and wild and scenic rivers. The NPS is charged with preserving unimpaired these lands and historic sites valued for their environmental resources, recreation and scenic worth, cultural and historical significance, and vast open spaces. We look forward to celebrating our 100th anniversary in 2016.

Through the President's FY 2011 budget request, the NPS will continue to advance our goals for the preservation, interpretation and restoration of this nation's most cherished natural and cultural resources. The budget supports the gains made with your help. It also supports several of the Secretary's goals, including preserving treasured landscapes, addressing the challenge of resource stewardship that could be made more difficult by global climate change, and engaging all Americans – especially the youth of our nation – to discover a personal connection to their national parks. My personal priorities – relevancy, education, stewardship and the NPS's extraordinary workforce – dovetail precisely with the goals of the Secretary and the Administration.

The FY 2011 budget proposal includes \$2.7 billion for discretionary appropriations and over \$3.1 billion when all sources, including recreation fee revenues and donations, are included. Essentially unchanged from FY 2010, the request reflects the difficult budget environment in which the country finds itself today. There are strategic increases in this budget, combined with selected program reductions and eliminations, made only after careful and serious deliberation.

I would like to briefly recap the key increases contained in the FY 2011 budget for the NPS. The FY 2011 budget request reflects the President's commitment to our national parks with an increase of \$50.9 million to protect our nation's treasured landscapes. As part of the Secretary's Treasured Landscapes Initiative, the NPS will build park operational capacity at over 100 parks, enhance critical stewardship programs at parks and ecosystems, enhance security at our national icons, effectively maintain NPS facilities, and ensure organizational capacity and professional development.

A further investment of an additional \$5.8 million will augment our efforts to engage our country's youth and instill in them an appreciation of the values of national parks. A total of 19 base increases affecting 27 parks comprise this effort. We have proposed this investment as part

of our park base funding to establish youth programs that provide educational experiences and employment opportunities on a continuous basis. The NPS also will dedicate \$6.4 million in recreation fee revenues collected at parks to youth projects that benefit the visitor experience. This is an additional \$2.0 million over the 2010 level. One goal of the Secretary's Youth in Nature Initiative is to provide opportunities for young people that could lead to careers in public conservation, such as that offered by the NPS.

The NPS plays a key role in supporting the goals inherent in the Land and Water Conservation Fund (LWCF) Act of 1965, which are to assist in the State and Federal land acquisition and enhancement of lands and waters for recreational and conservation purposes through a variety of programs within the Department of the Interior and the U.S. Forest Service. The Administration has committed to fully funding LWCF programs at \$900 million by 2014, using a multi-year incremental approach. Towards this effort, the NPS is requesting a \$30 million increase for Federal land acquisition and State conservation grants in FY 2011.

Climate change is among our greatest challenges in the parks, as in the nation and the world, and one for which I care most passionately. I fully support the Department of the Interior's decision to re-emphasize the role of science in Federal land management decisions. Our decisions must be formed and guided by good science. While no additional funds are proposed in the FY 2011 NPS budget request, the FY 2011 request supports the further development of adaptation strategies as part of the Climate Change Adaptation Initiative with the \$10 million provided in FY 2010. This funding will allow NPS to collaborate with other DOI bureaus in implementing the first of a series of planned Landscape Conservation Cooperatives (LCC). This initiative will bring a range of stakeholders together at the landscape level to improve the resiliency and adaptation of natural resources to climate change effects, and work with the anticipated eight regional DOI Climate Science Centers to ensure that meaningful climate change research results and scalable information on anticipated climate change effects are available to park managers and programs. The LCCs will facilitate coordination among land and resource managers with the region that is defined by the LCC boundary. The LCCs are not limited by "hard" boundaries but will serve as catalysts for the identification and prioritization of key climate impact issues as well as modeling and data needs.

Mr. Chairman, you are certainly aware of the difficult economic challenges that face our country. Our FY 2011 budget request has faced that reality and made some hard choices. The \$87 million in critical increases highlighted above are offset by reductions totaling \$91 million. The proposed budget requests no funding for Save America's Treasures grants, Preserve America's grants, Challenge Cost Share grants, and the Competitive Sourcing Program. The request also eliminates FY 2010 Congressional earmarks for Statutory Assistance and proposes significant reductions in the NPS Construction and Heritage Area Programs.

In addition to the program reductions are management savings and efficiencies totaling approximately \$18 million. These savings are reflected through travel, information technology, acquisition, and energy efficiencies. The energy savings are expected to be realized from successful completion of projects funded under the American Recovery and Reinvestment Act of 2009 (ARRA) involving demolition of unneeded facilities and energy retrofits. In addition, the

NPS will also absorb \$32 million in pay increases and fixed costs, primarily in its operations appropriation.

The budget underscores cost containment, program consolidation and management efficiencies to meet Federal fiscal realities. In proposing the reductions and absorptions requested in the FY 2011 budget request, we have been careful to protect park operations as much as possible and we continue to advance innovative approaches to collaboration and cost savings. The consolidation of our workforce management, acquisition and contracting offices are prime examples of strategies that will, in future years, deliver greater service at less cost.

The NPS has made investments in our future and put Americans to work using the \$750 million in additional funding under ARRA. Also, another \$170 million in NPS road work will be accomplished through ARRA funding provided by the Department of Transportation. This funding, which will be completely obligated by September 30, 2010, is anticipated to result in the completion of nearly 1,000 capital investment and deferred maintenance rehabilitation projects for NPS facilities, roads, and other resources. Projects include the restoration of facilities and roads, abandoned mine land restoration and mitigation, renewable energy retrofits in parks, trail maintenance and equipment replacement. The addition of this level of funding to the NPS budget for these types of projects was unprecedented and of great benefit to the NPS and the nation. The level of ARRA funding was the major determining factor in the National Park Service's FY 2011 construction request levels.

Operations of the National Park System (ONPS)

The FY 2011 budget requests \$2.3 billion for ONPS, an increase of \$35.3 million (+2%) over the 2010 enacted level. This includes \$37.3 million for park base increases which benefit a total of 127 parks. The increases target youth programs, collaborative efforts, new responsibilities, and critical park operational activities. Other increases address oceans and coastal stewardship (\$1.25 million), enhanced security at park icons by the U.S. Park Police (\$1.8 million), workforce management and acquisition offices consolidation (\$6.8 million), and enhanced cyclic maintenance efforts (\$3.2 million).

Park Partnership Project Grants

The FY 2011 budget request continues to support the partnership aspect of the Treasured Landscapes initiative through a \$5 million Park Partnership matching grants program, the same amount appropriated in FY 2010. The program invites individuals, foundations, businesses, and the private sector to contribute donations to support signature programs and projects in our national parks. Partners in these projects are required to match the Federal funding, at a minimum of 50 percent of the cost, with private philanthropic donations. In FY 2011, the NPS is committed to augmenting this matching grant program with an additional \$5 million in matching grants using recreation fees revenue. All told, this will result in at least \$20 million being invested in signature projects.

Land and Water Conservation Fund

The NPS FY 2011 budget proposes funding totaling \$156.3 million for Federal land acquisition and State Conservation grants funded through the LWCF, an increase of \$30.0 million from the FY 2010 enacted level for this appropriation. Of the total amount, \$106.3 million is available for Land Acquisition projects and administration, including \$6.0 million to provide grants to States

and local communities to preserve and protect Civil War battlefield sites outside the National Park System through the American Battlefield Protection Program.

For FY 2011, the Department has instituted an integrated process for prioritizing Federal Land acquisition projects among the three DOI land-managing bureaus. The cross-bureau criteria emphasize landscape level conservation, especially river and riparian conservation and restoration, and conservation of wildlife and their habitat, as well as recreational opportunities in urban landscapes, and cultural and historical preservation of significant events. Additional criteria for these projects include the leveraging of funds, the degree of involvement with other DOI bureaus for the project, and the urgency for project completion. The NPS Federal land acquisition request includes 27 projects among which one would preserve riparian habitat at Petrified Forest NP, Arizona; another would enhance the viewshed at the urban Golden Gate NRA, California; and another would protect cultural resources at Fredericksburg and Spotsylvania Battlefields NMP in Virginia.

The request also provides \$50.0 million, including administrative costs, for State Conservation Grants funded by the LWCF. An additional \$700,000 for State Conservation grants is available from the LWCF in mandatory appropriations.

Construction

The \$195.2 million requested for Construction includes \$109.0 million for line-item construction projects. The line-item request, along with recreation fee revenues and park roads funding will provide substantial resources for protecting and maintaining existing park assets. Funding through ARRA and previous fiscal years has enabled the NPS to make significant gains in addressing its backlog of construction projects. The request funds 13 projects including continuation of ecosystem restoration at Olympic and Everglades National Parks and key new projects at Statue of Liberty National Monument, Big Cypress National Preserve and the National Mall.

Historic Preservation Fund

The NPS plays a vital role in preserving the Nation's cultural history through a variety of programs that address preservation needs nationwide. The FY 2011 budget for the Historic Preservation Fund is \$54.5 million, a decrease of \$25 million from the FY 2010 enacted level. The budget requests \$46.5 million for Grants-in-Aid to States and Territories and \$8.0 million for Grants-in-Aid to Tribes, level with the FY 2010 enacted level. No funds are requested for the Save America's Treasures grants program.

National Recreation and Preservation (NR&P)

The National Recreation and Preservation appropriation funds programs that support local and community efforts to preserve natural and cultural resources. For FY 2011, \$51.0 million is requested, a decrease of \$17.4 million from FY 2010. The budget is highlighted by a request of \$2.0 million for the Chesapeake Bay Gateways and Water Trails grants program. This proposal reflects the Administration's continuing commitment to ecosystem restoration, including stewardship of the Chesapeake Bay, pursuant to E.O. 13508. The funds would provide technical and financial assistance for conserving, restoring and interpreting natural, cultural and recreational resources within the Chesapeake Bay watershed. Over 10 million visitors explore

the Chesapeake Bay watershed each year through the Gateways Network's 150 parks, refuges, historic sites, museums and water trails. The budget proposal eliminates funding for Statutory Assistance earmarks, does not fund Preserve America Grants, and reduces funding available for Heritage Partnership Program grants.

Performance Integration

In formulating the FY 2011 budget request, the NPS used a variety of tools to incorporate performance results into the decision-making process. These tools include the Budget Cost Projection Module, the Business Planning Initiative, and the NPS Scorecard, as well as continued program evaluations. These tools are used to develop a more consistent approach to integrating budget and performance across the Service, as well as to support further accountability for budget performance integration at all levels of the organization. Given the far-reaching responsibilities of the NPS, we must remain strategic in our thinking and decision-making.

Mr. Chairman, this concludes my summary of the FY 2011 budget request for NPS. We would be pleased to answer any questions you and the other members of the subcommittee may have.



Biography
Jonathan B. Jarvis
Director
National Park Service

Jonathan (Jon) B. Jarvis officially became the 18th Director of the National Park Service on October 2, 2009. A career ranger of the National Park Service, who began his career in 1976 as a seasonal interpreter in Washington, D.C., Jarvis takes the helm of an agency that preserves and manages some of the most treasured landscapes and valued cultural icons in this nation.

Prior to taking the helm as Director, Jarvis most recently served as the Regional Director of the Pacific West Region, with responsibility for 58 units of the National Park System in Washington, Oregon, Idaho, California, Nevada, Hawaii and the Pacific Islands of Guam, Saipan and American Samoa.

Jon Jarvis moved up through the National Park Service as a protection ranger, a resource management specialist, park biologist, and Chief of Natural and Cultural Resources at parks such as Prince William Forest Park in Virginia, Guadalupe Mountains National Park in Texas, Crater Lake National Park in Oregon and North Cascades National Park in Washington. His first superintendency was at Craters of the Moon National Monument in Idaho and he later served as the Superintendent of Wrangell-St. Elias National Park and Preserve in Alaska from 1994 until 1999. He became the Superintendent of Mount Rainier National Park in August of 1999. In 2001 he completed training in the Senior Executive Service Candidate Program of the Department of Interior and in September of 2002, became the Regional Director of the Pacific West Region.

Jarvis served as president of the George Wright Society, 1997-98, a professional organization that sponsors a biennial conference on science and management of protected lands around the world. Mr. Jarvis has published and lectured on the role of science in parks at conferences and workshops around the U.S. In his previous positions, Mr. Jarvis has obtained extensive experience in developing government-to-government relations with Native American tribes, gateway community planning, FERC relicensing, major facility design and construction, wilderness management and general management planning.

A native of Lexington, Virginia, Jarvis has a B.S. in biology from the College of William and Mary and completed the Harvard Kennedy School Executive Program in 2001. He and his wife Paula have two children, Benjamin and Leah.



Biography
C. Bruce Sheaffer
Comptroller
National Park Service

C. Bruce Sheaffer, a native of Washington, DC, became the first Comptroller of the National Park Service in 1987.

Mr. Sheaffer oversees all matters relating to the financial programs of the National Park Service. This includes formulating, justifying, and executing the National Park Service yearly budgets that are submitted to OMB and Congress, as well as controlling the accounting and financial reporting system for the Service. Mr. Sheaffer also serves as Chief Financial Officer for the NPS.

Mr. Sheaffer began his NPS career as a program analyst in the WASO Program Coordination and Appraisal Division. His assignments involved special program reviews and studies, project evaluation, and program monitoring. In 1976, Mr. Sheaffer became the Chief of the Program Formulation Branch under the Director of Office of Programming and Budget. This branch was responsible for all program and budget formulation strategies for the current and future year budgets. In 1978, all program and budget functions, in the National Park Service, were reorganized into a single Budget Division. Mr. Sheaffer assumed the position of deputy chief of the division as well as Chief of the Budget Formulation Branch. He was also selected to be the Budget Officer of the National Park Service in 1982.

In 1970, Mr. Sheaffer earned a Bachelor of Arts degree in Economics from High Point College in North Carolina and in 1977 he received a Masters degree in Public Financial Management and Budgeting from George Washington University in Washington, DC.

MANAGEMENT EFFICIENCIES AND FIXED COSTS

Mr. MORAN. Thank you very much, Mr. Jarvis.

Within your budget it is assumed, as we mentioned, that the Park Service will absorb \$32 million in fixed costs; cost of living, rent increases, and so on, and another \$17.6 million in management efficiencies. I was a budget officer 40 years ago, and you know, I was either directly or marginally involved in these things, putting a line item for waste, fraud, and abuse or management efficiency. It is a bit of a fudge factor oftentimes.

We would like to kind of pin you down on how you intend to realize those efficiencies and how you intend to absorb such a large amount of fixed costs. The concern obviously is what effect it will have on the Park Service programs and staff. So we start with that question.

Mr. JARVIS. Thank you, Chairman. As you and most of the folks in here know, the National Park Service is an organization that has a very large workforce. We are very much a frontline workforce. Discretionary budgets are provided principally at the park level for seasonal operations. So this absorption of fixed costs will result in a reduction of frontline employees. We estimate somewhere in the neighborhood of 400 FTE across the system.

Now, having said that, fiscal year 2010 was a pretty good budget year, and our fixed costs were covered for several years in the past. There has been some restoration of our frontline operations.

The second piece is that over the last three or four years we have also been working with our park superintendents to build a larger discretionary component to their budget and a smaller fixed cost ratio so that they can build in some flexibility to make it through these periods in which there is a reduction in fixed costs.

We are also emphasizing in this budget where there are opportunities for shared resources between parks at the network level, and I think that allows us in many cases to continue high-quality service to the public in these tight budgetary times.

On the management efficiency side, we are still working on the details to be very blunt about it, exactly how this is going to be carried forward. Some of it is at the Departmental level. We have identified that there can be efficiencies wrung from some of our program areas like information technology, consolidations of servers, use of video technology rather than travel, and so those are the kind of things that we are currently focusing on.

Mr. MORAN. That is going to produce \$17.6 million?

Mr. JARVIS. I actually have not seen the details on that plan yet. We are awaiting the Departmental guidance on this.

SMITHSONIAN FOLKLIFE FESTIVAL

Mr. MORAN. Well, we will wait with bated breath to see the specifics as well.

Mr. Director, we hear from the Smithsonian Institution that the Park Service has told them to move all of this year's Folklife Festival activities out from under the trees, which give them shade. But the Park Service has told them to move all those activities, out from under the elm trees to the side, onto the gravel walkways

where we have thousands of people, of course, that walk that area every day and tens of thousands sometimes on the weekends.

This is based on an anticipated implementation of a 50-year plan for the Mall. I have some concern that you are making these changes a bit prematurely. We might want to take a look at the ecological effect on the elm trees and so on. Have you considered allowing the Smithsonian to proceed with their planned use of the elm tree area for this year's Folklife Festival while you work to develop an appropriate, cooperative, long-term solution with the Smithsonian for future Folklife Festivals?

Mr. JARVIS. The simple answer to that question is, yes, sir.

Mr. MORAN. That is the right answer.

Mr. JARVIS. As you know, the Mall has had a lot of uses over the years and results in a Mall that really does not reflect its stature as America's front lawn. The Mall was never constructed in such a manner to be used in that manner. The Mall is basically a very small layer of topsoil on the top, and these kinds of large events do have their impact.

The Mall Plan that we are doing right now, was released in December for public comment. I have reached out to the Smithsonian to sit down and talk. We have a meeting scheduled very soon to talk about how we can adjust the Festival of American Folklife to minimize the impact in terms of length of time that it is there, the storage of equipment, how much is set on the ground during operations, and all of those things are in play right now.

We have also suggested an independent evaluation of the actual effect on the trees so that we can have an independent review in terms of what is actually affecting these trees, which are a very important asset for everyone.

NATIONAL MALL—REENGINEERING SOIL AND TURF

Mr. MORAN. Good. Well, the answer yes was a good one, and we appreciate that. It saves a lot of back and forth then. Thank you, Mr. Jarvis.

You have requested \$16 million this year and a total of \$26 million to reengineer the soil and the irrigation system for the grass on the Mall. Now, some have suggested that \$26 million is a high price to reseed the Mall.

How would you intend to go about this, and of course, bearing in mind that you do not want to compromise the public's right, really, to assemble on our Nation's front lawns.

Mr. JARVIS. We are looking to the technology that is used in sports fields, where essentially you dig down to a pretty deep layer and put in drainage and fabric and irrigation systems. You basically create a system that can resist and withstand active use and recover quickly. We are not spending millions of dollars on just grass seed. Basically, we need to reengineer the Mall. We need to put utilities underground so that for each event users can be able to just pull the utilities right up out of the ground and use them for their operations rather than running new materials each time.

We need to think about the Mall and where the best places for these kinds of events to occur are as well as invest in the development of those places so that the Mall really can be resilient. That has just never been done for the Mall. The Mall, as much of Wash-

ington, DC is, is made of fill. It was never designed for this heavy use and we are going to have to fix it, a piece at a time.

Mr. MORAN. We recognize that this was a swamp that was infilled, but I think some of us have some concern that another decade or two after this we are going to be faced with the same kind of situation. So we will be anxious to see how you intend to make those major improvements sustainable.

At this point let me turn to Mr. Simpson.

YOUTH IN NATURE

Mr. SIMPSON. Thank you, Mr. Chairman, and following up on what the Chairman said, as I told you, most of my constituents that come out here, the one thing I hear the first time they have been here is their disappointment in the Mall, from the beautiful pictures they see to the reality of what is on the ground. So what I do not want to do is invest hundreds of millions of dollars, not only in appropriated dollars but in donated dollars, into something that as the Chairman said, in 20 years is going to look just like it does today.

So if that means we have to adjust activities and those types of things to go on there and take a good look at how we use the Mall, I think we ought to do that, and I know that with the Smithsonian and other organizations, that is sometimes going to cause a little bit of a heartburn, but sometimes it is what has got to be done. So I encourage you to work with them and see what can be done, but in the long run make sure that we make the National Mall really the Nation's front yard that it ought to be.

You mentioned Ken Burns' film. The other day, I had a conversation with someone who, like me, just loved the program and watched it a couple of times. I was surprised to hear him say he took his, I think it was his 12 or 13-year-old daughter and forced her to watch it also, and he said it was "forced" her to watch it. And then what he said to me is, this film was made for adults, and it really was. If I would have been, 14, 15 years old, I am not sure that is something that would have been that exciting to me. I did not think about it at the time because I loved watching it, and some people think I am an adult.

But that got me to thinking about how do we get our youth involved, and I mean, they are going to be the ones that are engaged in making sure that our gems, our jewels, our National Parks are maintained in the future, and how do we get them involved. So I was interested in your comments about the \$5.8 million and then the \$6.4 million from the rec fee that is the Youth and Nature Program.

What exactly are you going to do with that? And I will tell you, here is what some people have suggested to me is when, and I never realized this until I watched the film, that a lot of the advertising for our parks, a lot of promotion activity for our parks, came about when they were created by the railroads. They were the destination places for a lot of the railroads, so in their magazines, their pamphlets, promotional activity, it was always, come and see Yellowstone National Park on whatever railroad that was, you know, and on and on.

That does not happen anymore. Who is out there promoting our National Parks, and should we have a promotion program from the National Park Service that is maybe a portion of the user fees or the admission fees or whatever? Should there be something like that within the National Park Service, and how could that be coordinated with the Youth and Nature Program?

Mr. JARVIS. That is a great question, and I agree with you 100 percent about your concerns. As I indicated, one of my goals is relevancy. A key issue is how do we make our parks relevant to the next generation. If we do not, then, this extraordinary institution that was created by this country, is ultimately in jeopardy.

Let me give you a very good example of how we are deploying this money. Recently I traveled up to Fort McHenry in Baltimore and spent the day up there with the park staff engaging young people, in this case almost all African-American teenagers from Francis Scott Key High School and a charter school called Coppin Academy. My Deputy Director, Mickey Fearn, and I and the superintendent sat with some of these kids for several hours. We engaged them with a dialogue about how we can make the story at Fort McHenry, the War of 1812, relevant to their lives today.

Mr. SIMPSON. Uh-huh.

Mr. JARVIS. I will give you a for instance. One of these just extraordinarily bright kids, a young woman, said, "You tell the story of the soldier, you told the story of the war. We were not around, so it does not matter. At some point you figured out that there were actually African-American soldiers here. So you got a little bit of relevancy there. Then at some point you began to tell the story of the women that were here during the War of 1812, but you are not telling the story of the teenagers. What were the teenagers doing in Baltimore in 1812?"

It was, one of those blinding flashes of the obvious that in order to connect to that generation we need to be telling a story that they can personally relate to.

Another thing that Fort McHenry is doing is they have got an internship program that is working with both of these schools and the school teachers and the counselors to connect the best of the best of those kids to the park. The park developed this program on their own and they currently have two interns. They have two teenagers working in uniform who act as emissaries for us back to their school.

That is a program we are going to invest in. In fiscal year 2011, we are requesting \$370,000 for Fort McHenry to develop and expand their internship program to reach out and build that sort of relationship. There are actually 19 of these parks, many of them urban, like Everglades, where we are going to do the same thing. We will give them sustainable money to build internship programs and to work with youth so that we can understand how we can be more relevant.

Mr. SIMPSON. Are there programs that bring urban youth out to parks like Yellowstone or—

Mr. JARVIS. There are. I can give you an example. There is a program, a partner program that we work with called Nature Bridge; they bring about 35,000 kids a year for a week-long residential program in Yosemite, Golden Gate, Olympic and Santa Monica Moun-

tains. They are proposing one here in Prince William Forest Park just down the road here.

Mr. SIMPSON. Where do these kids come from?

Mr. JARVIS. Inner-city in many cases. Their focus is on fourth and fifth graders. Most of the students attend on scholarships through fundraising. Some of these kids have never seen stars.

Mr. SIMPSON. Yeah.

Mr. JARVIS. They have never seen dark, they have never been anywhere there have not been street lights, some kids have never walked on anything but asphalt and concrete.

Mr. SIMPSON. Yeah.

PARK PROMOTION

Mr. JARVIS. So it can be life changing for them.

But your question about promotion, I want to get to that question. The National Park Hospitality Association, which is the representative trade group for about 83 of our concessionaires, generates about \$1 billion gross a year in revenues. They have created a National Park Promotion Council, which I met with a week or so ago, to develop promotional materials to market the parks. We talked a lot about how you can do it more targeted than has been done in the past.

We are also developing pod casts. We are totally revising our websites to make them more interesting and interactive with kids because technology is the universal language of youth. We have got to make it more interesting than it has been in the past.

Mr. MORAN. We will go to Mr. Hinchey and then have a second round.

NEW YORK STATE PARKS

Mr. HINCHEY. Thank you, Mr. Chairman, and thank you very much.

I have got a little local issue that I want to mention to you. The economic circumstances around the country are having adverse affects on virtually every state, and in New York it is kind of an interesting one in a lot of ways. The State of New York has proposed closing 41 state parks and 14 historic sites. It has also proposed reducing services at 23 other parks. Well, the state faces a serious challenge, but, you know, this is remarkable because this is going to reduce funding for the state.

So one of the main reasons I bring this up is because a majority of the sites that ought to be closed have received federal funds from the Land and Water Conservation Fund and are listed as national historic landmarks. Section VI of the Land and Water Conservation Fund Act contains strong provisions to protect federal investments and discourage casual discards of federally-supported park lands.

In addition, the National Historic Preservation Act set forth standards that states are to follow with respect to federally-recognized historic sites.

Given these statutes, I believe that there is clearly a role for the Federal Government when it comes to federally-supported parks. So I am wondering: was the National Park Service consulted by the State of New York before it proposed closing state parks that have received these federal funds and are federally recognized as signifi-

cant historic sites? And maybe even more importantly, is there anything that the National Park Service can do to stem these state park foreclosures?

Mr. JARVIS. Thank you, Congressman. I do not know the specific answer regarding New York, but I am very familiar with our responsibilities under the state side of the Land and Water Conservation Fund and have been active in this issue.

Prior to receiving my confirmation as Director of the National Park Service, I was the Regional Director for the National Park Service in the Pacific West. The State of California was going through this exact same process. The Governor announced the closure of about 100 State parks, and we looked at our database in the Pacific West and determined 60 of those parks were LWCF parks. They were parks in which there had been a Federal investment at some point in its creation, either we bought the land for the state or we developed it for public use.

You are absolutely right. There is a perpetuity deed restriction on those properties held by the Federal Government and administered by the National Park Service that those places must remain open for the public. So we began working directly with the State of California and the bottom line is that the 60 parks that were LWCF, the state changed its mind about the closure of those.

Mr. HINCHEY. What year was that?

Mr. JARVIS. This was two years ago.

Mr. HINCHEY. Two years ago.

Mr. JARVIS. Yes, sir. We are engaged, and New York is not alone in this. There are states across the system. This is a very disturbing trend for us in the parks business. As you may know, the National Park Service was very active in actually creating the State Park System across the country and very active in the planning and design of these parks. Public recreation can never be totally provided by the National Park System or even the Federal Government for that matter; states have a role.

As we rebuild the Land and Water Conservation Fund, we are reminding the states that in order to receive their apportionment they need to make a commitment that these facilities are provided for public use.

Mr. HINCHEY. Are you or have you, I assume you have not yet, but are you willing or prepared to provide that information to—

Mr. JARVIS. Absolutely.

Mr. HINCHEY [continuing]. The State of New York?

Mr. JARVIS. Yes, sir.

Mr. HINCHEY. Directly to the Governor?

Mr. JARVIS. Yes, sir.

Mr. HINCHEY. Is there anything else that you could do to sustain that situation? Is there any contribution that you could make, is there anything in the funding process that you could provide to keep them alive?

Mr. SHEAFFER. We have no authority to do so right now, Mr. Hinchey.

Mr. HINCHEY. No authority to do so.

Mr. SHEAFFER. We also do not have the resources to do it right now. We have heard anecdotally, as the Director mentioned, that there are other states that are having similar issues, maybe not to

the extent of the states the size of California and New York and their park systems, but we do know, in fact, that there are others who have——

EVERGLADES

Mr. HINCHEY. Well, I would like to work with you on this, and I would deeply appreciate it if you could send me a copy of whatever communication that you provide to the Governor of the State of New York on this issue, because I am in touch with them also, and we are trying to persuade them that what they are doing is not a very good thing to do. So if we could work together on this, stay together on this, I would appreciate it very much.

I wanted to ask you a question about the Everglades. Now, the Everglades is a project that this committee has been working on for a long time. I think that we have been working on this project ever since I became a member of this Appropriations Committee some years ago. And some progress was made, but then the situation seemed to slow down, and it seems now to be in a situation where it has slowed down significantly.

Now, there is a major problem at U.S. Sugar, a major landholder there, and there were a number of articles in "The New York Times" recently that talked about this, and the state process has been very difficult. The land which the state has operated has been very, very difficult, and I think that that is just putting it mildly. And a final deal seems to be out of reach now between the state and their negotiations with U.S. Sugar and getting this system fully operated.

Now, if this happens, this would be a deep tragedy. An awful lot of money has been spent here, an awful lot of things have been done, and this is something that is really significant. It really, really needs to be done.

So I just wonder if, you may not be able to answer this right now, but in any case, can you update us on the status of the Everglades Restoration Project, and how important it is for the Everglades Restoration Project that the State of Florida buy out those private landholders?

Mr. JARVIS. I can give you at least a partial update. I traveled down to the Everglades about a month ago and spent a great deal of time meeting with all of the players, the State, the Army Corps of Engineers, the National Park Service, and the U.S. Fish and Wildlife Service to deepen my understanding. I know this has been a priority of this committee for a long time. You have invested significant millions of dollars in the restoration of the Everglades.

Let us set the U.S. Sugar lands aside for a moment. On the project side of the house I think we are making some progress. The raising of the Tamiami Trail to allow water flow back to the Glades is a significant project.

Mr. HINCHEY. Yes.

Mr. JARVIS. We are doing the one-mile bridge project.

Mr. HINCHEY. It has been a significant project for many, many years.

Mr. JARVIS. And we are actually doing it.

Mr. HINCHEY. Oh, hallelujah.

Mr. JARVIS. I was down in the Everglades for the groundbreaking of another project the C-111 Spreader Canal project, which is basically a protection of the developed side of the Everglades on the eastern border. Once this water begins to flow it will not flood the developed side.

These two projects are critical steps in really restoring the water flow. There is still a lot to be done. I am not saying that there is not.

The U.S. Sugar lands acquisition is a potential game changer to the Everglades because it provides greater opportunity for storage and water-quality improvement before the water potentially comes down. I am not at this point knowledgeable enough of its current status to give you an update, but I would be glad to get back to you regarding the Sugar lands acquisition.

[The information follows:]

U.S. SUGAR LANDS

In December 2008, the Governing Board of the South Florida Water Management District (SFWMD) accepted a proposal to acquire more than 180,000 acres of agricultural land for Everglades restoration from the United States Sugar Corporation, pending financing. A clause included in the purchase contract allowed the Board to review before closing current economic conditions and verify the agency's capacity to finance the purchase and accomplish its existing statutory mandates and legal obligations.

In April 2009, in light of changes in economic conditions and predictions of a continued uncertain financial environment, the two parties agreed to work on a revised framework for the acquisition. In May 2009, the parties reached a revised agreement, reducing the acquisition to 72,813 acres, at a cost of \$536 million. The SFWMD has an option to acquire an additional 107,817 acres over the next 10 years.

The agreement would allow for continued operation of U.S. Sugar Corporation's mill and refinery for at least the next decade, while work is completed on a rural economic development initiative. The agreement also allows the SFWMD to review their current financial conditions before closing to verify the District's capacity to finance the purchase and still meet existing statutory and legal obligations.

The Miccosukee Tribe of Indians, Florida Crystals, and two other sugar companies have filed legal actions to block the acquisition of the U.S. Sugar lands. An appeal on the prior judgment of the 15th Judicial Circuit validating the purchase financing plan is pending before the Florida Supreme Court, with oral arguments set for April 7, 2010. The plaintiff's position is that by closing on the U.S. Sugar purchase, the SFWMD will be unable to fulfill the requirements of the Everglades Forever Act or finance other restoration projects.

With prospects of continuing legal challenges and projections for lower property values, the SFWMD Governing Board voted on March 12, 2010 to extend the date to sign the agreement with U.S. Sugar, giving them six more months to work through the legal and financial issues.

The Department of the Interior has publicly supported the acquisition because the lands provide additional opportunities for increased water storage and water quality treatment beyond that envisioned when the Congress authorized the Comprehensive Everglades Restoration Plan (CERP) in the Water Resources Development Act of 2000.

The proposed features would replace other water storage components planned as part of the CERP and create a new opportunity to store, treat, and convey larger water flows from Lake Okeechobee to Florida Bay. The ability to provide additional water quality treatment is important, as Federal scientists believe that the existing Everglades Agricultural Area (EAA) stormwater treatment areas (STAs) will need to be roughly doubled in size to achieve the established water quality requirements to accommodate current and anticipated flow of water into the Everglades.

The SFWMD conducted 14 Phase One River of Grass public workshops in 2009 to determine the preliminary flow restoration targets for the Everglades, and the water storage and water quality treatment requirements. The Department of the Interior's National Park Service and Fish and Wildlife Service staff are participating in these workshops to determine this as well as potential uses of the lands, if they are acquired. All of the nine proposed alternatives evaluated in the Phase One workshops recommended the construction of new treatment areas on lands purchased by the Department in 1997, and transferred to the SFWMD as part of the Talisman acquisition. Constructing water storage reservoirs within the EAA will likely require a phased acquisition strategy.

Mr. HINCHEY. Thank you. I would deeply appreciate that, because it is something that is very important to me. It is something that we have been working on, as I said, for a lot of time, and it has been very frustrating over the course of the last several years, but this is something that really needs to be done.

Mr. MORAN. Thank you, Mr. Hinchey.

Mr. Cole.

SAVE AMERICA'S TREASURES

Mr. COLE. Thank you, Mr. Chairman. I hate to begin by disagreeing with you, Director, but as Ken Burns should know, actually baseball and cold beer is America's best idea. You guys are a very close second.

I have got two areas that I wanted to ask you about, one general and one shamelessly parochial.

On the general one, you did make some tough decisions here, and I am not critical of that. I think that is something you are required to do, but as an old historian the Save America's Treasures Grant Program is a great program. We have been able to save some remarkable things. I think in my own state the old capital of the Cherokee Nation, a lot of things have been saved through that program.

So if we are not going to do that through you, one, should we continue doing it? Does the program have merit? Was this mostly a budgetary decision, or are you concerned about how the program was operated? Second, if not you, who? In other words, where should this kind of program go, and where does the Administration, if you are privy to that, envision it moving to?

Mr. JARVIS. Well, let me just say that the decision to reduce or eliminate the Save America's Treasures Grant Program was purely a budgetary decision. The program does have great results on the ground. It is a bricks and mortar investment program in properties that are listed on the National Register of Historic Places and as you indicated, it has been very successful around the country.

The program has a matching component as well, to leverage the investment. It is a program that the National Park Service supports, but it was just purely a budgetary decision.

CHICKASAW VISITOR CENTER

Mr. COLE. Mr. Chairman, I think this is one of those issues that we ought to look carefully at because it does bring in extra money and because quite frankly, I think it builds a lot of support for the National Park System because parks obviously are not distributed evenly all across the country, and it really does a wonderful job of educating people about the superb services that you do provide.

So let me be parochial here if I may for a second, and everybody will hear about this until I someday solve this problem, but in my district the Chickasaw National Recreation Area is one of our premier resources. I think it is actually the only park that was established with a donation from an Indian tribe. The core of that park was actually given by the Chickasaw Nation to the United States Government so it would be preserved at a pretty traumatic time when the Chickasaw Government was being liquidated essentially and its lands opened up for settlement. But they preserved this

particular area because it was culturally important, and it is scenically beautiful.

A number of years ago we were going to get a new visitor's center. That was online to happen. You were forced that year to not fund that legitimately because we had wildfire outbreak and so all construction projects were canceled. However, we had actually broken ground on this thing. We were assured that everything will be taken care of, and that we were at the top of the list the next time. That did not happen. Still has not happened.

This committee did appropriate half a million dollars last year to try and begin the planning process. So, number one, I would like to know where we are at and where you envision this going, and number two, I do have some concern, again, I recognize you have got budget realities here, but the \$44 million cut in construction is going to hurt a lot of these things, and obviously I have a particular point of view on this one in particular.

Mr. JARVIS. Thank you. That is a great question. The \$500,000 is secure.

Mr. COLE. Heard that one before. Not from you, though. Not from you.

Mr. JARVIS. Not from me.

Mr. COLE. Not from you and not from this Administration.

Mr. JARVIS. Right. The park and the region are in conversations right now with an A&E firm to update the design. In this lag period there have been changes in building codes, and since one of my priorities for any new construction is sustainability so that meeting some of the green building LEED certifications are crucial to reducing our utility costs and lifecycle costs on these facilities.

CHICKASAW PARK MANAGEMENT

Mr. COLE. I would appreciate if you would just keep me updated on that, because I will be asking regularly.

The last question actually somewhat related, and this does not come from the point of view of being in favor or opposed, but I know there is some consideration at the tribal level of actually talking with the National Park Service about operating the park themselves, which they do in other areas. For instance, our tribe operates its own healthcare. We contract with the Federal Government, we deal with eight other tribes and actually put a lot of additional money and resources well beyond what the Federal Government can do.

There is some beginning thought about this, I think, at the tribal level in Oklahoma, so I am curious, number one, have you heard about that, and number two, and I am not asking for any binding answer, I am just curious what the general attitude would be, is there any precedent for that sort of thing within the Park System?

Mr. JARVIS. I have not heard about this specifically related to Chickasaw, but we have interest in other units and have been in very positive discussions with tribes who are developing expertise and are interested in either developing a park of their own or being more actively involved or perhaps even managing some of the units that represent their culture, history and ways of life.

In my own personal and professional view I am very open to that kind of discussion. I lived in bush Alaska and I have worked with

tribes throughout the system. I think that we have some extraordinarily good relationships with tribes, for example, in Mr. Dicks' district with the Lower Elwha and our Elwha project and others.

Mr. COLE. I can tell you have very good people on the ground in Oklahoma. You have had a succession of very good people, and I would just love some time, again, to get briefed on this general approach, because it may be a way, certainly in this case, to bring additional resource to the table for the park. We are not talking about some sort of takeover here. We are talking about a cooperative arrangement and negotiated agreement, but it could result in extra funds being available to do a lot of things I know everybody would like to do, but we are all under constraints.

Mr. MORAN. Thank you, Mr. Cole—

Mr. COLE. Thank you, Mr. Chairman.

Mr. MORAN [continuing]. For the good comments, and I know the gentleman is aware it is the Legislative Branch's responsibility to determine how the money should be spent and then the Executive Branch, of course, implements it professionally and efficiently. So we will continue to maintain some control over our priorities. I appreciate you mentioning Save America's Treasures.

Chairman Dicks.

PROGRAMMATIC INCREASES

Mr. DICKS. Thank you, and Director Jarvis, it is good to have you here in this role, and Bruce, it is always good to see you.

While your overall net budget request is slightly less than last year, the budget also includes a number of focused increases and advanced Department or Service goals. Please outline for us these programmatic increases and explain how they will enhance park operations.

Mr. JARVIS. Okay. We talked a little bit earlier and I am not sure whether you were in the room for youth in natural resources. That is one of our primary initiatives which includes targeted base increases to connect young people to the Park Service.

Mr. DICKS. Is this separate from the Youth Conservation Corps? A separate initiative?

Mr. JARVIS. Separate initiative.

Mr. DICKS. Okay.

Mr. JARVIS. Right. This would be operational base increases for 19 parks for a sustained interconnection for youth.

We have several increases in the administrative functions area including human resources, our workforce management. We have been consolidating those functions into offices that provide all of the human resources, personnel functions, and it will be a far-more efficient service to our employees. We are requesting a \$6 million increase.

There is also the consolidation of our acquisition and contracting offices to provide a more professional, focused and capable workforce.

We also have a funding request for employee development, investing in training and development for our employees.

Land acquisition is up \$30 million, and as I indicated, it is our goal and the Secretary's goal to achieve \$900 million funding for LWCF by 2014.

There are a few other smaller items as well. We want to maintain our investment from the ARRA projects, so we are bumping up cyclic maintenance about \$3 million. There is a small request in here, an increase of \$485,000 for Special Resource Studies. We have 43 studies underway, and we can complete roughly 15 a year, so there is a small request for that.

Mr. DICKS. Well, that is a very comprehensive answer, and they all sound like very important projects. I just want to say how much I appreciate the Park Service's commitment to the Elwha Dam Project out in the State of Washington. Our committee at one point went out there, and I think the members would be pleased because their position at the time was we ought to accelerate the project, and it took awhile to prepare ourselves for this, but we are ready to go. And as I understand it, this year we will put out the RFPs for the dam removal.

Mr. SHEAFFER. That is correct.

Mr. DICKS. Considering the fact we started this has thing back, what was it, 1992, or thereabouts, it is remarkable how far we have come, and the Water Treatment Projects, I know we are finishing, and those are going to be opened pretty quickly—

Mr. SHEAFFER. Yes.

FIXED COSTS

Mr. DICKS [continuing]. In April. This has gone through three different Administrations to keep this thing on track. I think it is going to be one of the greatest restoration projects that we have done, and you know, taking these dams out which need to be taken out, they are old and need to be replaced. One is in the park. One is outside the park, and we are working with the Lower Elwha Tribe, and they have been pretty cooperative overall. But I just want to say how much I appreciate keeping this thing going.

And the other thing is, you know, again, we want to just talk generally, did you get your fixed costs covered? I know you probably covered this, but I want to hear what you have to say.

Mr. JARVIS. Our fixed costs are not covered.

Mr. DICKS. Not covered. So how many people does that involve?

Mr. JARVIS. We estimate an absorption of about \$32 million, which is about 400 FTE.

Mr. DICKS. Can you do that all with attrition or not?

Mr. JARVIS. Well, we will do our best, but the bottom line is that that will probably affect, as you well know, the front line seasonal workforce.

Mr. SHEAFFER. All of the \$32 million will not come from staff. The estimate is that 400 staff will be affected. Many of them will likely be seasonal as has been the tradition. So it would be the summer hires.

Mr. DICKS. But the seasonal workers are important. They come in and help you operate the parks during the summers when the people are there. So that is of concern.

Why was that done? Why did the Administration decide to have their initiatives and so they make you absorb the fixed costs?

Mr. SHEAFFER. This is not the first year that—

Mr. DICKS. Oh, I know it has been done before.

Mr. SHEAFFER. It has been done over 20 years. It has been done several times, and it is simply to hit the number and to encourage us to find more efficient ways to operate.

Mr. DICKS. If we solve the problem, though, you would not object, would you, Bruce?

Mr. SHEAFFER. Certainly not, Mr. Dicks.

Mr. DICKS. That is all I have, Mr. Chairman.

STATE HISTORIC PRESERVATION OFFICES

Mr. MORAN. Thank you, Mr. Chairman.

We have asked them why they chose to cut out some of the most favored Congressional priorities in order to fund other things in the budget, so we are hot on this, and—

Mr. DICKS. If you will yield to me for just one more second.

Mr. MORAN. Sure.

Mr. DICKS. One thing I did pick up from our state historic preservation officer is that with all these ARRA Projects, they are under tremendous pressure to do the work necessary to approve these things, and every department is having some difficulty obligating the funds and getting them spent. Have you thought about this in terms of having an initiative to try to help these state historic preservation officers so that they can help get these projects out on time?

I really heard a big plea from our state on this.

Mr. SHEAFFER. So did we. They actually came and talked to us representing not just the workload that we were putting on them but other Federal agencies as well.

Mr. DICKS. Right.

Mr. SHEAFFER. To their credit we had no mechanism for getting them money. It was not included as part of the ARRA funding though in retrospect, maybe it should have been. However even with all the additional workload they did step up and take care of the compliance work that needed to be done.

Mr. DICKS. Yeah.

Mr. SHEAFFER. As far as we are concerned, and I do not know how it has affected the other agencies, but I have not heard anything within Interior about it being a stumbling block. I am sure they had to set other things aside in order to do it—

Mr. DICKS. Yeah.

Mr. SHEAFFER [continuing]. But it is clear that it was an additional workload on them.

Mr. DICKS. All right. Thank you, Mr. Chairman.

FIREARMS IN PARKS

Mr. MORAN. Thank you, Mr. Dicks.

On February 22 a new federal law went into place that allows people to carry loaded firearms on National Park property unless it is a designated federal facility. It affects 370 units of the Park Service's 392 units. On April 19 of this year there is planned a demonstration on Park Service property just to the north of National Airport. The staff has alerted me to the Web sites that have been promoting this. The first one says, "First, I am not going to ask permission from a foreign government what can and cannot be done on a friendly state's land. I do not recognize U.S. government

possession of this land. I intend to attend. My rifle will be loaded and slung in front for ready use. I will have a combat load of ammo, chemical protective mask, and likely an armored vest.”

And then the others say, “Pray. Our work will start at the rally. Being sporting we will give them the first volley. After that they get no quarter. I am thankful that the patriots in 1776, did not—to celebrate April 19, 1775. I am thankful they did not show up with unloaded weapons. Either stand up and make a statement that needs to be made or be willing to die in doing so or stay the hell home. We need real patriots ready to take real action.” There is another one that says, “We need to march on Washington. Unless they change their ways, we need to march on DC with loaded weapons and defined targets,” et cetera and so on and so forth.

I mean, it goes on and on. There are hundreds of these things. This is the Western Rifle Shooters’ Association. They are all coming to Washington.

I have an obvious concern, Gravelly Point, is used by hundreds of families. On every weekend day you have got hundreds of families that go there for picnics, they play soccer on the fields. It is a well-used area, and these do not seem to be friendly visitors. They have a clear purpose, and I do not want to overstate this, but we just had two what would have to be considered terrorist attacks. A guy flies a plane into an IRS building, another guy with similar anti-government attitudes has a gun fight with two Pentagon guards.

So I guess what I want to hear from you is, are you monitoring this? How are you going to deal with this, and do you think there is any cause for concern given the attitudes of the people who intend to come to Gravelly Point and make a statement on Park Service property?

Mr. JARVIS. Thank you, Chairman. This law was passed last year and then became effective on February 22. The National Park Service spent a great deal of time in the last 6 to 8 months preparing for the implementation of this rule, both in terms of outreach to citizens as well as preparing our own employees and to properly sign the National Park facilities. As of February 22nd, all citizens could possess firearms in compliance with the governing state law.

The state laws vary and we believe it is incumbent on the individual citizen to understand that state law. If the state law allows concealed and not open carry, then they have to be in compliance with that.

Mr. MORAN. Well, a number of states do, and in fact, Virginia does.

Mr. JARVIS. Right. So, now, these websites have a lot of that kind of stuff on them. They also have said things like, “let’s go have a picnic and bring our guns, and who’s bringing the relish?” I mean, they have that going on, too.

Mr. MORAN. I did not notice that e-mail.

Mr. JARVIS. I will send you that one. This will be at least the fourth of these kinds of events that I am aware of. There was one in Valley Forge and there was one, I believe, in Gettysburg. There was one recently at a beach clean-up in San Francisco, where individual citizens came in compliance with state law, they were car-

rying weapons, unloaded because that is the State's requirement. These events have all happened without incident.

I am not concerned about this. We will have our staff ready, and contacts will be made for those that are violating the state law. If they are in compliance with the state law, it will be fine.

SAVE AMERICA'S TREASURES AND PRESERVE AMERICA

Mr. MORAN. Okay. I hope you are right. You know, I just think there is just such anti-government fervor taking place. We do not have to worry about the mainstream Americans. It is just some folks that get carried away with the rhetoric and the temper of the times.

Let me just ask one more question, and then I am going to conclude my questions, but we will hear from the rest of the subcommittee. I want you to explain why you felt it was necessary and appropriate to eliminate the Save America's Treasures Program and the Preserve America Program.

You have been blunt. Do you want to be so blunt as to suggest you thought Congress would restate it anyway, so we will get credit for cutting it?

Mr. JARVIS. I will not be that blunt.

Mr. MORAN. You will not be that blunt?

Mr. JARVIS. It was purely a budgetary decision. The Park Service has very few programs that are grant programs. Most of our budget, the vast majority of our budget, is operational. Not to say that one is better than the other, but the operational budget has a direct affect on our ability to provide direct public service in our 392 units and through our programs. This was a grant program, and I do not want to in any way project that we do not value historic preservation and this investment in America's cultural resources.

It was purely a budgetary decision.

Mr. MORAN. So everything was a budgetary decision. I gather you do not feel as though you own this program like you do those that are more directly under your control, but let me turn to Mr. Simpson.

Mr. SIMPSON. I agree with Mr. Cole and with the Chairman. It is a very valuable program, and you know, this Nation is still a young Nation, and we can save a lot of our history. Historic preservation is very important. Some of the work we have done out in Idaho and in fact, 2 weeks ago I did a video for a group that is going to go out and raise money to finish a restoration that we helped start with one of these grants. Overwhelmingly the majority of the money is going to be raised privately, donated time doing restoration, all that kind of stuff.

It is kind of a little bit of seed money to get some of these things started. If it is not done here, it needs to be done somewhere, and you know, I do not know of a better place to put it than where it currently is, but I understand some of the decisions you had to make when you put your budget together, and oftentimes programs are eliminated that Congress very much supports. Why you do that I do not know. I suspect that everybody anticipates that we will fund this at some level, but historic preservation is very important in this country. Otherwise, we are going to wake up and find out that we do not have it anymore.

FIXED COSTS

A couple of questions. Four hundred staff are going to be affected by eating \$32 million in fixed costs. Most of them seasonal or a significant portion of them seasonal. I assume you did not hire people that are seasonal or full time to drink coffee. What will not be done then?

Mr. JARVIS. I think what happens in these cases where we reduce our seasonal workforce, we reduce our summer operations. Those are our front-line programs, so those are the walks and talks, evening programs, front-line visitor center operations, trail maintenance crews, and cyclic maintenance. The kinds of things that are done by seasonal workers.

The Park Service has a very deep pride in providing quality service, so we come up with all kinds of ways to provide service, to be blunt about it. We will use volunteers, we will work with partners. In some cases we may have to have one less person doing something, or cut an evening program or have fewer walks in the Paradise Meadows or wherever, but it will have some absolute affect in the field.

DEFERRED MAINTENANCE BACKLOG

Mr. SIMPSON. What is your current backlog of maintenance?

Mr. JARVIS. The best figure we have at the moment is \$9.5 billion.

Mr. SIMPSON. What would it take annually to address that backlog maintenance, I mean, because it grows every year, and part of it, you know, is additional need every year. So over a 20-year period, do we know what it would take in the budget to address that backlog maintenance so we were actually reducing it over a 20-year period?

Mr. JARVIS. We would need an additional \$500 million a year on top of what we currently have.

Mr. SIMPSON. So a \$45 million reduction is not really going to get us there? Is that accurate?

Mr. JARVIS. That is good math. Yes.

Mr. SIMPSON. Well, that is a concern. I think most of us on this committee had taken very serious view of trying to address the backlog maintenance. I know that Chairman Dicks did when he was Chairman of the subcommittee, that we needed to start looking at trying to reduce that backlog maintenance. This seems to set us back a little bit.

Mr. SHEAFFER. I think we need to mention the \$500 million was a recent estimate that was made at the request of OMB in a study that would overtake the critical system deferred maintenance backlog decline by 2016.

Mr. SIMPSON. Right.

Mr. SHEAFFER [continuing]. Or addition—

Mr. SIMPSON. Plus—

Mr. SHEAFFER [continuing]. Either way. That portion of the backlog which we consider to be for critical systems, not the entire backlog but those systems, HVAC systems, and the like that are the most vital.

Mr. SIMPSON. Uh-huh.

Mr. SHEAFFER. So that was a notion of eliminating it by that time. However, I think it is worth mentioning on the positive side that the Recovery Act Program has really advanced us significantly in taking care of some of the deferred maintenance.

Mr. SIMPSON. Is that why we can cut out \$45 million this year because they got—

Mr. SHEAFFER. It certainly eases—

Mr. SIMPSON [continuing]. Money in—

Mr. SHEAFFER [continuing]. It. Yes. In the short term we exhausted our ready projects.

Mr. SIMPSON. In your 5-year plan do you see it going up after this year?

Mr. SHEAFFER. I certainly think that will be a part of the discussion, Mr. Simpson.

FORD'S THEATRE—PETERSEN HOUSE

Mr. SIMPSON. One last question. Recently I went on a tour of the renovation of Ford's Theatre. Across the street is Petersen House, something that we need to restore before it is not there to restore. What are your plans to do that? What would be the total investment? Are there any monies available in ARRA funds that are left over or in this year's budget to address that?

Mr. SHEAFFER. The region has a plan to address the needs of the Petersen House. They have it incorporated into their multi-year plan. At this point there seems to be funding available. It was not incorporated in ARRA because they simply were not ready. They did not have the structures reports that they needed to advance the work.

Mr. SIMPSON. All the ARRA funds have been spent?

Mr. SHEAFFER. No, sir, but they have all been programmed and the projects reviewed by this committee.

Mr. SIMPSON. So there is nothing left over?

Mr. SHEAFFER. At this point it is not on the list, and I am not certain that they would have any of this work ready in time to be done. The ARRA money has to be exhausted by September 30, so I am not sure we would be in a position to do it.

Mr. SIMPSON. What about this year's budget? Is there any money in the FY '11 budget?

Mr. SHEAFFER. The fund source likely to be used for the Petersen House is the Repair and Rehabilitation Program, and the region has adequate funds, they tell me, and are giving the Petersen House the priority it needs in order to be funded.

Mr. SIMPSON. I appreciate that. Do not screw up and lose this history.

DEFERRED MAINTENANCE BACKLOG

Mr. MORAN. On the first subject you mentioned, Mr. Simpson, of the \$9.5 billion, only half of it is funded by our committee. Half of it is from the Federal Highway Trust Fund.

Mr. Dicks.

NATIONAL MALL

Mr. DICKS. I know that the Mall has been mentioned here, but could you kind of tell us what your overall strategy is on the Mall? I know this flood must have had a big impact at the Jefferson Memorial. I hear one of the parking areas was completely flooded. We took a look at this, and I realize this a very big number that we are talking about, and I know that there is a lot of dispute about how we raise money for this like we did for the Statue of Liberty and for the World War II Memorial. Some people think that this is more challenging.

So what is your overall plan? I know that Secretary Salazar is very committed to working on this. So what is our overall strategy?

Mr. JARVIS. Mr. Chairman, the challenge with the Mall is that on any given day you have thousands of people out there, so there is no way we can do all at once, plus we could not expend the money. We have to do the Mall in chunks.

Mr. DICKS. Right.

Mr. JARVIS. As I was saying earlier, the Mall needs to be reconstructed, basically disassembled and rebuilt. The soil areas of the Mall need a style that you would have for a sports field. If you are going to use the Mall like we tend to use it, which is intensely, then it needs to be designed so that it is a resilient system, and right now it is basically a thin layer of topsoil on fill with a little bit of grass on top. That can be fixed.

Mr. DICKS. So you are you thinking about Astroturf? I mean—

Mr. JARVIS. No, not Astroturf. I am talking about an engineered soil system that would allow this kind of use. As you know, we are developing a Mall plan right now, and that has been out for public—

Mr. DICKS. Right.

Mr. JARVIS [continuing]. Comment. I think we have got about 30,000 comments so far. We will be coming up with a final plan, part of which is working with those activities that are on the Mall to have less impact. Part of the plan is to zone the Mall so that there are places where we can build the infrastructure such as underground utilities.

The other piece is actually constructing the Mall so that it will be resilient and look good. This is the centerpiece for our country. We have millions of visitors from around the world. It should look its absolute best, and I know the Secretary and I, and I know this committee as well, are committed to this. We need to bring it to you in digestible chunks so that we can get this accomplished.

Mr. SIMPSON. Chairman Dicks.

Mr. DICKS. Yeah. I yield.

Mr. SIMPSON. Would you yield for just a second?

Mr. DICKS. Sure.

JEFFERSON MEMORIAL SEAWALL

Mr. SIMPSON. He mentioned also the Jefferson Memorial, and we talked at the time when we traveled down there about the fact that the Army Corps of Engineers could help with that or should help with that or whatever. Have we talked to the Army Corps? Is there

anything in their budget that could help with the restoration of the Tidal Basin and stuff?

Mr. JARVIS. We have a contract working right now on the Tidal Basin and Seawall. There is a contractor working as we speak.

Mr. SHEAFFER. On the Jefferson Memorial.

Mr. JARVIS. On the Jefferson Memorial. I do not know if we have talked to the Corps. You have to talk to the Corps if you are working in the water but whether or not they would help—

Mr. SIMPSON. We just mentioned that when we were down there at the time. I do not know if there was any practicality to it or not, but we were talking about it.

Mr. SHEAFFER. Well, probably the largest single project that we will take on will be the Tidal Basin wall beyond the Jefferson Memorial.

Mr. JARVIS. Right.

Mr. SHEAFFER. This flooding occurs regularly and some of it is because the seawall is well below what it needs to be during high water. This project is a large ticket and then there is the ARRA reflecting pool project which will be a vast improvement, something that has been needed for years.

Mr. DICKS. Well, I just think this is such an important project, and I hope that we can continue to work with the Administration to move this thing forward, and I know it is not going to be overnight, but I think we have to keep working on it and keep trying to inspire the private sector groups that are interested in this—

Mr. JARVIS. Yes.

Mr. DICKS [continuing]. Who I think are generally out there trying to raise money for this would be a big help.

Mr. JARVIS. I think they will.

Mr. MORAN. It came very close to getting funded last year, and thank you for the reference.

Mr. Cole.

TRAIL OF TEARS NATIONAL HISTORIC TRAIL

Mr. COLE. Thank you, Mr. Chairman. I just wanted to ask you quickly, in the Omnibus Public Lands Act in 2009, we actually added several segments to the National Trail of Tears, national historic sites, spanned six states. We are a lot closer now to being accurate as to what the actual trails were.

And so could you just sort of give me an update of where we are at, and are we on schedule, and where do you see us going with that particular project?

Mr. JARVIS. We will have to get back with you.

[The information follows:]

TRAIL OF TEARS NATIONAL HISTORIC TRAIL

The National Park Service partners with Federal agencies, state and local governments, organizations, tribes, and private individuals to administer the Trail of Tears National Historic Trail (TRTE). The NPS certifies sites and segments that are not owned by the Federal government as official components of the TRTE. These sites and segments are the foundation of the national historic trail and it is through voluntary agreements that they are made available for public use and enjoyment. The Trail of Tears Association, a national organization dedicated to the preservation, public awareness, and appreciation of the Trail of Tears, is a major partner with the NPS. Other major partners include the Cherokee Nation of Oklahoma and the Eastern Band of Cherokee Indians.

Currently there are 65 certified sites on the TRTE and an additional ten Federal components. The NPS is proactively certifying segments as willing landowners are identified. The NPS does not pursue land acquisition, nor does it provide personnel at certified sites. However, the NPS does provide interpretive media, preservation assistance, development assistance, and signage, based on site needs, partner needs, and capacity.

NPS is currently engaging new partners on the new routes authorized under the Omnibus Public Land Management Act of 2009. The addition of the new routes will require an amendment to the current management plan.

Mr. COLE. That would be great. I realize it was kind of a parochial question, but, again, I have an interest there, so if you could do that—

Mr. JARVIS. We will definitely circle back.

Mr. COLE. Thank you. Yield back, Mr. Chairman.

Mr. JARVIS. I do not think it is so parochial. It covers several states.

Mr. MORAN. I am glad you asked. Thank you, Mr. Cole.

Mr. Hinchey.

NATIONAL HERITAGE AREAS AND SECOND CENTURY COMMISSION

Mr. HINCHEY. Thank you very much, Mr. Chairman, and, again, thank you very much for everything you are doing in response to these questions.

I just wanted to raise a question about the national heritage area. National Heritage Area are very important to this country. There are 49 National Heritage Areas all around the Nation.

Unfortunately, the Administration's budget would drastically cut funding for the National Heritage Areas and all of those that were established prior to 2001, would have the funding cut for them completely. Now, I cannot help but say that that would be a mistake, and it would be a big mistake in more than one way.

One of the ways it would be a big mistake is that we know that on the basis of every dollar that the Federal Government invests, you get back about \$5.50 from that \$1 investment in this particular context for these National Heritage Areas.

So I am hoping that this will be reconsidered, and this will not stop. There is a National Heritage Area in New York, the Hudson River Valley National Heritage Area, which is turning out to be one of the most significant in the Nation. So I am deeply concerned about it, and I want to see if we can change this and keep it going because it is in the best interest of the country historically but also economically.

I understand that the Second Century Commission called for a strengthening of the National Heritage Area System. What is the National Park Service's general position on the National Heritage Service position?

Mr. JARVIS. Thank you, Congressman.

I have been actively involved in the Heritage Area Program as well and served as staff to the National Park Service Advisory Board when they did their heritage area review a few years ago. I also traveled with the Second Century Commission to Essex, Massachusetts to look at the heritage areas; they have been very successful in instilling the local story and providing economic benefits.

Again, the decision to reduce the funding in the Heritage Areas Program, again, was a budgetary decision in terms of where we could find any cuts to meet the goals of the Administration.

Having said that, there is one other aspect of the Heritage Areas Program that I do believe needs work. There needs to be some organic legislation that defines the process by which a heritage area is studied and ultimately determined and also that looks at its economic viability in terms of its contribution, because they were never intended to live completely on the Federal appropriation. There was always to be some non-Federal contribution for that. Heritage Areas, as yet, do not have that sort of organic piece of legislation that defines the study process and economic sustainability.

That is also a recommendation of the Second Century Commission report; that there would be this legislative action, and if the Congress would do that, I think it would help our position in terms of ensuring there is long-term funding and sustainability.

Mr. HINCHEY. Well, I would love to work with you on that, because I think what you are saying makes perfect sense, and it is something that could be done and probably should be done.

In the meantime, we have a situation in New York and a number of other places where the National Park, where the state parks are being closed, and we are trying to save them, and then at the same time the Federal Government is closing the National Heritage Area in New York, where most of the state parks are located in that same region.

So this is a situation that is being dealt with in the context of the economic conditions that we are dealing with, but I do not think it is being done wisely. I think it is being done under pressure and in the sense of things that have to be done, but these are little things that are going to have adverse consequences, negative consequences if they are allowed to continue.

So this is another situation that I would love to work with you on and in the context of that legislation that you proposed I would like to see if we can do something on that as well, and I hope that we can.

YELLOWSTONE BISON

Just one last question I wanted to talk about, and it is the Yellowstone bison. Yellowstone bison have been something that this committee, again, has been deeply concerned about, and there have been a number of discussions on this subject for years.

And it has to do with the fact that the bison that we are dealing with are the last of America's genetically pure, wild bison, and as we know, it was not too long ago, in the last century, when they were down to just a handful, and then somebody wised up and came in and started taking care of it, and it worked very successfully. That number expanded in a very positive way.

But the killing of these natural bison now is posing a threat to their maintenance and continuation. So I am just wondering how has the interagency bison management plan impacted Yellowstone's bison population? Yellowstone is where the vast majority of these bison are, and when they come out of the Yellowstone, struggling along, looking for food, they walk up into Montana, they get shot, and they get killed. And there is a lot of that activity going

on, and I am just wondering if there is anything that is going to be engaged in to stop this. I think that this Administration probably realizes that this is not a wise thing to do.

Mr. JARVIS. The question is a great one. In the last 2 years, 2009 and 2010, there were only 5 bison that were killed as a result of the implementation of the Interagency Bison Management Plan, which we believe is actually being quite successful. We are in the process of developing a draft Environmental Impact Statement for remote vaccination against brucellosis in the bison herd. We have been doing limited capture vaccination because the primary concern regarding bison coming out of Yellowstone National Park is the potential transmission of brucellosis.

We are starting an EIS on remote vaccination.

The second piece, which we are very interested in, and the Secretary is very interested in, is developing capacity within American Indian tribes, within reservations, to take bison and develop their own herds. We are engaged with the Office of Indian Affairs and with some of the tribes that have expressed an interest in developing that capacity. We recently shipped bison to Mexico to begin reestablishing their herd. Bison are also native in Mexico. We just shipped 26 down there, and they are doing great.

Mr. HINCHEY. That is an important thing, and I very much appreciate it.

Mr. JARVIS. Yeah. We really do want to get away from the requirement to slaughter, to kill bison, and so finding new places that bison herd can exist, ensuring that they are not contributing to the spread of brucellosis, is key.

Mr. HINCHEY. Have there been any discussions with the Government of Montana about the way in which they are engaging these wild bison that flow out of Yellowstone?

Mr. JARVIS. I do not know the details. If I could ask Dan Wenk to come up and answer.

Mr. WENK. In January of 2009, the National Park Service expended \$1.5 million to buy 30-year grazing rights in Paradise Valley. That is in combination with the State of Montana which is going to be paying \$50,000 a year to the Royal Teton Ranch so that we can start to allow for the free range of bison under very limited controlled conditions in Paradise Valley and on the Royal Teton Ranch.

Mr. HINCHEY. Okay. Well, this is something I think we have to keep an eye on. We do not want that species to be eliminated.

Mr. JARVIS. No, sir. They are an iconic species. We are committed, and there is a great deal of constituency around this as well. We are seeking all kinds of solutions.

Mr. WENK. There are about 3,200 animals now in the Yellowstone system.

Mr. HINCHEY. Thanks very much.

Mr. MORAN. Thank you, Mr. Hinchey, and that is encouraging information.

How do you ship them down? Do you put them in horse trailers?

Mr. WENK. It is a natural migration. This year, at this point, there are no animals that have gone out the north end. There have been a few animals that have exited through west Yellowstone, but

that is an area where they are allowed to be. This year, right now, they are being contained within the park naturally.

YELLOWSTONE WOLVES

Mr. SIMPSON. If I could just follow up on that. Just out of curiosity, how many bison have been killed by wolves that were introduced into Yellowstone? I understand there has been a significant number.

Mr. WENK. Significant is as close as I can get, Mr. Simpson. I do not have the number.

Mr. SIMPSON. Thank you.

Mr. MORAN. I think we will conclude this hearing at this point. Is it acceptable to you if we conclude the hearing?

Mr. SIMPSON. Sure. I have several pages of questions that we will submit for the record.

Mr. MORAN. Very good. I do think it is appropriate to mention that the committee has concerns with \$30 million for land acquisition as part of a larger \$106 million department-wide land acquisition program, particularly in the context of reducing personnel who would have to manage those additional lands. So that may be something we want to address in the markup, but we appreciate very much your testimony, Mr. Director. We appreciate Mr. Sheaffer's budget acumen, and this hearing will stand adjourned. Thank you very much.

Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
National Park Service FY11 Budget Hearing
Hearing Date: March 16, 2010

Questions for the Record from Rep. Moran

Management Savings

MoranQ1. To achieve part of the management savings, the budget assumes the Service will achieve \$6 million in IT reductions and \$8.7 million by changing how you conduct acquisition and contracting. How do you plan to achieve these savings and do you think it can be done within fiscal year 2011?

Answer: The FY 2011 budget request assumes Department-wide savings in travel, information technology and strategic sourcing. In regards to the information technology savings, the Department plans to implement a common e-mail system and consolidate servers, data centers, and help desks. The Department also has chartered a DOI IT Efficiencies Team (DIET) that is tasked with identifying additional opportunities for cost savings in 2011 and beyond. As those opportunities are identified, they will be presented to senior leadership for consideration.

For the acquisition savings reduction, plans include expanding strategic sourcing to types of acquisitions beyond the current use of software and hardware. Strategic sourcing would be a requirement of all bureaus, including NPS. The Department anticipates that bureaus will begin to achieve savings in 2011.

MoranQ2. Your IT budget is over \$200M. Would you be able to achieve more than \$6 million? For instance are requesting an increase of almost \$14 million to centralize IT licenses. [Overview 28] Could you find some savings there?

Answer: The centralization of the IT licenses is the result of a consolidation of licenses, billings and other annual costs to a Service-wide account. That has increased efficiencies in tracking and costs. The centralized purchasing of IT licenses will result in a streamlining of management and billing processes with some cost avoidance in the future. Of the \$14 million increase shown in FY 2011, only \$4.852 is "new" money. The other \$9.089 million is a transfer of funding from the Park Support function, where it has been held by Headquarters to support rising IT costs. Prior to this consolidation, the licenses and other costs represented in the Centralized IT Costs' line were assigned to each unit/office on an annual basis. The transfer, as represented in the Budget Justifications, was necessary to move the funds from the Park Management Activity (Park Support) to the External Administrative Costs Activity (Centralized IT Costs).

National Mall Management Plan

MoranQ3. Late last year, you issued a Draft Management Plan and Environmental Impact Statement for the National Mall. Please outline for the Subcommittee the options you have proposed and tell us the status of the plan.

Answer: The National Mall Plan Draft Environmental Impact Statement examines five alternatives, including an agency preferred alternative and a no-action alternative. All alternatives are based on public input and the efforts of other Federal and local agencies. Newsletter 3, sent out in 2007, presents a range of alternatives based on ideas submitted by the public in 2006 and 2007. Public comment on the range of alternatives resulted in a preliminary preferred alternative, in 2008 which was also developed with Federal and local agency input. The alternatives include:

- The no-action alternative presents what happens with continuing current management which includes more than \$408 million in deferred maintenance but does not solve resource conditions, meet the demands of today's level of use, or improve visitor experiences.
- Alternative A would restore and maintain the resources of the National Mall as a historic landscape. Under this concept the designed historic landscape would evolve and its value over time would change, reflecting significant national events. Contemporary uses would be accommodated while respecting the planned historic character and visions of the L'Enfant and McMillan plans.
- Alternative B would improve the National Mall as the premier civic space for our nation and would support very high use levels. The evolving ceremonial, celebratory, cultural, and visitor uses at this national civic space would be emphasized. Diverse peoples would be welcomed through multilingual educational opportunities. The needs of large groups would be met (including those arriving by tour bus), demonstrators, and event participants. Some areas would be redesigned to provide a more sustainable civic forum and stage for First Amendment demonstrations and other events.
- Alternative C would meet evolving recreational needs in the nation's capital by providing beautiful, enjoyable, and ecologically sustainable open spaces that could be adapted to changing recreational patterns of diverse local and national users. This concept would contribute to healthy lifestyles, healthy parks, and healthy, more sustainable cities. Recreational activities would be expanded by redesigning some areas, increasing recreation equipment rentals (such as boats, skates, and bicycles), adding playgrounds, and emphasizing connections to the recreational and enjoyment opportunities in East Potomac Park, the Georgetown Waterfront, and Rock Creek Park, as well as the southwest waterfront.
- The preferred alternative combines the best ideas of all the other alternatives described below as Alternatives A, B, and C. The National Mall, as one of the premier civic spaces for our Nation, would be refurbished so that very high levels of use could be perpetuated and the needs of visitors met in an energy-efficient and sustainable manner. Its memorials and landscapes would be protected, with large areas of open space as defining features of the historic landscape. The designed historic landscape would evolve, and its value over time would change, reflecting significant national events. Contemporary uses would be accommodated while respecting the planned historic character and visions of the L'Enfant and McMillan plans.

The 90 day public comment period for the National Mall Plan Draft Environmental Impact Statement concluded on March 18, 2010. After comments are considered, a final plan will be printed in summer, 2010, and a Record of Decision will be prepared for signature.

MoranQ4. However, we are told that the EIS did not study the impact of the current level of event activity in the elm tree panels, the potential for maintaining sustainable landscapes that accommodate use in the tree panels, or the possibility that your plan to amend soil will disturb the existing ecosystem and damage what are currently comparatively healthy trees.

Do you think it would be useful to study these issues and if so, will you agree to allow a panel of experts to conduct the appropriate scientific studies of these issues prior to implementing any plan that may change current patterns of use?

I know you have received public comments along these lines. Is it possible to put on hold that part of the Mall plan before it goes final?

Answer: The NPS shares the Committee's concern regarding maintaining the Mall's elm trees in a sustainable fashion and feels a neutral scientific study would be highly valuable addition to the data already collected by the NPS. In 2008 the NPS proposed to the Smithsonian Institution (SI) that both agencies jointly sponsor a scientific study, to be undertaken by an independent group.

The NPS has been looking closely at this issue as well. The NPS Center for Urban Ecology's Elms of the Monumental Core Draft Management Plan states that passive uses and general enjoyment under the elm trees are appropriate. Numerous NPS studies indicate that ongoing degradation of resources stresses trees and makes them more vulnerable to disease, leading to the conclusion that changes in use must be made to protect the historic native elm trees that define one of the most recognizable vistas in our nation. In addition, the architect team currently studying the Mall's soil and turf examined an option to remove turf from under elm trees on the Mall and replace it with gravel to accommodate greater levels of use. They found that it did not offer any additional protection for the elm trees. The NPS also examined this concept in the National Mall Plan (p 128) but dismissed the idea since it does not improve tree health.

The SI, in their comments to the National Mall Plan of March 18, 2010 stated "Without up to date studies regarding turf and trees on the Mall, conclusions and prohibitions are assumed that are likely unwarranted." To address the SI's comments to the National Mall Plan, the NPS will renew its request for a joint independent study as part of the EIS/Record of Determination process. Such a study would determine appropriate soil compaction standards, tree protection and care methodologies. This in turn would inform the NPS on what level of events can be held under the elm trees without causing damage to their root system.

Is it possible to put on hold that part of the Mall plan before it goes final?

Answer: The NPS supports a jointly sponsored scientific study. However, NPS recommends providing the maximum protection to the resource and incorporating the results of the study by updating subsequent events management and permitting processes rather than putting a hold on the Mall plan.

Guns in the Parks

MoranQ5. As of February 22nd, a new Federal law allows people who can legally possess firearms in the state in which the national park is located to carry firearms in that park. Federal law continues to prohibit possession of firearms in designated Federal facilities. This new law affects 370 units of the Park Service's 392 units. What training have you given Park Service employees on the implementation of this new law?

Answer: The NPS' approach for implementing the new firearms law was no different than how it would approach any other significant change in operations: provide clear guidance on the provisions and effects of the law and then offer opportunities for staff to ask questions prior to implementation. The employees use their existing skills and training to incorporate the new information into the performance of their jobs, from campfire talks to law enforcement. The information and tools provided to staff included:

- An overview of the new law
- "Frequently Asked Questions", providing for example, guidance on determining whether a building is a "Federal facility" (where firearms are not allowed) and signs for posting such facilities
- Instructions and standard language for each park web page, to publicize and explain the law

Information on individual state laws was developed by NPS regional offices and shared with all parks in that state to ensure consistency in NPS understanding and implementation of state law.

MoranQ6. Although the law has been in place for less than a month, what has been the Park Service's experience to date?

Answer: The NPS has had one incident involving firearms, in which a person who was target shooting thought it was authorized under the law. We continue to respond to inquiries and questions from the public and employees in order to address unique issues, and to maintain consistency in implementation.

MoranQ7. Firearms continue to be prohibited in Federal facilities. It is important that you have a clear definition of "Federal facility" so that there is no confusion among park visitors and staff. Please explain how you have defined Federal facility and how you will ensure that the public knows when they have entered a Federal facility.

Answer: The NPS uses the definition of Federal facilities contained in paragraph (g)(1) of 18 USC 930, "Possession of firearms and dangerous weapons in Federal facilities". To ensure that the public is aware, we post signs at public entrances to Federal facilities, as required under paragraph (h) of section 930 to provide public notice. In addition, each park website contains a message advising the public of the new Federal law and the continuing prohibition of firearms in Federal facilities.

MoranQ8. I understand that you have used as the definition of Federal facility, one “where Federal employees are regularly present for the purpose of performing their official duties”. This could be open to interpretation. How often is “regularly” and have you given guidance to your staff as to how to interpret this?

Answer: The NPS interprets "regularly" contained in paragraph (g)(1) of 18 USC 930, to mean that an employee is scheduled, on a daily basis, to be in a Federal facility for purposes of carrying out their assigned duties.

MoranQ9. Wolf Trap Farm Park for the Performing Arts has a special place in the hearts of many in the Washington metropolitan area. How have you implemented the law in this special place, the only national park dedicated to presenting the performing arts?

Answer: The NPS has determined the Filene Center within Wolf Trap Farm National Park, with its buildings, the stage, and lawn area within the cordoned perimeter to be a Federal facility and, therefore, firearms are prohibited in this space. In the remainder of the park area, other than Federal facilities, possession of firearms will be permitted or prohibited pursuant to Sec 512 of the new law (P.L. 111-24), which, among other provisions, mandates that possession of firearms in non-Federal facilities and areas must in compliance with the law of the State.

Operation of the National Park System

MoranQ10. Within the request for the ONPS account, the largest increase would go to the External Administrative Costs. Please explain why you propose to increase administrative costs by \$15 million, or 9%, while the other programs such as resource stewardship, visitor services and park protection receive much smaller increases?

Answer: The increase in the External Administrative Costs (EAC) subactivity primarily reflects a \$9.1 million transfer from park base funding to Centralized IT costs within the EAC subactivity. This transfer moved IT funding being held in Headquarters to help cover the rising IT costs to a newly created centralized IT funding subactivity in EAC.

The budget requests \$4.9 million in new funds to cover the rising licensing and messaging costs. Having all of the centralized IT costs funding in a centralized (bill paying) location is much more efficient in time and effort, for both Headquarters and the field offices. More importantly, the centralization of these costs result in a cost savings in licensing and messaging costs. The savings are reflected in the request for \$4.9 million.

MoranQ11. Within the Park Protection budget, you are requesting an additional \$2 million and 12 new FTE to expand the land use management program. Please explain how this staff would be utilized and why you believe an increase is justified.

Answer: The National Park Service currently has no formal land use management program. The requested funding will provide for needs at the regional level of the Service which cannot legally be provided using Land and Water Conservation Fund (LWCF) funds. Providing for this will complement the current Federal Land Acquisition expertise. The realty services that would be

addressed include: 1) land management assistance to regions and parks, such as law enforcement efforts, reservation of realty interest, encroachments, boundary line surveys, claims against land ownership (adverse), special park uses, right-of-way issues, leases, telecommunication requests, easements, seller relocation assistance, and Federal DOT/FHWA mitigation projects; 2) legislative assistance such as language preparation and review, cartographic services and land cost estimates; and 3) planning assistance to regions and parks, such as general management plan land issues, land protection plans, development concept plans, and cartographic services.

Examples of these on-the-ground realty specialist services include establishment of jurisdictional definition to law enforcement for crime scenes; identification of boundary encroachments and their remediation; resolution of road corridor issues with a state DOT when the park does not own the road bed; and negotiation and coordination to protect park interests for: leases for telecommunication towers, and rights-of-way for utilities, maintenance functions, etc. These types of issues come up on a daily basis within any given region. Currently, with no dedicated staff for these issues, either the acquisition projects or these special functions are not addressed in a timely manner.

MoranQ12. As we dig into the details of this budget, it is clear that much of the reduction from last year comes at the expense of programs of interest to this Committee and the Congress as a whole. Elimination of the Preserve America and Save America's Treasures programs alone net you almost \$30 million in reductions. I will discuss those two programs specifically later. But add to those, the elimination of the Statutory or Contractual Aid grants, the significant reduction to the Heritage Area Partnerships and elimination of many of the construction line items important to this body, it is not difficult to see how you achieve a reduction from last year's appropriation.

However, I note that the budget proposes a \$37 million increase for base park operations. Yet, we continue to hear complaints that this budget is insufficient to maintain current park operations and visitor services. It is not the \$100 million a year increase some would like to have seen in anticipation of the 100th anniversary of the Service.

Is the \$37 million increase to base operations at the Parks sufficient to maintain current operations?

Answer: The proposed increase in park operations is \$54.6 million, however, the net increase for park operations is \$35.3 million. Offsets totaling the difference include operational savings, termination of the Challenge Cost Share program, and Department-wide savings in travel, information technology and strategic sourcing. Of the \$54.6 million, the NPS is requesting a total of \$37.3 million in park base increases in the FY 2011 budget. This funding would enable the NPS to address a number of high priority servicewide and departmental priorities while providing a total of 103 base increases benefitting 127 park units. The park base increases can be categorized as follows: \$5.8 million would provide for educational and employment opportunities targeted at youth at 29 parks; \$12.6 million would enhance the parks' ability to work collaboratively and more cost effectively with other units at 43 parks; \$9.9 million would provide support for new areas and responsibilities at 27 parks; and \$9.0 million would enhance mission critical operations at 28 parks. These are critical, high priority increases and will help parks perform their mission.

In addition, the NPS is requesting \$17.3 million in other servicewide park operational increases. These are critical as well, and include such items as expansion of cyclic maintenance, establishing a base program in land use planning, workforce management improvements, innovations in interpretive media to engage wider audiences, enhanced security at national icons, and boosts for key resource management programs. The \$54.6 million in total increases, while less than \$100 million, is adequate, particularly given the constrained budget and economic environment. Absorbing fixed costs will require the management acumen of managers at each park to minimize the impact to visitors and resources.

MoranQ13. Will this increase allow you to stay on track for the 100th celebration and if not, what will have to be scaled back?

Answer: The NPS has a vision to achieve a certain level of operations by its 100 year anniversary in 2016, and the \$54.6 million in programmatic increases for the Operation of the National Park Service will be used to enhance our park units in support of this vision.

Protection of National Icons

MoranQ14. You have also requested a 12 FTE increase to professionalize the United States Park Police workforce. As I understand it, you would hire trained administrative staff to carry functions currently staffed by police officers. Would the police officers then be transferred to beat operations?

Answer: In response to recommendations by the National Academy of Public Administration (NAPA), the U.S. Park Police evaluated and transferred where appropriate sworn officers who were performing primarily administrative functions to operational functions. The duties that were previously performed by these sworn officers were mostly absorbed by existing staff. This funding is requested to assist the continued efforts of the U.S. Park Police to improve organizational effectiveness through hiring of professional administrative personnel to more efficiently perform the specialized technical administrative support functions of the U.S. Park Police and to address other administrative weaknesses identified in the Department of the Interior Office of Inspector General Assessment of the U.S. Park Police.

MoranQ15. If you accomplish this transfer of duties, what will be the sworn officer strength at the end of fiscal year 2011?

Answer: Officer staffing would be 641 at the end of 2011.

MoranQ16. How many of these officers will be deployed in the National Capitol Region, and of those how many are on the Mall itself?

Answer: In 2011 there will be no new officers available, as this increase is focused on civilian hiring. NPS deployed 16 officers who previously carried out administrative duties. Of those, twelve were deployed to the National Capital Region, with seven going to the National Mall.

MoranQ17. I note that your budget assumes a small savings by reducing contract guards at the Lincoln and Jefferson Memorials and the Washington Monument and replace them with interpretive rangers with US Park Police presence only during non-visiting hours. I am concerned what this would mean for the public's safety and protection of our most precious national icons. How do you propose to ensure safety without guard presence --- contract or otherwise? [ONPS-66]

Answer: The NPS plans to provide uniformed park ranger staffing alongside the U.S. Park Police Guard Forces at the Lincoln and Jefferson Memorials and at the Washington Monument, replacing two contract guard posts per icon. The additional park rangers would cover six posts per eight hour shift during visitor hours, leaving the U.S. Park Police Guard Force to staff the icons during non-visitor hours. The presence of park rangers would complement icon settings and create a welcoming environment by greeting visitors and providing roving interpretation. Uniformed park rangers would also act as a strong yet subtle deterrent against damage to the icons by monitoring visitor use and site conditions, and reporting disruptive or unusual visitor behavior and emergencies to the U.S. Park Police. This is the same procedure that is followed by the contract guards. However, this strategy will improve visitor satisfaction and understanding at the monuments while maintaining visitor health and safety and resource protection goals at the National Mall icons.

MoranQ18. Your budget assumes a \$550,000 savings by eliminating the contract guards and a corresponding \$1.68 million to pay for 18 additional interpretative rangers at these three sites. [ONPS -144] That is an increase of almost \$1 million. Will these interpretative rangers receive additional training to ensure public safety?

Answer: The U.S. Park Police and the National Capital Region are developing a training program for the uniformed park rangers to prepare them for this role. However, the primary public safety role will still be carried out by the U.S. Park Police.

MoranQ19. On average how many weekly disturbances or emergencies do contract guards respond to now?

Answer: Contract security officers are responsible for conducting patrols of the Icons for evidence of explosive devices, attempted unlawful entry, acts of vandalism, dangerous conditions, suspicious activity, and any other suspicious persons or circumstances. Security officers apprise U.S. Park Police of their findings but are not authorized to take any enforcement or investigative actions. Security officers are also assigned to the Washington Monument Visitors' Screening Facility and the White House Visitors' Center during hours of operations. They are responsible for operating screening equipment to prevent unauthorized packages or prohibited items from entering the facilities.

The U.S. Park Police documented 394 case incident reports at the Icons in 2009 or an average of 7.5 incidents per week. Security officers operating screening equipment at the Washington Monument and the White House Visitors' Center confiscated 1,889 prohibited items, including firearms, knives, and certain containers, such as aerosol cans, in 2009.

National Trail System

MoranQ20. As we have discussed, you are requesting an increase of \$35 million for the Operations of the National Parks account. However, of this increase only \$549,000 is allocated to the National Trail System [ONPS-175]. In fact, only 5 of the 23 trails receive an increase over 2010, 12 are expected to absorb fixed costs and management efficiencies and 8 have budget below 2010. Please explain why, with a net increase to the account, the trail system seems to fare so poorly.

Answer: The National Park Service is charged with ensuring that all parks and programs request adequate funding to meet their needs, but must do so within the context of the overall budget climate. Accordingly, identification and evaluation of need, as well as priority setting, are critical parts of the budget process. Regional Offices prioritize trail needs along with parks in their region and these proposals are evaluated at the national level.

The specific funding requests considered for the 2011 budget were drawn from the NPS Operations Formulation System (OFS), an interactive servicewide database capturing park and program needs on the NPS Intranet. Funding needs are identified and prioritized in OFS by park, region, and program managers and performance results are projected in accordance with NPS strategic plan goals. The funding requests are also informed by management processes, such as General Management Plans, Park Asset Management Plans, Budget Cost Projections, and Business Plans. This suite of management tools are utilized at all levels of the budget formulation process for analyzing spending patterns, identifying cost recovery strategies and efficiencies, focusing efforts on mission critical activities, identifying gaps in funding of facility operations and maintenance, facility life cycle management costs and working towards high priority performance goals.

Less than one-third of the 392 park units received an increase in the 2011 budget and all park budgets reflect savings to be realized through management efficiencies. All parks, as well as all trails, are slated to absorb fixed cost and pay increases in 2011.

MoranQ21. In addition, it appears that none of the Park Service's \$20 million increase for land acquisition goes to the National Trail System. Again, can you explain why?

Answer: There are three units of the national park system that are National Trails: the Appalachian National Scenic Trail, the Natchez Trace National Scenic Trail and the Potomac Heritage National Scenic Trail. These units have the opportunity to request Federal land acquisition funds through the annual budget process, as does each of the 392 units of the National Park System. All requests for Federal land acquisition funding were regionally and nationally ranked, using well-established criteria specific to the NPS. Then, newly established Departmental criteria were applied to all NPS projects and projects within FWS and BLM. The goal of applying uniform criteria is to achieve landscape-level conservation and strategically make investments nationally by coordinating projects within the three land management bureaus.

In the 2011 process, there were 308 requests for Federal land acquisition funds. At the 2011 President's Budget funding level, only the very highest priorities were funded. None of the three National Scenic Trail units submitted requests for Federal land acquisition funding during the 2011 process.

MoranQ22. You have proposed to eliminate Challenge Cost Share Program grants, one-third of which were traditionally dedicated to the National Trail Systems projects. Your budget justification [page Overview 36] states that the goals of this program can be better achieved through the Park Partnership grant Program. Does this mean that you will set aside a portion of the Partnership grants for the National Trail System?

Answer: The Challenge Cost Share Program has been funded at a little over \$2.3 million since 2007. This basic funding was available for a variety of efforts, but it is still a relatively small pot of matching funding. With the advent of the Park Partnership Grant Program in 2008, the Challenge Cost Share Program, as a separate entity, was no longer necessary. Trail projects may compete for funding from the Park Partnership Grant Program in 2011, as well as competing for funding from other sources available to the NPS. The Service does not plan to commit a specific percentage of the Park Partnership grant funding to any one type of project or part of the National Park System. The Service believes that it is more appropriate to adhere to the priority-setting process established for a particular funding source rather than setting artificial targets, especially given the current fiscal environment. This will allow the Service to target the highest priorities of the NPS.

Youth Initiative

MoranQ23. The President's Request includes \$45 million Department-wide for a "Youth in Natural Resources" initiative. As I understand it, the goal of this initiative is to increase by 50 percent the employment of youth ages 15-25 in conservation programs. A laudable goal, for which I understand the Park Service will receive almost \$17 million, an increase of \$5.8 million above fiscal year 2010. How many youth do you expect will benefit from the Park Service portion of this program?

Answer: The DOI high priority performance goal is to increase youth employment in the conservation mission of the Department by 50 percent by the end of 2011. The NPS contribution to this goal is a 60 percent increase from 2009 levels, which would result in NPS employing approximately 5,600 youth in 2011. The requested increase of \$5.8 million will go toward supporting a wide variety of youth employment, engagement and educational programs. In addition to providing youth employment opportunities the NPS will also provide tangible educational benefits for youth. Many of these programs will engage underserved youth, particularly from low-income urban and rural communities.

MoranQ24. There are a number of ways you could engage youth through this program: internships, seasonal employees or construction work crews. Have you given thought to which of these avenues, or mixture of all, you would use to achieve your goal?

Answer: The National Park Service is taking a holistic approach to youth employment programs. We will continue to develop, refine and expand our traditional conservation work crew programs such as the Youth Conservation Corps and Public Lands Corps Programs. Our future YCC and PLC programs will include stronger educational components so that the youth participants gain a better understanding and appreciation for the valuable work that they are engaged in. Our PLC program relies heavily on partner organizations to help us develop and implement work projects and this formula will continue.

The YCC and PLC programs have proven to be effective introductions for young people interested in resource conservation careers and represent a cost effective way to introduce young people to the mission of the National Park Service. It should be noted that the current Acting Associate Director for Partnerships and Visitor Experience is an YCC alumnus. The Department of the Interior recently approved the implementation guidance for hiring former PLC participants non-competitively.

Over the last several years, NPS has developed a number of youth employment programs that provide opportunities for young people in an array of career fields. Some of the notable programs are the Youth Partnerships Program, Youth Intern Program, Public Safety Ambassador Program, Santa Monica Mountains Recreation Area Youth Intake Program, Cultural Resources Diversity Internship Program, Business Plan Internship Program and the Geoscientists-in-Parks Program. These programs and others like them provide opportunities for talented undergraduate and graduate students in fields such as biology, geology, archeology, architecture, financial management, health and safety, interpretation and education, and law enforcement.

NPS youth programs are focused on providing a continuum of experiences for young people. Youth programs start with our Junior Ranger Program at the elementary school level, on to our youth volunteer service programs with the Boy Scouts and Girl Scouts in middle school, then the YCC and PLC programs in high school and more sophisticated internships for undergraduate and graduate students. These youth employment programs are a critical element of our succession planning and our on-going focus on improved diversity amongst our visitors and employees.

MoranQ25. To be clear, the goal is 50% above the 2009 levels. For the record please provide data on 2009.

Answer: The DOI high priority performance goal is to increase youth employment in the conservation mission of the Department by 50 percent by the end of 2011. The NPS contribution to this goal is a 60 percent increase from 2009 levels. In 2009 NPS had 833 Youth Conservation Corps participants, 1,576 youth participants involved on conservation projects involving partner organizations such as the Student Conservation Association and 1,057 direct hires that utilized various hiring authorities such as the Student Temporary Employment Program and the Student Career Experience Program for a total of 3,466. The NPS goal for 2011 is 5,600.

Climate Change

MoranQ26. The President's Request also includes \$171 million Department-wide for ongoing climate change adaptation work. The Park Service would receive \$10 million, which equals the amount provided for fiscal year 2010. Before we discuss your 2011 request, please explain to us how you are using the 2010 funds? Three million was intended for monitoring systems. How many monitors did you purchase and what criteria did you use to site them?

Answer: In 2010, the Congress provided \$10.0 million to the NPS for climate change activities. Of this amount, \$1.5 million supports the establishment of a climate change response office and provides targeted funds for servicewide training and planning. The capacity is crucial to the

subsequent expansion and effectiveness of the Service's climate change response program and its contribution to the Department's climate change initiative. Specific activities include:

- \$800,000 to support five positions (Climate Change Program Manager, Global Change Scientist, Climate Change Communication Specialist, Climate Change Program Analyst, and Climate Change Technician).
- \$350,000 to identify and test available and appropriate approaches for determining resource and ecosystem vulnerability to climate change. Six assessment methodologies will be evaluated in 2010.
- \$150,000 to conduct four training workshops for NPS planning and resource staff on using climate change scenarios for long term planning.
- \$200,000 to develop an adaptation planning template for incorporating climate change science, modeling, and other decision support tools into park planning processes and documents, including the general management planning process.

A total of \$3.0 million is being used for climate change monitoring in 2010. The NPS is enhancing its existing monitoring of park vital signs (many of which have been identified as key resources likely to be affected by rapid climate change) for the most vulnerable parks and resources, and is coordinating monitoring with the FWS and other partners. Parks in areas that are highly vulnerable to climate change impacts have been identified (i.e. high elevation, high latitude, coastal/marine areas and arid lands). Plans and protocols that expand monitoring of climate-sensitive indicators at 97 parks are being developed within eight DOI Landscape Conservation Cooperatives (North Atlantic, South Atlantic, Desert, Great Northern, Pacific Islands and Arctic/Interior/Western Alaska). Specific activities include:

- \$300,000 to enhance NPS capacity to provide climate change monitoring technical support (two FTE - climate change ecologist and monitoring coordinator)
- \$400,000 to enhance monitoring at 23 high latitude parks (three NPS networks within three Alaska LCCs)
- \$350,000 to enhance monitoring at 16 high elevation parks (three NPS networks within the Great Northern LCC)
- \$350,000 to enhance monitoring at 26 arid parks (three NPS networks within the Desert LCC)
- \$200,000 to enhance monitoring at 12 northeastern coastal parks (three NPS networks within the North Atlantic LCC)
- \$200,000 to enhance monitoring at 12 southeastern coastal parks (one NPS network within the South Atlantic LCC)
- \$100,000 to enhance monitoring at nine Pacific Island parks (one NPS network within the Pacific Island LCC, one FTE - cultural specialist)
- \$350,000 to enhance decision support for climate monitoring information
- \$550,000 for joint development with the Fish and Wildlife Service's Refuge I&M Program of an integrated data and information system. The FWS is co-locating their national staff and will share common monitoring protocols and data systems for the national park and national wildlife refuge systems;
- \$200,000 to partner with NASA, FWS, and USGS for the joint solicitation for "Applications Proposals to Support Ecosystem and Water Resource Management". Funding will support scientific studies intended to "enhance the management of populations, species, communities, and ecosystems across landscapes and seascapes of concern through the

development or improvement of forecasting tools for resource managers that project the impact of a changing climate on these populations, species, communities, and ecosystems."

Some of the climate-sensitive indicators that have already been identified include: glacial features and processes (net mass balance, permafrost extent, snow water chemistry), groundwater dynamics (depth to groundwater), landscape dynamics (shoreline change, erosion, fire and fuel dynamics), phenology (time of first flowering, length of growing season), climate-sensitive park habitats (high elevation wetlands, alpine soils) and vulnerable species (amphibians, high elevation vertebrates, shorebirds). NPS climate change monitoring protocols take into account both park-specific needs for information and the broader monitoring needs that are being identified through new Landscape Conservation Cooperative-partnerships and represent our 2010 and 2011 monitoring investments. An additional \$5.5 million is being used to develop land, water, and wildlife adaptation strategies for climate change.

Targeted projects enhance the NPS capabilities to implement management actions providing resilience, sustainability and effective response to the effects of climate change, science-based decision-making, and lowering the carbon footprint of the assets managed by the NPS.

- \$2,000,000 to support 12 positions (five field-based Landscape Adaptation Coordinators (one Pacific Islands, one Northern Rockies, one South Atlantic, two North Atlantic); two field-based Climate Science positions (Pacific Northwest, Alaska); Landscape Ecologist; National Adaptation Coordinator; CESU/RLC Coordinator; Renewable Energy Coordinator, and Cultural Resource Adaptation Coordinator).
- \$2,674,000 for park and regional adaptation projects (17 projects initiated in 2010).
- \$462,000 permanent transfers to regions (Pacific West, Midwest, Alaska) to support three positions for coordinating climate science, technical assistance, and education needs to parks
- \$364,000 to support climate change research in national parks.

MoranQ27. Please explain how these monitors will help the Service, and the Department, assess vulnerabilities and develop adaptation strategies to reduce impacts and give us some examples of how you have incorporated these strategies into park general management and resource stewardship planning processes. [ONPS-13]

Answer: Enhanced or expanded monitoring of climate-sensitive indicators by the NPS Vital Signs Monitoring Networks is critical to better understand the extent, rate, and magnitude of climate effects on park resources. Vital Signs monitoring programs are underway at more than 270 park units. Thus far these programs have contributed data and expertise to Natural Resource Condition Assessments at over 43 parks, Resource Stewardship Strategies at five parks, and Climate Scenario (Pilot) Planning efforts at five parks. Monitoring of climate sensitive indicators, vulnerability assessment and adaptation planning efforts underway through the NPS Climate Change Response Program will contribute much needed information and expertise to park general management plans as well as to the newly formed DOI Landscape Conservation Cooperatives, which engage other Federal, state, and NGO partners.

The NPS Vital Signs Monitoring program is also providing technical support and training to the U.S. FWS Refuge I&M program. Furthermore, monitoring staff are being co-located at the Natural Resource Program Center in Ft. Collins, Colorado to leverage staff resources, implement joint data

standards, and help coordinate climate monitoring and vulnerability assessments within LCCs. Adaptation to climate change requires park managers, where possible, to reduce the stresses on park resources from non-climate factors, and to plan for changes that may be unavoidable (such as sea level rise, or changing hydrography of rivers). Vital Signs monitoring information across the NPS informs park managers regarding changes in water quantity and quality, the health of park forests and grasslands, the extent and magnitude of exotic plant invasions, rates of erosion, and a multitude of other factors necessary to manage park natural and cultural resources, infrastructure, and visitors. For example, in collaboration with partners, additional monitoring of climate-sensitive indicators in the NPS Southeast Coast Vital Signs Network focuses on monitoring the elevation of estuary water levels and on developing common methods and data management to be used across multiple jurisdictions. Accurate tracking of changes in sea level and the response of coastal estuaries to rising waters are essential to assess vulnerability of coastal resources and communities and informs the development of new general management plans.

Vital Signs monitoring is closely integrated with park stewardship activities that quantify resource condition and vulnerability, and assist with park decision making. For example, the Resource Stewardship Strategy for Guadalupe National Park anticipates effects of climate change (through increased erosion) on geologic formations such as Capitan Reef, and identifies monitoring indicators to assess the condition of this resource value over time. The Resource Stewardship Strategy for Denali National Park includes monitoring and restoration of disturbed sites as actions consistent with promoting ecosystem resilience in the face of climate change. The General Management Plan at Olympic National Park responds to anticipated sea level rise and changing river morphologies by planning for road closures, or moving roads as necessary.

MoranQ28. Your 2011 request for Climate Change Adaptation includes \$6.1 million towards the Secretaries initiative on Landscape Conservation Cooperatives. How exactly will the Park Service funds be used? Will they pay for Park Service employees specifically and if so, how many?

Answer: The NPS 2011 Climate Change Response request equals the amount provided for FY 2010. The funds allocated for adaptation in 2011 will continue activities begun in 2010. Funding will be used to (1) assess resource vulnerability to climate change on landscapes most at risk, (2) explore the range of future conditions that will either constrain or result from management decisions, and (3) prioritize and implement appropriate adaptation responses. All activities will be conducted in collaboration with partners in other DOI bureaus, federal and state agencies, and academia to build understanding and coordination for landscape-scale adaptation response. Six vulnerability assessment pilots are being conducted in 2010 and an additional twelve assessments will be accomplished in 2011. These pilots are linked to climate change scenario development and adaptation planning activities within the context of the Department's Landscape Conservation Cooperatives in order to ensure the results are applicable across broad landscapes. Pilot projects begun in 2010 that will continue in 2011 include coastal landscapes (North Atlantic, South Atlantic, and Pacific Islands), high elevations (Northern and Central Rocky Mountains), high latitudes (Alaska), and arid lands (Desert Southwest). Eighteen NPS employees hired in 2010 will support climate change activities including six working within four Landscape Conservation Cooperatives (LCCs) and two in DOI's Climate Science Centers. The additional ten positions will be shared across LCCs to provide expertise on scenario planning, cultural resource adaptation, coastal adaptation, landscape ecology, renewable energy, and policy.

MoranQ29. Both the 2010 budget and your 2011 request include \$1.5 million for a climate change response office [page C-1 of DOI budget in brief]. What is the status of standing up this office?

Answer: The Climate Change Response Office includes five FTE and targeted funding for pilot adaptation and communication projects in parks. Two of the five FTE have been hired (the Climate Change Communication Coordinator and Program Technician). Two additional positions are in the process of being selected (Climate Change Response Program Manager and Climate Scientist). The Climate Change Coordinator, who will link efforts within the networks of NPS Cooperative Ecosystem Studies Units and NPS Research Learning Centers to address climate change response, will be in place by the end of July 2010. Pilot project funding will be implemented in parks beginning summer 2010; as part of this effort the NPS is launching a student internship and a student fellowship program aimed at identifying and meeting park research and management needs.

Ocean and Coastal Resource Stewardship

MoranQ30. You have requested an additional \$1.25 million to support ocean and coastal resource stewardship efforts for a total request of \$2.5 million. Please provide the resources and FTEs by NPS region.

Answer: The NPS would fund the following activities in 2011 under the proposed \$2.5 million for Ocean and Coastal Resource Stewardship:

- \$600,000 for high priority park projects in the six NPS regions with ocean and coastal parks (including Great Lakes parks). These projects will be distributed among the nearly 80 ocean and coastal parks;
- \$400,000 to implement NPS 2006 *Ocean Park Stewardship Action Plan* in parks, including support to cross-cutting activities such as an assessment of NPS marine jurisdictions, dive safety training, and education and outreach;
- \$900,000 for field-based ocean and coastal specialists placed according to regional implementation plans, serving multiple parks to coordinate and leverage NPS activities with other Federal agencies and to represent NPS in the proposed regional planning bodies under the Administration's new National Ocean Policy (6 FTE);
- \$300,000 to leverage Cooperative Ecosystem Studies Unit university science expertise to address ocean and coastal issues in parks (2 FTE); and
- \$300,000 to enhance NPS capacity to provide technical support to parks (2 FTE).

The NPS will distribute the ten FTE funded in this request among the following regions with ocean and coastal parks:

- Midwest Region – 1
- Northeast Region – 1
- National Capital Region – 1
- Southeast Region – 1
- Pacific West Region – 1
- Alaska Region – 1
- Washington Office – 2
- Unassigned – 2 (location to be based on need with respect to the National Ocean Policy)

MoranQ31. Explain how the 2010 resources will be spent.

Answer: In 2010, the NPS has allocated the enacted funds by the following categories:

- \$300,000 for park projects;
- \$200,000 to implement NPS 2006 *Ocean Park Stewardship Action Plan* in parks;
- \$450,000 for field-based ocean and coastal specialists placed in the Southeast, Pacific West, and Alaska regions who, serving multiple parks, will: coordinate and leverage NPS activities with other Federal agencies and represent NPS in the proposed regional planning bodies under the Administration's new National Ocean Policy (3 FTE); and
- \$300,000 to enhance NPS capacity to provide technical support on recreational and commercial fishing issues in ocean and coastal parks (1 FTE).

MoranQ32. How much of the total 2011 request will go toward projects and how much towards planning?

Answer: In 2011, \$600,000 of the proposed \$2.5 million in Ocean and Coastal Resource Stewardship base funds will go towards park projects. None of the proposed funding is specifically set aside for planning. However, ocean and coastal parks could use some of the park project funds for pertinent planning, based on need. Projects funded in FY 2010 include habitat mapping to protect recreational fisheries at Assateague Island National Seashore, coral reef responses to nutrient enrichment at Kaloko-Honokohau and Kalaupapa National Historic Parks, and creation of accurate digital shoreline maps for Alaska coastal parks.

Chesapeake Bay Gateways and Trails

MoranQ33. Your request includes \$2 million for the Chesapeake Bay Gateways and Trails to support technical financial assistance for linked networks of gateways and trails. How much of this funding will be used as grants and what types of projects do you envision funding?

Answer: We anticipate awarding 60-65% of the funds (\$1.3 million) in financial assistance awards. The awards would fund projects that create new and improved public access to the Chesapeake Bay and its tributaries, offer education programs for school children and life long learners, and continue to provide interpretation for Gateway partner sites and along the Captain John Smith Chesapeake National Historic Trail and the Star-Spangled Banner National Historic Trail through interpretive signage and programming. The remainder of the funds would go towards network-wide interpretive, capacity building, heritage tourism, and other projects as well as direct technical assistance to partners.

MoranQ34. Provide a summary of the work done to date on this project.

Answer: From 2000 through 2009, \$9,365,099 has been awarded in 260 financial assistance awards to Gateways or their partners. These Federal dollars have leveraged \$14,601,028 in matching funds. The rate of Federal dollars to match is 1:1.55 - in excess of the legislated 1:1 match requirement. Historically, 50-65% of the Federal funds are awarded as direct Federal

assistance with the remainder funding network-wide interpretive, capacity building, heritage tourism, and other projects as well as direct technical assistance to partners.

In 2008, \$1,024,020 was distributed in 28 awards and in 2009 \$600,188 funded 14 projects. Recent projects are varied and include: Captain John Smith's Explorer Camp at Mason Neck Park targeted to at-risk youth; Stratford Hall interpretive signage on a walking trail that educates visitors to the land before the arrival of the Lees; an oral history project on Tangier Island; Phase I development of the Nanticoke River Water Trail; improved access for kayaks and canoes at Piney Point Lighthouse; a Chesapeake Bay Youth Conservation Corps at 10 state parks in Virginia; and a new interpretive program on the War of 1812 at Bladensburg Park.

Consolidate Workforce Management Offices

MoranQ35. You are requesting \$6 million and 46 FTE to consolidate the Service's Workforce Management offices from 74 locations. [ONPS-103] Should this request be approved, what is the final goal in terms of the number of workforce management offices?

Answer: The final goal is 23 Servicing Human Resources Offices (SHRO's). This will be a reduction and consolidation of operations of 51 Servicing Personnel Offices from the current 74.

MoranQ36. Your request indicates that with this request the ratio of Human Resource Specialists to employees would drop from 1 for every 100 to 1 for every 85. The OPM recommends 1 for every 75 employees. What is the ratio at other Department Bureaus?

Answer: The NPS ratio was established last year based on W-2 forms and Federal Personnel and Payroll System (FPPS) data for human resource employees. The NPS did not request similar data from other bureaus at that point, so an exact comparison is not available.

However, based on a snapshot of FPPS data for early April 2010 for DOI land management bureaus and the BIA, the NPS has developed the following ratios:

Bureau of Indian Affairs	1:120
Bureau of Land Management	1:66
Fish and Wildlife Service	1:83

MoranQ37. Your justification indicates a request of +\$6 million and +46 FTE. What is the base for Human Resources Servicewide?

Answer: The base for Human Resources servicewide is approximately \$38.4M. This would include the salary and benefits of 332 FTE along with some limited training and travel associated with the operation. It also includes the costs of centralized servicewide automation expenses for the human resources operation. The employees are located at parks, regional offices and headquarters.

MoranQ38. Why do you need more people and more funding to "consolidate" and will this consolidation require employees to move?

Answer: The consolidation is a part of our Human Resources transformation which is intended to broaden the scope of human resource services provided to our managers, supervisors and employees. The transformation is part of a three-pronged approach to automate human resource functions, re-engineer processes and procedures, and centralize certain functions to be more efficient. The additional resources and positions will allow the Service to improve the quality and timeliness of human resources services, such as recruitment and staffing, by implementing a human resource specialist to employee ratio more closely aligned with OPM's recommended ratio. It will also permit us to add new types of services that are currently not provided such as organizational development, position management, and workforce succession planning.

Employees will not be required to move under this proposal. Employees will remain in their current locations working in a "virtual" office until such time as their position is vacant, and the position will be filled at the most appropriate consolidated office location.

Construction

MoranQ39. Your 2011 request for Park Service construction reflects a decrease of \$38 million for line item construction. The Park Service received \$589 million in Recovery Act funds for construction and \$143 million in fiscal year 2010. Are you confident that with the funds you have available now and with your reduced request you will be able to maintain facilities and ensure visitor safety?

Answer: With the \$589 million provided through the Recovery Act in 2009 and the \$105 million proposed for line item construction in 2011, the NPS will be able to maintain facilities and ensure a high level of visitor and employee safety in 2011. The NPS is currently assessing the benefits and facility improvements completed through Recovery Act funding, and will adjust the 2012 construction funding request appropriately.

MoranQ40. I understand that the Park Service has a construction backlog of \$9.7 billion. Your 2011 request would fund 13 projects, all but three of which are fully funded by your 2011 request. How many additional projects from your priority list would you have been able to fund had you not reduced the request by \$38 million?

Answer: With an additional \$38 million the NPS would be able to fund eight additional high priority projects, based on NPS priorities.

MoranQ41. I note that there are four projects in the construction request that were not included in the five-year programs provided in previous budgets. Why are these projects included now and have you requested sufficient funds to complete each of these four projects?

Answer: The four projects not previously included in the NPS five-year construction program are located at Statue of Liberty, two projects at the National Mall, and at Mississippi National Recreation Area. These four projects were included because of urgent and immediate safety and security deficiencies at both the Statue of Liberty and the Washington Monument, public feedback about the appalling turf and soil conditions at the National Mall, and the vandalism associated with 11 derelict structures on Federal land at the Mississippi National Recreation Area.

Three of the requested projects can be fully completed with funds requested for 2011. The turf and irrigation improvements on the National Mall are phased to accommodate first amendment gatherings and to minimize disruption to visitors. Phase 2 turf and irrigation improvements are scheduled for the future at a cost of \$9.7 million. While additional long-term construction improvements are contemplated at both the Statue of Liberty and Mississippi National Recreation Area, the proposed work has not yet been validated or prioritized and is not currently included in the NPS five-year construction program.

Everglades Modified Water Delivery System

MoranQ42. You have requested \$8 million for the Everglades Modified Water Delivery System project, specifically for the Tamiami Trail Bridge. To date, Congress has provided almost \$400 million for this project. The Omnibus Appropriations Act of 2009 directed you to evaluate the feasibility of additional bridge length. When can we expect to receive this study and can you give us an idea of what you have found?

Answer: The NPS just released a draft Environmental Impact Statement on May 19. The Department would like to delay submission of the report pending public comment on the EIS and further work on the options for funding and authorization.

MoranQ43. Will your 2011 request of \$8 million complete the one mile bridge and if not what is estimate to complete the bridge?

Answer: The 48.0 million in the 2011 budget would ensure continued progress toward completion of the one-mile bridge. The remaining balance to complete the project is \$15.5 million.

Statue of Liberty

MoranQ44. Last year, you reopened the crown of the Statue of Liberty to visitors. We were very glad that you were able to do that. Can you give a sense of how that is going? How many visitors do you have a day and how far in advance are the tickets reserved?

Answer: The operation involves escorting up to ten visitors at a time (every 15 minutes) to the Crown. Visitors receive an interpretive program and are permitted to remain in the Crown for several minutes without feeling rushed or cramped. The Park hopes to expand the number of visitors into the Monument when the safety upgrades project included in the 2011 Construction request complete.

The Park averages more than 9,000 visitors per day throughout the year (closed December 25). Of those, approximately 2,000 visitors gain access to the Monument and of those, 240 receive tickets to access the Crown. On average, approximately 87% of those with Crown tickets actually make the climb.

The Crown reservation process began July 2009 with bookings up to one year in advance. Currently the Park is booking six months in advance. Peak periods such as spring recess, summer vacations, and weekends are heavily booked. Daily bookings are steady.

MoranQ45. I understand that your plan is to take the next year or so to design further safety enhancements and these close the statue while you implement those improvements. Your request includes \$25 million to response to deficiencies identified in a life, safety and emergency management study conducted in May of 2009. Will the amount you have requested fully fund the improvements?

Answer: At this time, NPS believes the requested amount will fully fund the scope of the project. As with many historic structures however, there may be unanticipated additional challenges identified after the work begins.

MoranQ46. What are you plans for Statue while construction is underway? Will the base and pedestal be closed and if so, for how long?

Answer: The nature of visitor access during the construction project has not been determined. Our goal is to minimize any required closure of the base or pedestal as much as practical.

National Mall - Turf and Soil Reconstruction

MoranQ47. Have you studied other areas or parks that have used the approach you have outlined and has the approach been successful and new grasses sustained?

Answer: Yes, protecting destinations is a critical best practice, and a fundamental purpose of the NPS. The National Mall Plan summarizes numerous best practices and the NPS undertook two best practices studies in preparation to the development of the National Mall Plan. Best Management Practices Used at Urban Parks in National and International Locations: A Background Report for the National Mall Plan (National Parks Conservation Association (NPCA) 2007) examined seven locations and the Best Management Practices Used at Designed Landscapes in Washington, DC: A Background Report for the National Mall (HOK Architects, 2009/2010) looked at nine locations. Both the NPCA Center for Park Management and ongoing HOK Architects Turf Study conclude there are no landscapes receiving comparable levels of use. Several best practice locations, such as Hyde Park in London and Central Park in New York City, utilized high tech soil systems to be able to withstand higher use levels and improve conditions. Some systems have been in place for a decade or more.

The HOK study continued to look at best practices, visited a number of locations, and interviewed operations staff, including Central Park's Great Lawn and Battery Park in New York, Millennium Park in Chicago, and Hyde Park in London. The HOK study also looked at high tech sports fields and irrigation approaches. All of these examples have informed the design process; however, none of them experience the high level of activity and number of well-attended events as the National Mall. A solution to maintaining turf on the Mall requires both a constructed and event management response.

The proposed design will remove around two feet of soil and replace with it a compaction resistant but drainable sand soil system. Compaction resistance would be further increased by adding inert compaction resistant amendments. Turf panels would be crowned for good drainage. The project includes the development of a durable irrigation system that uses captured rainwater stored in underground cisterns. The system would also seek to use groundwater currently being removed from tunnels under the National Mall. This approach helps to meet the goals of EO 13514 to reduce the use of potable water by 26% by 2020.

MoranQ48. Did your reviews include Paris, which I understand has similar use patterns in their open spaces as we do here?

Answer: While Paris has great open spaces and public parks, they are not the same, nor do they receive the same type of use as the National Mall. A variety of NPS consultants concluded there is no landscape in the world receiving comparable types and levels of civic use for a wide variety of permitted activities, national celebrations and First Amendment demonstrations. However, what is clear is that around the world special locations require protection from overuse. They may require modification to retain the qualities that create the beloved character and sense of place.

Using the Louvre in Paris as an example of permanent congestion, the World Tourism Organization in Tourism Congestion Management at Natural and Cultural Sites (2004) identifies successful approaches which included providing a large new paved entry courtyard (Pei Pyramid), conservation of historic buildings, development of additional visitor facilities underground, and dispersal of smaller visitor facilities such as food and restrooms to avoid congestion. The document goes on to state the following: “particular care should be devoted to preserving and upgrading monuments, shrines and museums, as well as archeological and historic sites which must be widely open to tourist visits”, “site managers and staff need to carefully monitor the way the visitors interact with the site”, “when crowd management techniques are likely to adversely impact on the important values of the destination or site, consideration should be given to relocating the proposed event to another, less sensitive venue”. Similar strategies are explored by others. In Managing Tourism Growth (1999 – Bosselman, Peterson and McCarthy) the authors identify three management strategies to protect the desirability and special character of destinations – controlling the quality, quantity and location of use.

MoranQ49. According to your budget justification [constr-44], the 2011 funds would be used to begin Phase 1 by removing and replacing existing turf and sold beginning at 3rd street. How far down the mall will you get with \$16 million?

Answer: The scope of Phase One work includes the following:

- Completely overhaul and rebuild center grass panels, (including irrigation and drainage system) from 3rd Street to 7th Street
- Install 0.5 million gallon underground water storage system
- Install underground irrigation pump house to serve all Mall center grass panels and tree panels.

North Shore Road

MoranQ50. In Fiscal Year 2010, Congress provided authority for you to make a payment to Swain County, North Carolina in connection with the North Shore Road. We directed that \$4 million be obligated immediately upon enactment. When were those funds awarded?

Answer: The funds were awarded on February 2, 2010.

MoranQ51. The 2010 bill language also made the remaining \$8.8 million of previously appropriated funds available 120 days following a signed agreement between the parties. I understand that the agreement was signed and finalized in mid February. What is the total amount in that agreement that will go to North Carolina and when do you anticipate making the second payment?

Answer: The total amount of the agreement was \$52 million and the NPS anticipates making the second payment of \$8.8 million in May 2010.

MoranQ52. Your 2011 budget request includes an additional \$4 million payment. Assuming Congress provides the funds, how soon after enactment do you expect to make this payment?

Answer: The NPS expects to make payments within 120 days of enactment of the appropriation.

Housing Improvement Program

MoranQ53. The Park Service manages 5,440 housing units for staff. According to your budget, the average Facility Condition Index of those units is "poor" [const-60]. Yet your request reduces by 40% the amount we provided last year. How many additional units could you improve if this program were funded at the Fiscal Year 2010 level of \$5 million?

Answer: The NPS would be able to improve an additional 20 housing units if the 2011 appropriation was funded at the \$5 million level.

MoranQ54. When was the last time the Service took an inventory of its housing? Is it time to relook at this and change the criteria you use to prioritize the projects?

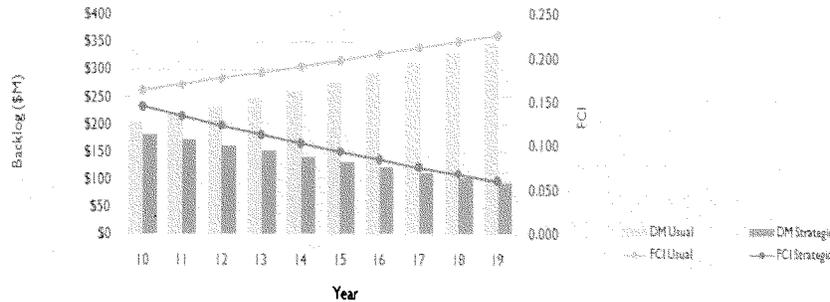
Answer: In compliance with Department of the Interior requirements, the NPS annually requests an update of the inventory data from each park with housing. The criteria by which projects are prioritized are reviewed on a regular basis. Housing Management Plans must be updated every five years. The NPS Housing Cost Model is updated annually based on updates to the Department of Defense Tri-Service Military Housing Cost Model; and the condition of a unit is reviewed annually with the new inventory data.

Another process used to determine and prioritize housing projects is whether the project is in compliance with the current Housing Needs Assessment, last updated in 1998. The NPS acknowledges that an updated Housing Needs Assessment is necessary and recently developed a new assessment process and criteria to ensure that assessments are conducted more consistently and

objectively servicewide. The updated Housing Needs Assessment will determine what conditions may have changed since 1998 in regard to communities (such as available housing stock), and program and park requirements. The assessments will be conducted consistent with NPS Housing Management policies, including pursuing alternatives to onsite Federal housing and only assessing housing needs for staff who are essential to the management and operation of the park, such as certain law enforcement rangers. The Housing Needs Assessment will be used to develop a new five-year plan to prioritize projects servicewide. The process is being implemented at 25 of the 215 housing parks in 2010.

MoranQ55. If your goal is to bring all Park Service housing into good condition and sustain that, what would you need in fiscal year 2010 to begin that process?

Answer: The NPS Housing Program estimates that \$26 million per year is required over the next ten years to support deferred maintenance and component renewal needs. This funding level would reduce the overall FCI to 0.061 (good) and decrease the deferred maintenance backlog to \$94 million. However, the NPS is currently evaluating how we can use our significant unobligated housing rental income for the highest priority maintenance, repair, and disposal projects to further improve the condition of our housing stock.



Equipment Replacement Program

MoranQ56. For the past two fiscal years, we have provided \$14.5 million for the equipment replacement program within the Construction Account, which provides for systematic replacement of equipment. What were the balances carried over from 2008 into 2009 and 2009 into 2010?

Answer: The carryover balance for the Equipment Replacement Program was \$9.7 million from 2008 into 2009, and \$5.4 million from 2009 into 2010.

MoranQ57. For the record, please provide by Region the amounts allocated and carried over for fiscal years 2008-2010.

Answer:

NPS Region or Functional Area	2008 Allocated	9/30/08 Carried Over	2009 Allocated	9/30/09 Carried Over	2010 Allocated
Alaska	413,000	545,676	412,000	329,104	412,000
Intermountain	3,653,000	95,631	3,650,000	405,219	3,650,000
Midwest	996,000	438,480	996,000	26,094	996,000
National Capital	1,263,000	265,356	1,260,000	24,336	1,260,000
Northeast	1,592,000	195,380	1,590,000	434,794	1,590,000
Pacific West	3,456,000	64,668	3,455,000	558,724	3,455,000
Southeast	1,354,000	296,861	1,353,000	352,296	1,353,000
WASO Fire Truck	-	3,571,446	-	-	22,419
U.S. Park Police	2,234,000	2,191,584	1,000,000	1,714,779	1,000,000
Servicewide Projects	871,000	2,034,321	800,000	1,591,015	777,581
Total	15,832,000	9,699,403	14,516,000	5,436,361	14,516,000

In 2010, NPS is continuing to work towards eliminating the carryover balance in the Equipment Replacement Program. The NPS made significant progress in 2009. The 2010 obligation levels will be scrutinized at the end of the 2nd and 3rd quarters and regional program amounts may be redistributed in the 4th quarter if performance is not satisfactory. This information will also allow the NPS to adjust 2011 funding distribution based on 2010 program performance.

Special Resources Studies

MoranQ58. I am pleased to see that you have requested an increase for the Special Resources Study program. I understand that there are 47 outstanding studies and that your request of \$1.5 million will allow you to work on 28 of those. At that rate of annual funding, when do you expect to finish work on all 47?

Answer: Of the 47 studies, 43 are Special Resource Studies and four are funded separately from the Rivers and Trails Study Program. All 43 Special Resource Studies are underway in 2010 and 15 are scheduled to be completed by the end of 2010. The remaining Special Resource Studies are scheduled to be completed in 2011 through 2014 at the current rate of funding assuming that no new study work is requested until 2013.

MoranQ59. On average, how long does a study take to complete and how much does one cost?

Answer: The average study completion time depends upon the level of funding provided each year and the complexity of the project. At the current rate of funding, average completion time is 4.5 years. The cost of a study varies with the complexity of the project, the amount of public input required, and the number of locations involved. On average, the NPS spends between \$200,000 and \$500,000 per study.

Park Partnerships

MoranQ60. Your budget includes \$10 million for the Park Partnership Grant Program, of which \$5 million will come from Park Recreation Fees. This is consistent with how we funded the program in 2010. Do you agree that this is a good use of Recreation Fee revenues?

Answer: Our main consideration is to ensure that fee funds are obligated in a timely manner for high priority visitor service-related projects.

MoranQ61. This program has been funded since 2008. How much has been leveraged from non-Federal funds in that time period?

Answer: Against a Federal investment of \$24.6 million, \$30.9 million has been leveraged from non-Federal sources since the program's inception in 2008.

MoranQ62. Please explain the criteria you use to select projects funded through Park Partnership Grants.

Answer: The current criteria for selecting Park Partnership Projects are as follows:

To be considered, all proposed projects, at a minimum, must:

- Provide for authorized activities that benefit one or more National Park System Areas.
- Contribute toward at least one of the Director's goals listed below.
- Be consistent with all Federal, Department of the Interior, and National Park Service (NPS) management policies and park planning and compliance documents.
- Require little or no additional recurring NPS operating funds to be sustainable.
- Have partner(s) who are ready, willing, and able to contribute at least 50% of the project cost in cash or assets from non-Federal sources. In-kind services are not eligible as part of the partner match. Partner contributions do not have to be in hand at time of proposal, but must be in the possession of NPS before obligations can incur.
- Must be obligated by April 1, 2011.

All projects that meet the above criteria will be evaluated based on the extent to which they:

- Contribute toward the accomplishment of one of the Director's goals as follows:
 - Improve the stewardship of park facilities and resources.
 - Increase the use of alternative energy fuels, with emphasis on projects that can be demonstrated to the public.
 - Increase park experiences and educational opportunities for visitors with an emphasis on youth programs.
 - Increase relevancy and attract more visitors.
- Address a critical, high priority need of the Service (i.e. are drawn from the 5-year construction, repair/rehabilitation or other national or regional program priority listing).
- Improve the efficiency and effectiveness of park management, operations and employees.
- Are imaginative, innovative and collaborative.
- Benefit multiple parks or contribute to national initiatives.

MoranQ63. Please provide a list of every project funded through this program since its inception, the amount provided through the partnership Federal funds and the amount raised and match from non-Federal funds.

Answer: The following list reflects the \$24.6 million received in FY 2008 for the Centennial Challenge Grant program along with the matching contributions from partners.

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Acadia National Park	BioBlitz! Create Environmental Stewardship Through Discovery: National ATBI.	\$3,500	\$3,500
Acadia National Park	Engaging Youth: No Child Left Inside Initiative	\$181,000	\$206,485
Andrew Johnson National Historic Site	The Road to the White House: Interpretive & Educational Events	\$100,000	\$100,000
Appalachian National Scenic Trail	Implement an Appalachian Trail Environmental MEGA-Transect Program	\$139,000	\$139,000
Assateague Island National Seashore	Develop New Interpretive Tools to Enhance Resource Understanding and Appreciation	\$50,000	\$50,000
Assateague Island National Seashore	Develop New Interpretive Tools to Enhance Resource Understanding and Appreciation	\$15,000	\$15,000
Bandelier National Monument	Identify Non-Traditional Park Visitor Needs	\$23,500	\$23,616
Bandelier National Monument	Model Sustainability	\$27,500	\$27,500
Bent's Old Fort National Historic Site	Create "Trading Territory" Interpretive Trail	\$35,440	\$36,293
Big Cypress Natl Preserve	Create Future Park Stewards through Education	\$34,850	\$34,850
Big Thicket National Preserve	BioBlitz! Create Environmental Stewardship Through Discovery: National ATBI.	\$65,250	\$100,000
Biscayne National Park	Biscayne's Birds: Baseline Monitoring and Training Local Youth	\$15,000	\$15,000
Biscayne National Park	Coral Reef Rejuvenation: A Community Program	\$55,000	\$55,000
Biscayne National Park	Create Future Park Stewards through Education	\$27,332	\$27,332
Boston Harbor Islands National Recreation Area	Micro-Wilderness Invertebrate Inventory Program. National ATBI.	\$43,500	\$53,215

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Boston National Historical Park	Restore and Rehabilitate Old State House	\$854,600	\$1,195,120
Buffalo National River	Reintroduce Trumpeter Swans and Provide Wetland Habitat Learning Experiences for Visitors	\$2,000	\$2,000
Buffalo National River	Restore Endangered Mussels to Enhance Water Quality and Visitor Recreation	\$43,000	\$43,000
Cape Hatteras National Seashore	Expand Volunteer Program to Care for Pony Population	\$12,500	\$12,500
Cedar Breaks National Monument	Engage Youth as "Partners in the Parks"	\$63,750	\$88,675
Channel Islands National Park	BioBlitz! Create Environmental Stewardship Through Discovery: National ATBI.	\$20,000	\$20,000
Colorado National Monument	Expand Junior Ranger Program to Include Explorer Camp for Underserved Youth	\$6,680	\$7,175
Congaree National Park	Provide Interpretive/Research Boat	\$11,000	\$11,100
Cuyahoga Valley National Park	Improve and Expand Programs for Youth and Urban Audience Engagement	\$170,850	\$176,850
Death Valley National Park	BioBlitz! Create Environmental Stewardship Through Discovery: National ATBI.	\$10,000	\$10,000
Dry Tortugas National Park	Create Future Park Stewards through Education	\$5,940	\$7,623
Everglades National Park	Restore Disturbed Lands	\$2,484,088	\$6,534,234
Everglades National Park	Create Future Park Stewards through Education	\$105,100	\$105,100
Fire Island National Seashore	Create and Install Wayside Exhibits with Park Partners/Communities	\$10,500	\$10,500
Fredericksburg & Spotsylvania Co Battlefields Mem NMP	Create Virtual Interactive Map of Fredericksburg Battlefield	\$60,000	\$60,000

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Fredericksburg & Spotsylvania Co Battlefields Mem NMP	Restore and Interpret First Floor Interior of Historic Ellwood Manor	\$240,500	\$243,835
George Washington Memorial Parkway	Expand Interpretation Through New Technology	\$22,500	\$30,000
Glacier National Park	Volunteer Stewardship Program-Train, Develop & Implement Citizen Supported Restoration	\$20,000	\$20,000
Glacier National Park	Integrate Ecosystem Management in the Crown of the Continent	\$50,000	\$50,000
Glacier National Park	Celebrate Glacier's Centennial	\$175,000	\$175,000
Golden Gate National Recreation Area	Create the Institute at the Golden Gate to Advance Preservation and Global Sustainability	\$100,000	\$465,750
Golden Gate National Recreation Area	Centennial Parks to People: Connect Diverse Communities, Schools & Media	\$500,000	\$651,000
Great Smoky Mountains National Park	A Downloadable Park	\$20,000	\$20,254
Great Smoky Mountains National Park	Showcase Cultural Heritage of the Smokies	\$50,000	\$50,000
Great Smoky Mountains National Park	Restore, Preserve and Interpret the Elkmont Historic District	\$100,000	\$100,000
Hagerman Fossil Beds National Monument	Construct Interpretive Trail and Amphitheater at Carnivore Cove	\$19,627	\$20,000
Haleakala National Park	Control Invasive Plants and Restore Rare and Endangered Species	\$750,000	\$875,000
Hampton National Historic Site	Complete Installation of Historically Furnished Interiors	\$195,500	\$197,370
Hawaii Volcanoes National Park	Link Hawaii's National Parks Through an Innovative Junior Ranger Program	\$50,000	\$50,000
Hot Springs National Park	Install Utility Connections at Ten Campsites	\$14,991	\$15,000

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Jefferson National Expansion Memorial	Parkpalooza	\$60,000	\$60,000
Jefferson National Expansion Memorial	Replace and Upgrade Programmable Logic Controller For Arch Trams	\$1,108,297	\$2,068,199
Kennesaw Mountain National Battlefield Park	Construct Noonday Creek Bicycle/Pedestrian Trail	\$600,000	\$600,000
Lake Mead National Recreation Area	Enhance Floating Classroom and Create Internet Linkages with Schools	\$15,000	\$15,000
Lake Mead National Recreation Area	Create "Inside Lake Mead" Podcasts	\$15,000	\$15,000
Lava Beds National Monument	Conduct Tulelake Basin Video & Oral History Interviews	\$8,000	\$8,000
Lewis and Clark National Historical Park	Adopting the Class of 2016: Students to Stewards	\$30,000	\$30,000
Longfellow National Historic Site	Expand Community Outreach through Longfellow Festival of Music and Poetry	\$15,000	\$15,029
Lowell National Historical Park	Spindle City Corps: Developing Youth Conservation Leaders	\$25,000	\$25,000
Lowell National Historical Park	Boott Mills Photovoltaic Centennial Project	\$49,175	\$50,000
Manassas National Battlefield Park	Design and Install Interpretive Resources At Brawner Farm	\$77,000	\$78,459
Manzanar National Historic Site	Replant Historic Vegetation at Manzanar Auditorium	\$7,500	\$7,500
Marsh-Billings-Rockefeller National Historical Park	NPS Centennial Fellowship For Educators	\$25,000	\$25,000
Marsh-Billings-Rockefeller National Historical Park	Rehabilitate Historic Mount Tom Forest as a Model of Sustainable Forest Management	\$90,000	\$90,000
Marsh-Billings-Rockefeller National Historical Park	Develop the Next Generation of NPS Leaders, a National Multi-Park Program	\$100,000	\$100,000
Mesa Verde National Park	Archeological Demographics Study of the Mesa Verde Village	\$25,000	\$25,000

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Mesa Verde National Park	Crisis of Care: Assess, Document, and Preserve Mesa Verde's Cliff Dwellings for Future Generations	\$212,629	\$215,629
Monocacy National Battlefield	Create "Crossroads of War: Civil War and the Homefront in the Mid-Atlantic Border Region" Program	\$72,000	\$72,000
Morristown National Historical Park	Create Safe Visitor Access Between Jockey Hollow Visitor Center and Wick Farm	\$45,000	\$46,039
Mount Rainier National Park	Preserve Backcountry Hiking Shelter	\$5,000	\$5,000
Mount Rainier National Park	Install Solar Array at Ohanapecosh Maintenance/Ranger Building	\$50,000	\$50,000
National Capital Parks-East	Expand Bridging the Watershed Education Program to underserved DC, MD, VA, WV Schools	\$200,000	\$200,000
National Mall and Memorial Parks	21st Century Visitor Information Project and Implement Comprehensive Park Signage and Wayfinding System	\$1,100,000	\$1,100,000
National Parks of New York Harbor	Use New Technology to Develop Self Guided Tours	\$600,000	\$600,000
New Orleans Jazz Natl Historical Park	Build Indoor & Outdoor Performance Venues for New Orleans Jazz Month	\$300,000	\$300,000
North Cascades National Park	Install Weather Stations to Understand High Elevation Climate Conditions	\$10,000	\$15,000
North Cascades National Park	Create New Junior Ranger Program	\$11,500	\$11,500
North Cascades National Park	Welcome Diverse Communities to the North Cascades	\$50,000	\$50,000
Olympic National Park	Develop Comprehensive Elwha Dam Removal and Restoration Education Program	\$55,000	\$55,000
Padre Island National Seashore	Restore the Endangered Kemp's Ridley Sea Turtle for the 21st Century	\$100,000	\$122,485
Petrified Forest National Park	Create and Publish Junior Ranger Booklets and Patches	\$7,500	\$7,500

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Petrified Forest National Park	Inventory Historic Cultural Resources Parkwide For Visitor Enjoyment	\$10,000	\$10,000
Point Reyes National Seashore	Enhance Recreational Trail to Coastal Scenic Area	\$50,000	\$50,000
Point Reyes National Seashore	Conduct Tomales Bay All Taxa Biodiversity Inventory. National ATBI.	\$52,200	\$60,000
Point Reyes National Seashore	Communicate Ocean Threats and Protection Opportunities	\$90,000	\$90,000
Redwood National Park	Restore Ancient Redwood Forest and Watershed	\$1,375,000	\$1,632,484
Rock Creek Park	Construct Wisconsin Avenue Plaza at Georgetown Waterfront Park	\$4,475,000	\$4,475,000
Rocky Mountain National Park	Create Youth Education Opportunities	\$282,500	\$282,500
Saint Croix National Scenic River	Protect Water Quality of the Saint Croix National Scenic Riverway	\$200,000	\$258,150
Salem Maritime National Historic Site	"Friendship Centennial Sails" Bringing the NPS Legacy, Maritime History & Celebrations to New Ports	\$15,000	\$15,000
Salem Maritime National Historic Site	Enhance Wayfinding and NPS Presence	\$50,000	\$50,000
San Antonio Missions National Historical Park	Construct Missions to River Trail	\$48,699	\$48,700
Santa Monica Mountains National Recreation Area	Provide Outdoor Education Programs for 10,000 Urban Youth	\$21,000	\$35,120
Santa Monica Mountains National Recreation Area	Provide Education and Stewardship Experience for Urban Youth Through Watershed Restoration Activity	\$60,000	\$68,173
Santa Monica Mountains National Recreation Area	Conserve Mountain Lions in the Santa Monica Mountains	\$75,000	\$75,000
Santa Monica Mountains National Recreation Area	BioBlitz! Create Environmental Stewardship Through Discovery: National ATBI.	\$174,000	\$174,000

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Santa Monica Mountains National Recreation Area	Gateway Interagency Visitor Center - Gillette Ranch	\$1,540,000	\$1,540,000
Sequoia and Kings Canyon National Park	"Rangers in the Classroom," a Diverse Student Education Outreach Program	\$50,000	\$50,000
Sleeping Bear Dunes National Lakeshore	Illuminate South Manitou Island Lighthouse and Restore the Lantern Room	\$40,500	\$40,500
Sleeping Bear Dunes National Lakeshore	Teamwork in Invasive Plant Control within the Dunes and other Environments	\$49,973	\$50,000
Theodore Roosevelt National Park	Enhance Resource Conditions and Interpretation at the Elkhorn Ranch Unit	\$25,000	\$25,000
Theodore Roosevelt National Park	Digitize, Catalog and Disseminate Theodore Roosevelt Collections	\$50,000	\$50,000
Timucuan Ecological and Historic Preserve	Repair and Rehabilitate the Cedar Point Boat Ramp	\$270,000	\$270,000
Valley Forge National Historical Park	Expand Once Upon a Nation Education & Interpretive Programming	\$87,500	\$87,500
Valley Forge National Historical Park	Create New Connector Trail at George Washington's Headquarters Site	\$50,000	\$50,000
Valley Forge National Historical Park	Create New Multimedia Show for George Washington's Headquarters Site	\$100,000	\$100,000
Vicksburg National Military Park	Restore Battlefield Tablets	\$71,000	\$71,000
Weir Farm National Historic Site	Rehabilitate Weir Farm Caretaker's Garage into Artist in Residence Studio	\$141,000	\$323,000
Women's Rights National Historical Park	Develop Educational Traveling Trunk	\$4,500	\$4,800
Wrangell-St. Elias National Park & Preserve	Replace Kennecott Power Generation with Battery/ Propane hybrid	\$125,000	\$125,000
Yellowstone National Park	Inspiring Future Yellowstone Stewards: A No Child Left Inside Initiative	\$80,230	\$80,328

National Park Service Centennial Challenge Projects and Programs			
		Total Investment	
Park/Office	Project/Program Title	NPS Federal	Partner Contribution
Yellowstone National Park	Preserve Yellowstone's Stories for the Future - Catalog and Conserve the Collections	\$80,000	\$80,000
Yellowstone National Park	Connecting Science to Visitors and Scientists to Parks: Greater Yellowstone Science Learning Center	\$115,000	\$150,000
Yellowstone National Park	Yellowstone All Taxa Biodiversity Inventory. National ATBI.	\$399,330	\$487,320
Yosemite National Park	Discovering New Species in Yosemite. National ATBI.	\$87,000	\$105,751
Yosemite National Park	Establish a Junior Ranger Center and Program at Happy Isles	\$134,063	\$134,063
Yosemite National Park	Connect Underserved Youth to Parks and Evaluate Success (Olympic, Golden Gate, and Yosemite)	\$750,000	\$750,000
Yosemite National Park	Rehabilitate Yosemite's Iconic Tunnel View Overlook	\$1,110,705	\$1,856,156
Zion National Park	Celebrate Zion National Park Centennial with Artist-in-Residence program	\$75,000	\$75,000
	ATBI National Program	\$122,720	\$0
	Unallotted	\$20,481	
Grand Total	National ATBI = project is part of national all taxa biologic inventory	\$24,610,000	\$32,025,762

In FY 2010, \$15 million was made available for Park Partnership Projects. Of this amount, three projects totaling \$10.7 million have been approved at this time. Both the Federal dollars and the anticipated match are shown below:

Park Partnership Project Grants Committed for FY 2010			
Park	Project/Program Title	Total Investment	
		NPS/Federal Amount	Partner Match
Independence National Historical Park	Rehabilitate the Ben Franklin Museum at Franklin Court	\$6,000,000	\$11,434,000
Jazz National Historical Park	Design and convert former U.S. Mint and State Museum into a premier jazz museum that will be jointly managed by the NPS and the state.	\$1,700,000	\$1,700,000
Tallgrass Prairie National Preserve	Design and construct a visitor services complex to include combined visitor center and administrative facility. The facilities will be designed to meet Gold LEED Standards.	\$3,000,000	\$3,000,000
Grand Total		\$10,700,000	\$16,134,000

MoranQ64. The 2011 request for the Park Partnership Grant Program is \$5 million less than the amount appropriated in 2010. Yet you have assumed an increase of 3 FTE, for a total of 21 FTE in 2011. Why? [PPP-4]

Answer: The 2010 FTE total 21, an increase of three compared to 2009. Page PPP-4 of the 2011 NPS Budget Justification identifies a total of seven FTE in 2011.

MoranQ65. Although your request includes \$5 million recreation fee revenue to fund Park Partnerships, you have not included the bill language used in 2010 to transfer the recreation fee revenue to this account. Please explain why and how the recreation fee funds can be utilized for Park Partnerships in the absence of this language.

Answer: The language included in the 2010 enacted budget facilitated the transfer of fees to the partnership account. No funds are being proposed for transfer in 2011. The NPS will maintain the fee funds in the fee account and execute the partner projects therein using our authority in the FLREA legislation which allows for matching partnership grants.

Program Terminations [Save America's Treasures and Preserve America]

MoranQ66. The President's budget states that the Preserve America and Save America's Treasures programs have been eliminated because "they have not demonstrated how they contribute to the nationwide historic preservation goals." [OMB termination papers] Yet your budget justification states [HPF-7] that the SAT program provides grants to preserve nationally significant historic properties and the Preserve America program supports local historic preservation. Explain how those two programmatic goals do not contribute to historic preservation goals?

Answer: The NPS proposed the elimination of both programs to focus on those park activities that most closely align with its core mission.

Preserve America grants target the promotion of historic resources at the local level to stimulate heritage tourism. The focus of the program has never been national. In addition, many of the activities funded through the program overlap with other NPS programs such as the National Heritage Areas program.

MoranQ67. I understand that both programs use merit-based criteria to evaluate the grant proposals. Do you or your staff select the criteria against which to evaluate the competitive portions of these programs?

If so, how can you better link those criteria to nationwide historic preservation goals?

Answer: For both programs, NPS staff from the NPS Historic Preservation Grants Division determine the criteria against which to evaluate the competitive proposals.

The criteria for the Save America's Treasures program were developed in partnership with the President's Committee on the Arts and Humanities, the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum and Library Services. The criteria are as follows:

- The collection or historic property must be nationally significant. Collections or historic properties not meeting this criterion will receive no further consideration.
 - Properties must be listed in the National Register of Historic Places at the national level of significance or be designated as a National Historic Landmark at the time of application in order to be eligible for Save America's Treasures grants.
 - Collections applicants are asked to provide a description of why that collection is nationally significant. The collection must be associated with events that have made a significant contribution to, and are identified with, or that outstandingly represent the broad patterns of United States history and culture and from which an understanding and appreciation of those patterns may be gained; or, are associated importantly with the lives of persons nationally significant in United States history or culture; or, represent great historic, cultural, artistic, or scholarly ideas or ideals of the American people; or, embody the distinguishing characteristics of a resource type that is exceptionally valuable for the study of a period or theme of United States history or culture; or represents a significant, distinctive and exceptional entity whose components may lack individual distinction but that collectively form an entity of exceptional historical, artistic or cultural significance (e.g., an historic district with national significance); or outstandingly commemorates or illustrates a way of life or culture; or, have yielded or may yield information of major importance by revealing or by shedding light upon periods or themes of United States history or culture. A determination of a collection's significance is made by the National Endowment for the Arts, the National Endowment for the Humanities or the Institute of Museum and Library Services.
- The collection or historic property must be threatened or endangered, and the application must document the urgent preservation and/or conservation need.
- Projects must substantially mitigate the threat and must have a clear public benefit (for example, historic places open for visitation or collections available for public viewing or scholarly research).

- The project must be feasible (i.e. able to be completed within the proposed activities, schedule, and budget described in the application), and the application must document adequately the required non-Federal match.

These criteria currently follow the NPS historic preservation priorities and performance measures for the Historic Preservation Fund, which include the designation and protection of properties listed in the National Register of Historic Places. All properties receiving competitive grant assistance through the SAT program must be listed in the National Register for national significance. NPS and its partners are currently working to refine the selection criteria to address issues, such as sustainability and “green building” in the selection of projects.

The Preserve America criteria were developed in partnership with the Advisory Council on Historic Preservation and are as follows:

- Projects must target historic resources listed in the National Register of Historic Places and/or designated at the State or local level.
 - Most States and some localities maintain registers of historic places that are similar to the National Register, but confined to the State or locality. Determination of what is listed in a State or local register is made at the State or local level.
- Projects must enhance long-term heritage tourism in the community and help preserve their historic resources and cultural assets.
- Project meets the goals of the local or statewide preservation plan, heritage tourism plan, or other plans that address heritage tourism and cultural resources.
- Projects must cultivate public-private partnerships that will sustain and continue to support the resource(s) after the grant project is complete.
- Projects must actively engage the public.
- Projects must be feasible (i.e. able to be completed within the proposed activities, schedule, and budget described in the application), and the application must document adequately the required non-Federal match.
- Proposals must describe steps that will be implemented to monitor the success and effectiveness of the project from both the local stakeholders and visitors’ perspectives. Projects must ensure continued economic viability and preservation.

MoranQ68. Are you at all concerned that eliminating these grant programs sends the wrong message to prospective sources of non-Federal funding and decreases opportunities for valuable partnerships with corporations, foundations and contributors in supporting historic preservation priorities?

Answer: The NPS is always concerned about maintaining the valuable partnerships that it has worked hard to develop. The 2011 budget request was based on careful deliberations on how best to provide direct public services in the 392 units of the national park system and through the other NPS programs.

NATIONAL RECREATION AND PRESERVATION
Heritage Partnerships

MoranQ69. Congress has designated 49 National Heritage Areas, adding nine new areas to the list most recently in March, 2009. The purpose of these important areas is to conserve and commemorate distinctive regional landscapes. We are told that between 2005 and 2009, National Heritage Areas averaged 78 million visitors a year. In 2009 alone, these areas had 87 million visitors. Clearly, these areas have succeeded in not only drawing tourism but exposing Americans to their distinctive regional cultures.

ANSWER: National Heritage Areas are places where natural, cultural, historic, and scenic resources combine to form a cohesive, nationally important landscape arising from patterns of human activity shaped by geography. By embracing large landscapes, NHAs have the ability to join together diverse interests such as education, recreation, heritage tourism and historic preservation.

In addition, residents, businesses, governments and non-profit organizations collaborate to promote conservation, community revitalization and economic development projects. This cooperative approach allows National Heritage Areas to achieve both conservation and economic growth in ways that do not compromise local land use controls. Long-term National Heritage Area success depends upon the willing support and activities of partner organizations and residents, who collaborate from the very beginning to develop and implement an area's mission and goals. Participation in projects and programs is always voluntary with zoning and land use decisions remaining under the jurisdiction of local governments.

MoranQ70. Yet your request reduces this program by 49% from the 2010 amount provided by this Committee. Please explain your justification for this drastic reduction?

ANSWER: The proposed reductions were made within a constrained budget in order for NPS to focus on those activities that most closely align with its core mission. The FY 2011 proposal supports the FY 2010 Congressional directive for Heritage Areas to work towards becoming self-sufficient. The NPS will work with the heritage areas and Congress to develop a merit based system for allocating heritage areas funding that considers the age and scope of the areas, whether management and self-sufficiency plans have been put in place, and cumulative funding provided to date.

MoranQ71. The reduction papers provided by OMB state that National Heritage Areas established before 2001 would be ineligible for new base funding unless they have self-sufficiency plans as of February 1, 2010. We have been told that the first the Areas heard of this new requirement was February 1, 2010. Now this Subcommittee has continued to encourage the Areas to become self sufficient. In fact, our 2010 Committee Report directed you to develop new guidelines that included self-sufficiency "within a reasonable time frame." Do you think this is a reasonable timeframe to set a deadline without advanced notice?

ANSWER: The Administration supports the concept of areas becoming self-sufficient after a given period of time. The NPS will work collaboratively with the National Heritage Areas to develop

self-sufficiency guidelines in FY 2010 and require areas to develop self-sufficiency plans in FY 2011.

MoranQ72. Do you envision Heritage Areas as a permanent part of the Park System and if so, will you send up a legislative proposal to structure the program and provide criteria for selection of new areas?

ANSWER: National Heritage Areas do not have an overall program authorization but, rather, are individually authorized. Authorizing legislation usually establishes limits for the annual funding level and number of years the Federal government can provide financial assistance. In most cases, authorizing legislation requires the managing entities to provide a 1:1 match of Federal funding. Private nonprofit groups, Federal Commissions, or States, not the NPS, manage National Heritage Areas. The scope of NPS responsibilities to NHAs is limited to oversight and guidance.

Organic legislation that defines the process by which an area is studied to determine whether it should be designated a National Heritage Area is necessary. The Administration anticipates submitting a legislative proposal to Congress that would provide such program legislation for National Heritage Areas. This legislative proposal will seek to establish criteria to evaluate proposed National Heritage Areas, a process for the designation and administration of these areas, and self-sufficiency guidelines.

MoranQ73. For the record, please explain how you propose to allocate these limited funds among the 49 heritage areas?

ANSWER: In FY 2011, the program would focus on ensuring support for newly designated area planning and supporting areas in the early stages of development. The NPS will continue to work with the heritage areas and Congress to develop a merit based system for allocating heritage area funding that considers the age and scope of the areas, whether management and self-sufficiency plans have been put in place, and cumulative funding provided to date.

At the \$8 million funding level, the National Park Service would propose to fund new areas and areas without management plans at the level of \$150,000 each. The remaining funding would be allocated among the areas authorized to receive funding through the merit based system described above.

Preserve America

MoranQ74. You have eliminated the Preserve America program in your 2011 request. You justify this elimination on the grounds that the program supports local heritage and local historical preservation, which you maintain is not the responsibility of the Park Service. [page NR&P 65] Yet, Congress has given you that responsibility in many areas: stateside land acquisition, heritage area partnerships, and Save America's Treasure grants to name just a few programs. Why have you singled out the Preserve American program for elimination?

ANSWER: The NPS proposed eliminating funding for this program to allow the Service to focus on those park activities that most closely align with its core mission. While the National Park

Service is supportive of local heritage tourism and historic preservation, many of these activities are parochial and are not necessarily nationally significant. Additionally, many of the activities funded through Preserve America overlap with other NPS programs, like the National Heritage Area program, which remain in the budget request for 2011.

MoranQ75. After a year of no funding in 2009, we provided \$4.6 million for the Preserve America program in fiscal year 2010. Has a portion of the 2010 appropriation gone to fund the 32 projects selected and announced in 2009?

ANSWER: The NPS is in the process of awarding 31 of the 32 Preserve America (PA) grants announced in FY 2009 using a portion of the 2010 appropriation for PA grants. These grants were announced under a Continuing Resolution in 2009, but were not awarded because the PA program was not funded in 2009. The only project announced in 2009, but not funded with 2010 appropriations, was funded through an alternative funding source in 2009.

MoranQ76. The 2010 appropriation was an increase of \$1.4 million above the request. Please outline the criteria you will use to select projects to be funded with the increase and give us a timeline for those grant awards.

ANSWER: Staff from the National Park Service's Historic Preservation Grants Division determine the criteria against which to evaluate the competitive proposals. These criteria were developed in partnership with the Advisory Council on Historic Preservation. The criteria are as follows:

- Projects must target historic resources listed in the National Register of Historic Places and/or designated at the State or local level.
- Projects must enhance long-term heritage tourism in the community and help preserve their historic resources and cultural assets.
- Projects meet the goals of the local or statewide preservation plan, heritage tourism plan, or other plans that address heritage tourism and cultural resources.
- Projects must cultivate public-private partnerships that will sustain and continue to support the resource(s) after the grant project is complete.
- Projects must actively engage the public.
- Projects must be feasible (i.e. able to be completed within the proposed activities, schedule, and budget described in the application), and the application must document adequately the required non-Federal match.
- Proposals must describe steps that will be implemented to monitor the success and effectiveness of the project from both the local stakeholders and visitors' perspectives. Projects must ensure continued economic viability and preservation.
- Projects that engage and employ youth will be given additional consideration.

Applications for these funds were due February 12, 2010. A review panel will meet to evaluate the applications during April 2010. We expect grants to be announced in June 2010.

MoranQ77. For the record, please provide a chart that shows for each year of the program the number of applications received and the number of grants awarded.

ANSWER:

Preserve America Grants Awarded by Year

Fiscal Year	Funding (\$000)	Applications Received	Grants Awarded
2006	4,926	178	64
2007	5,000	172	72
2008	7,383	187	88
2009	0	82	0
2010	4,600		
Round 1	[3,175]	0*	31**
Round 2	[1,425]	107	TBD

*Applications from 2009 were evaluated for 2010 Round 1 grants.

**Announced in 2009. In final clearance process before award.

Recreation Fees

MoranQ78. Your budget justification shows that at the end of Fiscal Year 2009 the Park Service had an unobligated balance of \$218 million in the Recreational Fees Program. You estimate that you have \$148 million unobligated at the end of 2010 and \$100 million at the end of 2011. [page Rec Fee-4] The significant reduction is due in part to concerns expressed by this Subcommittee. To achieve this reduction, you have adjusted the amount retained by any park with high unobligated balances. As of January 1, 2010, how many parks will keep only 60 percent of the fees collected due to high unobligated balances as of that date? [Overview-11]

ANSWER: Out of 392 national parks, 146 charge entrance fees. As of January 1, 2010, there were 42 parks that were reduced to either 80% (parks with gross revenue less than \$500,000 usually keep all revenue) or 60% retention of recreations fees per the Regional Director's discretion due to carrying over unobligated funds totaling more than 100% of the park's annual fee revenue.

MoranQ79. Your justification states that any revenue reduced by these actions will be redirected to nationally "ready-to-go" priority projects that meet the fee criteria. How many projects will you fund with this redirected revenue? Please provide a list by Park of the projects. [Overview -11]

ANSWER: The revenue redirection for FY 2010 went into effect on January 1, 2010. At this time the National Park Service has collected \$2.8 million from five regions. Projects identified for funding at this time include the following totaling \$2.3 million:

Proposed Projects Using Redistributed Recreation Fee Unobligated Balances		
Park Name	Project Title	Requested Amount (\$)
Andersonville National Historic Site	Managing the commemorative event for the Vietnam traveling memorial wall PO W/MIA	100,000
Andersonville National Historic Site	Produce traveling exhibit "Victory from within, the American Prisoner of War experience"	120,000
Blue Ridge Parkway	Cultural landscape report for Rocky Knob	70,000
Cape Lookout National Seashore	Facilitate visitor access, species protection and visitor education during ORV planning	223,000
Devils Postpile National Monument	Fabricate and install an Informational Wayside for the Mandatory Shuttle Bus System for Reds Meadow	23,984
Devils Postpile National Monument	Acquire Natural Resource Expertise to Provide High Quality Visitor Experience to Draft DEPO GMP	88,500
Devils Postpile National Monument	Complete New Viewpoint to Improve Visitor Safety at Lower Rainbow Falls	27,040
Flight 93 National Memorial	Prepare interpretive plan for Flight 93 Memorial	50,000
Gateway National Recreation Area	Rehabilitation playing fields, tennis courts and landscape features at Frank Charles Park	399,110
Golden Gate National Recreation Area	Repair Heavily Visited National Landmark Seacoast Fortifications	203,140
Midwest Region	MWR Civil War Sesquicentennial (CWS) celebrations	200,000
Point Reyes National Seashore	Purchase and Install 'Science on a Sphere' Exhibit in the Bear Valley Visitor Center	244,596
Point Reyes National Seashore	Restore Rare Endemic Climbing Dune and Native Plant Habitat	103,900
San Francisco Maritime National Historical Park	Document NHL Steam Schooner WAPAMA to HAER Standards	96,000
Stones River National Battlefield	Complete cultural landscape report for Stones River National Cemetery	70,000
Whiskeytown National Recreation Area	Replace Deteriorated Brandy Creek Marina Comfort Station with Accessibility Compliant Restroom	243,360

MoranQ80. Your budget assumes you will use recreation fees for Youth programs and Park Partnerships. For the record, provide a complete list of the programs you expect to fund from recreation fees and the amounts you intend to allocate.

ANSWER: Revenue generated from Recreation Fees are used at the park level to enhance the visitor experience. Funding is used to repair, maintain and enhance facilities; provide interpretation, information, or services; restore habitat directly related to wildlife-dependent recreation; and provide law enforcement related to public use and recreation. Two programs which

provide outcomes that contribute to visitor services, the Youth Programs and Park Partnerships Projects, will receive funding from the portion of recreation fees that is distributed Servicewide at the Director's discretion. With the exception of these two programs, fee projects will be selected through established fee program policies and procedures.

However, Youth and Park Partnerships projects for FY 2011 have not yet been determined. In FY 2011, \$6.4 million of the recreation fees will be used for the Youth Programs including funding for the Public Land Corps Program at parks in collaboration with the Student Conservation Corps, local high schools, and State Youth Conservation Corps for projects such as trail maintenance and trail building at parks across the national park system. A total of \$10 million, \$5 million from appropriations and \$5 million out of fee dollars, will ultimately be matched by at least \$10 million in donations for Park Partnerships projects.

MoranQ81. For the record, provide a list of the top 25 Parks with the highest unobligated balances as of January 1, 2010.

ANSWER:

Highest Unobligated Recreation Fee Balances as of January 1, 2010

Park Name	Unobligated Balance (\$)
1 Yosemite National Park	10,489,100
2 Haleakala National Park	3,343,786
3 Shenandoah National Park	3,158,605
4 Sequoia-Kings Canyon National Park	3,123,883
5 Southeast Utah Group (Canyonlands National Park)	2,473,357
6 Joshua Tree National Park	2,467,123
7 Gateway National Recreation Area	2,350,766
8 Jefferson National Expansion Memorial	2,268,740
9 Virgin Islands National Park	2,259,311
10 Crater Lake National Park	2,175,118
11 Mount Rainier National Park	2,009,396
12 Colonial National Historical Park	1,974,359
13 Wright Bros/Cape Hatteras/Fort Raleigh	1,943,950
14 Yellowstone National Park	1,899,944
15 Hawaii Volcanoes National Park	1,865,340
16 Rocky Mountain National Park	1,791,340
17 Death Valley National Park	1,764,819
18 Olympic National Park	1,751,530
19 Everglades National Park	1,679,199
20 Denali National Park	1,617,192
21 Zion National Park	1,339,572
22 Mammoth Cave National Park	1,316,797
23 Lake Mead National Recreation Area	1,282,036
24 Assateague Island National Seashore	1,265,485
25 Sleeping Bear Dunes National Lakeshore	1,245,811

Save America's Treasures

MoranQ82. Your request proposes to terminate the Save America's Treasures grant program, which is the only grant program that provides bricks-and-mortar funding for nationally significant buildings. Since 1999 the program has awarded more than 1,100 grants totaling over \$300 million in all 50 states. [HPF-7] Between 2007 and 2009, the Park Service received over 900 applications for competitive SAT grants and you were able to fund only 113. Each grant award received a dollar for dollar non-Federal match. That suggests to me that there is much need and demand for a program that preserves national significant historic properties and museum collections. If this program is terminated, how do you propose to meet the obvious need for this type of assistance?

ANSWER: States receive an annual allocation from the NPS through the Historic Preservation Fund (HPF), and may use these funds for bricks and mortar projects. The 2011 President's Budget proposes \$54.5 million for the HPF program.

MoranQ83. The SAT program requires a dollar for dollar non-Federal match. To what extent do these grants help leverage more than the dollar for dollar match?

ANSWER: The \$300 million awarded through the SAT program has generated \$377 million in non-Federal matching funds.

MoranQ84. For the record, please provide a chart that shows for each year of the program the number of applications received and the number of grants awarded through the competitive portion of the program.

ANSWER:

Save America's Treasures Grants Awarded by Year

Fiscal Year	Funding (\$000)	Applications Received	Grants Awarded
1999	30,000	119	60
2000	30,000	320	47
2001	34,923	368	55
2002	30,000	389	79
2003	29,805	452	63
2004	32,592	390	60
2005	29,583	337	61
2006	29,558	327	42
2007	13,000	339	31
2008	24,610	223	40
2009	20,000	378	42
2010	25,000	TBD	TBD

Historic Preservation Offices
(State Historic Preservation Offices/Tribal Historic Preservation Offices)

MoranQ85. Your request includes \$54.5 million for the State and Tribal historic preservation grants which funds the Historic Preservation Offices. This is equal to the amount provided in fiscal year 2010. Can you tell us how the Recovery Act has increased the workload for these offices and if a level budget will be sufficient for them to accomplish this increased workload?

ANSWER: Surveys conducted by the National Conference of State Historic Preservation Officers report SHPOs seeing an approximate 20% increase in the review work load over the past year, largely a result of the Federal stimulus projects. All Federal agencies and non-Federal entities must comply with the requirements of Section 106 of the National Historic Preservation Act as a condition of obligating Federal funds, including Recovery Act funds. As a result of the influx in Federal funding, the SHPOs' workload related to Section 106 review has increased and strained the capacity of many offices. In addition, States are required under the National Historic Preservation Act to match their Federal HPF grant. With State budgets in decline, many States have struggled to provide matching funds.

MoranQ86. Your budget assumes that in Fiscal Year 2011 State Historic Preservation Officers will submit a total of 1,100 new nominations of properties to the National Register of Historic Places. [HPF-5] Last year your budget assumed they would submit 1,300. Why do you think the work load will be less in 2011 than in 2010?

ANSWER: In FY 2009, the number of nominations to the National Register of Historic Places declined from FY 2008. The budget estimate for FY 2011 is based on this declining trend in nominations.

Land Acquisition and State Assistance

MoranQ87. You have requested a \$30 million increase for the Land Acquisition and State Assistance Account. This is part of the Department-wide \$106 million increase for the Land and Water Conservation Fund.

I am pleased to see that Department has followed our directive by establishing uniform land acquisition criteria across all the bureaus. This Committee long has recognized the need for that. As I understand it, the Department-wide criteria considered:

- leveraging,
- partnerships,
- cross bureau involvement, and
- urgency [LASA-8].

All of those are important criteria in any selection process. However, I am concerned that you missed one important element.

Did you consider how the acquisitions would be managed and operated once the purchase was completed? I ask this in light of the Department-wide decision to absorb fixed costs which will at best result in a static workforce and, at worse, unfilled positions.

How can we be assured that with fewer people you will be able to manage and operate the 27 new parcels you propose to acquire?

ANSWER: The National Park Service is mandated to protect and preserve the resources contained within the authorized boundaries of the National Park System. All of the parcels proposed for acquisition in FY 2011 are located within those authorized boundaries and are needed to protect resources and/or provide for visitor use thereof. Most of these parcels are vacant, open land and the Service anticipates that maintenance and operational costs will be minimal. In fact, these purchases capitalize on the operation and maintenance already in place on adjacent park land to leverage economies of scale. In addition, all bureaus must identify the operation and maintenance costs associated with the purchase of the land and request that funding in the budget cycle following the completed purchase, pursuant to DOI policy.

MoranQ88. Of the 27 land acquisitions proposed, which purchases are the final phase or last acquisition needed to complete the project?

ANSWER: According to the latest information, the following projects should be completed with requested 2011 funds:

Federal Land Acquisition Project Proposals with No out Year Acquisition Costs

Project	Number of Tracts	Acres	Adjusted	Comment
			Funding Level (\$)	
Congaree National Park	1	436.00	1,400,000	Completion of phased acquisition
Cuyahoga Valley National Park	1	418.00	5,497,000	Completion of phased acquisition
Golden Gate National Recreation Area	1	1,500.00	4,089,500	Completion of phased acquisition
Petrified Forest National Park	5	35,960.29	7,540,000	Completion of phased acquisition
Virgin Islands National Park	1	90.00	4,550,000	Completion of phased acquisition
Acadia National Park	1	22.90	1,764,432	Funds acquisition in one year/Cannot be phased
Catoctin Mountain Park	1	18.23	640,000	Funds acquisition in one year/Cannot be phased
Ebey's Landing National Historical Reserve	5	236.00	1,000,000	Funds acquisition in one year/Cannot be phased
Home of Franklin D. Roosevelt National Historic Site	1	1.50	1,575,000	Funds acquisition in one year/Cannot be phased
Minute Man National Historical Park	2	4.50	2,170,000	Funds acquisition in one year/Cannot be phased
Prince William Forest Park	1	183.00	6,035,000	Funds acquisition in one year/Cannot be phased
Saratoga National Historical Park	1	171.00	650,000	Funds acquisition in one year/Cannot be phased
Voyageurs National Park	1	3.50	366,500	Funds acquisition in one year/Cannot be phased

Funding requested for Congaree National Park will complete acquisition of the Riverstone tract. Funding requested for Cuyahoga Valley National Park will complete acquisition of the Blossom Music Center tract. Funding requested for Golden Gate National Recreation Area will complete the acquisition of the Peninsula Open Space Trust Property. Funding requested for Petrified Forest National Park will complete the Paulsell Ranch and is estimated to also complete the Twin Buttes Ranch. Funding requested for Virgin Islands National Park will complete the Estate Maho Bay acquisition. There are eight other projects requested in FY 2011 that will be purchased in a single transaction as this was deemed the only feasible way to proceed.

MoranQ89. Would any of the acquisitions actually decrease the cost of managing and operating the park?

ANSWER: It is likely that some of the 27 projects will result in future cost avoidance, but it is difficult to predict such savings at this time. In some instances costs may decrease as the inholdings are acquired and access roads are no longer required to be maintained, encroachment onto park lands of buildings and exotic species is eliminated, and law enforcement efforts are streamlined. For example, removing private holdings from the often flooded Carbon River Valley in Mount Rainier National Park will decrease the need to continually repair the road following each cycle of floods; acquiring almost six acres of primary archeological resources at Natchez National Historical Park will protect significant historical characteristics around Fort Rosalie, and may enhance law enforcement with regard to Archaeological Resource Protection Act violations; and acquiring lands in mountain canyons within the Santa Monica National Recreation Area will likely reduce trespass violations and resource degradation, where the resources have to be restored at a later time with cost in manpower and supplies.

MoranQ90. The State Conservation Grant program receives a \$10 million increase in your request. That is double the amount provided as late as Fiscal Year 2008. What criteria do you and the states use to select the projects funded?

ANSWER: For formula allocation of apportioned funds, States select State and/or locally sponsored projects for funding submission to NPS using the following criteria: 1) Consistency with the LWCF Act required Statewide Comprehensive Outdoor Recreation Plan (approved by NPS on completion by the State and submission by the Governor); 2) Use of an "Open Project Selection Process" to ensure fair and equitable evaluation by the State of all considered projects; and, 3) Compliance with the LWCF Grants Manual including project eligibility. Each State develops a project selection process that evaluates and selects projects on the basis of quality and conformance with its priority rating system. The practice of dividing a State's apportionment between State and local projects may continue at the State's option. In that case, the State's project selection process may involve a single competition among all State and local projects or distinct processes and competitions for each of the two categories (i.e., State projects and local projects). The distribution of a State's apportionment strictly on the basis of geography or location of political subdivisions is prohibited.

American Recovery and Reinvestment Act (ARRA) Projects

MoranQ91. The Recovery Act provided \$750 million to the Park Service, which you used to fund 926 projects. I understand that as of last week, only 44% of the funds have been obligated and less than 10% spent. What steps are you taking to accelerate spending these funds?

ANSWER: As of May 14, 2010, NPS had obligated 89% of Recovery Act funding. With the exception of two major facility projects, contracts for almost all yet-to-be-awarded work is either in solicitation, bids are being evaluated by technical specialists or the final awards are being negotiated. Remaining obligations that will be spread out through September 30th include contracts for the two major facility projects, and to cover on-going administrative costs and work conducted by seasonal work crews this summer.

A management oversight group of senior NPS officials meets regularly to assess progress on all large projects, overall progress on smaller projects managed at the regional level, and to make any adjustments needed to keep the program on track. The aforementioned large facility projects include rehabilitation of the Lincoln Memorial Reflecting Pool on the National Mall and rehabilitation of the King Gillette Ranch at Santa Monica Mountains. These projects, estimated to cost about \$40 million, are projected to be awarded in August, 2010. Senior NPS officials are closely monitoring both projects which are on schedule.

MoranQ92. One of the largest projects you have funded with Recovery Act monies are the improvements at the Lincoln Memorial reflecting pool. You allocated over \$30 million to repair the pool and make visitor improvements. I understand that no obligations have been made to date on this project. The funds expire on September 30 of this year. Please give us the status of this project, an estimate of when you think you will obligate these funds, and what you are doing to make sure it happens.

ANSWER: Due to the complexity of the project, its location within one of the most significant cultural landscapes in the country, and the additional design approvals required by the U.S. Commission of Fine Arts (CFA) and the National Capital Planning Commission (NCPC), the NPS has always recognized that this project's requirements would result in an award schedule that would be near the end of the funds expiration date.

To date \$1.8 million of ARRA funding has been obligated to complete design and compliance work. On March 18, 2010, the project received final approval from the CFA, and final approval was provided by the NCPC on April 1. The NPS has been working in close coordination with the Commissions and other permitting entities to ensure their ongoing support of the project. NEPA and Section 106 Consultation were completed through a Programmatic Agreement and an Environmental Assessment (EA) and a Finding of No Significant Impact (FONSI) was issued on March 22, 2010. Design work for the project is in its fourth and final phase of work. Pre-design, schematic design, and design development have all been completed. The final construction drawings, specifications, and supporting contract documents are due to be completed May 28, 2010. The project is on track to be advertised for design bid-build solicitation by June 15, 2010, awarded for construction August 10, 2010, and the Notice to Proceed issued September 30, 2010.

MoranQ93. How many jobs have been created to date and how many do you expect to create in total?

ANSWER: To determine the number of jobs created or retained, Interior leverages the quarterly recipient reporting process where recipients report on the actual number of jobs created or retained. During the period of October 1 to December 31, 2009, NPS recipients reported 413.5 full-time equivalents were employed. It is important to note that this is a quarterly snapshot of jobs created or retained as opposed to the cumulative number of jobs created. With the change in the OMB recipient reporting job creation guidance that was issued on December 18, 2009, job creation/retention is now reported on a quarterly as opposed to cumulative basis.

We expect the number of jobs created or retained to significantly increase in the coming quarters as all of our projects are awarded and as we enter into the heavier construction and summer working seasons. Also, the figure cited of jobs created or retained does not account for jobs created or retained by subcontractors of contract awards (over 60% of Interior's funding is awarded via contracts) since job reporting is not required for these entities. It also does not consider the downstream job creation by suppliers or other vendors.

MoranQ94. Included in the amount provided under the Recovery Act was \$15 million for grants to Historically Black Colleges and Universities which funded 21 historic rehabilitation projects. What is the status of those projects?

ANSWER: The \$15 million in funding made available through the Recovery Act provided 21 grants to 20 HBCUs in 16 States. All of the grants were awarded by October, 2009. Under the terms of the grant, the grantee must demonstrate progress within six months of execution of the Grant Agreement and completion of the entire project within three years of the executed Grant Agreement. Terms and Conditions established in the Grant Agreement designate the first project year for planning, and the second and third years for construction. HBCU program staff are closely monitoring all of the grants and are encouraging recipients to expedite the planning stage of the project as quickly and efficiently as possible without undermining the integrity of historic resources or consistent application of the Secretary of the Interior's Standards for the Treatment of Historic Properties.

Four HBCUs grantees have not yet initiated planning on their projects and have been reminded that if activities have not begun in accordance with the approved project timeline, the grant will be suspended or terminated and the funds recaptured by the NPS for award to other applicants.

Inspector General Report on the George Wright Society

MoranQ95. Earlier this year, the Inspector General issued a report that raised serious questions about the Service's management of cooperative agreements.

- Since 2004 the Park Service has maintained a cooperative agreement with the George Wright Society.
- The agreement is used mainly to organize two conferences, at which 60-80% of the attendees are Park Service employees and another 10% are from other federal agencies.
- In five years, the agreement was modified 17 times and went from \$35,000 to \$808,055.
- Federal acquisition regulations make clear that procurements that meet primarily a government need are more appropriately done through contracts not cooperative agreements.
- Six of the eleven Board members of the Society are Park Service employees, who had significant input into planning the conferences.
- The IG found this to be a conflict of interest.

Mr Jarvis, I am concerned about the lack of oversight associated with this agreement.

Does the Park Service continue to have a cooperative agreement with the George Wright Society?

ANSWER: The 2004 Cooperative Agreement with the George Wright Society (GWS) expired on September 30, 2009. The NPS is in consultation with the Department of Interior Solicitor to determine the proper vehicle for future relationships with the GWS.

MoranQ96. Why was the work performed by the Society not competed as a contract?

ANSWER: The NPS believes that the work done with the George Wright Society was collaborative and had a public purpose, thus it met the requirements of the Grants and Cooperative Agreements Act. All of the projects were identified by the NPS and jointly developed by the GWS and the NPS. The NPS is in consultation with the Department of Interior Solicitor to determine the proper vehicle for future relationships with the GWS.

MoranQ97. Do you think it is appropriate for Park Service employees have input into an agreement from which they receive some benefit?

ANSWER: Any NPS employee who serves on the Board of Directors of an outside organization is to refrain from any involvement in an NPS action that might affect the financial interests of that outside organization.

MoranQ98. Do you think it is appropriate for Park Service employees to serve on the boards of organizations that receive federal funding, especially if they then have input into how those funds are spent?

ANSWER: As noted above in question 97, any NPS employee who serves on the Board of Directors for an outside organization is to refrain from any involvement in an NPS action that might affect the financial interests of that outside organization. Therefore, NPS employees who served on the Board of Directors of outside organizations should have no involvement in how funds are spent.

MoranQ99. In this case, the IG found that the employees serving on the George Wright Society Board had either claimed those positions on their Government Ethics Forms as an outside position or received a Conflict of Interest Waiver from the Park Service. Can you explain the grounds for which a conflict of interest waiver was granted in this case?

ANSWER: The waivers were granted based on a determination that the employee's disqualifying financial interest (i.e., employee's position on the GWS Board of Directors) was not so substantial as to affect the integrity of the employee's service to the U.S. Government, despite serving as an officer in the GWS. Additionally, the waiver was limited, and barred the employees who served on the GWS Board of Directors from taking official NPS action on matters affecting the financial interests of the GWS.

MoranQ100. I would like you and your staff to review other cooperative agreements with organizations where Park Service employees serve on Boards and report to us the frequency with which this happens. Please tell us what steps you plan to take to ensure that federal employees do not oversee or have input into agreements with organizations upon whose board they serve. Also tell us what steps you have or will take to ensure that federal funds are awarded using the appropriate funding vehicles and receive increased oversight and scrutiny.

ANSWER: NPS granted 15 waivers since 2004 to employees to serve on Boards of outside organizations. None of these organizations currently have a cooperative agreement with NPS. All

waivers granted to employees allowing them to serve on an outside board of directors are limited and only authorize the employee's service on the board and do not permit the employee to take official NPS actions on matters affecting the financial interests of the outside organization. These limitations are intended to prevent an employee from taking official NPS action that favors the interests of an outside organization where the employee serves as an officer and to prevent the appearance that the employee's actions favored the outside organization at the expense of the best interests of the National Park Service.

In April 2006, the DOI conducted a complete review of the contracting functions of the NPS and produced a report with major recommendations for improvements. The NPS responded with a Corrective Action Plan in December 2006 and has implemented a broad plan to better oversee contracting and financial assistance programs including consolidation of contracting offices, more direct supervision of contracting officers by other contracting officers, and the revision and updating of guidance materials. NPS policies regarding financial assistance and cooperative agreements are being revised to incorporate regulatory and policy requirement updates, and to provide additional clarity regarding the requirements of all financial assistance. In 2010, NPS will develop a plan to identify the appropriate competencies for authorized awarding officials and the field representatives who assist in the oversight of agreements. This effort will result in targeted training for individuals. These efforts are being overseen by the Associate Director, Business Services in the NPS and the Office of Acquisition and Property Management in the DOI.

Questions for the Record from Rep. Simpson

Impact of Budget Request on Maintenance Backlog

SimpsonQ1. I'd like to begin with a series of questions relating to proposed increases and decreases in budget for next year. Your budget request provides \$156 million for next year for land acquisition, a \$30 million increase from the current fiscal year and the largest amount requested for this account since FY2005. If approved, this would represent an increase of 144 percent over the FY2009 level of \$64 million.

SimpsonQ1.1. At the same time, your budget proposes to cut NPS construction from \$240 million in FY10 to \$195 million next year, a \$45 million reduction. Given the \$589 million this account received in the stimulus bill, the construction account becomes an appealing place to find savings. Still, the fact remains that the National Park System continues to have an enormous maintenance backlog. As I prepare to ask a few questions, I'd like to request that you provide for the record the annual backlog maintenance figures for the last ten years and a description of any proposals—if there are any—to eliminate this backlog.

ANSWER: The methodology for estimating the NPS deferred maintenance backlog changed in 2006 so the data before and after that year are not directly comparable. The total DM estimates reported from 2000 through 2005 was based on Class C estimates that are generally prepared without a fully defined scope of work. In FY 2006, the NPS completed a baseline assessment of park roads, trails, campgrounds, buildings, housing, water, and wastewater systems. Since then NPS has focused on assessments of those assets that are considered to be more unique, such as monuments and memorials, maintained landscapes, and fortifications. The following table reflects that amount of DM identified in the annual disclosure in the Chief Financial Officer's report from FY 2000 through FY 2009:

Range	1999	2000	2001	2002**	2003	2004	2005	2006	2007	2008	2009	Total
Low	2,500	3,046	4,079	NA	3,543	4,522	5,798	5,797	6,118	8,231		8,232
High	6,000	6,750	6,798	5,439	7,592	9,691	12,424	12,423	13,110	12,105		12,106

Data prior to 2006 is not directly comparable to data from 2006 and after because of different estimating methodologies.

The NPS is currently using the "Critical Systems" approach in determining acceptable levels of asset condition. Under this approach, facility management experts identify systems that must be in good working order for an asset to function effectively. By determining what these systems are and what level of work is required to repair them, deferred maintenance projects for critical systems can be prioritized at the asset, park, and Servicewide levels which allows NPS to target project funding to maximize support for park assets and minimize further increases to the backlog. The top priorities, however, continue to be the projects ranked highest in terms of critical health and safety issues and critical resource protection.

SimpsonQ1.2. What is the current estimate of the backlog maintenance needs for the National Park Service? What level of annual investment is needed each year to prevent this backlog from growing even larger?

ANSWER: Based on the current value of Park assets and assuming an annual inflation rate of 2.4% and a deterioration rate of 0.32% of the current replacement value of assets, a total annual investment of approximately \$600 million is required to keep the current level of DM from growing.

SimpsonQ1.3. Given the already considerable backlog maintenance needs of the Park Service, doesn't this budget request do further damage by proposing more land acquisition when the funding needs of current Park Service units are not presently being met?

ANSWER: Maintenance costs usually increase substantially when buildings, roads, trails, or other facilities are built on land or acquired through land purchases. However, most of the land in our FY 2011 request is vacant, open land and maintenance costs will be minimal. Land acquired by States with grant funds is maintained by the States with State funds, not Federal (NPS) funds.

Rec Fee Unobligated Balances

SimpsonQ2. I want to commend the Park Service and especially Bruce Sheaffer for the fine effort made since last year to address the issue of high unobligated balances within the Rec Fee program. Since our subcommittee raised this issue, the Park Service has done a commendable job in producing a viable strategy and taking steps towards reducing these balances.

SimpsonQ2.1. What specific steps have you taken over the last year to address high unobligated balances within the rec fee program?

ANSWER: In FY 2009, NPS established a workgroup of senior managers to create a strategy to increase obligation rates. The NPS has endorsed a number of policy changes recommended by this workgroup. The Service instituted procedures that required collecting parks with revenues greater than \$500,000 annually to reduce their yearend carryover to no more than 100% of annual collections by January 1, 2010. Parks that failed to achieve the 100% carryover standard had their retained revenue reduced from 80% to 60% of revenue for the coming year. Each Regional Director had the discretion to apply these same limits of carryover to parks collecting less than \$500,000 which failed to meet the 100% target by January 1, 2010.

The NPS also instituted a strict 12 month deadline to obligate revenue distributed to parks from the 20% discretionary fund, pulling back into a national account any previously distributed 20% funds that had not been obligated within the year time frame. The withdrawn funding is being redirected to nationally prioritized projects that are ready to be obligated.

In addition, each park has developed a Recreation Fee Comprehensive Plan that provides managers with a tool to forecast revenue and plan and prioritize projects over a five year period. Parks are held accountable for programming projects within applicable guidelines through the use of the Comprehensive Plan. Parks that have a complete Recreation Fee Comprehensive Plan incorporating the NPS programmatic goals are obligating nearly all of their annual revenue.

SimpsonQ2.2. Can you provide for the record a historic accounting of these balances over the last five years including the present fiscal year? What do you anticipate the balance will be at the end of this fiscal year?

ANSWER: The following table shows the recreation fee unobligated balances for the last five years. NPS anticipates the unobligated balance at the end of FY 2011 will be \$99.8 million.

NPS Recreation Fee Unobligated Balances (million dollars)

				2010	2011	
	2006	2007	2008	2009	Estimate	Projection
	296.7	272.0	266.7	218.4	149.8	99.8

Ford's Theater/Petersen House

SimpsonQ3. Last year, I toured the newly renovated Ford's Theater downtown and was reminded once again of the incredible history that exists within walking distance of where we sit today. While a great deal of work has been done on the theater itself where President Lincoln was shot, it was quite apparent when walking across the street to Petersen House where he later died that this historic Park Service property has fallen into disrepair.

SimpsonQ3.1 I'd like to ask you to provide the Committee for the record a total cost estimate for the complete rehabilitation including repairs to the roof, fire safety, security, and making the building structurally sound.

ANSWER: The current cost estimates to rehabilitate the Petersen House total approximately \$2.2 million. The project includes an environmental assessment, exterior rehabilitation, a new climate management system, repairs to the first floor entrance, porch, historic windows, and shutters; rehabilitation of interior finishes and furnishings; and security equipment upgrades. The exterior repair, climate management, and environmental assessment projects are currently funded for \$1.3 million under the FY 2010-2011 NPS Repair-Rehabilitation program.

SimpsonQ3.2. What is the Park Service's timeline for the rehabilitation and renovation of historic Petersen House? How much ARRA funding and FY10 funding have you committed to this effort?

ANSWER: The FY 2010-2011 Repair-Rehabilitation maintenance program includes \$1.3 million for the most critical projects at the Petersen House. The program includes funding for the environmental assessment, exterior rehabilitation and climate control installation. Once the environmental assessment is completed, the exterior rehabilitation can begin. Design work is 95% complete for these projects. NPS has not yet requested funding for the interior rehabilitation.

Projects related to the rehabilitation and renovation of the Petersen House did not qualify for Recovery Act funding. Projects which received Recovery Act funding were required to have completed an environmental assessment, NEPA and NHPA compliance, and design work. At the time Recovery Act funding was allocated, NPS had not yet completed these necessary steps for the proposed Petersen House projects.

Guns in Parks

SimpsonQ4. Director Jarvis, last year Congress passed a law to bring national park regulations regarding citizens' right to carry in line with state laws governing firearms. I supported this law because I believe that Idahoans who have concealed carry permits should not have to check their firearms at the entrance to national parks and wildlife refuges in Idaho, where concealed carry permits are allowed by state law.

- How are things going since the law was implemented last month? Have you had any gun-related incidents in the parks or had to make changes to the way you manage them?
- Are there any initiatives being looked at right now within the Park Service that would alter this policy in any way?

ANSWER: Implementation of the law has gone smoothly. We have had one incident involving firearms in which a person mistakenly thought that target shooting was authorized under the law. In the initial implementation of the firearms law, and enforcement of violations, we will emphasize education. We are providing park staff with information on the implementation of the new law through an internal web site and also coordinated a conference call involving 356 park employees. We are providing information to the public through news releases, interviews and posters in visitor centers. Each park has been required to post basic information on firearms on its home page, along with a link to the State firearms laws for the State or States where the park is located. Park law enforcement staff has been instructed, when appropriate, to address violations related to firearms at the lowest level possible and use the opportunity to provide additional information on the new law to visitors without issuing a ticket. This latitude should allow visitors to adjust to the new law and comply quickly and safely with State and Federal laws regarding firearms.

We have no initiatives under way to alter our policy on implementation and administration of the firearms law. We are implementing this law as enacted by Congress.

Yellowstone Snowmobiles

SimpsonQ5. I had a meeting in my office earlier today with the Superintendent of Yellowstone National Park, Suzanne Lewis, and we had a good conversation on snow machine use at Yellowstone. The Park Service is now limiting snow machine traffic in Yellowstone National Park to 318 machines a day under a two-year management plan that expires after next winter. I know that this situation, like so many others, is now the subject of litigation in our courts. The governor of Wyoming and others have been pushing to raise this number to 750 machines a day which seems unlikely. Still, I'd like to believe that there are steps we can take to provide some flexibility, perhaps even using a daily average to allow higher traffic when demand is highest around the holiday season.

- Is there an acceptable middle ground that all sides can agree on? Do you envision any flexibility in the number of snow machines allowed in the Park each day, particularly during winter holiday periods when demand is highest?

ANSWER: Yellowstone National Park is in the early stages of preparing a new long-term Winter Use Plan and Environmental Impact Statement. Scoping, which is an opportunity for the public to provide early input on the purpose, need, objectives, and alternatives for the winter plan, began January 29 and concluded March 30, 2010.

One of the five public scoping open house meetings was held in Idaho Falls, Idaho on February 16. The open houses were intended to answer questions and assist the public in preparing their scoping comments. At the Idaho Falls meeting, and at the other open houses (Billings, Montana; Cheyenne, Wyoming; Washington, D.C.; and Cody, Wyoming) the public indicated a desire to see a wide range of oversnow vehicle numbers considered, including higher and lower numbers of snowmobiles. Some also expressed interest in seeing more flexible daily limits on oversnow vehicle numbers (for example, higher numbers during holiday periods, as you suggested). Analysis of the scoping comments is underway, and the NPS expects to see these types of suggestions included in the scoping comments.

The next step in the winter use planning process will be for the NPS to develop the alternatives to be considered in the environmental impact statement. The NPS will be using the public scoping to help inform the range of alternatives.

The NPS will use the best available science to inform its decision making in the Yellowstone winter-use planning process. We will continue to work with all interested parties in this new long-term planning process. NPS continues to encourage all sides on this important issue to resolve the differences by working together to find a long-term direction for Yellowstone.

Yellowstone National Park - Bechler Entrance

SimpsonQ6. On the Idaho side of Yellowstone National Park, there is a back-country entrance called the Bechler entrance frequently used by horsemen. A Fremont County Commissioner recently told me that some Idaho constituents on horses entering Yellowstone through this entrance were stopped by two Park Service officials who asked whether the horses had been given a Coggins test (a test for a serious virus that affects horses). One of the men had not and he was ticketed. It wasn't the ticket that bothered him so much but that he had to travel to the Yellowstone National Park headquarters in Mammoth to pay the ticket in person. He was apparently not allowed to send in a check, or pay it online. You know the geography here; they were at the South end of Yellowstone and Mammoth is at the extreme North end.

- This may be an isolated experience but isn't there a better way for the Park Service to handle a situation like this? Can we determine a more convenient way for folks to pay their tickets like mailing in a check or going to a Park Service website and paying online?

ANSWER: The National Park Service does not have the authority to control how the U. S. Courts operate when it comes to a mandatory appearance, including the location where defendants resolve their cases. When a Yellowstone NP ranger issues a violation notice requiring a mandatory appearance (which is the case for Coggins Violations) the ranger advises the defendant that he or she may contact the prosecutor, prior to mandatory appearance date, so the defendant can try and reach a plea agreement with the prosecutor and avoid traveling to court. Approximately 55% of the

park's mandatory appearance cases are resolved, via approved plea agreement, without the defendant appearing in Court in Mammoth Hot Springs.

In 2009, the prosecutor and the judge allowed the defendant to send in proof of compliance with Coggins after the violation was detected. For example, defendants that had their horse or mule tested (i.e., could later provide paperwork to prove compliance), would have their Violation Notice's dismissed. On the other hand, defendants that could not provide proof of Coggins compliance were directed to get the horses tested and then provide proof of a negative test. Typically these cases are settled without a court appearance.

A review of the files does not show any Coggins cases where a defendant appeared in Mammoth to pay a fine. Thus, we are unable to verify the claim regarding the defendant who traveled from Idaho to Mammoth to pay a fine in a Coggins case. It is possible that a file was misplaced. If a name can be provided, park staff will be glad to check the defendant's file and provide further detail.

City of Rocks National Reserve - Rock Climbing Restrictions

SimpsonQ7. In 2004, the Idaho congressional delegation sent a letter to the National Park Service supporting efforts to ease the absolute climbing ban on a popular area in the City of Rocks National Reserve called the Twin Sisters. We hoped to work with the Park Service to find a compromise to this ban that would provide for low impact climbing activities consistent with Park Service efforts to preserve the historical integrity of the area. At the time, we were assured that the public planning process for amending the Comprehensive Management Plan for the City of Rocks would provide the public with full opportunities for review and comment. I was concerned to learn recently that internal planning minutes from the Park Service indicate that there is no intention of revisiting the Twin Sisters issue, giving the public a meaningful opportunity to comment.

- Can you give me an update on the Park Service's intentions of revisiting this public land access issue and any efforts to engage the public?
- It appears to me that a compromise could be found that would provide some recreational access to this area without physical or visual impacts on the site. Can you clarify for me why the National Park Service continues to institute this absolute ban?

ANSWER: The planning minutes are in reference to internal discussions held January 18-19, 2006 regarding the 1998 City of Rocks National Reserve Climbing Management Plan. The primary purpose of the meeting was to follow through on a recommendation in the 1998 Plan (page 2, paragraph 5), which states:

"It is acknowledged that the Climbing Management Plan is a dynamic document. Rock climbing use is changing at City of Rocks, and the plan must also reflect changing conditions. From time to time it may be necessary for Reserve managers to make minor changes or adjustments in the plan. Periodically, at least every five years, the plan should be carefully reviewed by an interdisciplinary team composed of both resource and recreation specialists, and revisions made to the plan where warranted."

The interdisciplinary team determined that the only thing that had substantially changed since that time was that the Access Fund had brought suit against the Department of the Interior regarding the Twin Sisters ban, alleging that the Administrative Procedures Act had not been followed. Chief U.S. Magistrate Judge Mikel H. Williams made summary judgments, siding with DOI in the report and recommendation issued March 29, 2000. This decision reinforced the National Park Service's policy regarding the current closure.

However, two lengthy public comment periods have occurred regarding access since the 2006 internal planning discussion. NPS received 66 comments regarding the revision of the City of Rocks climbing management plan. There were two primary and opposing positions: (1) lift the Twin Sisters climbing ban, and (2) keep the climbing ban in place. No other substantial comments regarding the plan were received.

In 2007, the NPS, in conjunction with its partners, began an update of the Reserve's General Management Plan (GMP). GMPs are usually updated approximately every 15-20 years; the last GMP for City of Rocks was completed in 1996. The NPS sought public comment in September 2009 during scoping of issues for the development of the GMP. Additionally, the NPS held five public workshops in September and October for the purpose of meeting face to face with the public regarding any issues of concern. Several comments were received during this period for and against the climbing ban.

The public will have additional opportunities for comment in 2010 during the Environmental Assessment process related to the revised climbing management plan, and also to comment on draft alternatives for the general management plan. There will be at least one more comment period after these in regard to the EIS associated with the draft general management plan. The public is very engaged in all opportunities and the climbing issue has equally polarized viewpoints and advocates.

All proposed compromises over the years have been studied and considered. No new compromise about climbing on the Twin Sisters has been put forth by any party or stakeholder since the 1998 plan. The NPS has worked hard to provide numerous climbing opportunities within the Reserve and at nearby Castle Rocks State Park. Most of the City of Rocks is in fact open to climbing. The limited areas closed to climbing are in place to protect the primary cultural resources for which the Reserve was established. The Idaho State Historic Preservation Office, Advisory Council on Historic Preservation, many history organizations and the NPS believe that compromises have been fairly made. Technical rock climbing on the Twin Sisters constitutes an impairment of the primary visitor experience and the feeling and association that visitors seek related to the overland migration of pioneers along the California Historic National Trail. Climbing in most areas of the Reserve does not impair this primary experience, since most desirable rocks are distant from the immediate historic scene. Rock climbing is and remains one of the more enjoyable recreational opportunities of City of Rocks National Reserve.

Quagga Mussels

SimpsonQ8. Quagga mussels are a growing problem in the West, and the State of Idaho is currently working to do everything it can to prevent mussels from infested areas in surrounding states from getting into Idaho's water bodies. While I support the state's efforts to put wash stations at the state line to check boats coming into Idaho, I'm concerned that this might not be the most efficient solution to the problem. It seems to me that it would be more effective—and affordable—to focus our efforts on those boats that are most likely to carry quagga mussels by checking and washing boats coming out of infested lakes instead of all boats coming into the state. As we all know, land and wildlife management issues don't change at jurisdictional lines. It is important to me that the federal government work closely with state governments on this issue to so that we can find a regional solution to this serious problem.

- What specific steps is the National Park Service taking to address the spread of quagga mussels? Where are you focusing these efforts presently and what is your budget?
- Can you describe what the Park Service is doing to partner with state governments to prevent the spread of the quagga mussel infestation?
- Does the Park Service consider it more important to keep quagga mussels out of non-Park Service waterbodies than it does those that belong to the Park Service?

ANSWER: The National Park Service is taking an active role in attempting to prevent the spread of quagga mussels in the west. NPS efforts include:

- Development of the "*Quagga/Zebra Mussel Infestation Prevention and Response Planning Guide*" (<http://www.nature.nps.gov/water/quagga/>). The guide describes protocols and identifies sources of information for establishing prevention and response programs, including boat inspections, decontamination, monitoring and public outreach.
- Implementation of measures described in the guide at Curecanti National Recreation Area (NRA), Glen Canyon NRA and Lake Mead NRA. The Lake Mead and Curecanti programs also include measures aimed at containment. Total expenditures were approximately \$2.6 million in FY 2009; approximately \$0.6 million of this amount was funded from NPS park base operations. Other funding for quagga/zebra prevention and containment at Lake Mead NRA, Glen Canyon NRA and Curecanti NRA was provided from a variety of sources depending on the park. Funding sources included approximately \$1.2 million in recreation fee revenue, and \$0.8 million under the Southern Nevada Public Lands Management Act.
- The NPS cooperated with States and other Federal agencies through the Western Regional Panel of the Aquatic Nuisance Species Task Force to develop a "Quagga/Zebra Action Plan (QZAP) for Western U.S. Waters." The NPS will continue to work with the states in implementing the QZAP recommendations. In addition, the NPS conducts its ongoing prevention and containment efforts in partnership with the states, including the identification and tracking of contaminated vessels. A large portion of the Curecanti NRA program is being conducted by the State of Colorado.
- Although the NPS does not have jurisdiction outside of its boundaries, we believe that it is critical to prevent the establishment of quagga and zebra mussels in all western waters to minimize introduction to NPS waters. Lake Mead NRA, where quagga mussels were detected

in 2007, has one of the most rigorous containment programs in the nation. The NPS is committed to continued cooperation with all of its public and private partners.

National Mall Plan

Simpson Q9.1. The restoration and planning for the future of our National Mall is a complicated issue with many diverse stakeholders. My staff and I have met with many different groups, each expressing their own points of view. While opinions may vary on the approach to planning for the future of our National Mall, one thing is for certain: with an estimated 25 million annual visitors, we are quite literally loving the National Mall to death.

- Can you bring us up to speed on where are we in the National Mall planning process? What are the immediate priorities and what projects have been budgeted for next year?

ANSWER: We are nearing the home stretch of a very public planning process for the National Mall. The fourth public comment period on the National Mall Plan Draft Environmental Impact Statement (DEIS), closed on March 18, 2010. NPS is examining comments, preparing responses, and will revise the National Mall Plan Final Environmental Impact Statement and release it during the summer of 2010. Thirty days later a Record of Decision will be issued. Before project completion, a Programmatic Agreement on Historic Preservation will be completed with the Advisory Council on Historic Preservation and the DC Historic Preservation Office. A Programmatic Agreement on Historic Preservation is an agreement between NPS, the Advisory Council on Historic Preservation and the DC Historic Preservation Office pursuant to section 106 of the National Historic Preservation Act. The programmatic agreement will facilitate historic preservation consultations with stakeholders for construction projects from the National Mall Plan.

During the process NPS issued four newsletters, held a symposium, nine public meetings, offered walking tours, and received around 30,000 comments from people in every State in the nation before the DEIS was published. NPS held ten Section 106 (under the National Historic Preservation Act) meetings to address the plan's potential impacts to historic properties or opportunities and provided a bus tour for stakeholders. During the project the NPS developed a dedicated planning website, prepared a number of background studies, maps, and posted studies and other information online. The project was the subject of hundreds of print, TV and radio news reports. NPS also used the social networking site, Twitter, for public announcements during the 90-day DEIS public comment period.

At the request of the National Capital Planning Commission and others, NPS has been preparing a matrix of National Mall project priorities. It will accompany the Record of the Decision and the Programmatic Agreement on Historic Preservation that are outcomes of the National Mall Plan. Over 60 projects are discussed by priority, resource protection value, visitor experience improvements, and costs.

Immediate priorities include:

- Redesign Union Square. This provides an opportunity to relieve some of the stress placed on the Mall turf and trees by adding a new hardscape location for special events and demonstrations. The Architect of the Capitol (AOC) has expressed great interest in working

closely with the NPS on this area and the surrounding area operated by the AOC. This project lends itself to a design competition involving some of the best national and international architects.

- Re-engineer Mall Turf. NPS has contracted with HOK Architects to design a turf restoration system for the Mall center grass panels. Restoring the soils and turf and developing an irrigation system to capture, store, and reuse storm water are components of this plan. Funding is proposed in FY 2011 to accomplish about 1/3 of this work. Completing this project for the entire Mall, and installing the proposed improvements to the walkway system will not only greatly improve the appearance of the Mall, but will create locations for smaller special events and demonstrations that will not harm the lawn panels.
- Rebuild and Enlarge the Tidal Basin Cherry Walk. The sidewalk along the edge of the Tidal Basin is sinking and deteriorating due to the sinking of the seawall on which it is built. In some areas the sidewalk is under water twice a day. These sections have been closed to the public. The seawall must be rebuilt to support the sidewalk and at the same time the sidewalk needs to be widened to allow visitors to walk around the Tidal Basin without walking on, and tripping over the roots of the adjacent cherry trees. During periods of high visitation the narrow width of the current sidewalk forces pedestrians inward and as a result they unintentionally walk on the exposed roots of the historic cherry trees.

SimpsonQ9.2. What is the anticipated total cost of restoration and what is the anticipated breakdown between federal and private sector dollars? Given tight budgets, will this work ever get completed in our lifetime?

ANSWER: The National Mall Plan DEIS presents conceptual cost estimates for the range of alternatives. These conceptual estimates were for decision-making and should not be used for construction cost estimates. As planning began, the deferred maintenance was estimated at over \$450 million. Approximately \$56 million has already been allocated to the Lincoln Reflecting Pool area, DC War Memorial, and the Thomas Jefferson Memorial plaza seawall using funds provided under the Recovery Act.

Cost estimates for alternatives range from \$408 million for no action to \$705 million for alternative C. The preferred alternative is in the range of \$606-648 million. Common to every alternative is over \$408 million in deferred maintenance of Mall assets.

Planning completion and approval does not guarantee funding, either public or private. Projects will need to compete for funding authorization with other NPS projects. To compete, projects need to be included within the National Mall Plan, which is scheduled to have a completed EIS this August.

At the same time, there are opportunities to leverage private monies. A new \$2.2 million pedestrian sign system was funded (50-50 match) by the Trust for the National Mall. This project was the park's top priority in projects identified as eligible for Centennial Initiative funding. The overall fund raising goal of the Trust for the National Mall to help implement the National Mall Plan is

\$350 million. The Trust will be undertaking a fundraising feasibility study to determine whether this goal is achievable.

In addition to projects associated with carrying out the National Mall Plan, there are other partnerships related to specific memorials that involve private support. The Vietnam Veterans Memorial Fund is providing \$100,000 toward a \$124,000 rehabilitation of the Three Servicemen Statue through the NPS Challenge Cost Share Program. Groups such as the Friends of the World War II Memorial have expressed interest in expanding their role from supporting ceremonial events to providing support for ongoing care and maintenance of the memorial. The Cherry Tree Endowment Fund was recently transferred to the Trust from the National Park Foundation, which will continue to be used to maintain the Mall's cherry trees. Maintaining the cherry trees consist of pruning, watering, fertilization, vertical mulching girding roots and pest control.

Independent National Mall Commission

SimpsonQ10.1. A great deal of work has gone into creating both the planning process and a plan for the future of the National Mall. Less clear is whether this plan is a vision for the entire National Mall or whether it applies only to National Park Service lands. Susan Spain, the Mall plan project executive was quoted in the "Washington Post" on February 19th as saying that "It's not a master plan. We're not a design plan." Some would argue that this planning process does not support the interests or plans of other institutions on the Mall—the Smithsonian Museums, the National Gallery of Art, the Department of Agriculture, the White House, or the District of Columbia.

Is this, in fact, a long-term visionary plan for the National Mall or is it only a plan for National Park Service lands on the National Mall? Does it take into consideration the interests of the many institutions on the Mall?

ANSWER: The National Mall Plan is for NPS lands on the National Mall, which includes all the land on the National Mall with the exception of the land on which the Smithsonian Institution and the National Gallery of Art are located. However, the National Mall Plan is in sync with the other plans for this area including the National Capital Planning Commission (NCPC) Extending the Legacy Plan (1997) for Washington DC, the Center City Action Agenda (2008), the NCPC Memorials and Museums Master Plan (2001), and the NCPC Monumental Core Framework Plan (2009).

In addition to the National Capital Planning Commission and the U.S. Commission of Fine Arts (CFA), the Smithsonian Institution, the National Gallery of Art, Washington Metropolitan Area Transit Agency, General Services Administration, the Architect of the Capitol, the Federal Reserve, the Bureau of Engraving and Printing, the U.S. Holocaust Memorial Museum, the Advisory Council on Historic Preservation, and the DC Historic Preservation Office participated in the National Mall Plan. These agencies participated in eleven multi-day workshops, provided internal comments and received separate briefings. Multiple staff from the National Gallery of Art, Smithsonian Institution and the Architect of the Capitol (AOC) regularly participated. Up to ten Smithsonian Institution staff participated in several workshops, and NPS also met with Smithsonian leadership groups.

Because several plans were being prepared simultaneously, NPS, NCPC, CFA, DC and the AOC prepared a brochure about their coordinated plans, "Planning Together for Central Washington," which established common objectives and priorities.

SimpsonQ10.2. How would the National Park Service react to the idea of establishing an independent National Mall Commission to develop a comprehensive, long-range plan for the entire Mall—not just National Park Service lands—that takes into account the interests of these institutions?

ANSWER: Suggestions have been made to establish a new commission similar to the McMillan Commission to plan for the areas covered in that 1901 plan. At the time of the McMillan Commission no Federal agencies were charged with either planning for or protecting the character of lands within Washington, D.C. Subsequent to the McMillan plan, Congress established the National Capital Planning Commission and the U.S. Commission of Fine Arts to protect the visions embodied in the McMillan plan, as well as the L'Enfant plan. The National Capital Planning Commission's *Extending the Legacy* plan (NCPC 1997) is the successor to the McMillan plan and provides an overarching vision for the nation's capital that builds on the principles of the L'Enfant and McMillan plans and protects the National Mall. *Monumental Core Framework Plan: Connecting New Destinations with the National Mall*, which was developed by the National Capital Planning Commission in cooperation with the Commission of Fine Arts, would implement the *Extending the Legacy* plan (NCPC 2009). These agencies have been working closely with the National Park Service, the D.C. Office of Planning, and the Architect of the Capitol to coordinate various planning efforts, including the development of the National Mall plan.

Much of the work of a new commission could be duplicative of planning efforts undertaken by the National Capital Planning Commission, the U.S. Commission of Fine Arts, the District of Columbia, the General Services Administration, the Smithsonian Institution, the National Gallery of Art, and the National Park Service.

National Mall Visitor Experience

SimpsonQ11. For those of us who see the National Mall on a daily basis, we take it for granted. But for Idaho families coming to Washington DC, their experience visiting the National Mall is one that most of them will carry for a lifetime. They will never forget the first time they stood at the feet of Abraham Lincoln, or on the Washington Monument ground taking in the vistas to the North, East, South and West. Unfortunately, they may also take with them the memory of not being able to easily find a restroom or a place to have an affordable lunch.

- What steps are being taken to address both the availability of restrooms and food vendors on the Mall? What is being done to address affordable transportation on the Mall to enhance the overall visitor experience?

ANSWER: The National Mall Plan proposes better dispersal of visitor facilities to conveniently meet visitor needs. Current comments on the draft National Mall EIS continue to stress that the Mall should be an inspirational model of urban development, accessibility, and sustainability where public restrooms are also readily available.

As stated in the plan, "Under the preferred alternative visitor facilities and amenities would be provided on the National Mall to accommodate the high levels of visitation it receives. Visitor facilities and amenities would be conveniently located, and they would generally be designed to serve multiple purposes and to incorporate naturally compatible amenities, such as restrooms near food service locations or seating and information by restrooms, in accordance with best practices used at other sites."

Everglades Restoration

SimpsonQ12.1. Director Jarvis, last year the Committee provided bill language directing the immediate implementation of the Tamiami Trail one-mile bridge component of the Modified Water Deliveries Project. Secretary Salazar and the Army Corps of Engineers broke ground on that project just three months ago. In addition, the Committee directed the Department and the National Park Service to prepare a report and recommendation on what additional bridging is needed for the Tamiami Trail to fully achieve restored flows and improve the wetland habitat within the remaining state and federal Everglades, including Everglades National Park. Further, I understand that your scientists have indicated that additional bridging in the Tamiami Trail is needed to fully restore water flow to the park and to achieve restored habitat throughout the Everglades.

- Can you explain to this Committee the need for the additional bridging in the Tamiami Trail and what it is anticipated to achieve?

ANSWER: The modifications to the Tamiami Trail highway currently being implemented under the Modified Water Deliveries project authority specify the construction of a one-mile bridge. This level of improvement will permit slight increases in flows and water levels within the downstream Northeast Shark River Slough in Everglades National Park. Tamiami Trail currently serves as a barrier to restoring more natural water between the Water Conservation Areas and Everglades National Park. Increasing water volumes and flow distribution would reestablish seasonal water depths that are critical to the survival of fish and wildlife species.

SimpsonQ12.2. When will we see your report relating to the potential need for additional bridging to restore water flows?

ANSWER: The NPS just released a draft Environmental Impact Statement on Wednesday, May 19. The Department would like to delay submission of the report pending public comment on the EIS and further work on the options for funding and authorization.

Record NPS Attendance in 2009

SimpsonQ13. I understand that the Park Service enjoyed the fifth busiest year ever with an estimated 285 million people visiting our national parks. This was ten million more than visited during the previous year. It's been suggested that this increase may have been the result of three weekends last year when the Park Service waived entrance fees to the parks. Visitors from around the world apparently also took advantage of the strong exchange rate that the Euro has had against the dollar.

- To what do you attribute this increase in park attendance? What is the impact on the entire system when you have ten million more visitors from one year to the next?
- How do you measure the impact on attendance of the three weekends each year that the Park Service waives entrance fees to the Parks? How much money did the system lose by waiving these entrance fees last year?

ANSWER: Increased Park visitation in 2009 is likely due to a number of factors including: re-opening of Gulf Islands National Seashore, hosting inaugural events on the Mall in Washington DC, the strong Euro exchange rate that likely increased the number of international visitors, promotion from the Ken Burns series on the National parks, publicity about the fee free weekends, and economic conditions which favor low cost recreational activities such as can be found in parks.

On the whole, the NPS found the increase in visitation to be beneficial for the parks and local communities. In a few high demand, peak season destination parks, increased visitation created some traffic congestion and longer visitor wait times. The NPS received a significant amount of publicity from the fee free weekends. The promotion and positive feedback from the public was very beneficial. Visitation information for the three fee free weekends was collected at a sample group of fee parks. Trends were variable with some increases at certain parks, some decreases at certain parks and some parks staying relatively static. Anecdotal information was also collected and seemed to indicate that weather, and other factors also played a role in visitation trends on those weekends. Forgone entrance fee revenue for the three fee free weekends was estimated at approximately \$4-6 million. Compared to 2008 recreation fee revenue, 2009 recreation fee revenue was fairly flat, which may be due to forgone fees during the fee free weekends offset by increased visitation throughout the year.

NPS Marketing and Outreach

SimpsonQ14. Some have suggested that the National Park Service should undertake expanded outreach and marketing efforts especially directed to Americans in urban settings and those with limited opportunities for park visitation. One idea is to create a “National Park Outreach and Promotion Program” funded through either the Park Service collecting a percentage of the sales of the America the Beautiful annual pass or by utilizing a portion of the franchise fees paid by national park concessionaires.

- Is there merit to the idea of using a small percentage of these fees collected by the Park Service to support marketing and outreach programs? What are the pros and cons of such an approach?

ANSWER: The NPS is committed to increasing its ability to do outreach to those with limited opportunities to visit parks. The NPS is developing new policies for use of NPS Servicewide 20% recreation fee funds that would be used to provide new visitor information/outreach, interpretation, and education. These types of projects have been identified as a high priority by the NPS Director.

The NPS believes the use of visitor fee funds for education, outreach, and visitor orientation is appropriate and compliant with the Federal Recreation Enhancement Act. The NPS is best suited to

determine strategic ways to educate the public and enhance the visitor experience because of our high level of contact with the public. On the other hand, using recreation fees for advertisement and external promotional campaigns may be controversial with certain fee critics. The NPS will be strategic in its use of fee funds for appropriate outreach and educational activities and may engage concessioners in this endeavor.

The marketing and promotion of concession activities should be funded through concessioner gross receipts as part of a normal business expense. Franchise fees paid by concessioners are based on standard industry operating expenses – including marketing expenses – and should not be funded from taxpayer dollars.

Future Infrastructure Needs of the NPS

SimpsonQ15. Secondly, visitors to our parks today benefit from grand, enduring historic structures, many of them predating the creation of the National Park Service in 1916. It has been suggested that one of the opportunities associated with the upcoming 100th anniversary of the Park Service should be a limited number of new structures that will serve park visitors well into the next century. While construction budgets are constrained, there is room for some innovative thinking here, the type of thinking that has led to the restoration of Fort Baker and the Lodge at the Golden Gate National Recreational Area.

- Has the Park Service undertaken any planning relating to additional visitor service infrastructure and other capital investment needs in the next century?

ANSWER: The NPS has developed a comprehensive five year Deferred Maintenance and Capital Improvement Plan that identifies projects of the greatest need in priority order based on the Department's guidance on deferred maintenance and capital improvement plans, with special focus on critical health and safety, critical resource protection, energy and building sustainability, critical mission and code compliance. All projects directly or indirectly benefit visitors.

Historic Preservation Grants

SimpsonQ16.1. The FY2011 budget proposes to terminate funding for the Save America's Treasures (SAT) Program as well as Preserve America Grants because of a lack of performance metrics and evaluation efforts. In 2010, Congress appropriated \$79.5 million for the Historic Preservation Fund, which is being cut by \$25 million in the budget request. Congress appropriated \$25 million for Save America's Treasures, which is being terminated in the budget request. Congress appropriated \$4.6 million for Preserve America, which is being terminated in the budget request. And, Congress appropriated \$18 million for National Heritage Areas, which the budget request cuts by one-half.

- How was the decision made, and by whom, to target these specific programs for these specific cuts and terminations?

ANSWER: The National Park Service is charged with ensuring that all parks and programs request adequate funding to meet their needs, but must do so within the context of the available budgetary

resources. Accordingly, identification and evaluation of needs, as well as priority setting, are critical parts of the budget process. The proposed reductions were made, in all cases, to allow the NPS to focus on those activities that most closely align with its core mission, such as park operations.

SimpsonQ16.2. I have heard that the Administration's objection to Preserve America and Save America's Treasures is that they lack evaluation measures. Whose responsibility is it to perform these evaluation functions? Could these programs be deserving of funding with additional performance standards put in place?

ANSWER: The NPS collects programmatic and financial performance data from every Save America's Treasures and Preserve America grant recipient on a semiannual basis. Additionally, detailed programmatic and financial performance data is collected at the conclusion of each grant project. The data generated from these reports is not currently captured by existing NPS performance measures. An independent evaluation of program performance and appropriate metrics would allow NPS to more effectively assess these programs.

Questions for the Record from Rep. Price**Blue Ridge Parkway**

The Blue Ridge Parkway is the most visited unit of the National Park system with between 15 and 20 million visitors per year. Unfortunately, the Parkway's aging infrastructure is not adequate to meet the needs of its many visitors, and the natural and scenic integrity of the Parkway are threatened by development.

PriceQ1. (LWCF). *Does the Park Service have a plan that identifies parcels of land whose acquisition would help maintain the views that make the Parkway its most popular visitor attraction?*

ANSWER: The Blue Ridge Parkway Land Protection Plan recommends acquiring interests in land for the purpose of eliminating or controlling hazardous at-grade crossings or accesses, providing for visitor use and/or adjustment of ownership lines to make boundaries easier to identify and manage, and the protection of scenic vistas.

As willing sellers offer eligible land, each park makes land acquisition recommendations which compete for funding at the regional and national levels. The prioritization of NPS land acquisition needs is updated annually.

PriceQ2. There is currently a \$200 million maintenance backlog for the Parkway. *What are the agency's long-term plans for addressing the infrastructure needs of its most visited park? Does the Park Service have a revitalization plan for the Parkway that prioritizes these needs and assesses their cost?*

ANSWER: The Parkway maintains a Park Asset Management Plan, which is used to prioritize maintenance projects needs of the park. While some deferred maintenance projects are funded through the Park's base budget, the park's highest prioritized major deferred maintenance projects compete for Servicewide funds at the regional and national levels and are addressed as funds become available.

Annual condition assessments of Parkway facilities such as campgrounds, picnic areas, visitor centers, trails, utility systems, historic structures, and other non-road facilities indicate there are currently approximately \$59 million in deferred maintenance projects. Deferred maintenance projects are addressed through NPS operational funding. In addition, there are deferred maintenance projects totaling \$124 million for repairs to roads, tunnels, and bridges, which are addressed through available funds from the Federal Lands Highway program.

Cape Hatteras National Seashore

PriceQ3. The Cape Hatteras National Seashore (CAHA) is currently being managed under a court-approved consent decree as the agency works to develop a long-term ORV management plan and special regulations.

How would the draft EIS for a long-term ORV management plan *improve public access to the Seashore?*

ANSWER: The draft ORV management plan/EIS, which was currently out for public comment through May 11, 2010, identifies and evaluates alternatives not only for managing ORV use and providing a variety of pedestrian and ORV access opportunities, but also for protecting park resources. The alternatives in the draft EIS consider options for infrastructure improvements, including increasing the number of pedestrian and ORV access points and parking outside of the identified species management areas, and providing interdunal ORV routes in some locations to provide access around expected resource closures.

PriceQ4. Has the NPS considered making enhancements to the existing CAHA infrastructure to increase public access points, including adding parking lots and other public facilities and increasing the number of beach access ramps available for pedestrians and persons with disabilities? Does the CAHA staff have sufficient resources and funding to study and implement such a plan?

ANSWER: In the draft ORV management plan/EIS, the NPS has considered alternatives for infrastructure improvements, including increasing the number of pedestrian and ORV access points, parking, wheelchair accessible boardwalks, and interdunal ORV routes. While we are currently in a pre-decisional phase of the process, it appears that the Seashore will have sufficient funding for staff to implement the ORV management and resource protection provisions proposed in the plan. However, the Seashore will ultimately compete for Servicewide project funding within the line-item construction or the repair and rehabilitation programs to implement any major proposed infrastructure improvements.

WEDNESDAY, MARCH 17, 2010.

HEARING ON FY 2011 BUDGET FOR THE FISH AND WILDLIFE SERVICE: SUSTAINABLE CONSERVATION; SPECIES, PARTNERSHIPS, AND SCIENCE

WITNESSES

TOM STRICKLAND, ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS

ROWAN GOULD, ACTING DIRECTOR, FISH AND WILDLIFE SERVICE

CHRIS NOLIN, BUDGET OFFICER

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. We want to welcome you, Mr. Assistant Secretary, and Rowan Gould, who is the Acting Director of the Fish and Wildlife Service. We appreciate you taking the time today, and Ms. Nolin, thank you.

On behalf of this subcommittee we want to once again express our condolences to Mr. Hamilton's family and colleagues, whose passing is a true loss to all of us because he represented the best of our civil servants. I understand that he got his start building fences on wildlife refuges during the summers and transformed his love of the outdoors into an outstanding career.

As we consider the proposed fiscal year 2011 budget for the Fish and Wildlife Service, we are aware that it represents a transformation really, led largely by Mr. Hamilton, to look beyond a particular project, place, or species and consider how ecological systems work to sustain themselves. The Fish and Wildlife Service is steward to over 551 units in the National Wildlife Refuge System, consists of approximately 150 million acres, including 53 million acres for marine national monuments, 14 of those refuges are in the Commonwealth of Virginia. I am sure a lot more are in Idaho and Oklahoma, places like that, but we like ours very much. Ohio, too. No question about that.

They all support resource conservation by providing species protection and recreational opportunities for the surrounding communities. According to the outdoor Industry Foundation, outdoor recreation activities contribute \$730 billion annually to the U.S. economy, supports 6.5 million jobs across the country, generates almost \$50 billion in annual national tax revenue, and produce \$290 billion annually in retail sales and services across the country.

In addition to managing the National Refuge System, the Service is also responsible for implementing the Endangered Species Act, which is terribly important and should be to all of us. The service does this either by working with partners to keep species off the threatened or endangered list, or working to recover species that are on the federal threatened or endangered list.

As a Nation we have over 1,320 endangered or threatened species, and we have been able to recover such icons as the bald eagle and the peregrine falcon. I can see a bald eagle each morning now nesting above the Potomac River. It is a wonderful sight, not so much when they are sitting there on the branch, but when they take off, what a majestic sight. It is understandable why we have chosen them as our national emblem.

As we look to the future, our management and stewardship of these species and resources becomes even more critical, and that is particularly the case in light of the very real threat of climate change. As John Muir said, you have heard of John Muir, Mr. Simpson.

Mr. SIMPSON. This is a Zen moment?

Mr. MORAN. It is so I want you to prepare.

Mr. SIMPSON. Okay.

Mr. MORAN. When we tug at a single thing in nature, we find it attached to the whole rest of the world, and that is the point that we want to make that, you know, it is all interconnected, and that is the importance of the Fish and Wildlife Service to the quality of life of everyone.

So we are interested in hearing how you will continue to support your mission and transition to the landscape scale when you are proposing a \$4.6 million decrease in the Fish and Wildlife Service's budget and absorbing over \$14 million in fixed costs.

We also have concerns about the \$4 million in proposed cuts for operations of the National Wildlife Refuges. As you know, this subcommittee has worked hard over the past several years to help the refuges receive adequate funding for their operations.

And finally, it cannot go without mentioning that the \$20 million proposed increase for land acquisitions should be an issue subject to discussion with this committee. It is a large increase. When you are asking your agency to absorb \$14 million in fixed costs and decrease your refuge operations and other important programs, we obviously will be interested in understanding your explanation for why you chose to do that.

Mr. MORAN. And at this point I know we would like to hear from Mr. Simpson.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Chairman. Good afternoon, Assistant Secretary Strickland and Deputy Director Gould.

In all sincerity I wish we were meeting here today under different circumstances. I, too, like many of you, were deeply saddened by the loss of the late Fish and Wildlife Director, Sam Hamilton. I only knew him for a brief time, but I came to know him as an honest man and a man of his word.

As you well know, Mr. Hamilton was at the helm of an agency going through a major organizational change. The Fish and Wildlife Service is trying to move towards a landscape-level approach to conservation. I am not entirely sure what that means or how that will work with the constraints of the Endangered Species Act, but if it enables the agency, together with the states, to move more quickly to de-list species and to more effectively prevent listings, then you will have my full support.

I am looking forward to this discussion today and coming out with a better understanding of where the Service is headed with this Landscape Conservation Cooperative, how the Service's existing programs tie into this effort, and how this effort compares and contrasts to existing regional collaborative scientific efforts led by other Interior bureaus.

This Nation has a long history of fish and wildlife conservation, which has long been led by hunters and anglers, including the late President Theodore Roosevelt, who said rather wisely and succinctly, I have to put quotes in now because if there Chairman is going to throw in quotes, I have to put in quotes, too. So as Theodore Roosevelt once said, "There can be no greater issue than that of conservation in this country."

Mr. MORAN. Excellent.

Mr. SIMPSON. Thank you.

Mr. MORAN. Profound.

Mr. SIMPSON. My own father, himself a hunter and an angler, instilled conservation ethics in me at a very young age. It is my privilege to be able to sit here today with you who represent so many that share this same ethic.

Again, thank you for being with us today, and I look forward to your testimony and working with you on the Fish and Wildlife budget.

Mr. MORAN. Thank you very much, Mr. Simpson, and Mr. Strickland, would you care to proceed with your statement?

TESTIMONY OF TOM STRICKLAND

Mr. STRICKLAND. Thank you, Mr. Chairman and members of the subcommittee and staff and guests in the audience. It is an honor to be here today to introduce the 2011 budget request for the U.S. Fish and Wildlife Service and to assist our Acting Director Rowan Gould and other members of the Fish and Wildlife team to answer your questions.

As you know I am also the Secretary of Interior's Chief of Staff. In that role I see the breadth of the influence of this subcommittee, and I want to share my appreciation for your support. In my role as the Assistant Secretary for Fish and Wildlife and Parks, I have a special appreciation for your leadership in these areas and with these bureaus. Your support is helping us to build a strong foundation in these agencies to tackle climate change impacts, conserve our treasured landscapes, support energy development, and engage America's youth in natural resources programs. I look forward to working closely with you to continue to advance these priorities.

The mission of the Department of Interior is as simple as it is profound, and each of you in your statements alluded to those points. We protect America's natural resources and cultural heritage. The Fish and Wildlife Service has a very big part of that mission; conserving, protecting, and enhancing fish, wildlife, plants, and their habitats for the continuing benefit of the American people.

Through extensive partnerships across the Nation, the Service protects and conserves migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fish, and we administer the National Wildlife Refuge System.

We have almost 9,000 employees who are a dedicated cadre of professionals that face enormous challenges. Challenges they confront every day to protect fish and wildlife, adaptively manage in the face of climate change, support accelerated energy development, and restore our treasured landscapes.

SAGE-GROUSE

Recently we announced our decision for protection of the greater sage-grouse. As with every decision, the Service utilized extensive scientific and commercial information to ensure that its decision was based on the best possible information.

SAM HAMILTON

Most recently, the Service, and its employees, were faced with perhaps the biggest challenge in recent memory, and you each alluded to it, and I thank you very much for your acknowledgement of the loss of our Director, Sam Hamilton. Sam was a visionary and a professional whose years in the Service and passionate dedication to his work have left an indelible mark on these lands and wildlife that we cherish. His forward-thinking approach to conservation, including his view that we must think beyond boundaries and think in the landscape scale. Congressman, we look forward to responding a little bit more to your desire for fleshing that idea out—will continue to shape our Nation's stewardship for years to come. He was a remarkable leader, and he was a compassionate, wise, and very optimistic man.

When he became the Director of the Fish and Wildlife Service on September 1 of last year, he brought over 30 years of experience with the Service, beginning when he was a 15 year old, Mr. Chairman, as you acknowledged, working as a Youth Conservation Corps member in the Noxubee National Wildlife Refuge in Mississippi. In fact, I think it was Senator Cochran who introduced him at his confirmation hearing.

Throughout his career, Sam exhibited outstanding leadership and fostered creative and innovative solutions to the challenges facing wildlife conservation. In the southeast region, which he ran for 12 years, he supported efforts leading to the establishment of a carbon sequestration program that has helped biologists restore roughly 80,000 acres of wildlife habitat. He had great emphasis on partnerships with other landowners and State and local and private entities.

He has bolstered our Fisheries Program, and he helped establish the Southeast Aquatic Resources Partnership that restored vital aquatic habitats around the country.

We recognize, and we honor Sam. We are going to actually have a service at the Department on April the 9th, with his family, to continue to pay our respects to him. He played a key role in the recovery after Hurricanes Rita and Katrina, which had devastating impacts to our natural resources and certainly our human resources down in the southeast.

2011 BUDGET OVERVIEW

Let me turn to an overview of our 2011 budget. The 2011 budget for the Department reflects the challenges of our constrained economic times. The overall budget request for current appropriations is essentially level with the 2010 enacted level. We recognize the significant increase that the Congress provided to us in 2010, and we sustain most of that in this 2011 proposed budget.

The proposed budget for 2011 is \$1.6 billion, which is \$4.6 million below 2010. It is 194 million, however, above the 2009 enacted level. The tough choices we made across the Department are reflected in our own reductions in the Fish and Wildlife Service budget. Department-wide we identified reductions of \$750 million that enable us to direct funding to maintain progress on a set of key priorities for a new energy frontier, climate change adaptation, treasured landscapes, WaterSMART, which is our water sustainability initiative, youth in natural resources, and empowering tribal nations.

These cuts include \$82 million in management efficiencies, Department-wide again, such as reduced travel, and \$620 million in program reductions and \$54 million in Congressional earmarks.

The funding increases for these initiatives in the 2011 budget will allow the Service to do the following things: to be able to confront the realities of climate change; continue to implement an integrated strategy for climate change adaptation; and develop a 21st century conservation agenda that protects treasured landscapes, including funding for Land and Water Conservation Fund programs, and investments in major ecosystem restoration projects throughout the country, including but not limited to the Chesapeake Bay, California's Bay-Delta, the Gulf Coast of Louisiana and Mississippi, and the Everglades.

It also allows us to support the New Energy Frontier strategy that creates jobs and reduces the Nation's dependence on foreign oil and reduces environmental impacts.

Finally, we will engage America's youth in natural resources commitment.

CLIMATE CHANGE ADAPTION

In the area of climate change adaptation, I will just say a few words. The Service's contributions to these initiatives and their importance to ensure success cannot be overstated. The Service created the Landscape Conservation Cooperative (LCC) approach that is now one of the organizing principles for the Department's Climate Change Program. The Service has moved out quickly to establish LCCs and will have nine created this fiscal year. They are working collaboratively with the other Interior bureaus, other departments, States, Tribes, and partners based on a well-thought-out and comprehensive strategy.

Just for a second, I might add Sam Hamilton was very involved in this, along with Dan Ash and other leaders, but it literally is the work of the Fish and Wildlife Service over the last few years that has been the organizing effort to bring a coordinated approach to the entire Department of Interior as we look out and approach climate change. A year ago at this hearing we would not have been

able to say that. We did not have our people in place, and we did not have this coordinated strategy. Today, as we sit here, we can say with great confidence that we are all on the same page, all five bureaus at the Department of Interior.

This subcommittee supported a robust 2010 budget for the Service's Climate Change Program, and we are moving swiftly to execute the program in a way that honors your request that we be strategic.

I would like to assure the subcommittee that we are responding to your request to develop a National Fish and Wildlife Adaptation Strategy. We recently provided a timeline to the subcommittee on this project.

NEW ENERGY FRONTIER

In the area of the New Energy Frontier, I would like to say that as the stewards of the Nation's natural and cultural resources, we are mindful of your concerns that we ensure careful consideration of the potential impacts of energy development. The 2011 budget includes increased resources to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of renewable energy projects.

The Service does not bear the responsibility for the protection of resources on its own, however, as the other bureaus are also committed to the protection of our treasured landscapes.

I grew up hunting and fishing, like many of you around the table, with my father and my family, and I bring the perspective of a sportsman to this job. Our system of wildlife refuges spans all 50 states, and they play an invaluable role in preserving and protecting countless species. Yet these vital lands face enormous pressures from population growth and climate change. We must develop a strategic plan to ensure that these challenges are addressed so that we have a vibrant 21st century Wildlife Refuge System.

The 2011 budget proposes \$106.3 million, that is an increase of \$20 million, for additions to 44 refuges and wildlife management areas. These additions will protect endangered species, migratory birds, and plants while providing increased areas for wildlife viewing and other recreational pursuits. Mr. Chairman, I will be happy to speak to you about the strategic goals there as compared to other needs and will look forward to your questions in that area.

ECOSYSTEMS

The budget also includes increases targeted to key ecosystems for restoration and renewal. I mentioned those a moment ago; the Everglades, California's Bay-Delta, the Gulf Coast of Louisiana and Mississippi, and the Chesapeake Bay. We will talk about these a little further during Mr. Gould's testimony.

NORTH AMERICAN WETLANDS CONSERVATION FUND

The budget also continues important programs that complement these efforts. The North American Wetlands Conservation Fund budget request is \$42.7 million. It is a reduction of \$5 million from the 2010 level. This program leverages Federal funding by more

than one to one and funds partnerships with others to protect wetlands and waterfowl habitat.

YOUTH IN NATURAL RESOURCES

Our Youth in Natural Resources funding is one of the bright spots in the 2011 budget, and this is a program that reaches young people from all backgrounds. The Service's budget includes an additional \$2 million for youth employment programs at National Wildlife Refuges and \$1 million to partner with the National Fish and Wildlife Foundation in public-private partnerships to engage youth through conservation projects on public and private lands.

NATIONAL FISH AND WILDLIFE FOUNDATION

I just want to take a moment to say that we have a great partnership with the National Fish and Wildlife Foundation, not only on this youth program but on a whole range of things, and we want to point out what a great partner they are, and of course, their connection to this committee is well known to you.

YOUTH IN NATURAL RESOURCES

In 2010, the Service will increase youth employment by 50 percent and by an additional 25 percent in 2011. You can tell that that is a big priority for us.

In summary let me say, again, thank you for the opportunity to testify on behalf of the President's 2011 budget request for the Fish and Wildlife Service. I want to reiterate my appreciation for the longstanding support of this subcommittee and to say that I look forward to working with you throughout the 2011 budget process. We have a tremendous opportunity to improve the future for our children and grandchildren by developing wise investments in clean energy, managing the impacts of climate impacts, conserving treasured landscapes, and engaging our youth in natural resources.

This concludes my written statement. I am happy to answer questions you may have. I know Mr. Gould has some prepared remarks as well.

[The statement of Tom Strickland follows:]

**STATEMENT OF TOM STRICKLAND, ASSISTANT SECRETARY
FOR FISH, WILDLIFE AND PARKS
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES
ON THE 2011 PRESIDENT'S BUDGET REQUEST
March 17, 2010**

Mr. Chairman and members of the Subcommittee, I am pleased to be here today to introduce the 2011 budget request for the U.S. Fish and Wildlife Service and assist Rowan Gould and other members of the Fish and Wildlife team to answer your questions. As you know I am also Secretary Salazar's Chief of Staff. In that role I see the breadth of the influence of this Subcommittee and I want to share my appreciation for your support. In my role as the Assistant Secretary that works with the Fish and Wildlife Service and the National Park Service, I also have an appreciation for your leadership in park and fish and wildlife issues. Your support is helping us to build a strong foundation in these agencies to tackle climate change impacts, conserve our treasured landscapes, support energy development, and engage America's youth in natural resource programs. I look forward to working closely with you to continue to advance these priorities.

Introduction

The mission of the Department of the Interior is as simple as it is profound: we protect America's natural resources and cultural heritage. The Fish and Wildlife Service has a very big part of that mission -- conserving, protecting, and enhancing fish, wildlife, plants, and their habitats for the continuing benefit of the American people. Through extensive partnerships across the Nation, the Service protects and conserves migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fish, and administers the National Wildlife Refuge System.

The Service's 9,000 employees are a dedicated cadre of professionals that face enormous challenges. Challenges they confront every day to protect fish and wildlife, adaptively manage in the face of climate change, support accelerated energy development, and restore our treasured landscapes. Last week we announced our decision on the conservation status of the greater sage-grouse. As with every decision, the Service utilized extensive scientific and commercial information to ensure that its decision was based on the best possible, current information.

Most recently, the Service's employees were faced with perhaps their biggest challenge-- the loss of their Director, Sam Hamilton. Sam was a visionary and a professional whose years in the Service and passionate dedication to his work have left an indelible mark on the lands and wildlife we cherish. His forward-thinking approach to conservation, including his view that we must think beyond boundaries at the landscape-scale, will continue to shape our nation's stewardship for years to come. He was a remarkable leader and a compassionate, wise, and eternally optimistic man.

When Sam became the Director of the Fish and Wildlife Service on September 1, 2009, he brought over 30 years of experience with the Service, beginning when he was 15 years old working as a Youth Conservation Corps member on the Noxubee National Wildlife Refuge in Mississippi. Throughout his career, Sam exhibited outstanding leadership and fostered creative and innovative solutions to the

challenges facing wildlife conservation. In the Southeast Region, he supported efforts leading to the establishment of a carbon sequestration program that has helped biologists to restore roughly 80,000 acres of wildlife habitat. His emphasis on partnership activities bolstered the Service's fisheries program and helped establish the Southeast Aquatic Resources Partnership to restore vital aquatic habitats across the region.

Sam provided key leadership and oversight to restoration work in the Everglades and oversaw the extensive recovery and restoration efforts following Hurricanes Katrina and Rita, which devastated coastal wetlands, wildlife refuges, and other wildlife habitat areas along the Gulf of Mexico.

Sam believed that the sustainability of the nation's fish and wildlife resources require our cooperative efforts and he worked tirelessly toward building collaborative partnerships for conservation of resources for this and future generations. We will miss Sam.

Overview of the 2011 Budget

The 2011 budget for the Department reflects the challenges of our constrained economic situation. The overall budget request for current appropriations is essentially level with the 2010 enacted level. We recognize the significant increase that the Congress provided in 2010 that we sustain in this budget. The 2011 budget for the Service is \$1.6 billion, \$4.6 million below 2010. This is \$194 million above the 2009 enacted level.

The tough choices we made across the Department are reflected in the Fish and Wildlife Service's budget. Department-wide we identified reductions of \$750 million that enabled us to direct funding to maintain progress on a set of key priorities for a new energy frontier, climate change adaptation, treasured landscapes, WaterSMART - our water sustainability initiative, youth in natural resources, and empowering tribal nations.

Funding increases for these initiatives in the 2011 budget will allow the Service to:

- Confront the realities of climate change and continue to implement an integrated strategy for **Climate Change Adaptation**;
- Develop a 21st Century conservation agenda that protects **Treasured Landscapes, including funding for Land and Water Conservation Fund** programs and investments in major ecosystem restoration projects in the Chesapeake Bay, California's Bay Delta, the Gulf Coast of Louisiana and Mississippi, and the Everglades;
- Support the **New Energy Frontier** strategy that creates jobs, reduces the Nation's dependence on foreign oil, and reduces environmental impacts; and
- Engage America's **Youth in Natural Resources**.

The Service's contributions to these initiatives and their importance to ensure success cannot be overstated.

Climate Change Adaptation

The Service created the Landscape Conservation Cooperative approach that is now one of the organizing principles for the Department's climate change program. The Service has moved out quickly to establish LCC's and will have nine created this fiscal year. They are working collaboratively with the other Interior bureaus, other Departments, States, Tribes, and partners based on a well thought out and comprehensive strategy.

This Subcommittee supported a robust 2010 budget for the Service's Climate Change program and we are moving swiftly to execute the program in a way that honors your request that we be strategic, efficient and avoid duplication. I would like to assure the Subcommittee that we responding to your request to develop a National Fish and Wildlife Adaptation Strategy.

New Energy Frontier

As the stewards of the Nation's natural and cultural resources, we are also mindful of your concerns that we ensure careful consideration of potential impacts of energy development. The 2011 budget includes an increase of \$4 million to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of renewable energy projects. The Service is contributing to this effort to protect our Nation's resources along with other bureaus and agencies.

Treasured Landscapes

I grew up hunting and fishing with my father and brother and bring the perspective of a sportsman to this job. Our system of wildlife refuges span all 50 states and play an invaluable role in preserving and protecting countless species. Yet these vital lands face enormous pressures from population growth and climate change. We must develop a long-term strategy to assure that these challenges are addressed so that we have a vibrant 21st century wildlife refuge system.

The 2011 budget proposes \$106.3 million, an increase of \$20.0 million, for Federal land acquisition at 44 refuges and wildlife management areas funded out of the Land and Water Conservation Fund. These additions will protect endangered species, migratory birds, and plants while providing increased areas for wildlife viewing and other recreational pursuits.

The budget also includes increases targeted to key ecosystems for restoration and renewal—the Everglades, California's Bay-Delta ecosystem, the Gulf Coast of Louisiana and Mississippi, and the Chesapeake Bay. These increases will be discussed further during Mr. Gould's testimony.

The budget also continues important programs that complement these efforts. The North American Wetlands Conservation Fund budget request is \$42.7 million, matching the 2009 enacted level but a slight reduction of \$5.0 million from the 2010 level. This program leverages Federal funding by more than one-to-one and funds partnerships with others to protect wetlands and waterfowl habitat

Youth in Natural Resources

A bright spot in the 2011 budget is our Youth in Natural Resources initiative, which will reach young

people from all backgrounds. The Service's budget includes an additional \$2.0 million for youth employment programs at national wildlife refuges and \$1.0 million to partner with the National Fish and Wildlife Foundation in public-private partnerships to engage youth through conservation projects on public and private lands. Emphasis will be on getting youths from urban and minority communities. In 2010 the Service will increase youth employment by 50 percent and by an additional 25 percent in 2011.

Conclusion

Thank you for the opportunity to testify on behalf of the President's 2011 budget request for the Fish and Wildlife Service. I want to reiterate my appreciation for the long-standing support of this Subcommittee and to say I look forward to working with you throughout the 2011 budget process. We have a tremendous opportunity to improve the future for our children and grandchildren with developing wise investments in clean energy, managing the impacts of climate impacts, conserving treasured landscapes, and engaging our youth in natural resources. This concludes my written statement. I am happy to answer any questions that you may have.

Thomas L. Strickland

Thomas Strickland was confirmed Assistant Secretary for Fish and Wildlife and Parks on April 30, 2009. President Obama nominated him for the position on March 12, 2009. In this capacity he will oversee and coordinate policy decisions for the National Park Service and U.S. Fish and Wildlife Service. In addition he will serve concurrently as chief of staff to Secretary of the Interior Ken Salazar.

Before joining Interior, Strickland was executive vice president and chief legal officer of UnitedHealth Group from May 2007. Before that he was a partner of the Hogan & Hartson law firm, serving as Managing Partner for the firm's Colorado offices. He was also a member of Hogan & Hartson's executive committee. At Hogan & Hartson, Strickland represented clients on a wide range of litigation, business and regulatory matters.

Before joining Hogan & Hartson, Strickland served as United States Attorney for the District of Colorado from 1999 through 2001. Prior to his appointment as the top Justice Department official for Colorado, he spent 15 years with another law firm where he was a senior partner in charge of the regulatory, administrative, and public law practice. In 1996 and 2002, he was the Democratic nominee for the United States Senate in Colorado.

From 1982 to 1984 he served as the chief policy advisor for Colorado Governor Richard D. Lamm, advising the governor on all policy and intergovernmental issues, and from 1985 to 1989, he served on, and chaired, the Colorado Transportation Commission. Strickland also served as legal counsel to the Denver Metro Chamber of Commerce and was a founder and board member of Great Outdoors Colorado, the lottery-funded program which has invested over \$600 million into parks, wildlife and open space programs in Colorado.

Strickland received his bachelor's in English literature, with honors, from Louisiana State University, where he was an All-SEC Academic Football Selection. He received his J.D., with honors, from the University of Texas School of Law. He is a member of the Colorado, Minnesota and Texas Bars.

Mr. MORAN. Thanks very much, Mr. Strickland, and maybe Mr. Gould, I see that your statement, although it is not on both pages, it appears to be at least as long or perhaps more than Mr. Strickland's. We might want to summarize it a bit and then get into the questions if it is okay with you.

Mr. GOULD. I would be happy to do that, Mr. Chairman.

Mr. MORAN. Thank you.

Mr. GOULD. By the way, congratulations on your becoming Chair of this Subcommittee.

Mr. MORAN. Thank you, sir.

TESTIMONY OF ROWAN GOULD

Mr. GOULD. We have worked with you in the past and look forward to continue to work with you in the future, and I would also like to thank Mr. Simpson. It is always a pleasure to be working with you. You have supported us in the past, and this committee has been hugely helpful. The Fish and Wildlife Service wants to thank you for that.

I will summarize my remarks considerably. The President's fiscal year 2011 budget request for \$1.6 billion for the U.S. Fish and Wildlife Service will focus funding on the agency's highest priority conservation initiatives, while containing costs to address government fiscal realities.

Among our top investments are increases of \$18.8 million for climate change adaptation, an additional \$16.2 million for ecosystem restoration and \$20 million for federal land acquisition. The budget focuses on key ecosystems threatened by pollution, water shortages, and habitat disruptions through our treasured landscapes initiatives. It also includes an additional \$3 million as Tom indicated in Youth in Natural Resources.

CLIMATE CHANGE

As previously indicated, the Fish and Wildlife's 2011 budget provides for an increase of \$18.8 million for climate change, and that is one area where I specifically want to address my remarks. The budget will build on the new Landscape Conservation Cooperatives, LCCs, which are partner-based, centers for biological planning and shared science. Notice I did not say shared management. It is planning and shared science. By the end of fiscal year 2010, nine LCCs will be established as indicated, and fiscal year 2011, three additional LCCs will be established with \$3.8 million of the requested increase for climate change planning.

That is our expected amount. Because of the active involvement of other agencies in the Department of Interior, we may even move forward faster in establishing these LCCs. The Secretary has shown great support for the concept, and other agencies are really working with us to help convene some of these LCCs along with other government agencies including State agencies. It has been a great success so far. We are in this development phase, but we are showing a lot of success.

To press these scientific needs we are adding upon the funds that were provided to us in 2011. We are adding an additional \$5 million to provide funding for climate models, species and habitat as-

assessments, and other information needed to make required management decisions by the various partners that are part of the steering committees of these LCCs.

The budget also provides \$8 million for continued development of our Refuge System Climate Science Inventory and Monitoring Effort, as well as \$2 million for conservation measures on private lands through the Partners for Fish and Wildlife Program. The availability of additional scientific information and better decision support tools make the Service and its partners more effective in delivering conservation on the ground by identifying high-priority areas for conservation, as well as tailoring actions collaboratively to achieve population objectives.

Similarly, additional science capacity will expand our ability to monitor and evaluate our collective successes in sustaining fish and wildlife in the face of climate change. These monitoring efforts are not just with the Fish and Wildlife Service and other DOI agencies, but with the Forest Service, and other partners that will bring together a monitoring system that will allow us to look at our successes over a large landscape level. The whole LCC concept is seamless in this geographic scope and will allow everybody to coordinate and cooperate without, at the same time, infringing upon folks' management authorities and responsibilities.

TREASURED LANDSCAPES

Tom indicated that we have \$16.2 million for treasured landscapes. He indicated I was going to go into some more detail, but in the interest of brevity, I will forego that.

YOUTH IN NATURAL RESOURCES

When we talk about funding for jobs in natural resources for youth, \$2 million of that is going to our National Wildlife Refuge System, and that is for our YCC Programs and other youth employment activities. An additional \$1 million is going to go to the National Fish and Wildlife Foundation, an incredible partner of the Fish and Wildlife Service. They are actually going to leverage that \$1 million with private contributions and implement a competitive grant program to develop new and existing conservation job initiatives. So we thank them for that.

The 2011 budget for the refuge systems is roughly \$500 million, a net decrease of \$3.3 million. This includes an increase of \$8 million for the Climate Change Inventory and Monitoring Program, the improved information that we will develop from our inventory and monitoring program, as well as the biological planning support from LCCs will provide us with much better information to enhance Service decisions in the refuge system and elsewhere throughout the Service.

ENDANGERED SPECIES

In endangered species, the budget includes a total of \$181.3 million, which is an increase of \$2 million from the 2010 level. The budget includes funding to support the Department's New Energy Frontier Initiative, providing consultations on renewable energy

projects. The budget also provides additional funding for high-priority species recovery activities.

Additionally, there is an increase in recovery to fund projects for species on the brink of extinction or within reach of recovery. The Cooperative Endangered Species Conservation Fund, very important to the states, is funded at \$85 million, matching the fiscal year 2010 enacted level.

AMERICAN RECOVERY AND REINVESTMENT ACT

The Service was fortunate to be able to help with our Nation's financial recovery through the American Recovery and Reinvestment Act. The act provided the Service with \$115 million for 733 construction projects, roughly three times the size of the Service's average annual construction budget. In 2011, the Service will be completing many of the ARRA-funded projects, and therefore, the budget proposes a smaller-than-average construction program to be funded with annual appropriations. The 2011 Construction Request of 23.7 million will fund the highest-priority projects not funded through Recovery Act funding.

The budget proposes to increase land acquisition by \$20 million to a total of \$106.3 million. The fiscal year 2011 project list includes several large landscape-scale projects, several examples of these projects would provide us with increased acreage into the system that is consistent with the types of decisions we are making in these Landscape Conservation Cooperatives.

The Service will also purchase additional acreage in many of the areas that you guys are interested in, locally, Virginia, Idaho, so on and so forth. So hopefully that budget will be successful for all of you.

I thank you for the opportunity to testify this afternoon, and I look forward to answering any questions as well as working with you through the appropriations process, and I think I cut it in half.

[The statement of Rowan Gould follows:]

STATEMENT FOR THE RECORD

**ROWAN GOULD
ACTING DIRECTOR
U.S. FISH AND WILDLIFE SERVICE**

**HOUSE APPROPRIATIONS SUBCOMMITTEE ON
INTERIOR, ENVIRONMENT AND RELATED AGENCIES**

March 17, 2010

The U.S. Fish and Wildlife Service (Service) would like to thank Mr. Moran, Mr. Simpson and the committee for their support of our mission and the Service's budget during the 2010 appropriations process.

The President's FY 2011 budget request of \$1.6 billion for the U.S. Fish and Wildlife Service will focus funding on the agency's highest priority conservation initiatives, while containing costs to address government fiscal realities. Among our top strategic investments are increases of \$18.8 million for Climate Change Adaptation, an additional \$16.2 million for ecosystem restoration including \$400,000 redirected from base program work, \$20.0 million for Federal land acquisition and \$4.0 million for work to review planned renewable energy development to ensure they do not threaten species.

The FY 2011 budget request recognizes the need to make difficult choices in challenging economic times, while providing substantial increases to address the unparalleled threat posed by climate change. The strategic investments this budget makes will allow the Service to continue our work with partners to build the capacity needed to tackle climate change and other future challenges. Our request also recognizes the need to protect significant ecosystems across the nation and to facilitate the responsible development of renewable energy resources.

The budget focuses on key ecosystems threatened by pollution, water shortages and habitat destruction through the Treasured Landscapes Initiative, and includes an

additional \$2.5 million to fund conservation jobs for youth through the Youth in Natural Resources Initiative. An additional \$1.23 billion would be made available through permanent appropriations, most of which will go directly to states for fish and wildlife restoration and conservation efforts.

To provide the maximum funding possible for priority program needs, the 2011 President's Budget Request does not include an increase for anticipated increases in fixed costs. Programs will absorb fixed cost increases in 2011. Fixed costs include government-wide employee pay; employer contributions to health benefit plans; unemployment compensation; workers compensation; and GSA and non-GSA rent. .

Climate Change Adaptation

The FY 2011 budget request provides for an increase of \$18.8 million for climate change, including \$8.8 million for Climate Change Planning and Adaptive Science Capacity. The budget will build on the new Landscape Conservation Cooperatives (LCCs), partner-based centers for biological planning and conservation design. By the end of FY 2010, nine LCCs will be established. In FY 2011, three additional LCCs will be established with \$3.8 million of the requested increase for climate change planning, thereby enabling the Service to cover more than half the country with 12 LCCs. To support pressing scientific needs, \$5.0 million dollars in additional funding is requested to provide climate models, species and habitat assessments, and other information needed to make required adaptive management decisions. The budget also provides \$8.0 million for continued development of our refuge system climate science inventory and monitoring effort, as well as \$2.0 million for conservation measures on private lands through the Partners for Fish and Wildlife program.

The availability of additional scientific information and better risk and vulnerability analyses and decision support tools will improve biological planning and conservation design. Improvements in biological planning and conservation design will,

in turn, make the Service more effective in delivering conservation on the ground by targeting the highest priority areas for conservation and tailoring actions to achieve population objectives. Similarly, additional science capacity will expand our ability to monitor and evaluate our success in sustaining fish and wildlife in the face of climate change, and will help us refine our biological plans and conservation designs.

New Energy Frontier

This initiative includes an additional \$4.0 million for consultation, conservation planning and technical assistance in project design and review of renewable energy projects. Energy development activities can have a major and direct impact on fish, wildlife, plants and their habitats, and have the potential to alter public recreational opportunities in the outdoors. The Service's ability to conduct consultations and planning activities is critical to ensuring that the Nation can expand the production of renewable energy while protecting environmental values.

Treasured Landscapes

An additional \$15.8 million and \$400,000 redirected from base program work will support ongoing restoration and conservation efforts in nationally significant ecosystems such as the Everglades, Gulf Coast, Chesapeake Bay, and the San Francisco Bay Delta. The budget also provides \$106.3 million, an increase of \$20.0 million, for land acquisition for the National Wildlife Refuge System, providing support for important ecosystems and vital wildlife habitat and lands for outdoor recreation. Additional funding requests include:

- \$1.8 million requested for Everglades to support landscape-scale conservation and restoration projects in the Florida Everglades.
- \$5.0 million requested for Chesapeake Bay to support implementation of Executive Order 13508 to protect and restore the Chesapeake Bay. The Executive Order calls for Federal leadership "...to protect and restore the health, heritage, natural resources, and social and economic value of the Nation's largest estuarine

ecosystem and the natural sustainability of its watershed.” In addition, the Service plans to redirect \$400,000 from base program work toward Chesapeake Bay restoration.

- \$4.0 million requested for the California Bay Delta will support a variety of actions and investments the Administration is undertaking to address California’s current water supply and ecological crisis. The Administration’s efforts will support and complement the recently enacted state law that addresses water supply needs within California.
- \$5.0 million requested for the Service’s Gulf Coast effort, part of a larger effort with state and Federal partners, to implement restoration projects on refuges and enable the Service to provide its expertise to multi-agency planning of projects. These projects are needed to mitigate, in part, effects of ongoing wetlands losses along the Central Gulf Coast of Louisiana and Mississippi.

Youth in Natural Resources

Funding is requested to create jobs in natural resources for America’s youth, particularly youth from underrepresented groups. The increase for this initiative includes \$2.0 million for the National Wildlife Refuge System to hire youth through programs such as the Youth Conservation Corps and \$1.0 million through the National Fish and Wildlife Foundation. The National Fish and Wildlife Foundation will leverage the \$1.0 million to attract private contributions and implement a competitive grant program to develop new or expand existing youth conservation job programs. Funds will be awarded to Refuges, Fish Hatcheries, Friends groups, Youth Conservation Corps, non-governmental organizations and others who seek to develop innovative conservation employment opportunities for youth. The primary focus of the program will be to support Refuges, Fish Hatcheries and priority species on both public and private lands.

With the changing cultural focus and demographics of America, increased urbanization, loss of family farms, and the expansion of indoor pursuits, America’s youth have lost touch with traditional outdoor recreational activities, and the need for natural

resource conservation. Compared to our needs for a future workforce, fewer young people are thinking of careers in natural resource conservation.

National Wildlife Refuge System

The 2011 budget for the Refuge System is roughly \$500 million, a net decrease of \$3.3 million, after adding funds for climate change and monitoring and eliminating the Challenge Cost Share program and unrequested increases provided in 2010. This is a year to focus on our highest priorities and the budget request for the Refuge System does just that. The budget represents the continuation of our commitment to help fish, wildlife, plants and their habitat adapt to a changing climate. The improved information that we will develop from our inventory and monitoring program, as well as the biological planning support from LCCs will provide us with much better information to enhance Service decisions, in the Refuge System and elsewhere through the Service.

Law Enforcement

For Law Enforcement, the budget provides \$63.3 million, a decrease of \$2.5 million from the FY 2010 enacted. The decrease reflects an emphasis on the Service's and Department's highest priorities in a tough fiscal climate. The decrease eliminates the unrequested funding provided in the 2010 budget.

Endangered Species

In Endangered Species, the budget includes a total of \$181.3 million, which is an increase of \$2.0 from the 2010 level. The budget includes funding to support the Department's New Energy Frontier initiative, providing consultations on renewable energy projects. The budget also provides additional funding for polar bear recovery and for an Attwater's prairie chicken captive breeding facility. Additionally, there is an

increase in recovery to fund projects for species on the brink of extinction or within reach of recovery. The Cooperative Endangered Species Conservation Fund is funded at \$85.0 million, level with the FY 2010 enacted level.

Habitat Conservation

For the Partners for Fish and Wildlife Program, the President's FY 2011 budget includes an increase of \$2.0 million for Climate Change for conservation actions on private lands. Our request for Conservation Planning Assistance is increased by \$2.0 million in support of the Department's New Energy Frontier Initiative, for renewable energy project planning. In addition, Habitat Conservation has an increase of \$3.3 million for treasured landscapes ecosystem projects.

Fisheries

The Fisheries and Aquatic Resources program is funded at \$142.5 million in the request. The National Fish Habitat Action plan is funded at \$5.2 million, level with the FY 2010 enacted budget. The Fish Passage program is funded at \$10.8 million, level with FY 2010 enacted budget.

Construction

The Service was fortunate to be able to help with our Nation's financial recovery through the American Recovery and Restoration Act (ARRA). The Act provided the Services with \$115 million for construction projects, roughly three times the size of the Service's average annual construction budget. In 2011, the Service will be completing many of the ARRA funded projects and, therefore, the budget proposes a smaller than average construction program to be funded with annual appropriations. The 2011 construction request of \$23.7 million will fund the highest priority projects not funded

with ARRA funds. The \$115 million in construction funding under the has enabled us to do 733 projects.

Land Acquisition

The budget proposes to increase Land Acquisition by \$20.0 million to a total of \$106.3 million. The FY 2011 project list includes several large landscape scale projects. The addition of 2,250 acres of grassland and riparian habitat to the Silvio O. Conte National Wildlife Refuge along the Connecticut River and the addition of 6,667 acres of grassland conservation easements to the Dakota Tallgrass Prairie Wildlife Management Area will benefit a multitude of species. One of the larger projects, the Rocky Mountain Front Conservation Area, adjoins land acquired by other Federal government agencies and conservation partners. The Service would use funds requested in 2011 to acquire 17,545 conservation easement acres for this Conservation Area.

This year the Secretary of the Interior asked us, along with the other Interior agencies, to develop an updated ranking process related to an integrated effort to prioritize land acquisition among Department bureaus. We first used our own prioritization processes. Then, an overlay, based on the Secretary's criteria, was applied to the bureau ranked lists. The Department-wide project types were selected to target landscape level conservation, especially river and riparian conservation and restoration and conservation of wildlife and their habitat, urban parks and open spaces, and historical and cultural preservation. The bureaus worked cooperatively to develop their final lists, in order to optimize and leverage funds for conservation.

Thank you for the opportunity to testify this morning and I look forward to working with you through the appropriations process.

Rowan W. Gould

Rowan Gould is the Fish and Wildlife Service's Acting Director. In this capacity, he oversees regional directors, ensuring agency performance and accountability, consistent application of all Service resource management policies, and is responsible for the day-to-day Service operations.

As acting Director, Gould has worked to promote the agency's mission and priorities throughout the United States and abroad by developing and strengthening partnerships with other Federal agencies and foreign governments, States, Tribes, non-governmental organizations, and the private sector. Gould ensured agency performance and accountability, customer service, and consistent application of all Service resource management policies; and was responsible for the day to day operations of the Service in implementing its field based mission.

Gould is a native of Oregon and received his B.A., M.S. and Ph.D. degrees in fish health and fish biology from Oregon State University. Gould started his Service career as a research microbiologist at the Seattle National Research Center in 1976. Over Gould's extensive career with the Service, he has served in numerous research positions including as section chief at the National Fisheries Research Center in Seattle, Washington and the Director of the National Fisheries Research and Development Laboratory, Wellsboro, Pennsylvania.

Before stepping in as acting Director, Gould was selected in September 2008 as the agency's Deputy Director. Prior to that Gould was Assistant Director – Wildlife and Sport Fish Restoration. Gould's other previous leadership positions include terms as Regional Director of the Alaska Region, Deputy Assistant Director for Fisheries in Washington, D.C., and Deputy Regional Director for the Service's Pacific Region.

Some noteworthy experiences for Gould came about when he served in Alaska. In 1989, as Assistant Regional Director for Ecological Services and Fisheries, he was responsible for coordinating the Service's activities in response to the Exxon Valdez oil spill and served as the Department of Interior's representative to the inter-governmental oil spill damage assessment management team. After that, he served as the Assistant Regional Director for Refuges and Wildlife in Alaska, where his responsibilities included the oversight of the 77-million-acre National Wildlife Refuge System and the Migratory Bird program.

Mr. MORAN. Thank you, Mr. Gould. We thank you very much.

LAND ACQUISITION AND REFUSE OPERATIONS

Mr. Strickland, you have requested \$106 million for federal land acquisition. It is an increase of \$20 million over last year's level, but you have not requested any increase for operations and maintenance. Instead you have proposed reductions in refuge operations, law enforcement. You failed to fund the full fixed costs for the Fish and Wildlife Service itself.

So the question that the committee wonders is can we really afford to add new land when funding for operations is deliberately constrained. You have a maintenance backlog of \$2.7 billion, and so some would wonder if you cannot fully improve habitat on the land that the Service already owns, I guess the question we would like to ask you is should we not work on reducing that maintenance backlog and improving habitat on the land we already own first. Mr. Strickland.

Mr. STRICKLAND. Mr. Chairman, thank you for that question, and it is a very good question. Budgets are always about priorities, and they do reflect the values that you bring to an undertaking, and so those are very good questions.

It certainly is not ideal to take a cut in any of these areas, because there has been a long-term under-funding of the Service, and we are trying to restore that now. This committee was very, very supportive in the 2010 budget, and so we were able to make some big steps forward. When you add to that the Recovery Act dollars that Rowan just talked about, we were able to pick up a big chunk of the most important backlog in deferred maintenance and construction projects with an emphasis on immediate job creation.

The most precise answer that I can give your question is we were balancing competing priorities, which are way beyond what we have the dollars to deal with, but we have, we believe, an urgency with respect to certain acquisitions. About half of the acquisitions are fee and half are acquisition of conservation easements. We have land prices at a record low. The land acquisitions are all within existing refuge boundaries. The added operational costs are minimal because in some ways it actually makes it easier to manage the lands because you have unified ownership.

It is a balancing act, and different folks might come at that differently, and you all certainly have your imprimatur to bring to this exercise, but we tried to use our best judgment to look at where we could accommodate and absorb further efficiencies in our operations and still take advantage of these record low prices. Climate change is putting huge pressures on our habitat, and our portfolio of refuges and habitat will have to make adjustments as we deal with differing impacts of climate change.

Mr. MORAN. That is a good answer, underscoring the historically low price of land and the fact that these pieces of land are being bought up within areas that are already being managed so it does not apparently require as many new personnel. I do think it is still a concern for the committee, though.

CLIMATE CHANGE

Last year's statement of the managers of the Appropriations Subcommittee asked that you be mindful of the need to effectively and efficiently use this funding, so we want to ask how are you ensuring that you are not duplicating the climate change efforts of other agencies such as the U.S. Geological Survey, who are also very much involved in climate change. What kind of resources are the partners bringing to the table to leverage federal funding for climate change? We are all in this together, so how are you coordinating?

Mr. STRICKLAND. Thank you for the opportunity to answer that question, and I can say that we are in a much better position to answer that question I think satisfactorily to the committee today than we were a year ago because a lot has happened, and this is one of the areas where Sam Hamilton really led. I am going to let Rowan elaborate here, but frankly the approach that the Fish and Wildlife Service has developed over the last few years, these Landscape Conservation Cooperatives, are now not just a Fish and Wildlife exercise, the entire Department, all the bureaus are organizing around these operations. We are going to have these sets of regional climate science centers and then at a lower level, I guess, or a more closer level to the landscape we are going to have 17 or—

LANDSCAPE CONSERVATION COOPERATIVES

Mr. GOULD. Twenty-one.

Mr. STRICKLAND [continuing]. 21 now. It has been a moving number but 21 Landscape Conservation Cooperatives. The Department of Interior, the Secretary is committed to that, and he has put out a Secretarial directive to that effect.

I am going to let Rowan add to that as well as talk about the fact, and you might pick an example of one that we have stood up, because we have partners stepping up with their own dollars at the local level and—

Mr. MORAN. In doing that you are asking for three brand new Landscape Conservation Cooperatives, LCCs. Where are you going to put those?

Mr. GOULD. Well, actually, the three have not been delineated. The answer is there may be more, and the reason is because we are getting a lot of support from Bureau of Reclamation and the National Park Service to bring additional resources into this whole process.

For instance, Landscape Conservation Cooperatives are an offshoot, as Sam envisioned it, of the joint ventures that still exist, and are very effective, and what LCCs are all-species joint ventures. We have actually had two joint ventures; one in Florida and one in the Great Plains area, stand up and say, we want to stand up these LCCs, co-convene with the Fish and Wildlife Service.

There are other resources coming to bear to stand these things up outside of the Federal Government, and that is very gratifying. The states are supportive of participating in some of these, so the exact three have not been defined yet. I cannot tell you exactly what they are, but the resources we will bring to the table will be

able to stand up in partnership and co-convene at least three more. So that is good news.

In terms of the coordination with other agencies, as you are aware, NOAA is looking at this climate change issue from a very large perspective. It is looking at weather change patterns, sea level rise, ocean acidification, that sort of thing. They have resources going into climate change this year and next year.

The next level down are Climate Science Centers that are funded by USGS, and these folks will take this very large, high-level information, step it down into taking physical models and physical understandings of the changes that are going to occur, and allow a biological assessment at a larger landscape level to then pass down to the LCCs so that that shared scientific capability can use that information to predict effects on population size, where we do restoration projects, and take into consideration the moving landscape, that sort of thing.

The coordination between agencies, all the participants, at all different levels is at this point, from a conceptual phase, seamless. We have already stood up an LCC, for instance, in Hawaii that considers existing partnerships. They are using the science money that is going into the LCCs to determine effects of climate change on island habitats, sea bird islands, that sort of thing, which could be profound. This particular process has been accepted by the Governor as the way wildlife adaptation is considered from a state perspective in the larger plans they are putting together to deal with climate change in the future.

Mr. MORAN. Okay. When Mr. Simpson gets free, we will give him an opportunity to ask another question.

Mr. SIMPSON. I have been ready for so long.

Mr. MORAN. Well, now is your chance.

NATIONAL FISH AND WILDLIFE FOUNDATION

Mr. SIMPSON. Not to miss out on any of the love going around the table, let me just tell you. I want to endorse what you said about the National Fish and Wildlife Foundation. It is a great organization. What do you think about it, Greg? You have not told us yet. I do not know what they had to do to get in both your testimonies. I am just kidding. Well, not really but—

REFUGE AND HATCHERY DEFERRED MAINTENANCE

I see that as was mentioned, the maintenance budgets for the refuges and fisheries have always been kind of low, and we caught up with those with the ARRA funding. I mean, we tried to address all of that in the ARRA funding?

Mr. STRICKLAND. We made some progress.

Mr. SIMPSON. What this kind of reminds me of is what happened with the National Institutes of Health, NIH. In 1996, Congress said that they were going to double the NIH budget over a 5-year period, which they did. I came in '98, kind of in the middle of that doubling period, and we did double their budget over a 5-year period. The next 5 years it was the de-doubling of the 5-year increase because everybody said, well, we have done that for NIH. Now we do not have to do that anymore. Let us go do something else, and I think they may have been better off had we not said we are going

to double your budget and just done a normal, you know, over that 10-year period some normal increases.

And I wonder if we are putting a whole bunch of money into this in the ARRA funding, saying, well, we have addressed this need or at least taken care of a lot of it, and now we are going to see degradation of the maintenance and so forth because we think we do not have to do that anymore.

Mr. STRICKLAND. Actually, we will always be investing in our deferred maintenance, and we will always be making a commitment. It just allowed us to catch up, you know, cut the backlog, if you will, but the effort is ongoing. We have to do it—

Mr. SIMPSON. The level we are at now is going to add to the backlog. Right?

Mr. STRICKLAND. Well, I will let Rowan step in here as well. I think that we are keeping up. I think with the increases that we saw in 2010, to our budget, it was an increase over the funding we had in the previous years. Then the boost from the ARRA funding allowed us to do, I think it was 3 years in 1 year. That has given us a little bit of breathing room, but we have to continue to make a strong effort every year, and we are going to be here. We are not done with that, and the ARRA funding did not get us altogether out of that backlog. The same thing for the parks. You had the hearing on that, and you heard that we—

Mr. SIMPSON. Sure.

Mr. STRICKLAND [continuing]. Have a \$9 billion backlog there. I think it is going to be a continued priority and a continued effort. I do not think this is going to put us further behind.

Mr. GOULD. In fact, the \$280 million we received of ARRA funding, \$105 million was for construction projects, \$100 million went toward deferred maintenance program, both in fisheries and refuges.

Mr. SIMPSON. Okay. So we addressed the deferred maintenance.

Mr. GOULD. Right. That is correct.

Mr. SIMPSON. With the budget that you requested this year, will that deferred maintenance backlog grow or decrease?

Mr. GOULD. It will decrease. We actually accelerated our work on the construction side of things 4 years, and we accelerated our progress 2 years on deferred maintenance projects.

Mr. SIMPSON. With the ARRA funding.

Mr. GOULD. With the ARRA funding.

Mr. SIMPSON. I am not suggesting that that—

Mr. GOULD. We are still—

Mr. SIMPSON. I am saying with the amount that we have got for the next budget year—

Mr. GOULD. Right.

Mr. SIMPSON [continuing]. Ignoring the ARRA funding—

Mr. GOULD. Right.

Mr. SIMPSON [continuing]. How much would we have to put into the deferred maintenance to address it over say the next 20 years? To reduce it to zero over the next 20 years.

Mr. GOULD. We do not have that information here today and would be glad to provide that to the committee later, but \$2.7 billion is our backlog.

Mr. SIMPSON. Is the backlog.

Mr. GOULD. Yes.

Mr. SIMPSON. Okay. Well, I would just like to make sure that we are not just talking about Fish and Wildlife Service. I am talking about all of our agencies, that we do not take advantage of the ARRA funding to reduce what we need in the future, which I have seen happen, not particularly here but in other types of instances.

ENDANGERED SPECIES

Let me talk for a minute about sage-grouse, or let you talk for a minute about sage-grouse, since it has huge impacts obviously, potential impacts on Idaho. Could you tell me what the main threats to the species are, and along with that, is grazing, properly-managed grazing, a threat to sage-grouse, and for that matter, the slickspot peppergrass either. And I say properly managed because obviously you can overdo everything. I mean, you can graze ground to the nubbins where there is no grass left, which we have all seen happen in some instances before, but properly-managed grazing—is it one of the threats to the habitat of the sage-grouse or to the condition of the peppergrass?

Mr. STRICKLAND. Well, I will let Rowan speak to the peppergrass. Congressman Simpson, your focus on proper grazing, there is a way to have a harmonious development or harmonious activities with grazing, just as there is an opportunity to do energy development on public lands and private lands and do it in a responsible way.

Your Governor and certainly Governor Freudenthal of Wyoming have identified core areas where there are the nesting areas. If we are smart from the start and we figure out where the most sensitive areas are and then we manage with those areas in mind and we have special protections where they matter the most, then we can have a wide range of activities.

Now, the sage-grouse is an interesting situation because I think 60 percent of the habitat, the remaining habitat of the sage-grouse is BLM land. We have to get it right, and your question really kind of speaks to that in terms of BLM grazing and that sort of thing. We are confident that this sage-grouse strategy that has been put together, really was premised, on creating an opportunity based on science. We made the decision that the listing was warranted but precluded based on higher priorities.

That also reflected the sense of urgency or lack thereof relative to the immediate threat. Now, the threat with the grouse is not immediately the numbers, because the numbers are decent, they are solid, and they are dispersed out over a wide geographic area, but it is the habitat. It is the threat to the habitat, which is only a fraction of what it was historically.

We have to manage the remaining habitat wisely. We have to start in our own backyard at the Department of Interior because we have such a huge impact on that.

Mr. SIMPSON. Right.

Mr. STRICKLAND. The answer to reiterate is that we can have grazing, and we can have energy development, and we can have human activities, but the fact is the spread of the grass, the development over time that was not consistent or did not take into account good science has caused, you know, pressures to be placed on

the sage-grouse. We are cautiously hopeful that we can avoid having to actually list it if we take advantage of some of the very good partnerships. This is probably as good an area as any where we see good leadership.

Mr. SIMPSON. Will this affect any of the CCAAs that have been going on out there?

Mr. STRICKLAND. They are very consistent. That is exactly the kind of thing we want to have more of.

Mr. SIMPSON. I am sure you understand that cattle ranchers and others are frightened to death because they have seen in the past listings used to essentially what they would consider run them off the ground, and so I understand the basis of their fear, and I would hope that the Department and the Interior Department as well as the Fish and Wildlife Service would work cooperatively with these people.

We have examples out there where working with landowners we can actually accomplish more than using the hammer, you know. If you look at organizations like the Peregrine Fund and the Birds of Prey, what they have done with the Aplomado falcon and working with landowners in Texas to cooperatives. I mean, you know, the Texas ranchers actually like the birds, and we can do, I think, a lot better in preservation and restoring a lot of these species than we have done working with landowners by making it an advantage to have something on your land rather than a shoot, shovel, and shut up sort of situation.

But I will turn it back to you for a minute, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Simpson.

Mr. Dicks.

You know that they deferred it. I think you would agree with their decision for the time being not to pursue this aggressively. Warranted but precluded.

Mr. SIMPSON. Yeah. You have not seen any bad press out of me.

Mr. MORAN. Mr. Dicks.

SOLICITOR OPINION

Mr. DICKS. Well, first of all, I want to welcome Tom Strickland here to the committee, and sorry I was not here for your testimony. Actually, I am very pleased with the direction of the Fish and Wildlife Service. Our committee on a bipartisan basis has been very supportive, after we knew that we had a major problem with refuges. We had a public hearing, and the witnesses came in and members of the Refuge Caucus talked about the fact that the Refuge System was under threat, just like the Park Service had been a few years before.

And I think on a very bipartisan basis this committee has addressed both of those problems, and I think the Park Service and the Fish and Wildlife Service are at a better place because of it.

Now, I want to ask you a question. Last year I raised concerns and asked you about a 2007 opinion by the previous Solicitor, interpreting the definition of significant portion of the range under the Endangered Species Act. You offered to work with Congress on ways to improve the administration of the ESA. Three months ago on November 6, 2009, myself and three other House committee

chairmen sent you a letter requesting that you immediately withdraw the opinion.

We recently received a letter stating that you were still reviewing the issue. As you are well aware, the erroneous interpretation of the Endangered Species Act, at least in my judgment, has already been relied upon by your Department to de-list wolves in portions of the Northern Rockies, including Montana and Idaho.

However, a federal Judge last year issued a preliminary ruling that this de-listing and the former Solicitor's interpretation of the significant portion of range upon which the de-listing was based are not rational or consistent with the ESA.

What are we going to do about this?

Mr. STRICKLAND. Well, Mr. Chairman, as you know and we have had many conversations about this and the specifics of the wolf decisions that have been made—enormously complicated issues. We inherited a lot of Solicitor opinions that are currently being revisited. This is one of them. I do not have a definitive answer for you today other than to say that they are top priority issues. We are looking at them in the context of a broader evaluation of ESA.

We have a number of outstanding issues through court decisions and otherwise that are open issues, definitional issues that really do need attention. When we were putting our team together, we paid respects as I know you have as well to the loss of Sam Hamilton, but Sam was very aware of and focused on this issue, and he was a key part of our team reviewing the opinion and the situation with the wolf.

We understand because it is in litigation, the court could rule any day on that, and the court did make some indications of where it might land when it finally rules. We are trying to sort through a whole range of Solicitor opinions, not only on this issue but a number of others, and we are doing that, and as you know, it took us awhile to get our team in place. Mr. Hamilton was not confirmed until September the 1st, and our Solicitor not much before that.

We are working to be in a position to answer your questions definitively and to try and add more stability to the ESA across the board. We think the ESA can be made to work better. We have to answer these ambiguous questions. We inherited, frankly, a morass of litigation in terms of the administration of the ESA, questions about whether science had been used appropriately in arriving at listing decisions, and we want and try and look at these legal questions not in a one-off way, Mr. Chairman, but in the context of a broader review of our administration of ESA. We want to do it in a way that it will hold up, not just as a series of individual reviews. That review is underway.

We brought Michael Bean onto the team. He is one of my Deputy Assistant Secretaries. Michael Bean is probably the country's leading expert on ESA, and he is a key part of our team that is reviewing the ESA at this time.

Mr. MORAN. Incidentally, I want to associate myself with Chairman Dicks' perspective on the endangered species.

Mr. DICKS. Well, I appreciate that.

NATIONAL WILDLIFE REFUGE SYSTEM

So let me ask you this. How are we doing with the refuges, Mr. Gould? Do we have better staffing now, and have you utilized the money under the Recovery Act?

Mr. GOULD. Yes. We actually are doing well with refuges. We obviously could do better, but given the tight fiscal year and the fact that there are different needs for the refuges than we saw a few years ago. For instance, we are putting \$8 million into monitoring programs related to climate change, monitoring that could also be important in dealing with invasive species issues, dealing with water issues, disease issues, all the things that are important to us now. The biological programs are going to be beefed up considerably, and more importantly, I think, with the kind of information that we are going to get from these Landscape Conservation Cooperatives, we are going to make better decisions about our management actions on refuges. From that perspective, efficiency of what we do with a long-term view about the actions we take and its affect on the species, we are in much better shape.

Mr. DICKS. Well, I want to tell you that I have followed one refuge quite closely on the Nisqually River in Washington State, and this has been a good project between the Fish and Wildlife Service, the Nisqually Indian Tribe, several citizens' groups and the state agencies. And we have taken out some of the dykes there, and by this one project we have recreated 30 percent more estuary than Puget Sound had before we started. It is hard to believe that we have taken away that much estuary at Puget Sound, which is one of the major issues in salmon restoration.

Jean Takekawa has done a phenomenal job, and we had great support from the Administration on that project. We needed just a little bit of money to finish. In fact, I called her and told her we had the money, but she did not believe me. She just did not really believe what could happen, but you all helped us, and it was a relatively small amount of money, but we needed to finish the project.

And this is one of those projects where also there is tremendous citizen interest, and we had to take away some of the walking trails that were on the top of the dykes, but we worked it out so that you could still have a way to walk in and really have a great view of what is going on but at the same time achieve what we needed to do.

And another one I will mention is the Skokomish River with the Skokomish Tribe, and they had another area which had been dyked for agriculture. It was a terrible mistake, and they worked with the Fish and Wildlife Service to restore that area, and it immediately helped the salmon. In Nisqually there is indications that the small smelts from other rivers actually are coming over to that area.

These are all examples of really good efforts where the people all worked together in the community for a great outcome. So I want to tell you I think you have got some great people out there.

Mr. GOULD. Very good.

SALMON RESTORATION

Mr. STRICKLAND. I appreciate that. I just wanted to point out that many of the programs that you have championed over the

years, obviously, we put into our base program in 2009 related to salmon and habitat restoration for the salmon issue out there are now starting to show some great results, including great partnerships on other issues, and thank you very much for what you did.

STATE AND TRIBAL WILDLIFE GRANTS

Mr. DICKS. Could I have time for one more?

What about the State Fish and Wildlife Grant Program? How is that doing? State and Tribal Wildlife Grants.

Mr. GOULD. For the State and Tribal Wildlife Grant Program, we are maintaining our funding at essentially level this year. We do have a competitive State grant program of \$5 million. It has been a huge boon for the states to enact activities that support the State Wildlife Action Plans, which were the result of this money originally being proposed and appropriated. It has been a greatly successful program.

The states are now counting on it to implement their non-game programs, and in fact, are using some of these funds to be more involved in climate change and other landscape-level activities that are appropriate within their specific boundaries. We are looking at the State Wildlife Action Plans and the State Wildlife Grant money. We are talking with the states about how that money could better be used, specifically the \$5 million that is presently in place for competitive grants. We are discussing how those grants might be best used by states to be more active in participating in LCCs.

Mr. DICKS. Thank you, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Dicks.

Mr. LaTourette.

GREAT LAKES RESTORATION

Mr. LATOURETTE. Thank you, Mr. Chairman, and thank you for your testimony.

The one thing that I did not hear in your testimony was the Great Lakes, and that is kind of important to me. The Administration I think deserves great credit for the Great Lakes Restoration Initiative. We were a little disappointed that it went from \$475 million to \$300 million this year, but when we had Administrator Jackson in front of us she explained that they were not ready to put it out the door, but I am asking for \$475 million again.

My disappointment, I guess, in the way that it is structured is that most of the money remains in the EPA, I think of the \$300 million proposed it is retaining \$169, \$170 million. But I noticed in fiscal year 2010, the Service got \$58 million. I just want to ask you what you spent the dough on and what you plan to spend the money on in 2011. I think you are only getting \$32 million.

Mr. GOULD. That is correct.

Mr. STRICKLAND. Let me just speak, Congressman, for a moment, and our oversight in not mentioning it is duly noted because it is a high priority. We are not the lead agency there. As you noted the EPA is, but it is very important, and we have meaningful dollars.

I have personally been involved in an inter-agency effort with the Asian carp, which is a huge, huge concern we know to the Great Lakes States. The Fish and Wildlife Service is playing a key role there in terms of bio-barriers and monitoring, trying to do every-

thing we can to keep the Asian carp out of the lakes. I just wanted to highlight that. I appreciate that.

Mr. GOULD. Some of that money that we are getting is actually funding that activity, part of that activity anyway, and we are also looking at toxic substances. We are also looking at invasive species, other invasive species issue.

If Mr. Dicks were here, he would be very glad to know that we are now using that money for the mass marking effort to determine wild fish versus hatchery fish, those sorts of things. It has been a hugely-productive partnership, and while it is funded by EPA, the partnership is well-coordinated, everybody is talking with one another, and it is actually kind of an example of how disparate agencies can come together with common goals and move forward to save an incredibly important resource.

Mr. LATOURETTE. One of the best exhibits I have seen since I have been here was when the Fish and Wildlife Service set up a display in the atrium of the Rayburn Building and brought some critters over. When you talk about invasive species, some people, you know, when I talk about sea lamprey, their eyes glaze over, and they think it is like an electric eel or something, but when you actually see a couple of them swimming around and know that they are going to suck the life out of game fish on a regular basis, it is an eye-opening experience.

I did mention to Administrator Jackson, because this big pot of money, just from my perspective, the EPA is a regulatory agency. They are an enforcement agency. They are really not a boots-on-the-ground, going out and cleaning up toxic areas of concern or restoring habitat.

And so I attempted to indicate to her, maybe if you re-jostled the percentages and the Fish and Wildlife Service got more, the Park Service got more, the Corps got more, we would actually see more things done. And they are talking about taking this big chunk of money and apparently having competitive bidding, and my concern is you are going to get a lot of little projects that are not going to accomplish much rather than really focusing on, for example in my part of the world, the Ashtabula Harbor. It costs \$54 million bucks. It would not have done us any good if we had gotten the \$2 million. So I think people in our part of the world would understand that it is not our turn this year, so we are going to do something in Michigan, but eventually we are going to get the whole shooting match.

So if you agree with that, if you could advocate for that. You mentioned the Asian carp. When USGS was in to see me, they said they are working with some of their money on a pill apparently to kill the Asian carp. There is a big dust-up going on between Illinois and Michigan at the moment about the closure of two locks. The news today is that the Supreme Court is going to reconsider whether or not to look at that case. I do not know if you have seen the YouTube videos of the Asian carp, but this is a big deal. The zebra mussels were bad for water intake, the round goby is annoying, the sea lamprey, you know, by spraying the eggs, we got it under control. But this Asian carp thing is serious, serious business.

So aside from your barrier work and some other things, have you looked into the idea that we could make dog food out of these fish?

Mr. GOULD. What I do know is——

Mr. LATOURETTE. Or cat food.

Mr. GOULD [continuing]. The partnership is looking at every possible means that we can to, first, keep them out of the lake through the electric barriers, through the Chicago Ship Canal, and other areas. We are looking more comprehensively, at the DNA to look for the presence of them, and more importantly, to look for other biological controls. The partnership, with USGS obviously is very active in this particular area, and we need to Rotenone. It is the old standard process, but we got to know where they are and what life stages, you literally have to have the biology of the animal worked out pretty well to use those techniques.

I can guarantee you we are leaving no stone unturned to try to figure out how to keep these fish out of the lake. It would be a disaster if they went into the lake.

Mr. STRICKLAND. To add to that, we actually had a meeting in the Roosevelt Room at the White House with several of the Governors, the head of CEQ, Secretary Salazar, myself, several other Cabinet Secretaries, and this is in the time that I have been here, in the last year, I cannot think of another issue that has so quickly gotten on our radar screen, at this high level, with the kind of commitment of resources and sense of urgency.

Mr. LATOURETTE. I appreciate that, and Mr. Chairman, have you ever seen the YouTube videos of these Asian carp? They weigh like 100 pounds, they knock grown men out of boats, and they eat 40 percent of their weight every day, which I am only about 33 percent a day. I mean, it really is a big deal. Actually USGS, and I will close with this, said they had some Chinese scientists come over to study what they were doing, and they wanted to know how come we were so successful in breeding Asian carp because all the Asian carp in China are dying.

And so maybe if we had a little technology trading we would work this thing out.

Mr. MORAN. Would you tell us what the outlay level will be for the Great Lakes Initiative in fiscal year 2010 and fiscal year 2011, assuming that there is a cut in actual appropriation from the \$475 to \$300?

Ms. NOLIN. The 2010 level was \$58 million, and the 2011, level will be \$32 million.

Mr. GOULD. Of the \$32 million in 2011, there is approximately \$6 million that the Fish and Wildlife Foundation is assisting on.

Mr. MORAN. Thank you. Mr. Cole.

Mr. COLE. Thank you very much.

Mr. MORAN. Incidentally, I should let everyone know we have twelve minutes left on the first vote, and then there are four more after that. So we will conclude this hearing before we go to vote.

Mr. COLE. Thank you, Chairman. I just want to tell my good friend Mr. LaTourette, there are still lots of invasive species around the Longworth Atrium if you just keep your eyes open.

TRIBAL WILDLIFE GRANTS

I want to pick up on something Mr. Dicks asked about actually and go a little bit further. He mentioned state and tribal wildlife grants, and I am, with him, a great admirer of these tribal wildlife

grants. They have been very successful. You guys have done a great job administering them.

But in 2010, when the budget went up for the agency, they stayed flat. If you look at the state wildlife grants, they moved from \$63 million—all \$15 million went to the states. There was nothing for the territories, nothing for the tribes. About one out of five of those grants now, as I understand it, get approved.

So why nothing for the tribes, nothing for the territories, but a pretty major expansion for the states?

Mr. GOULD. There was a proposed increase and because of the tough budget times, quite frankly, it did not—

Mr. COLE. But that was not a tough budget year. They were held flat in the good budget year. They are being held flat now.

Mr. GOULD. Not this year.

Mr. COLE. Yeah. The year that the state ones went up, they were flat.

Mr. GOULD. Yeah. I am told that it was Congress that held that level flat.

Mr. COLE. I would ask you to look at that going forward, because frankly, it is hard to believe that all the increase needed to be in one area than the other two, but I am not surprised if somehow Indians did not fare well in Congress.

MIGRATORY BIRDS

Secondly, I have two additional questions that are really local but with national sort of perspective. I want to explain a problem I had a few years ago. I was a freshman, and all of the sudden out of nowhere in a little town, a little area in southwest Oklahoma we had an egret rookery emerge. I mean, you have never seen anything like it, Mr. Chairman, because when tens and tens and tens of thousands of egrets descend on an area, and there were homes in this area. It absolutely just destroyed properties. It became almost unlivable, a health hazard.

Now, when the egrets migrated, I learned a lot more about this than I ever had before. Evidently, they migrate with other species of birds that are not nearly so common, and so these folks were prohibited by federal law, and I assume by Fish and Wildlife, from actually dealing with them or trying to drive them off, and you can understand. You do not want to kill, endangered species in the process, and that was certainly a risk.

But they got zero help out of Fish and Wildlife. Eventually, to get this problem dealt with, they told us the state would have to deal with it. They did not have any money to deal with it. My good friend, Henry Bonilla, was chairman of the Ag Subcommittee then. I went and begged him, and he managed to somehow get money out of the Department of Agriculture, but it was a matter of concern to me that the agency in charge and legitimately protecting the wildlife, had nothing to do to mitigate when they were the invasive species so to speak in what was not a refuge. This was not park land. This was commercial land, but no money there to help people protect their own property.

Mr. GOULD. Well, I do not have any specific answer on the case you are talking about. I do know that there is a process we can go through to deal with, for instance, seagulls in large numbers

around airports. There is a permitting process you can go through to allow the take of those animals using whatever—

Mr. COLE. These folks had done everything, and, again, it was a problem. You cannot wait months when this stuff is destroying your home. So I would just ask, again, and this is not directed at you guys. These things happen in government, but there needs to be money set aside so when what are supposed to be protected species traveling with unprotected species, and you don't have to protect these animals at the expense of people. That actually breeds a lot of resentment at what is a pretty good program, which is to try and protect migratory birds. There was an enormous amount of resentment in the southern end of my district when this happened. This was not a matter of days or weeks. This was months to finally get rid of it, and I cannot imagine this is a unique incident. It must happen in other places. I never seen anything like it in my life, and evidently this is somewhat common with egrets.

NATIONAL WILDLIFE REFUGE SYSTEM

The last question is about the Wichita Wildlife Preserve. It is one of the crown jewels of the wildlife refuges and you guys do a great job. It is one of the first ones. It is one of the places where we brought buffalo back for the first time and moved them to other places in the country. It is a splendid, splendid reserve.

We do have the normal tension, I would think, between people that want to use the preserve and officials at the preserve. These are issues that come up regularly and frankly, we are never quite sure where to resolve them.

You have got a town of 90,000 that has always been there but never that size, and they want to do things like, a 10-K race for the local heart fund and they have a terrifically difficult time. This is actually graveside, sacred land for a lot of Indian tribes. Sometimes they have trouble getting access there. The Wichita Mountains are very sacred to the Comanches, the Southern Cheyenne, the Arapahos.

So do you guys look at that?

Mr. GOULD. Yes, we do. Usually it is through some special use permits that applications are made to the refuge manager and then we go through a process to determine whether that use, in fact, is compatible with the purposes for which the refuge was established. We work very hard to be as accommodating as we can within the constraints of the Refuge Improvement Act and the regulations that surround that act.

Usually the way we get those things done is by having very tight relationships with the local community, finding out the needs of the local community well ahead of the actual event or whatever it may be, and see if we can work out some process by which we can accommodate the needs. The issue always comes down to communications and working with one another and understanding each other's responsibilities and the regulations that we have to by law live by.

Mr. COLE. Well, again, I would just ask you to look at those. I do not want the three concerns I have to make you think I have anything other than enormous respect for what you do and how well you do it under the complexity of problems. Especially the

tribal grant situation. Maybe it was Congress, I am sure it was, but there was not a request for an increase this year, and we are much less balanced than we were. And I think that is actually really a superb program. Again, you guys do a good job with the money you have. I just think you need a little bit more.

Thank you, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Cole and Mr. LaTourette, Mr. Simpson. We will conclude the hearing at this point because we do have a vote on. We appreciate the testimony, and we appreciate all the great service that the Fish and Wildlife Service provides America.

Thank you very much.

**Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
U.S. Fish and Wildlife Service
Hearing Date: March 17, 2010**

Chairman's Questions for the Record

Climate Change

MoranQ1. Your Budget includes an increase of \$19 million for Climate Change. In 2010, you received increases of \$40 million for climate change startup. What on-the-ground climate impacts are you seeing that justify this request?

ANSWER: The U.S. Fish and Wildlife Service (Service) is seeing physical changes to habitats, believed to have been caused by climate change, that are critical to the survival of species, and shifts in the distribution and abundance of those species are being observed that are believed to be a result of species adapting to these climate change impacts. [CITATION: Parmesan, C. 2006. Ecological and evolutionary responses to recent climate change. *Annual Rev. Ecol. Evol. Syst.* 37:637-639.] For example, sea level rise related to climate change has been observed at a number of our National Wildlife Refuges (NWRs), particularly those along the Atlantic and Gulf Coasts. [CITATIONS: Titus, J.G. coordinating lead author. 2009. Coastal sensitivity to sea-level rise: A focus on the mid-Atlantic Region. Synthesis and Assessment Product 4.1, Report by the U.S. Climate Change Science Program and the Subcommittee on Global Change Research. 178 pp.; Stevenson, J.C. M.S. Kearney, and E.W. Koch. 2002. Impacts of sea level rise on tidal wetlands and shallow water habitats: A case study from Chesapeake Bay. *Am. Fisheries Soc. Symp.* 32: 23-36.] In addition, we have experienced the following:

- At Rachel Carson NWR in Maine, biologists have observed rises in sea level, likely as a result of climate change, that have changed the hydrology of some coastal marshes and increased the salinity of areas that have historically been freshwater or brackish marshes. These changes have enabled more salt-tolerant vegetation to invade higher elevation marshes, displacing native freshwater species of plants and animals. [CITATION: Gehrels, W.R., D.F. Belknap, S. Black, and R.M. Newnham. 2002. Rapid sea-level rise in the Gulf of Maine, USA, since AD 1800. *The Holocene* 12, 4 pp. 383-389.]
- In Hawaii, some habitats critical to the survival of native forest birds are becoming unproductive because increasingly warmer temperatures, as a result of climate change,

have promoted the spread of mosquitoes that carry avian malaria. [CITATION: Atkinson, C.T., and D.A. LaPointe. 2009. Introduced avian diseases, climate change, and the future of Hawaiian honeycreepers. *J. Avian Medicine and Surgery* 23(1): 53-63.]

- At Wildlife Management Areas and National Wildlife Refuges throughout the western Prairie Pothole Region, decreases in precipitation, as a result of climate change, are producing shortages in surface water and causing potholes to dry, decreasing their capacity to sustain wetlands, grasslands and resident waterfowl, shorebirds, and song birds. [CITATIONS: Johnson, W.C. et al. 2010. Prairie wetland complexes as landscape functional units in a changing climate. *BioScience* 60(2): 128-140; Johnson, W.C. et al. 2005. Vulnerability of northern prairie wetlands to climate change. *BioScience* 55(10): 863-872.]
- In the Pacific Northwest, average annual temperature increased 1.5°F between 1920 and 2003, snowpack declined at nearly all monitoring sites between 1950 and 2000, and the timing of peak runoff shifted by as much as 20 days earlier between 1948 and 2002. [CITATION: Mote, P.W., A.F. Hamlet, M.P. Clark, and D.P. Lettenmaier. 2005. Declining mountain snowpack in Western North America. *Bull. Amer. Meteor. Soc.* 86(1): 39-49.]
- In the Northeast, analysis of breeding bird survey data over a 26 year period shows a significant northward range expansion (9 of 27 species studied), with an average shift of 2.35 km/year (1.5 miles/year). It is believed this shift took place for a number of reasons including the result of climate change. [CITATION: Hitch, A.T., and P.L. Leberg. 2007. Breeding distributions of North American bird species moving north as a result of climate change. *Conservation Biology* 21(2): 534-539.]

MoranQ2. What has the USFWS accomplished with the funding that was already provided?

ANSWER: The Service has made substantial progress with the \$40 million it received for climate-change-related programs in FY 2010. The Service is working with conservation partners to establish nine Landscape Conservation Cooperatives (LCC) in FY 2010. The Service has met with partners and developed shared timetables for standing up LCCs across the nation. Those discussions have enabled the Service to prepare preliminary operational plans for each of the LCCs and take critical steps in identifying:

- the roles, responsibilities and contributions of various partners to LCC activities;
- possible governance structures and processes for administering LCCs; and
- focal species, and significant gaps in conservation planning and science associated with those species.

At the same time, the Service and its LCC partners have begun to work collaboratively using the framework created for the LCC's in order to focus on developing vulnerability assessments, building habitat population models, and implementing additional monitoring and inventory programs. The Department of the Interior's Climate Science Centers are down-scaling continental-scale climate change predictions to regional and sub-regional levels, which the Service and its LCC partners are using to predict how climate change will impact fish and wildlife at landscape scales. This information is being used to develop more mature conservation plans and integrated strategies that will help fish and wildlife adapt to climate changed habitats.

FWS is working in a collaborative team to implement an integrated strategy for the collection, management, and use of monitoring information. The Global Change Effects Network will unify monitoring approaches and make information more relevant and readily available for sharing. The National Wildlife Refuge System has developed detailed plans for a comprehensive monitoring program capable of monitoring the status of species and habitats that are managed by the Service. Methodologies have been developed that will guide monitoring programs and produce data that the Refuge System and LCC partners can use to improve their understanding of the status of key fish and wildlife resources and trends in their distribution, abundance, and occupied ranges.

MoranQ3. Last year's Statement of the Managers asked that you be mindful of the need to effectively and efficiently use this funding. How are you ensuring that you are not duplicating the climate change efforts of USGS or other agencies?

ANSWER: The Service is developing the LCCs, monitoring, and science capacity in collaboration with others. The Department's efforts are coordinated by the climate change council. FWS is also talking and meets regularly with the USGS, the National Park Service, the Bureau of Land Management, other Federal agencies, State agencies, Tribes, non-government agencies, industry, and the public to avoid unproductive duplication and to ensure that the activities of the various agencies, organizations and individuals working on climate change are complementary and integrated.

The Service's role, as well as the role of our partners in LCCs, fits into a framework of Federal agency functions. The NOAA climate centers, for example, look at the physical effects of climate change at a very large and coarse global scale. They study precipitation patterns, sea-level rise, ocean acidification, hydrology, water availability and intensity and duration of drought, fire and storms. Stepping down, the USGS Climate Science Centers downscale the global models; then relate them to biological changes that are likely to result from predicted physical changes. In turn, LCCs use information from USGS and NOAA to feed into biological planning and conservation designs. They develop site-specific information to inform decision making and management. Finally, Service programs, other Federal agencies, States and partners use this information to develop and implement conservation actions.

MoranQ4. How is the USFWS working with non-federal partners and what kind of resources are federal and non-federal partners bringing to the table to leverage funding for climate change?

ANSWER: The Service is working very deliberately with non-Federal partners to find ways of collaborating more effectively and efficiently in helping fish and wildlife adapt to climate change. Those efforts are occurring almost daily at national, regional and field levels of the Service. For example, between February and March of 2010, representatives of the Service's Great Lakes Region met with senior conservation managers in each of the Great Lakes states to identify ways they can work together on climate change. At the March 22-27, 2010 North American Fish and Wildlife Conference in Milwaukee, WI, the Service met with leaders of State fish and wildlife agencies. From March 30 to April 1, the Service hosted a major gathering of conservation agencies and organizations at its National Conservation Training Center to identify how these agencies and organizations can best leverage their resources to construct and operate a unified system for managing the various kinds of information and data they need to address the impacts of climate change on fish and wildlife. Federal and non-Federal sources are bringing many different kinds of resources to the LCC table. These include funding, staff positions, in-kind contributions and work on specific projects. Some of our partners will be taking responsibility to lead an LCC, others will be working with an LCC, or several LCCs to coordinate efforts. We do not currently have a nationwide accounting of all of these contributions.

Landscape Conservation Cooperatives

MoranQ5. A cornerstone of the USFWS Climate Change initiative is the Landscape Conservation Cooperative. Please describe what these are and how you created them?

ANSWER: LCCs are partnerships among conservation agencies, universities, and others who are engaged in managing and conserving fish and wildlife populations at landscape scales. These partners are focused on actions at the landscape scale, including developing, integrating and disseminating the science and data needed to make management decisions, and working toward strategies for adaptation to climate change.

The National Geographic Framework, which establishes the locations and geographic scope of each LCC, was developed by the Service with assistance from key partners. It includes 21 geographic areas which delineate the LCCs. Each LCC partnership focuses on the landscapes, species and habitats that occur in these specific geographic areas. Together the LCCs comprise a national network that ensures consistency of form, function, and operation across the LCCs, helps them exchange ideas and information, and helps them work together on landscapes, species, habitat and challenges that span individual LCC boundaries.

The LCCs will coordinate regularly with the Climate Science Centers (CSCs). The CSCs will provide key information about how climate change will affect floods, fires, sea level, storms, droughts, precipitation, runoff and other natural phenomena. With this information, LCCs can

work to predict how those environmental changes will affect fish, wildlife, and habitats at landscape and smaller scales, e.g. refuge or park. This information will be incorporated into conservation plans developed by LCCs and used to inform conservation decisions and activities. In this way, LCCs will function to anchor the larger conservation community's efforts to sustain fish and wildlife, and as repositories of expertise and information that can be used in conserving fish, wildlife, and their habitats.

MoranQ6. The President's budget describes these cooperatives as an important part of the Department's overall climate strategy. To what extent are the other DOI bureaus contributing to this effort?

ANSWER: All of the bureaus of the Department of the Interior are partnering together to establish the national network of LCCs. While the Department is still in the process of finalizing the plans related to the individual LCCs, leadership of individual LCCs will vary among the Fish and Wildlife Service, the U.S. Geological Survey, the National Park Service, the Bureau of Reclamation, and the Bureau of Land Management.

MoranQ7. What role do States, non-governmental organizations, local governments, tribes, and academic institutions play?

ANSWER: States, Tribes, and other partners have the opportunity to be full partners in the LCCs within their jurisdictions, they can be represented on each relevant LCC steering committee, and contribute resources to the essential planning and science functions performed by LCCs. LCCs will not be U.S. Fish and Wildlife Service-centric, or Department of the Interior-centric, but rather will be partnerships among a diverse array of conservation agencies and organizations, industry, universities, NGOs and the public. The mix of partners, their contributions and their participation will necessarily vary somewhat between LCCs, but all of the LCCs will have similar roles, responsibilities, organizational structures, charters, bylaws, and work plan structures. In this way, they will be part of a national network of LCCs.

MoranQ8. Please provide a description of the amount of funding and its purpose each cooperative will receive in Fiscal Year 2010 from the USFWS and proposed to receive in Fiscal Year 2011 from the USFWS? Please list by cooperative, any additional funding a cooperative is proposed to receive in 2010 and 2011 from another federal agency, state, or other partner.

ANSWER: Nine LCCs are being created in FY2010 and each LCC is receiving \$2,208,000 in overall funding in FY 2010 (\$1,229,000 in Climate Change Planning (CCP) funding and \$979,000 in Adaptive Science Capacity (ASC) funding). In addition, \$168,000 of CCP funding and \$168,000 of ASC funding is allocated to FWS to provide supporting work for the national network of LCCs and the Office of the Science Advisor. The FY 2011 budget submission requests an additional amount over the 2010 enacted level of \$8,750,000: (1) \$7,000,000 to create an additional 3 LCCs in FY 2011 and; (2) \$1,750,000 to support the Gulf Coast and Ozarks LCC. All of the cooperatives are being formed, as are partnerships with other bureaus, agencies, the states and other conservation organizations. Each LCC is beginning the process of developing strategic plans as well as establishing funding commitments from participating bureaus and partners.

MoranQ9. How will these cooperatives make decisions, particularly where they cross State jurisdictional boundaries and involve multiple agencies and partners? Will the other participants also contribute funding or other types of resources?

ANSWER: LCCs are true partnerships, and will be governed by a steering committee that develops and adopts bylaws, charters, and operational plans. It is the Department's expectation that the governance structure of each LCC will establish a process for reaching decisions among the partners to address geographic and/or jurisdictional issues. We expect that partners will be better able to make funding commitments to the work of the LCCs once the governance structure for an LCC is adopted and a work plan is developed.

MoranQ10. How will Joint Ventures and the cooperatives coordinate with each other?

ANSWER: Joint Ventures will play a vital role in the development of all LCCs by sharing their experience and expertise as key partners and leaders. Similar to the approach taken by Joint Ventures, LCCs will use a collaborative approach to landscape conservation and establish a national network of applied-science conservation partnerships in response to broad-scale threats, including climate change. As Joint Ventures already have an established conservation infrastructure and scientific framework, LCCs will coordinate efforts to build upon these existing partnerships to maximize resources, reduce redundancy, and advance landscape-level planning and conservation activities for plants and wildlife.

MoranQ11. Are the Joint Ventures supportive of the landscape cooperatives?

ANSWER: For the most part, the Joint Ventures recognize the inherent value of LCCs and strongly support further development of the Department of Interior's scientific capacity to address important conservation concerns, such as climate change, and build upon the successes of ongoing bird conservation efforts to encompass a broad suite of plant and wildlife species. Joint Ventures have already established successful landscape-level conservation partnerships, and many have state-of-the-art capabilities and technical capacity to address bird conservation needs. Therefore, many of the Joint Ventures are eager to provide their experience and expertise as an active participant in the development of the LCCs within their boundaries and actively collaborate in the conservation science undertaken by these LCCs.

Refuges

MoranQ12. Refuges generally require an annual increase of almost \$15 million per year to maintain capacity. The proposed Fiscal Year 2011 USFWS budget would cut the Refuge operational budget by almost \$4 million. That is an effective reduction of almost \$19 million. How will this reduction impact the operations at the Refuges?

ANSWER: In Fiscal Year 2010, the Refuge System received an increase of more than \$39 million, or a 12 percent increase for operations. The Fiscal Year 2011 budget maintains most of this increase considering the current fiscal climate the budget eliminates non-essential lower

priority programs, absorbs fixed costs and proposes efficiencies. The Refuge System uses workforce planning as a way to balance staff and operational costs (utilities, vehicle fuel, travel, etc.) to accomplish priority goals and objectives. Since 2007, the Refuge System has made efforts to establish a margin of funding for operational costs, which is referred to as "Management Capability," (MC) and it is tracked annually at every refuge. The Refuge System has adopted a general business rule that at least 25 percent of a station's funding be used to cover MC, with the remaining 75 percent to support salary and benefits for permanent employees. Maintaining the balance between MC costs and salary and benefit costs for permanent employees ensures that field stations have the appropriate mix of resources to accomplish unit, system, and Service goals. Maintaining this balance during periods of constrained budgets may require refuges to forgo some activities typically paid for with MC funds, such as hosting additional school groups, using seasonal interpreters, and hiring temporary employees to restore habitats and control invasive species.

MoranQ13. What will be the impact to wildlife and habitat management, as well as the visitor's experience?

ANSWER: The budget eliminates challenge grant funding and volunteer funding. Some refuges will not be able to enter into partnership agreements, will curtail hosting additional school groups, using seasonal interpreters, and hiring temporary employees to restore habitats and control invasive species.

MoranQ14. Will USFWS have to leave vacancies unfilled to absorb these cuts and if so, by how many positions?

ANSWER: Under the FY 2011 budget request the Refuge System would add a net of one permanent FTE including the addition of 25 FTEs for expanded programs and 24 FTEs for program reductions.

MoranQ15. Recently, 3 new Marine National Monuments were added to the Refuge System. What funding has USFWS requested in FY 2011 to manage these new monuments?

ANSWER: The Service is managing the monuments with existing staff and resources based in the South Pacific. For FY 2011 this funding will be roughly \$7,358,000 and 22.5 FTE.

MoranQ16. How is USFWS coordinating with NOAA and other partners to address the management issues associated with these new monuments?

ANSWER: In July 2009, the Service formed and continues to chair the Rose Atoll Marine National Monument Intergovernmental Committee, which includes representatives from the National Marine Fisheries Service, Office of National Marine Sanctuaries, American Samoa Department of Marine and Wildlife Resources and American Samoa Department of Commerce to facilitate integrated agency coordination in developing a management plan for Rose Atoll Marine National Monument.

U.S. Fish and Wildlife Service scientists are also currently participating with NOAA scientists to conduct reef assessment and monitoring studies at Johnston Atoll, Baker, Howland and Jarvis Islands, Kingman Reef and Palmyra Atoll that are units of the Pacific Remote Islands Marine National Monument.

As a member of the Western Pacific Fishery Management Council, FWS participated in the development of proposed non-commercial fishing regulations for these Monuments at their recent meeting held from March 22-26, 2010. The FWS will work with the NOAA-National Marine Fisheries Service to publish non-commercial fishing regulations for the monuments based on the Council's recommendations.

In 2009, the Service collaborated on two workshops with the Marine Conservation Biology Institute and NOAA to identify surveillance and enforcement needs for remote marine protected areas including the Pacific Remote Islands Marine National Monument, and to identify marine science-related research needs to help guide management planning for the Pacific Remote Islands Marine National Monument.

The FWS is also working with The Nature Conservancy and the Palmyra Atoll Research Consortium, which includes nine institutions of higher learning, to conduct climate change and related marine research to guide management decisions for Palmyra Atoll National Wildlife Refuge and also apply this information to other coral reef areas within the Pacific islands marine national monuments.

MoranQ17. There are a number of shipwrecks leaking caustic materials and causing damage to the delicate coral reef ecosystems around the new Marine Monuments. Is there funding in the Fiscal Year 2011 proposed budget to remove these ship wrecks?

ANSWER: No funding is requested in FY 2011 to remove ship wrecks from the Marine Monuments, although the Service continues to look for ways to remove the wrecks. The Service submitted a request to the Department of Defense's (DOD) Innovative Readiness Training Program (IRT) to remove the vessel as a training opportunity. If DOD approves, the Navy's Mobile Diving and Salvage Units (MDSU) is interested and could accomplish the work. This project is pending. The Service will continue to seek grant and project funding from various sources to remove shipwrecks.

Endangered Species

MoranQ18. The USFWS currently has a backlog of over 200 domestic and 20 foreign species that are candidates for protection. How can the USFWS justify reducing the Candidate Conservation program by \$1 million with such a large backlog of species to list? What will the USFWS be able to accomplish with the Fiscal Year 2011 request?

ANSWER: The \$1 million reduction in the Candidate Conservation program eliminates an earmark for a specific species (sage grouse) in a specific State (Idaho, one of 11 States in which the sage grouse is found). The President's Budget is not asking for a general program decrease of \$1 million or a decrease that will impact the work done for all of the other candidate species.

The Service anticipates completing the following listing and critical habitat actions in FY 2011 based on projected workload as of January 20, 2010. These actions are funded from the listing subactivity.

- Petition Findings
 - 90-day finding for 1 species
 - 12-month findings for 40 species
- Listing Determinations
 - proposed listing determination for 29 species
 - final listing determinations for 58 species
 - emergency listings as necessary
- Critical Habitat Actions
 - proposed critical habitat rules for 50 species
 - final critical habitat rules for 41 species
 - associated notices (such as revising proposed rules, reopening comment periods, and noticing availability of economic analyses.)

MoranQ19. Recently, USFWS declared 48 Hawaiian species endangered and announced plans to set aside more than 40 square miles on Kauai as critical habitat. USFWS emphasized that this was an “ecosystem” approach to species listing. Please explain what is meant by this and whether USFWS will use this approach for other areas? Will this approach help USFWS to reduce the listing program’s backlog of species?

ANSWER: Instead of focusing on individual species and their threats, the ecosystem approach focuses on multiple species in a shared ecosystem that face common threats and have common management needs. The FWS has, and will continue to use this approach in other areas where multiple species in a shared ecosystem face common threats. The ecosystem approach is consistent with the ESA requirement to determine if any species is endangered or threatened while reducing redundancy in our rulemaking, resulting in time and cost savings that allow for greater progress in reducing the number of candidate species and species warranted for listing but precluded by higher priority listing actions. The Kauai ecosystem-based listing alone reduced this number by 31 species. When warranted, this approach is an effective tool for the Service.

Law Enforcement

MoranQ20. The USFWS budget proposes a reduction of \$2.5 million for Law Enforcement. Will the USFWS be able to maintain an adequate staffing level of special agents with this reduction? How many special agents do you currently have on board and what is the optimal staffing level? How much additional funding would you need in 2011 to support the optimal staffing level?

ANSWER: Service Law Enforcement currently has 190 special agents. The program is in the process of hiring a class of 24 additional special agents. The Service's FY 2011 budget directs resources as effectively as possible to address critical new needs while maintaining adequate funding for core functions such as law enforcement. The FY 2011 funding proposed for the law enforcement program will, after attrition from mandatory retirement, leave FWS with about 204 agents.

MoranQ21. The world renowned National Fish and Wildlife Forensics Laboratory is in need of additional scientists. Please explain the work of this lab and how many positions are needed?

ANSWER: The National Fish and Wildlife Forensics Laboratory provides forensic analyses in support of wildlife crime investigations and conducts research to develop specialized techniques needed to advance the science of wildlife forensics. The Laboratory's 34-member staff examines thousands of evidence items per year in support of hundreds of wildlife crime investigations. Forensic specialists on board adequately cover the core disciplines for this work, including morphology, genetics, pathology, chemistry, criminalistics, and digital evidence analysis. The FWS believes the laboratory is functioning adequately with the current number of staff in place.

North American Wetlands Conservation Fund

MoranQ22. Last year the Administration moved toward providing full funding for the North American Wetlands Conservation Fund. This year, the Administration has recommended cutting the program by \$5 million. What is your rationale for this reduction and what are the impacts of this reduction?

ANSWER: The 2011 budget required difficult choices. The proposed \$42.6 million funding level for FY 2011 for the North American Wetlands Conservation Fund is level with the program funding in 2009. This is consistent with the five year average program funding level, and will allow the program to make substantial contributions to wetland conservation across North America. The reduction may result in fewer grants awarded in FY 2011, depending upon the size of the grants awarded in 2011.

The reduction, depending upon the cost of lands or easements acquired could result in 100,000 fewer acres of wetland and wetland-associated habitat being conserved in North America.

International Affairs

MoranQ23. The Fiscal Year 2011 budget proposed a \$1.3 million decrease to International Affairs, a 9 percent cut in this very modest program. At this level, would there be enough funding to implement the international agreements and treaties in which the U.S. is involved? If not, please explain what gaps exist.

ANSWER: The reduction is for wildlife without borders, a program that provides technical assistance and project funding for conservation activities internationally. The proposed \$1.3 million decrease reflects the highest priority mission goals in the context of Service, Department, and Presidential priorities. We believe the resulting funding level for International Affairs is

sufficient to address the highest priority international agreements and treaties, and support important conservation priorities identified for this program.

Recovery Act

MoranQ24. The USFWS received \$280 million under the Recovery Act. Please explain: (1)What you have accomplished to date; (2) the number of jobs that have been created at the USFWS with these funds; and (3) if the USFWS expects to fully obligate this funding by September 30, 2010. In addition, the USFWS outlays are lagging. Why?

ANSWER: As of April 30, 2010, the USFWS has initiated work on 697 (approximately 97 percent) and has awarded 631 (approximately 87 percent) of its Recovery Act projects in all 50 states and several US territories. In addition, the USFWS has obligated more than \$236 million (approximately 85 percent) of its Recovery Act funding. Recipient reports in FederalReporting.gov indicate this injection of stimulus funding into the American economy has helped create 1,388 jobs. USFWS projects are primarily construction of new facilities, rehabilitation of existing facilities or habitat restoration. The primary beneficiaries are construction workers and material suppliers.

The Service expects to fully obligate its Recovery Act funding by September 30, 2010. As an interim milestone, the Service plans to have more than \$264 million (approximately 95 percent) of its Recovery Act funding obligated by June 30, 2010. The Service has met and/or exceeded all internal Recovery Act obligation milestones to date and plans to continue initiating projects and obligating Recovery Act funding as efficiently as possible, while effectively managing risk and adhering to Federal procurement laws and regulations.

Outlays will normally lag obligations. This is because outlays are recorded in agency financial systems when an invoice is paid. Invoices may only be submitted for completed work, and the Service has 30 days to process the invoice. The frequency with which invoices are submitted also will vary depending on the project/type of work being performed. Invoices are rarely prepared for the entire amount of a contract award. Therefore, outlays are spread over the entire project lifecycle. In many cases, final invoices are received and outlays made several months after a project is substantially complete.

Endocrine-Disrupting Compounds

MoranQ25. What is FWS currently doing about endocrine disruptors, what could FWS be doing, and why?

ANSWER: The central mission of the Service's Environmental Contaminants Program (EC Program) is protecting the nation's fish and wildlife from pollutants in the environment. Fish and wildlife are front line indicators of the overall health of the environment, a key harbinger for human health.

Developing implementable and economically feasible solutions to the burgeoning number of endocrine disrupting contaminants (EDCs) is challenging. The Service collaborates with two

USGS programs - Toxic Substances Hydrology and the National Water Quality Assessment, which conduct research and monitoring (respectively) to determine the presence and chemical fate of contaminants in aquatic environments. In addition, the Service is addressing the concern over EDCs in the mid-west and northeast through their efforts in the "Early Warning Program to Detect and Identify Emerging Contaminants and Their Effects to Fish and Wildlife" with funding from the Great Lakes Restoration Initiative. At the national level, the Service is working with industry to reduce the entry of EDCs into the environment through our SMARxT Disposal™ program. This is a partnership FWS developed with the American Pharmacists Association and the Pharmaceutical Research and Manufacturers of America, to promote the proper method for disposing of unwanted pharmaceuticals, many of which are powerful EDCs. The SMARxT Disposal™ program partnership now includes over 100 co-sponsors nationwide that are together educating the public about safely disposing of unwanted medications. SMARxT Disposal™ partners are not only helping to reduce the flow of EDCs into our nation's waterways, they are helping to raise public awareness of the connection between the actions people take and the impact those actions have on the environment.

Chesapeake Bay Restoration

MoranQ26. There is a \$5 million increase in the USFWS' budget for the Chesapeake Bay. Please explain how this funding will be used and how the USFWS is coordinating with other agencies?

ANSWER: On May 12, 2009, President Obama issued an Executive Order recognizing the Chesapeake Bay as a national treasure and calling on the Federal government to lead a renewed effort to restore and protect the nations' largest estuary and its watershed. As part of developing a new strategy for restoration, the Executive Order directs the Federal government to "define environmental goals for the Chesapeake Bay and describe milestones for making progress towards attainment of these goals".

Through the 26 field stations located within the 64,000 square mile Chesapeake Bay watershed the Service is coordinating and collaborating closely with other Department bureaus, and other Federal agencies such as the EPA and NRCS to protect natural resources in the watershed. We are working to restore water quality, fish and wildlife populations, and habitat, and conserving lands.

The table below specifically describes the funding proposed for FY 2011 for the Service and the activities to be undertaken by field offices in implementing the Executive Order.

Treasured Landscapes - Chesapeake Bay	
Habitat Conservation:	
Partners for Fish and Wildlife Conservation	\$400,000
Coastal Program	\$500,000
Environmental Contaminants Program	\$180,000
Fisheries:	
Habitat Assessment	\$1,430,000
Aquatic Invasive Species	\$145,000
Refuges:	
Wildlife and Habitat Management	\$1,460,000
Visitor Services	\$360,000
Migratory Birds:	
Conservation and Monitoring	\$100,000
Joint Ventures	\$285,000
Law Enforcement	\$140,000
Total	\$5,000,000

The request of \$400,000 for the Partners for Fish and Wildlife Program and \$500,000 for the Coastal Program will be used to expand direct technical and financial assistance to private landowners to restore, enhance, and manage fish and wildlife habitats on private lands in the Chesapeake Bay watershed. Priority habitats in critical need of restoration have been identified in the Nanticoke, Choptank, Pocomoke, and James River watersheds in Maryland, Delaware, and Virginia.

The request of \$180,000 and one FTE will enable the Service's Environmental Contaminants Program to work throughout the Chesapeake Bay watershed, focusing on key tributaries and estuarine areas to monitor and investigate impacts of pollutants on the Bay and its watersheds.

The Habitat Assessment and Restoration Program's request of \$1.43 million and 3 FTEs will be leveraged with other programs to protect and restore habitat, fish passage, remove dams and replace culverts. This will restore stream connectivity, improve freshwater and estuarine habitat, and open access to high quality spawning and rearing habitat in targeted areas within the watershed.

The additional funding of \$145,000 for the Aquatic Invasive Species program will be used for increased monitoring and assessment to prevent both intentional and unintentional introductions of aquatic invasive species. Once detected, rapid response teams will be initiated to eradicate

new infestations of invasive species before they can become established. For species where eradication is not a feasible option, methods to control and manage will be undertaken.

The requested funding of \$1.46 million and 4 FTEs for Wildlife and Habitat Management would be used to improve habitat for Service priority fish and wildlife trust species through restoration and management on 14 National Wildlife Refuges within the Chesapeake Bay Watershed.

The request includes \$360,000 and 3 FTEs for Refuge Visitor Services. The Service would work with the NPS, NOAA, and other partners to expand opportunities for public access to the Chesapeake Bay and to improve wildlife dependent activities on refuge lands and waters. Improvements would include new observation trails, water trails in conjunction with the Chesapeake Bay Gateways and Water Trails Network, Captain John Smith National Historical Trail, Harriet Tubman Historical Park, and others.

Funding of \$100,000 is requested for the Migratory Birds Conservation and Monitoring Program to develop and expand monitoring protocols, evaluation tools, and research to determine bird population status and trends, and monitor results of management actions in the Chesapeake Bay region.

Funding of \$285,000 and 2 FTEs is requested to expand the capacity of the Atlantic Coast Joint Venture partnership and Migratory Bird Program to collaboratively protect, restore and enhance critical migratory bird habitats throughout the Chesapeake Bay Watershed.

The request includes \$140,000 and 1 FTE for Law Enforcement Operations to help prevent the deliberate and unintentional introduction of terrestrial and aquatic invasive species in the Chesapeake Bay ecosystem. The President's request for increased law enforcement funding will allow the OLE to increase the wildlife inspection presence and staffing levels in the Chesapeake Bay watershed.

Endangered Species Consultation

MoranQ27. In 2009, the GAO issued a report, "*ENDANGERED SPECIES ACT: The U.S. Fish and Wildlife Service Has Incomplete Information about Effects on Listed Species for Section 7 Consultations (GAO-09-550)*" that USFWS lacks systematic measures for tracking monitoring reports required by biological opinions and for tracking cumulative take of listed species at least in part due to staffing and budgetary shortfalls. Can you tell us what kind of progress the agency is making in addressing these findings?

ANSWER: One of the key elements of the Information, Planning, and Consultation (IPaC) system is to provide the Service with a greater capability for tracking the cumulative take of listed species. FWS expects the IPaC system will be helpful in addressing the findings of the GAO report.

MoranQ28. The FWS currently is developing the Integrated Planning and Consultation system. The full scale deployment of the system will cost about \$20 million per year for five

years – please explain how much funding for this effort is proposed in the FY 2011 budget request.

ANSWER: While the USFWS has been developing the Information, Planning, and Consultation (IPaC) system since the mid-1990's, system development began in earnest in 2006. The early phases of IPaC began coming on-line in limited areas during the latter part of 2007, in part, due to Customs and Border Protection funding for the development of the system. The Service has dedicated resources to support the IPaC system, including approximately \$2 million for FY 2010. The FY 2011 President's budget continues funding this amount.

Renewable Energy

MoranQ29. In the coming years, what is the USFWS' anticipated workload for consultations on renewable energy projects?

ANSWER: It is difficult to predict precisely what our energy workload will be in the future due to the various factors that influence energy development (general economic activity, tax structure, technology, and energy demand to name a few). We use preliminary requests to our field offices and recent workload trends as indicators of future activity. Based on these indicators and the length of time it takes to permit these facilities, we predict renewable energy workload to continue to climb over the next 5 years at a minimum. The energy industry predicts alternative energy production to increase five-fold by 2030; however, it is difficult to predict what that means in terms of requests for endangered species consultations for new energy projects.

MoranQ30. Will the \$2 million increase for renewable energy consultations in the FY 2011 request be adequate given the number of projects moving forward?

ANSWER: Combined with the \$3 million increase enacted in FY 2010, the \$2 million increase for renewable energy consultations in the FY 2011 request will be adequate to address the anticipated need in FY 2011.

MoranQ31. What kind of forward planning will be necessary to prepare adequately for the expected increases in the number of projects?

ANSWER: This effort will require intense, focused, and dedicated attention from consultation staff for renewable projects for the foreseeable future. The Information, Planning and Consultation (IPaC) program will help to provide resource information to regional planning efforts and to conduct effective and efficient environmental review and approval processes.

Migratory Bird Management

MoranQ32. What is the USFWS' authority and responsibility for the management of migratory birds? What kinds of things does the agency do to protect and manage these species?

ANSWER: The Service has the legal mandate and the trust responsibility to maintain healthy migratory bird populations for the benefit of the American public. The Service is authorized by more than 25 primary conventions, treaties, and laws to ensure the conservation of more than 800 species of migratory birds and their habitats.

Primary among these are the four bilateral migratory bird treaties the United States entered into with Great Britain (for Canada in 1916 as amended in 1999), the United Mexican States (1936 as amended in 1972 and 1999), Japan (1972 as amended in 1974), and the Soviet Union (1978) that protect migratory birds. Regulations allowing the take of migratory birds are authorized by the Migratory Bird Treaty Act (16 U.S.C. 703 - 711), and the Fish and Wildlife Improvement Act of 1978 (16 U.S.C. 712). The Migratory Bird Treaty Act (Act), which implements the above-mentioned treaties, provides that, subject to and to carry out the purposes of the treaties, the Secretary of the Interior is authorized and directed to determine when, to what extent, and by what means it is compatible with the conventions to allow hunting, killing, and other forms of taking of migratory birds, their nests, and eggs. This responsibility has been delegated to the Service as the lead Federal agency for managing and conserving migratory birds in the United States.

In addition to implementing regulations that govern the protection of, and authorize the allowable take of, migratory birds, the Service's efforts have resulted, for example, in the creation of many national wildlife refuges and wetland management districts as havens for waterfowl, colonial water birds, seabirds, shorebirds and land birds. The Service developed and continues to carry out the longest operating and most comprehensive survey of animal abundance, the Aerial Waterfowl Breeding Ground Population and Habitat Survey. The Service has also guided the recovery of endangered species such as the peregrine falcon and brown pelican. In addition, the Service administers two premier continental partnership-based conservation efforts, the North American Waterfowl Management Plan and the North American Wetlands Conservation Act.

MoranQ33. What are the sources of information the agency uses to make management decisions about migratory birds and the other wildlife species you regulate and manage? Does the agency have good general baseline information on all bird species, even common species (population levels, breeding areas, age class distribution, etc)? How does the USFWS know things are changing for a species?

ANSWER: The Service obtains the information needed to make management decisions about migratory birds and other wildlife species from a variety of sources, depending on the nature of the decision to be made and the species and habitats involved. This includes data collection and analyses by the Service's professional staff, results of scientific research published in peer-reviewed journals, and relevant information (with appropriate documentation) from Federal agencies, States, Tribes, academic institutions, or other sources. The Service also works with diverse partners to obtain information and conduct surveys and studies. These partners include other Federal agencies, State and local governments, Tribes, universities, international organizations, and private organizations and individuals.

The Division of Migratory Bird Management, Division of Bird Habitat Conservation, Regional Migratory Bird activities, Joint Ventures, and the Migratory Bird Hunting and Conservation Stamp Office comprise the Service's Migratory Bird Conservation Program. Migratory Bird Program staff or Service partners routinely conduct population surveys, monitoring, and assessment activities for waterfowl and certain other game and non-game birds; support national and regional-scale biological planning, and project implementation; and conduct evaluations to achieve migratory bird program objectives.

A significant source of data for decision-making is derived from the Migratory Bird Data Center, a collaboration between the Service and USGS that is under the umbrella of the National Biological Information Infrastructure (NBII). Databases within this include the Bird Point Count database, North American Breeding Bird Survey, numerous waterfowl surveys, as well as American Woodcock and Mourning Dove surveys.

For non-bird species several other programs contribute to our knowledge base. Working with partners, the Fisheries Program collects, analyzes, and disseminates aquatic population and habitat information; designs and implements monitoring programs to evaluate the effectiveness of our conservation activities; and conducts applied research to better predict population responses to climate change. These activities are conducted not only for the trust species FWS is protecting but also for the aquatic invasive species FWS is managing to better conserve those trust species.

The amount and types of data available vary considerably by species, habitats, and threat factors. Knowledge of species and their requirements increases through the development and implementation of recovery plans. Meeting recovery goals requires continued monitoring, adaptive management, and holistic conservation planning and implementation over decades, along with close coordination and technical coordination with partners to assist their recovery efforts.

The requested funding for climate change will significantly add capacity to generate and collect needed information.

MoranQ34. What other kinds of wildlife does the USFWS manage or protect and what sorts of things does the USFWS do to manage or protect these other wildlife species?

ANSWER: The Service mission is to work with others to conserve, protect, and enhance fish, wildlife, plants and their habitats for the continuing benefit of the American people. A wide range of Federal legislation and Executive Orders provide the Service with principal trust responsibility to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fisheries.

To accomplish our mission, the Service maintains cooperative relationships with other Federal agencies, State and International governments, Native American organizations, scientists from numerous institutions and organizations, industry groups, non-governmental organizations, and others. Through active collaboration and coordination, FWS is able to conduct and support a variety of biological investigations to obtain information important to assess population health,

status, and trends; understand habitat needs and impacts to their environment; enhance management and conservation strategies; implement protective measures and actions; and develop regulatory mechanisms and mitigation measures to further the goals of the statutes under the management responsibility of the Service.

Many statutes govern FWS's actions and provide FWS with the responsibility to protect and conserve migratory birds, threatened and endangered species, certain marine mammals, and inter-jurisdictional fisheries.

MoranQ35. What is the status of the 139 focal species that have been designated highest in conservation need?

ANSWER: The Migratory Bird Program has completed Conservation Action Plans for 17 of the priority focal species, as well as 10 drafts. These plans identify and highlight the key actions needed to improve the status of the species. Plans completed in 2009 include Black Brant, Long-billed Curlew, Mountain Plover, and Rusty Blackbird.

Examples of actions undertaken from the plans include increased efforts in assessing the status of the *roselaari* subspecies of Red Knot, as well as use of program funds to address this need. The Service also used the Science Support Program with USGS to establish technical committees focused on horseshoe crab and Red Knot management through a joint Structured Decision-Making process. A temporary coordinator was hired to implement actions from the American Oystercatcher Plan, funded by the National Fish and Wildlife Foundation. On completion of the Black Oystercatcher Plan, funds were secured to determine migratory movements using satellite telemetry. This work enables us to locate important wintering sites and develop site-based conservation strategies. The Hudsonian Godwit Plan involves color-flagging birds in Chile and developing land protection strategies in critically important areas, based on sound biological information, as well as leveraging funding from The Nature Conservancy and Packard Foundation.

In the future, the effects of climate change and other landscape factors may alter existing limiting factors for some species. For others, limiting factors may remain the same but be redistributed spatially. Explicitly identifying these species, as well as expected consequences of climate change and associated scientific uncertainty, will be the first step toward developing proactive conservation strategies. Because the rate of climate change is projected to be unprecedented, species triage may be necessary to focus our efforts on species where management intervention is most likely to succeed over a limited time period.

MoranQ36. Please explain the status of the Migratory Bird inventory and monitoring program and what the current gaps and needs are.

ANSWER: Migratory bird monitoring programs provide information necessary to meet obligations to track the status and health of bird populations and to inform conservation and management decisions. Broad-scale monitoring protocols are in place to track population status and trends for many bird species in North America. Major gaps in current broad-scale programs include limited information for many species breeding at high latitudes of the Arctic and Sub-

arctic, including sea ducks and shorebirds. For land birds, resource limitations necessitate compromises in survey design that impede the application of these data in some management contexts for which estimates of abundance are necessary. For some species groups, such as secretive marsh birds, no adequate broad-scale monitoring framework exists. Efforts are underway now to develop a national monitoring framework for these species and various States are partnering with the Service in evaluating proposed sampling designs and protocols.

Climate change is expected to result in directional change in natural systems over time. It is likely that bird population distribution and abundance as well as the processes that influence population vital rates (e.g., reproduction and survival) will change in response to climate effects on bird habitats. A key challenge in the future will be to find support to expand monitoring protocols to track changes in bird distribution and abundance and to identify shifts in those factors influencing recruitment and survival. This will require adjustments and expansions to current survey efforts.

MoranQ37. Will the program benefit from any of the funding that has been requested for climate change related inventory and monitoring and for the Landscape Conservation Cooperatives?

ANSWER: One of the greatest challenges currently facing migratory bird managers is development of decision support tools that are robust enough to respond to the increase in uncertainty associated with climate change. Successfully responding to the challenges of climate change will require that migratory bird managers effectively allocate resources among a comprehensive suite of focused conservation actions. A key component of this effort is to build predictive models that link the effects of regional habitat changes (which are the result of both natural processes as well as directed conservation efforts) and broad-scale harvest management actions to continental migratory bird abundance and distribution.

Funding and resources directed to LCCs will be instrumental in applying predictive models at the regional scale that can be integrated at the population scale in order to predict population-scale effects of conservation actions. LCC funding will also be critical to develop regional-scale monitoring capacity (for birds and their habitats) in order to monitor population responses and adjust conservation strategies accordingly.

MoranQ38. Please explain what the Urban Conservation Treaties for Migratory Birds program is, what it hopes to accomplish, and describe the USFWS' successes thus far.

ANSWER: Urban Treaties are unique, collaborative agreements between the Service and participating U.S. cities, bringing together private citizens, Federal, State, and municipal agencies, and non-government organizations. The program combines Federal grants with matching funds or in-kind services to create partnerships that promote bird conservation. The program's objectives are to expand the appreciation of birds in terms of the benefits that they bring to everyday life, and to involve citizens of all ages in hands-on activities to protect migratory birds while building awareness of careers in the field of natural resource management. To date, the Service has signed ceremonial treaties with nine cities, including Chicago, Houston, Portland, St. Louis, Philadelphia, New Orleans, Nashville, Anchorage, and New York City.

Particular activities include the development of municipal bird-friendly rain gardens and improved wetland stopover sites in Anchorage, Alaska, and public school conservation curricula and programs to minimize bird strikes to glass buildings in New York City.

MoranQ39. In the Office of Migratory Bird Conservation, what kind of permits does the Branch of Permits and Regulation issue?

ANSWER: The staff in the Branch of Permits and Regulations (BPR) only issue migratory bird permits to State agencies for Highly Pathogenic Avian Influenza surveillance activities. All other permits issued under the Migratory Bird Treaty Act and Bald and Golden Eagle Protection Act are issued by the Regional Migratory Bird Permit Offices in our eight regions. Permits issued include scientific collecting, depredation, falconry, raptor propagation, eagle disturbance, eagle nest take, educational use, rehabilitation, taxidermy, waterfowl sale and disposal, among others. The program issues over 12,000 permits annually with over 22,000 active at any one time.

MoranQ40. Do those receiving these permits file reports on the activities carried out under these permits? How are these reports filed and received—paper forms or online? Is the information the permit holders provide compiled and used by the USFWS to make management decisions?

ANSWER: With the exception of Native American eagle feather possession permits, most permits require a report. Although the report forms are posted on the FWS website and are fillable forms, nearly all reports are presently received in paper form. However, FWS is in the process of converting all applications and report forms to “e-forms” to enable the public to submit applications and reports electronically. The FWS expects to start with depredation and taxidermy permits due to the large numbers of those permits administered.

The permit offices enter report data into the permits database on a priority basis. Prioritized data are those involving take of migratory birds from the wild under scientific collecting, depredation and falconry permits. This information is used by Service staff and staff of other Federal agencies to make decisions on allowable annual take of species and to do assessments required under the National Environmental Policy Act for permit and other management decisions.

MoranQ41. How many permits does the USFWS issue for the rehabilitation of migratory birds? How many birds are rehabilitated each year by the permit holders?

ANSWER: There are approximately 1,500 active migratory bird rehabilitation permits, each valid for 5 years. The FWS does not have a comprehensive total of the number of migratory birds rehabilitated each year because tracking these data has been a lower priority than take of healthy migratory birds from the wild. However, once these reports can be filed electronically by rehabilitation permittees, FWS expects to make greater use of these data as a potential indicator of environmental threats or wildlife health issues. For instance, FWS is increasingly concerned about population impacts of lead ingestion on eagles and other migratory birds and data collected by rehabilitators could potentially shed light on this important issue.

Quagga and Zebra Mussels

MoranQ42. Last year, Congress provided \$2 million to respond to the problem of invasive mussels entering our lakes and rivers, including the Great Lakes and Lake Tahoe. This year you have eliminated funding to control these invasive species. The number of quagga mussels has grown to 3 trillion since 2007. What did you do with that 2 million dollars, and how will you continue your efforts without additional funding?

ANSWER: The \$2 million increase includes \$800,000 that has been directed toward the placement of inspection and decontamination stations on roads leading into the Lake Tahoe Region, \$600,000 that will support Aquatic Nuisance Species Task Force (ANSTF) approved State/interstate ANS plan activities that address prevention, containment, control, and education efforts targeting quagga and zebra mussels, and \$600,000 that will fund projects that directly support three priorities of the *Quagga-Zebra Mussel Action Plan for Western U.S. Waters* (QZAP).

Inspection and decontamination. Beginning May 15, 2010, watercraft inspectors will perform the primary inspection and decontamination process away from launch facilities on Lake Tahoe. With the funds provided, four inspection stations open 7 days a week, 14 hours a day. These stations will be located along the major routes into the Lake Tahoe to inspect watercraft, including non-motorized watercraft, as they enter the Basin.

ANSTF approved State/interstate ANS plan Activities. Grants totaling \$600,000 will target on-the-ground projects supporting quantifiable results for quagga and zebra mussel-related projects identified in approved State/interstate ANS management plans. Funding will be divided evenly among plans whose proposals support results-oriented projects. To date, the Service has received 21 proposals. The Service will continue to work with State, interstate and tribal partners to help fund the implementation of the ANS management plans and help facilitate the development of new plans in the future. Service funding of approximately \$1,075,000 for plan development and implementation has remained in place for years. These funds are divided evenly among the plans annually.

QZAP Priorities. The final \$600,000 provides grant funding to help implement three of QZAP's highest priorities. In FY 2011, QZAP actions will be continued by partners to first prevent zebra mussel and other ANS from spreading to the 100th meridian and west, and second to monitor and control these species if detected. Efforts will include improved outreach and research to prevent or minimize movement and settlement of young mussels within water delivery systems and other water infrastructures. The Service will continue to engage citizens via the *Stop Aquatic Hitchhikers!*TM campaign to empower individuals and communities to prevent both new introductions and the continued spread of quagga and zebra mussels. As a catalyst for community action, this campaign targets aquatic recreational users and empowers them to become part of the solution by encouraging them to clean their boats, trailers, and equipment before transporting this equipment from one water body to another.

Great Lakes Restoration

MoranQ43. How much of this funding has EPA provided to FWS to fund restoration activities in the Great Lakes?

ANSWER: Of the \$475 million of Great Lakes Restoration Initiative (GLRI) funding available, the U.S. EPA has provided a total of \$64.6 million to the Fish and Wildlife Service for FY 2010 in two separate Interagency Agreements. Of this total, \$58.2 million will fund restoration activities throughout the Great Lakes Basin conducted by the Service and through grants the Service will make available. The remaining \$6.4 million represents Great Lakes Restoration Initiative funding that will be provided in grants under the Sustain Our Great Lakes, formerly the Great Lakes Watershed Restoration grant program.

MoranQ44. Can you give examples of how this money is being used by FWS?

ANSWER: Below is a list of projects funded under EPA's Great Lakes Restoration. The details of any one or all of these projects can be provided.

Toxic Substances and Areas of Concern: \$5.4M.

1. Remediation and restoration of contaminated sediments (\$0.760M)
2. Early warning program to detect and identify emerging contaminants and effects on fish and wildlife (\$1.400M)
3. Great Lakes Legacy Act sediment removal projects, habitat restoration, and Natural Resource Damage Assessments (\$0.440M)
4. Develop and implement a closure plan for the Grassy Island Unit of the Detroit River International Wildlife Refuge (\$2.800M)

Invasive Species: \$20.9M

1. Aquatic Invasive Species Prevention program (\$3.136M)
2. Integrated pest management grant/subcontract support (\$4.223M)
3. Integrated pest management for priority species (\$1.500M)
4. State and Interstate Aquatic Nuisance Species Management Plans (\$11.000M)
5. Great Lakes Watershed Restoration grant program (\$1.000M)

Habitat and Wildlife Protection and Restoration: \$37.6M

1. Implementation of the Great Lakes Fish and Wildlife Restoration Act (\$8.000M)
2. Restoration of lake trout and lake sturgeon in the Great Lakes (\$7.742M)
3. Great Lakes Endangered Species Recovery Initiative (\$2.000M)
4. Great Lakes Habitat and Species Restoration Initiative (\$5.000M)
5. Conservation of Great Lakes islands (\$1.5M)
6. Great Lakes-dedicated funding for North American Wetlands Conservation Act (\$2.500M)
7. Habitat assessment and accounting infrastructure for the Great Lakes (\$2.000M)
8. Upper Midwest and Great Lakes Landscape Conservation Cooperative (\$1.000M)
9. Great Lakes wind power: making it migratory bird friendly (\$1.000M)
10. Great Lakes Basin Fish Habitat Partnership (\$1.500M)
11. Great Lakes Watershed Restoration Grant program (5.360M)

Accountability, Education, Monitoring, Evaluation, Communication, and Partnerships:
\$715K

1. U.S. Fish and Wildlife Service LaMP coordination and implementation (\$640K)
2. U.S. Fish and Wildlife Service liaison position to Great Lakes National Program Office (\$75K)

Grand Total: **\$64.6M**

MoranQ45. What has been accomplished with this funding to date?

ANSWER: Supported by GLRI FY 2010 base funding, the Service has been conducting activities in partnership with other Federal agencies, States, Tribes, non-governmental organizations, and academia to conserve, protect, and restore native aquatic species and their habitats within the Great Lakes basin; and to prevent the introduction and establishment of aquatic invasive species in the watershed.

Activities accomplished to date include: 1) developing and completing design and pre-planning (including environmental compliance) for priority on-the-ground projects to restore aquatic habitat in key watersheds through existing programs such as Fish Passage and the National Fish Habitat Action Plan; 2) solicitation, ranking, and selection of high-quality proposals from throughout the basin for funding under the Great Lakes Fish and Wildlife Restoration Act; 3) preparing for enhanced population assessments of lake trout and other pelagic fish species in summer/fall 2010 to inform fishery management actions; and 4) preparing for implementation of activities to support both enhanced lake trout propagation at the Service's Great Lakes national fish hatcheries and streamside rearing of lake sturgeon in selected tributaries in partnership with State resource management agencies.

In addition, the Service has been participating in interagency efforts to prevent the establishment of self-sustaining populations of Asian carp and other invasive species in the Great Lakes, and to control populations of invasive species established there.

The Service participated as part of the Asian Carp Rapid Response Workgroup (Workgroup) in December 2009 to support necessary maintenance work on electrical barriers in the Chicago Sanitary and Ship Canal (Canal) in Romeoville, Illinois. The primary Asian carp prevention activity consisted of the application of rotenone (a fish specific poison or piscicide) within a 5.7-mile stretch of the Canal.

The Illinois Department of Natural Resources, U.S. Army Corps of Engineers, and FWS conducted fishing activities, designed to detect Asian carp, in the Canal and connected waterways (including Cal-Sag Channel, Calumet River, Little Calumet River, Calumet Harbor, Des Plaines River, and South Branch of the Chicago River) during February and March. No Asian carp were collected by any of these agency surveillance efforts.

Requests for proposals were issued by FWS to support Great Lakes State Aquatic Nuisance Species Management Plans (Plans). Approximately \$10.5 million will be provided as the FY2010 Federal share to implement those Plans. Progress continues on developing contractual agreements with the States.

Requests for proposals were issued jointly, by the Environmental Protection Agency and FWS, to support grants that will total approximately \$11 million. These grants will support approaches to: 1) develop, test, and verify approaches to treat ballast water in ships plying the Great Lakes, and 2) stop the introduction of new non-native invasive species into the Great Lakes, establish early detection and rapid response capabilities to deal with newly introduced invasive species, and control the spread of invasive species already there. Final decisions on grant awards are forthcoming.

MoranQ46. Can you tell me what FWS will be doing under Treasured Landscapes for the Great Lakes?

ANSWER: The FWS is executing its base budget of \$43 million and utilizing \$57.5 million from EPA to conduct a variety of conservation and protection efforts in the Great Lakes, including acquiring, monitoring, and protecting Great Lakes islands and coastal wetlands, funding private land habitat restoration efforts in the Great Lakes basin, as well as funding important environmental cleanup and restoration activities.

MoranQ47. Is this different than what is being done under the Great Lakes Restoration Initiative managed by the EPA, or in conjunction with it?

ANSWER: The FWS will continue its base funded Great Lakes activities at \$43 million in 2011 and expects to receive \$32.5 million from EPA to fund activities initiated in 2010.

Increase Duck Stamp Fee

MoranQ48. The USFWS budget assumes enactment of legislation to increase the Duck Stamp Fee from \$15 per stamp per year to \$25 per stamp per year. How does the FWS use these fees? How much is currently collected and how would the increase be used?

ANSWER: The Service deposits revenues from the sale of Federal Duck Stamps into the Migratory Bird Conservation Fund (MBCF) to acquire land for migratory bird habitat. The amount of stamps sold varies from year to year. Over the past five years, Federal Duck Stamp receipts have been between \$22 and \$24 million per year. The Service estimates that increasing the cost of Federal Duck Stamps by \$10, to \$25 per stamp, would equate to an additional \$14 million of receipts annually in the MBCF. With the additional receipts, the Service will acquire fee title and conservation easement lands to benefit migratory birds.

Firearms

MoranQ49. In February, the USFWS announced new rules governing possession of firearms on all 551 units of the National Wildlife Refuge System. This change is a result of legislation that passed last year. What exactly will this new rule allow?

ANSWER: Section 512 of the Credit Card Accountability Responsibility and Disclosure Act of 2009, P.L. 111-24, 123 Stat. 1764-65, allows persons to possess firearms while in units of the National Wildlife Refuge System if they are in compliance with applicable Federal and State law. Section 512 does not affect the enforcement of the regulatory prohibition on the use of firearms within National Wildlife Refuges, (50 C.F.R. Part 26 and 32).

MoranQ50. The IG recently conducted an assessment and review of firearms inventory and control at the Department. The report found that some bureaus did not have a designated firearms coordinator to inventory and manage law enforcement weapons. The report mentioned that FWS does not have a firearms coordinator. Do you agree with the IG that such a position is necessary? Why or why not?

ANSWER: In response to the IG report, the Service's Office of Law Enforcement (OLE) identified the Special Agent in Charge of its Branch of Training and Inspection as the "designated firearms coordinator" for the OLE program. While not previously described as such, the incumbent in this position has been responsible under OLE policy for firearms accountability, standardization, issuance, and disposal since 2004. Centralization of these responsibilities contributes to an effective firearms management process.

IG Report on FWS Plane Crash

MoranQ51. In February 2009, Interior's Inspector General issued a report finding that the Department had been allowing 8 of its aircraft to fly over maximum takeoff gross weight, contrary to FAA policy and the manufacturer's specifications. These planes posed a serious risk to people and property. Did the fatal plane crash this January involve one of the planes identified in the IG report and what has the USFWS done to address the deficiencies found by the Inspector General?

ANSWER: The plane flown by Ray Bentley was not one of the aircraft that was part of the Inspector General report mentioned above. The eight survey aircraft in the Inspector General's report have limitations and have been flown under operational waivers afforded to the Department of Interior by the Federal Aviation Administration (FAA) as "Public Use" aircraft, but within the manufacturers allowable 20% above commercially prescribed take-off weights for the past 18 years. They do not pose a serious risk to people and property. A rigorous DOI structural monitoring and testing program has supported this policy and these aircraft have been operated safely under explicit operational guidelines when within these weights.

A multi-year \$16.0 million program was begun in FY 2004 to replace eight of the 14 aircraft that comprise the migratory bird survey fleet. The program is fully funded and the aircraft are in production. They will begin to become operational in early FY 2011. The "Kodiak" is a conventional single engine (turbine), high wing aircraft designed to be operated with amphibious

floats. The aircraft was certificated for operations on land by the FAA in May 2007. The Fish & Wildlife Service has received the first non-amphibious aircraft (with approval for amphibious operations expected by May) and expect seven additional aircraft to be delivered during calendar year 2010.

Questions for the Record from Mr. Price

Among the nation's landscapes vulnerable to climate change, few are in as precarious a position as North Carolina's Albemarle-Pamlico Peninsula. The effects of climate change are already visible on the Peninsula: the region's peat soils are degrading quickly and natural communities are in retreat from saltwater intrusion. The ecological changes could eliminate habitat for a wide range of wildlife, from black bears to red wolves to migratory songbirds.

PriceQ1: There is currently an ecosystem based adaptation demonstration project at the Alligator River National Wildlife Refuge funded by private monies, raised mainly by The Nature Conservancy. Are there any plans to support and grow that program with federal funds in partnership with the Fish and Wildlife Service?

ANSWER: Efforts are being made to expand partnership opportunities related to this project, but also to expand the project to include other additional areas on Alligator River NWR and Pea Island NWR. This project has been supported by Alligator River NWR through the purchase of monitoring equipment, staff time, and the use of refuge heavy equipment to prepare the project site. Refuge heavy equipment and staff will also be used to install water control structures to carry out the hydrology restoration phase of the project. The Service and The Nature Conservancy are working with a growing number of partners. NOAA has provided funding for the project through the Southeastern Aquatic Resources Partnership and EPA has inquired about the project and is interested in providing funding. The U.S. Air Force is interested in contributing in-kind materials, such as pipes, to be used in the hydrology restoration phase.

PriceQ2: The Alligator River Refuge is also requesting Land and Water Conservation Fund (LWCF) monies to acquire 856 acres (the Lankford tract) that are important to both connect habitat and also to control water flows across the refuge. What role can LWCF play to address ecosystem-based adaptation and also to connect key species and lands?

ANSWER: LWCF can play an important role in addressing ecosystem-based adaptation. For example, funding for federal land acquisition can allow the Department to help ensure the availability of corridors for wildlife migration as climate patterns change the distribution of suitable habitats. While the Alligator River NWR provides key lands that support wildlife adaptation to the effects of climate change and high quality wildlife habitat, other higher priority LWCF projects were requested for FY 2011.

PriceQ3: How can the Fish and Wildlife Service work with other agencies, such as the Environmental Protection Agency's National Estuary Program, to address climate-related impacts from sea level rise?

ANSWER: The Service can work with Environmental Protection Agency's (EPA's) National Estuary Program to address climate related impacts from sea level rise by establishing research priorities, providing funding for key research and development activities, and helping to ensure that agencies and organizations that deliver conservation on-the-ground have the kinds of science

information and conservation plans and strategies they need to deliver conservation most effectively and efficiently. To date, the Service has made its Sea Level and Marsh Management Model (SLAMM) available to EPA and other federal and state agencies, NGOs, industry and the public, to assist them in forecasting changes in sea level and identifying places where sea level rise will be most dramatic and will impact most on adjacent uplands and their associated fish and wildlife resources. Similarly, the Service has taken the lead in establishing nine LCCs that will provide EPA's regional offices opportunities to join the Service and its conservation partners in taking a landscape-level approach to conservation and helping fish and wildlife adapt to their climate changed habitats.

PriceQ4: Additionally, can you provide more information on the Administration's visions for Landscape Conservation Cooperatives (LCC)? Could LCC's play a role in providing a forum for such cooperation?

ANSWER: LCCs are seen as integral parts of a nationally coordinated, science based response to climate change impacts on our Nation's land, water, and wildlife resources, including fish and aquatic resources. LCCs are part of a vision that integrates Department of the Interior (DOI) science and management expertise with that of its partners, and will provide information and best management practices available to support strategic adaptation and mitigation efforts for climate change on both public and private lands across our Nation and internationally.

This vision supports individual DOI bureau missions while, at the same time, creating synergies with DOI bureaus and both governmental and non-governmental partners to address climate change across broad landscapes. The Department's Climate Change Response Council plays a key role in promoting collaboration among the bureaus, and for developing mechanisms for data and information management, setting national priorities, ensuring consistency of form and function, and preventing duplication of effort among the bureaus. Within this vision, EPA's National Estuarine Program would be a welcomed partner.

Questions for the Record from Mr. Simpson**Sage Grouse**

Earlier this month the Service added sage-grouse to its list of species that are warranted but precluded from listing under the ESA.

SimpsonQ1. Would you please summarize for us the agency's recent listing decision on sage grouse?

ANSWER: The Service determined that range-wide, the greater sage-grouse met the definition for listing under the ESA, but that listing is precluded by higher priority actions. As required by policy, the Service assigned sage-grouse a listing priority number of 8 on a scale of 1 – 12. This number is determined by examining the magnitude and immediacy of threats, and the species' taxonomic status. There are approximately 150 other species with a listing priority number higher than 8 at this time. In addition to the range-wide finding, the Service determined that the population along the Nevada/California line qualifies as a distinct population segment. That population received a listing priority number of 3. Both of these actions were undertaken as a result of court orders. A third determination, for which there was an outstanding legal case but no court-ordered deadline, was to substantiate whether there was a biological basis to support the western subspecies of the greater sage-grouse. Based on the Service's review of genetic, behavioral, ecological, and morphological data, there is no biological foundation for the western subspecies. Therefore, the Service also no longer recognizes the subspecies, nor a previously designated distinct population segment of the subspecies in central Washington that was designated a candidate under ESA. However, that former distinct population segment is part of the range-wide finding, and as such its status as a candidate is retained.

SimpsonQ2. What are the major threats to the species' survival? How confident are you in your ability to tease out the relative impacts of these various threats?

ANSWER: The primary threat to the greater sage-grouse is loss and fragmentation of sagebrush habitats on which the species depends. Additionally, examination of regulatory mechanisms concluded that they were insufficient to conserve the sagebrush habitats or reduce activities contributing to the loss of these habitats. The primary activities contributing to habitat loss include invasive plant species and the resulting shortened wildfire cycle, energy development and associated infrastructure, and tilled agricultural activities and its associated infrastructure.

Because these are very specific activities, they are relatively easy to track with the use of spatial technologies, and, in the case of energy development, the review of permitting records. Additionally, recent advances in science more clearly document the negative effects of these activities on the species survival and persistence. Likewise, review of regulatory mechanisms addressing these concerns is relatively easy to accomplish through review of Federal and State agency regulations.

Simpson: As you know, the recent determination by the U.S. Fish and Wildlife Service that the greater sage-grouse is “warranted but precluded” from the protections afforded by the Endangered Species Act directly impacts my home state of Idaho. While I am concerned about the long-term implications of a warranted determination, I am encouraged that the “warranted but precluded” determination will continue to allow the Department of the Interior to work closely with States, private landowners, and other partners on collaborative solutions for conserving the species and its habitat so that there is no need to list the species in the future.

The State of Idaho has been a leader in developing and implementing collaborative solutions to conserve the species and maintain stability for land users, starting in 1996 when Idaho became one of the first states in the country to develop a comprehensive plan for species and habitat preservation. Over the past 14 years, the State has adapted the plan as better information has become available and recently completed the nation’s first Candidate Conservation Agreement with Assurances (CCAAs) for the species, with plans to complete two more in the coming months. These types of agreements and other voluntary, cooperative efforts are, I think, the best hope for real species recovery.

SimpsonQ3. Can you tell me how the “warranted but precluded” determination will impact the CCAAs that the State has completed, as well as its plans to complete additional agreements? Are you supportive of these types of collaborative agreements between federal, state, and local government and private landowners?

ANSWER: The purpose of the CCAA is to encourage private landowners to undertake conservation actions on their properties without fear of future regulatory restrictions should the species conserved become listed. The warranted but precluded determination will have no effect on existing CCAAs. FWS supports collaborative efforts and agreements between Federal, State, and local governments and private landowners.

SimpsonQ4. What collaborative efforts other than CCAAs is the Service involved in for the benefit of sage grouse?

ANSWER: The Service has field personnel involved with the more than 70 local working groups for the greater sage-grouse throughout the species’ range. These groups are providing active conservation for sage-grouse and their habitats within their local areas. The Service is also a signatory to a Memorandum of Agreement (MOA) with the States and other Federal agencies committing to long-term sagebrush and sage-grouse conservation throughout the species’ range. Two members of the Service (field and project leader level) are members of key teams developed by this MOA to examine paths to long-term conservation. Additionally, the Service has worked closely with the Western Association of Fish and Wildlife Agencies Sage and Sharp-tailed Grouse Technical Committee, committing a field biologist, for the past 12 years. In addition to providing funding for both the 2004 Conservation Assessment of the Greater Sage-grouse and Sagebrush Habitats and the 2006 Greater Sage-grouse Comprehensive Conservation Strategy, the Service helped to co-author these documents with state agencies. The Service is also an active participant in the Governor of Wyoming’s core area strategy. This strategy incorporates strategic habitat conservation principles which, if properly implemented, will provide long-term conservation for both sage-grouse and sagebrush in Wyoming.

SimpsonQ5. What is the Service's role, if any, in the USDA sage-grouse initiative?

ANSWER: The Service has signed a Partnership Agreement with the Natural Resources Conservation Service (NRCS) for the purpose of working together, in cooperation with other partners, to restore and enhance Gunnison sage-grouse and greater sage-grouse and their habitats and the sustainability of working ranches and farms in the Western United States. The objectives of this Partnership Agreement are to 1) ensure that NRCS programs and conservation practices will help ameliorate threats and produce significant conservation benefits to sage-grouse and its habitat at the local and landscape scale; 2) provide certainty that cooperators who voluntarily implement NRCS sponsored conservation practices that favor sage-grouse will be in full compliance with the Endangered Species Act (ESA) in the event that sage-grouse are ultimately listed as a threatened or endangered species under the ESA; 3) explore innovative approaches to conservation, restoration, enhancement, and management at all applicable scales; 4) promote voluntary, proactive, incentive-based approaches to systematically and strategically focus resources of both agencies to achieve our goal; and 5) expedite conservation on the ground to produce goal-oriented outcomes.

SimpsonQ6. Does the Service have the funding it needs in FY10 and FY11 to fully meet its obligations under the CCAA? How much funding is available in both years to support implementation of the Agreement and site-specific plans?

ANSWER: For the number of agreements FWS anticipates in FY 2010, the Idaho Fish and Wildlife Office has sufficient funds to address the projected workload. Furthermore, FWS anticipates that the FY 2011 budget request will allow FWS to fully meet its obligations under the CCAA.

SimpsonQ7. I'm concerned that the same environmental group that challenged the Fish and Wildlife Service's 2005 decision not to list the species is seeking to amend its original Complaint to challenge the "precluded" portion of the Service's decision. Do you feel like this decision can stand up in court?

ANSWER: All decisions FWS makes are reviewed for adherence to statute and policy, and therefore legal defensibility, beforehand. It would be inappropriate to comment on the merits of the case you reference beyond this as the case is currently being litigated.

SimpsonQ8. Do you intend to work with the Department of Justice to fully defend the determination against any lawsuits that may be raised against it?

ANSWER: Yes, FWS intends to work with the Department of Justice to defend the determination.

SimpsonQ9. Last year, Congress added \$1 million for sage grouse conservation in Idaho. The Service's FY11 budget cut the funding and said that it would prefer to "direct any funds for its conservation in a strategic manner that is most likely to effectively reduce or remove specific

threats to the species.” Please describe what that strategic manner looks like, and what specific threats it would prefer to remove.

ANSWER: The “strategic manner” includes approaches that adhere to Strategic Habitat Conservation principles that would ensure large tracks of sagebrush habitat remain intact and are not fragmented by the primary threats to the species. The State of Wyoming Core Area Strategy is an example of such an approach, where various forms of development are excluded or permitted only in a way that does not cause declines in the species. In Idaho, the conservation of key areas from the impacts of wildfire, invasive species and tilled agriculture would be important.

Wolves

SimpsonQ10. The FY11 budget proposes to cancel the wolf depredation program that Congress authorized and started last year. Please describe the progress to date to implement the program with the FY10 funds, and any significant problems that might suggest that continuing the program in FY11 wouldn't be fiscally responsible.

ANSWER: The fiscal year 2010 Wolf Livestock Demonstration Project Grant Program (WLDPGP) has been developed and the Service is implementing the program by establishing block grants with the following States: Arizona, Idaho, Michigan, Minnesota, Montana, New Mexico, Oregon, Wisconsin, and Wyoming. These selected States will be able to use the funds to support qualifying projects that assist livestock producers in undertaking proactive, non-lethal activities to reduce the risk of livestock loss due to predation by wolves or to compensate livestock producers for losses caused by wolves. The selected States are responsible for establishing qualifying criteria. It is anticipated that the block grant funding will be available to the identified States at the beginning of April.

For fiscal year 2011, FWS has proposed to discontinue funding this unrequested earmark to fund higher priority conservation activities elsewhere in the budget request. It is not the result of any significant problems or concerns regarding fiscal responsibility.

Peppergrass

The Fish and Wildlife Service listed slickspot peppergrass as a candidate species in 1999. In 2004, the agency said a listing was not warranted because of the range and abundance of the plant, and the development of the candidate conservation agreement. Last October, the agency decided to list it as a threatened species.

SimpsonQ11. Please summarize the changes in range and abundance that have occurred since the agency decided not to list the species back in 2004, and the particular scientific studies underlying the range and abundance conclusions.

ANSWER: The FWS considers the best available data regarding slickspot peppergrass abundance to be the long-term datasets from the Orchard Training Area (OTA), including the rough census areas and special-use plots, which provide 18 years of population monitoring

information. For the most recent determination, FWS contracted with an independent consulting firm to evaluate the available population trend data for slickspot peppergrass, as well as to analyze any information available regarding potential relationships between the abundance of slickspot peppergrass and measures of habitat quality, disturbance, or threats. The resulting report by Sullivan and Nations in 2009, indicated that it is statistically appropriate to extrapolate from the trends observed on the OTA to the rangewide status of slickspot peppergrass. Although rangewide data are available (from HII/HIP monitoring), the time series of that dataset is very short, rendering the determination of a population trend statistically inappropriate for a species that demonstrates such great variability in numbers from year to year. The report of Sullivan and Nations confirmed that the data from the OTA are the best available when attempting to model trends through time.

As with the 2007 finding, (72 FR 1622; January 12, 2007), the report of Sullivan and Nations did not present strong evidence of a steep negative population trend for the species. However, though the observed downward trend is not steep, this recent analysis of the best scientific data does show a statistically significant downward trend in density of slickspot peppergrass at the OTA over the last 18 years. In addition, the Sullivan and Nations report provided the Service with important data that was not previously available. Their analysis of the best available data indicated a statistically significant negative association between slickspot peppergrass abundance and key threat factors, such as wildfire and invasive nonnative plants. Given the new evidence that slickspot peppergrass is likely to decline rangewide and that the threat factors correlated with this decline in abundance or density are likely to continue or increase into the future, the Service determined that listing the species as threatened is appropriate at this time.

SimpsonQ12. Is it fair to say that the candidate conservation agreement hasn't been as successful as was originally hoped for? Why do you think that is the case?

ANSWER: The majority of the individual conservation efforts being implemented for slickspot peppergrass are contained in the State of Idaho Candidate Conservation Agreement (CCA), which was originally drafted in 2003 and updated in 2006. It is scheduled to expire in 2013. The CCA represents an important milestone in the cooperative conservation of slickspot peppergrass given its rangewide scope and coordinated management across Federal and State of Idaho managed lands. However, although many of the conservation measures identified in the CCA have been implemented to date, relatively few have yet been determined to be measurably effective for conserving slickspot peppergrass. For example, many of the implemented measures are conducting surveys, monitoring, or providing for public outreach and education, which although important, have limited direct or long-term conservation benefits to the species.

With the exception of several conservation efforts implemented at the Orchard Training Area that have been successful in controlling the effects of wildfire on slickspot peppergrass habitats in that area, many of the remaining conservation efforts and adaptive management provisions identified in the CCA have not been implemented over a long enough period of time to have sufficient certainty they can be effective in reducing threats.

While the efforts of cooperators in attempting to conserve slickspot peppergrass and its habitat are greatly appreciated, it has become increasingly clear that the effective control of the most

significant threats to slickspot peppergrass, namely, wildfire and invasive non-native plant species, simply requires efforts that extend well beyond the boundaries of individual properties, since by their nature these are expansive threats that occur throughout the Great Basin. The conservation efforts identified in the CCA have a conservation benefit for slickspot peppergrass, but rangewide their effectiveness in reducing or eliminating the most significant threats has not yet been demonstrated.

Bull Trout

The Service is proposing a significant increase in designated critical habitat acreage for threatened bull trout, with much of the increased acreage in my home State of Idaho.

SimpsonQ13. How does the Service expect this critical habitat designation to help recover bull trout?

ANSWER: Although the designation of critical habitat can contribute to the overall recovery for a species, it does not, by itself, achieve recovery plan goals. The proposed designation identifies those spawning, rearing, foraging, migration, and overwintering habitats that are essential to bull trout conservation. The areas designated in the final rule will become focal areas for priority recovery actions. The objective of the proposed designation is to ensure the persistence of self-sustaining, complex, interacting groups of bull trout distributed across their native range.

SimpsonQ14. Is the Service making any progress at all in recovering this species?

ANSWER: Significant progress has been made recovering bull trout since they were first listed in 1998, and even before then because of recovery actions benefiting salmon and steelhead. For example, from 1993-2006 in the upper Salmon River basin in Idaho, 544 individual recovery projects protected 352 miles of stream riparian habitat; restored 494 miles of instream habitat; reopened 75 miles of streams to migrating fish; installed 294 irrigation diversion fish screens; restored 146 cubic feet per second of water flow; and improved water quality in 71 miles of streams and 1,600 acres of lakes. Also, in 2006 alone across five National Forests and one Bureau of Land Management District in west-central Idaho, over 140 miles of stream-side roads were removed; 49 miles of stream habitat were improved; 99 stream crossings were fixed; and access was restored to over 87 miles of stream habitat.

SimpsonQ15. How is the agency measuring its progress?

ANSWER: Measuring the successes of bull trout recovery actions by FWS and its partners is a challenge. The FWS has not yet completed a recovery plan for this species so is limited to site-specific examples of accounting for recovery successes. As FWS completes critical habitat designation for bull trout, the next priority work item will be to finalize a recovery plan. And as FWS completes recovery planning, one key aspect will be to better account for successes range-wide, and to identify what work remains to be completed to recover and delist bull trout.

Quagga and Zebra Mussels

Invasive quagga and zebra mussels have been an ecological and economic problem in the Great Lakes and Mississippi River Basin for years, and they have now moved west of the 100th Meridian. Their presence in the West is especially alarming given our widespread and complex water infrastructure.

SimpsonQ16. Please explain to the Subcommittee what the Service's role has been in prevention efforts, and how the agency is working with the States.

ANSWER: The Service has played an active role in helping to prevent the spread of quagga and zebra mussels into the west. In 2001, the Service published *The 100th Meridian Initiative: A Strategic Approach to Prevent the Westward Spread of Zebra Mussels and other Aquatic Nuisance Species*. Initiative goals are 1) to prevent zebra mussels and other ANS from spreading to the 100th meridian and west, and 2) to monitor and control these species if detected. The Service's role includes continuing to build public awareness about the threats of quagga and zebra mussels through educational material, providing training for watercraft inspections, assisting with new state enforcement programs, monitoring, and working with States to identify gaps and incorporate authorities needed to reduce ANS spread on transported vessels.

The Service developed the *Stop Aquatic HitchhikersTM* campaign to increase national public awareness about ANS and catalyze community action to help prevent their spread. Every State has joined this successful campaign to communicate one prevention message across state lines and encourage aquatic recreational users to become part of the solution by cleaning their recreational equipment.

The Service serves as the co-chair, along with NOAA, of the Aquatic Nuisance Species Task Force (ANSTF), established under the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (NANPAC). Through NANPAC, the Service receives funding for implementation of ANSTF-approved state/interstate ANS management plans. This funding can support quagga and zebra mussel prevention efforts identified in these plans. The Executive Secretary of the ANSTF, a Service employee, communicates regularly with the States about ANS issues.

The Quagga-Zebra Mussels Action Plan for Western U.S. Waters was developed by the Western Regional Panel of the ANSTF. Grant funding of \$1.2 million is available to States and other entities for projects that address preventing the spread of these invasive mussels.

The Service also provides an aquatic invasive species coordinator for each of its eight regions. These coordinators work closely with the States and other partners to prevent the spread of ANS including quagga and zebra mussels.

SimpsonQ17. How is the FY10 funding being spent, and what changes are you proposing for FY11, if any?

ANSWER: The Service will continue to play an active role in helping to prevent the spread of quagga and zebra mussels into the west. In FY 2010, the Service received a \$2 million increase to help support quagga and zebra mussel control and prevention.

The \$2 million increase includes \$800,000 that has been directed toward the placement of inspection and decontamination stations on roads leading into the Lake Tahoe Region, \$600,000 that will support Aquatic Nuisance Species Task Force (ANSTF) approved State/interstate ANS plan activities that address prevention, containment, control, and education efforts targeting quagga and zebra mussels, and \$600,000 to fund projects that directly support three priorities of the *Quagga-Zebra Mussel Action Plan for Western U.S. Waters (QZAP)*.

Inspection and decontamination. Beginning May 15, 2010, watercraft inspectors will perform the primary inspection and decontamination process away from launch facilities on Lake Tahoe. With the funds provided, four inspection stations open 7 days a week, 14 hours a day. These stations will be located along the major routes into the Lake Tahoe to inspect watercraft, including non-motorized watercraft, as they enter the Basin.

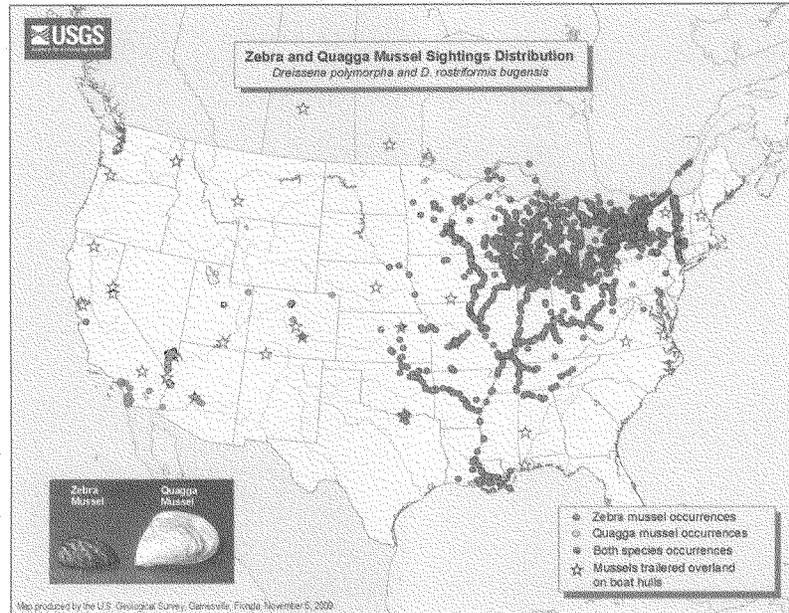
ANSTF approved State/interstate ANS plan Activities. Grants totaling \$600,000 will target on-the-ground projects supporting quantifiable results for quagga and zebra mussel-related projects identified in approved State/interstate ANS management plans. Funding will be divided evenly among plans whose proposals support results-oriented projects. To date, the Service has received 21 proposals. The Service will continue to work with State, interstate and tribal partners to help fund the implementation of the ANS management plans and help facilitate the development of new plans in the future. Service funding of approximately \$1,075,000 for plan development and implementation has remained in place for years. These funds are divided evenly among the plans annually.

QZAP Priorities. The final \$600,000 provides grant funding to help implement three of QZAP's highest priorities. In FY 2011, QZAP actions will be continued by partners to first prevent zebra mussel and other ANS from spreading to the 100th meridian and west, and second to monitor and control these species if detected. Efforts will include improved outreach and research to prevent or minimize movement and settlement of young mussels within water delivery systems and other water infrastructures.

The Service will continue to engage citizens via the *Stop Aquatic Hitchhikers!*TM campaign to empower individuals and communities to prevent both new introductions and the continued spread of quagga and zebra mussels. As a catalyst for community action, this campaign targets aquatic recreational users and empowers them to become part of the solution by encouraging them to clean their boats, trailers, and equipment before transporting this equipment from one water body to another.

SimpsonQ18. Please provide for the record the current distribution of quagga and zebra mussels in the West.

ANSWER:



Landscape Conservation Cooperatives

The Fish and Wildlife Service is proposing a nationwide network of Landscape Conservation Cooperatives, designed to enable the Service to take a more landscape-level approach to conservation.

SimpsonQ19. Will a landscape-level approach help the Service and the States to more quickly delist species and more effectively prevent listings?

ANSWER: LCCs are partnerships among conservation agencies and organizations, universities, and others in the public and private sectors who are committed to managing and conserving fish and wildlife populations at landscape scales. As such, LCCs will provide conservation science and conservation plans and strategies that will help many fish and wildlife species adapt to their

climate changed habitats. In doing so, LCCs will provide information necessary for action agencies to maintain or restore the resilience and viability of habitats and the connectivity between habitats that are vital to the successful delisting of certain species and that are also essential to more effectively preclude the need for listing other species. This potential for LCCs is evident in the detailed preliminary operational plans developed for each of the nine LCCs the Service and the Department is establishing this fiscal year. All of the LCC plans identify one or more imperiled species as high priorities and identify partners who have expressed keen interests in helping preclude further listings and accelerating delisting.

For example, through LCCs the Service is already working closely with the States on ways to develop more effective collaborative approaches at landscape scales within and across States that will be essential for precluding the need to list species of greatest conservation need that are the focus of State Wildlife Action Plans. It is important to note that LCCs will also address many species that are neither threatened nor endangered, and that the Service hopes they will remain so even in the face of climate change.

SimpsonQ20. Do you think Congress needs to review the Endangered Species Act in light of the advances in landscape-level conservation science?

ANSWER: The Service believes advances in landscape level conservation science will help achieve the purposes of the Endangered Species Act. The Act has a high degree of flexibility and the Service does not see a need to review it in light of advances in landscape level conservation science. The Service will continue to explore ways to improve the effectiveness and efficiency of implementing the Act to conserve imperiled species.

THURSDAY, MARCH 18, 2010.

CONSERVING AMERICA'S LAND AND HERITAGE: DEPARTMENT OF THE INTERIOR FY 2011 BUDGET REQUEST

WITNESSES

HON. KEN SALAZAR, SECRETARY OF THE INTERIOR

PAMELA HAZE, DEPUTY ASSISTANT SECRETARY, BUDGET, FINANCE, PERFORMANCE, AND ACQUISITION

OPENING STATEMENT OF MR. MORAN

Mr. MORAN. We are very happy to welcome you, Secretary Salazar, to explain the President's fiscal year 2011 budget request for the Department of the Interior. You have made much progress in the last year, and I know you have a very substantial agenda for the Department of the Interior and for the Nation as a whole, and we applaud your vision.

Those of us who sit on this subcommittee do so because we have a love of the land and a deep and abiding commitment to protect our natural resources and our environment. Your Department is at the forefront of those efforts. Our Nation has a long history of efforts to protect our natural resources, and both Mr. Simpson and I enjoy quoting Theodore Roosevelt; so out of deference to—

Mr. SIMPSON. This is the first time you have quoted him.

Mr. MORAN. Yes. But it doesn't mean I don't enjoy quoting him. Back in 1907—you remember that, Mike.

Mr. SIMPSON. This is a quote from memory.

Mr. MORAN. Theodore Roosevelt said, "Conservation means development as much as it does protection. I recognize the right and duty of this generation to develop and use the natural resources of our land, but I do not recognize the right to waste them or to rob by wasteful use the generations that come after us."

Had Theodore Roosevelt and his generation of visionaries not created the forest reserves and today's parks and refuges, our Nation would be a much poorer and diminished place to live. But it is also true that in our management of these public lands, we are not without competing and often conflicting interests.

President Roosevelt also said, "The conservation of natural resources is the fundamental problem. Unless we solve that problem, it will avail us little to solve all others."

I mention that because I have a strong sense that it is wholly consistent with your vision, Mr. Secretary, the same vision that Theodore Roosevelt had for our country of conservation and protection of our most important natural resources. His words are as true today as they were at the turn of the last century, and the challenge is just as great, if not greater.

The Department of the Interior plays the most essential role in integrating the protection of our natural resources with the American economy and our cultural identity. Your Department manages 20 percent of the land area of the United States and substantial areas of subsurface minerals and the Outer Continental Shelf energy areas. These areas produce one-third of our Nation's energy. The Department is expected to collect \$14 billion in fiscal year 2011, in revenues for deposit into the U.S. Treasury. I kind of wish we could figure out a way to put those into this bill to offset some other things, but they go right into the Treasury. We won't be able to change that this year.

The Department's lands, including the 392 national park units and 551 national wildlife refuges, host more than 470 million visits each year.

The Department of Interior also honors the Federal commitment to the first Americans by supporting social service, education and justice programs for nearly 2 million Native American areas, and underlying all is unbiased science, which helps the Department and all Americans make better decisions.

Your budget requests nearly \$11 billion to fulfill all these responsibilities. It is basically level with the amount that was provided for fiscal year 2010. I know there are some in this body who believe last year's budget was too high. I don't happen to be among them, but there is some sense of that, and that justifies the 2011 request. I do firmly believe that our work over these past 3 years to increase funding for the Department has only partially increased the previous trend, which had seen a 17 percent reduction in the Department's budget request.

I also recognize the need for deficit reduction. We will scrutinize this request. We may have to plus-up some areas and decrease others, and we will look to find some areas of waste. I do applaud your initial efforts to deal with the number of management problems at the Department such as occurred at the Minerals Management Services. That was an embarrassment. But we can't stop there. We will work with the Inspector General to identify additional actions needed to eliminate remnants of waste, fraud, and abuse.

We are also very much interested in your initiatives. The Energy Initiative; the Climate Change Science and Adaptive Management Initiative. There is a large increase, of course, requested for land acquisitions. We will discuss that.

We will have, in fact, many questions as we move forward. One, for example, will involve the fact that the request assumes your Department will absorb 96 percent, or more than \$100 million, of the increase for fixed costs such as salaries and rent.

Now, before I turn to Mr. Simpson, whom I know everyone is anxious to hear from, I want to recognize one of your staff. Pamela Haze has to be one of the hardest-working people in the Federal Government. She is truly an important human resource, and without her we wouldn't be doing as good a job managing our natural resources. I welcome the opportunity today to thank her for all she does day in and day out, and I know my colleagues here beside and behind me count on her so much every day, all day long and into the evening to serve both you and your priorities, Mr. Secretary, and, of course, this Committee.

Mr. MORAN. So at this point, now that Mr. LaTourette has arrived because he wants to hear Mr. Simpson as well, we would like to turn it to Mr. Simpson for his opening statement.

Mr. LATOURETTE. I apologize for not hearing you. I did come for Simpson.

Mr. MORAN. I just filibustered so that you could hear everything that Mike had to say.

So now Mr. Simpson.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. I will put my opening statement in the record. No.

Thank you, Mr. Chairman. I don't have a quote from Theodore Roosevelt today, and I am sure it wasn't him that said—gee, let me think of one. Never mind.

Mr. Secretary, I would like to join Chairman Moran in welcoming you back to our subcommittee, along with other members of the subcommittee. I hope to cover a lot of ground with you today on energy, grazing, land acquisition, climate change and other issues.

It is clear from your first year in office that you set an ambitious agenda for the Department. While I might not agree with every decision you made—in fact, it would probably scare you if I agreed with every decision that you have made—I do believe that overall you are setting a tone that is balanced and reasonable. The fact that people on opposite ends of the political spectrum can be happy with you on one day and mad at you the next is a pretty good sign that you are doing a decent job.

Let me begin by expressing my appreciation, as the Chairman did, to Pam Haze and others in the Department for your collaboration on several issues important to my constituents in the State of Idaho. I greatly appreciate the close coordination and communication between the Department and my office on the recent sage-grouse announcement.

I am also grateful for the considerable efforts taken to resolve complex and emotional issues relating to the Minidoka national historic site in Idaho. I am hopeful that we can soon finalize an agreement acceptable to all parties.

I want to make several brief points before we receive your testimony. First, I am puzzled, as the Chairman said, by several decisions made by OMB with regard to your budget request. The fact that your bureaus are being asked to absorb \$109 million in pay and fixed costs next year really, I think, is unacceptable.

I also question the request for a Presidential Wildlife Contingency Reserve Fund, which would essentially be a third pot of money to address fire suppression needs. Congress created the FLAME Wildfire Suppression Reserve Fund last year for both the Department of Interior and the Forest Service to prevent borrowing from nonfire accounts to pay for fire suppression. Let us test that, what we did before, before we tinker any further.

Lastly, I am very disappointed that next year's budget fails to address the considerable backlog in grazing permits. I hope to work closely with the Department and with Chairman Moran to address the grazing issue and these other issues this year.

Mr. Secretary, while your budget request is relatively flat after a healthy increase last year, I am concerned about the trade-offs

your budget makes, particularly when it comes to increases in the Land and Water Conservation Fund at the expense of other critical base programs. These rapid increases in land acquisition coupled with decreases in construction and maintenance budgets tells me that the administration places a higher priority on acquiring more land rather than responsibly managing what the government already owns.

I would like to touch on one other issue today, and that is energy. Shortly after the President nominated you to be Secretary, you made a commitment that you wanted to “take the moon shot” at achieving America’s energy independence. I agree with you on that it can be done through a combination of renewable energy, nuclear energy, clean coal, and both offshore and onshore oil and gas drilling. But up until now the Obama administration has seemed determined to drive up the price of energy, including the price of gas at the pump. It has done this through promoting cap-and-trade legislation, new rules on greenhouse gases, and new fees on domestic oil and gas production, all efforts that will drive up the costs that will be passed on to the consumers.

The administration’s emphasis on renewable energy, including tax incentives and expedited environmental reviews, is a positive sign. Yet if our goal is to become less reliant on imported oil and gas, why aren’t we with equal zeal advocating the development and production of proven domestic sources of oil and gas? When it comes to energy, the President’s budget clearly creates winners and losers. Renewables are the big winners; oil and gas are the big losers. With gas prices edging ever closer to \$3 per gallon, we are reminded of the need for a balanced energy portfolio. To achieve energy independence, we ought to be vigorously pursuing an assortment of proven energy sources rather than pitting one energy sector against another.

In closing, I want to compliment you on the fine professional staff the Department has that serves you and serves this country well. As I said, and as the Chairman said, Pam has done a wonderful job in working with our committee, and her willingness to work with us to seek solutions to some very difficult problems is much appreciated.

With that, I thank you for being here today.

Thank you, Mr. Chairman.

Mr. MORAN. Thank you, Mr. Simpson.

Mr. MORAN. And I hope, Mr. Secretary, you noticed the purple shirt and tie. Mr. Simpson had heard a rumor that purple was your favorite color.

Mr. SIMPSON. No. It is the royal color.

Mr. MORAN. Oh, the royal color. Excuse me. Just to make sure he was fully appreciated.

Mr. Secretary, we are obviously delighted to have you with us, and we look forward to your testimony.

TESTIMONY OF SECRETARY SALAZAR

Secretary SALAZAR. Thank you very much, Chairman Moran.

Let me first, Mr. Chairman, congratulate you for your chairmanship of this committee, which is so important to the United States of America and to the interests that you share as a responsible

steward with the Department of Interior. I congratulate you, and I very much look forward to working with you on all of the issues you addressed in your opening statement, as well as other issues included within this budget.

To Congressman Simpson, likewise, I look forward to working with you on many issues.

I do think one of the things that typifies this committee is the fact you are able to develop a bipartisan approach to many of the challenges that we face. Certainly that was the relationship that I had with Chairman Dicks and you, Congressman Simpson, and I very much look forward to having that same relationship with the new Chairman, Moran.

Let me at the outset recognize and acknowledge your wonderful staff, from Delia, to staff on both the Democratic and Republican side, and the staff who work at the Department of the Interior. Pam Haze, as you say, walks on water and, frankly, probably does the work of four people. She is one of our great efficiency personnel in the Department of the Interior because it would take four people to replace her. With me also is Rhea Suh, who is the Assistant Secretary for Policy, Management and Budget; and Christopher Mansour, who is in charge of congressional affairs and who worked here in the House of Representatives for many years.

Let me just make a couple of opening comments, and then I would be delighted to take your questions.

First, the mission of the Department of the Interior, Chairman Moran, you set out very clearly in your opening statement, and the way I have seen it and I have articulated it from day one is we really are the custodians of America's natural resources and America's cultural heritage. That is manifested in our work in our national parks, where we are the guardians of the national icons of America, but also the custodians of telling America's story. It is recognized with respect to our 551 national wildlife refuges which support our wildlife in this country and in so many other ways.

ECONOMIC IMPACTS

I could describe the Department in great detail, but let me just say there is one thing that I think often is missing when people think about the Department of the Interior, and that is we are a huge economic generator and job creator for the United States of America. I recently had the Department of the Interior develop an economic analysis identifying the number of jobs created through the efforts of this Department. We create, according to our economists, 1.4 million jobs that are supported across this country. I think at this time when this Congress and this President are so involved in trying to get our economy stood up again, we ought not to lose the huge economic contribution that comes from the efforts of the Department of the Interior, supported through this Appropriations Committee.

We generate over \$370 billion in economic activity, from recreation to the oil and gas and mineral development around the country. We have 414 million visitors that come to visit our places around this country, and we truly are the Department of America. From sea to shining sea, into the territories, and into the Outer

Continental Shelf, we have major responsibilities on behalf of the American people.

When I came on as Secretary of the Department of the Interior, I was on the other side of the Capitol as a United States Senator for the State of Colorado, and I did not relinquish my position as a United States Senator very easily because it was a great position that I held. I also recognize that within the Department of the Interior, the mission of this Department is an exciting one and one in which we are forging the future of this country's natural resources and moving forward with the kind of vision and the kind of agenda that President Theodore Roosevelt had for this Department almost 100 years ago.

CLIMATE CHANGE AND ENERGY

My priorities have been fairly simple. First, I want to be and have been a part of the President's energy and climate change team. That includes the development of conventional oil and gas resources, and I will Congressman Simpson, respond to some of your statements on energy development. We have also been the guardians of establishing a new energy frontier for public lands and in the OCS offshore. We look forward to developing wind, solar, and geothermal in significant numbers, including, hopefully, by December 1 of this year having approximately 5,000 megawatts of renewable energy power onshore and moving forward with new efforts in offshore wind development off the Atlantic, which I know, Congressman Moran, you have been very supportive of.

CONSERVATION

Secondly, I want us to move forward with a new conservation agenda for the United States. It is true when President Teddy Roosevelt became the conservation President of our country, he was ahead of his times in many ways. When Doug Brinkley wrote the biography of Teddy Roosevelt and called him the "Wilderness Warrior," it was a very different time than the time we face today.

The challenges are different today than they were then. We now look at wildlife habitat fragmentation, we look at the challenges of climate change. We recognize that we lose about 2 million acres a year to development as farms are converted over to development. The conservation challenges are different today than they were 100 years ago. Nonetheless, I believe that by working with and respecting private landowners and private property rights, and working with local governments and State governments, we can develop a conservation agenda for this 21st century that President Obama has asked me to develop with all of you.

INDIAN AFFAIRS

Third, I want us to move forward in my time as Secretary of the Interior and do everything we can to help the Nation's first Americans. For too long the Nation's first Americans have been forgotten, and we need to have a new beginning. That is why in this first year we moved forward with the settlement of the Cobell litigation, which essentially had hamstrung this Department for 13 years. I hope to have that question resolved with congressional approval of

the settlement, which we worked on very hard in the last year. We are also working on law enforcement initiatives within Indian Country, as well as education, and economic development within Indian Country.

YOUTH

Finally, with respect to our next generation of conservation leaders and young people who really understand the outdoors, we have moved forward with a youth initiative. Part of it is reflected here in the budget. When one thinks about what the Civilian Conservation Corps did during the era of Franklin Roosevelt, the last time we had a huge economic crisis in this country that rivaled some of the economic crisis we have been through here, it was the young people of America that built much of the legacy we depend on today. We believe we can do some of the same things with our partners in the nonprofit world as well as by providing employment within the Department of the Interior. We hope to, over the next several years, more than double the number of young people who are working in all of the different programs we have within the Department of the Interior.

In conclusion, Mr. Chairman, I very much look forward to working with all of you. I know there are tough issues. This budget that is presented to you is a tough choices budget. It would not have been the budget I would have presented had we not been dealing with the fiscal reality we are facing here today. We had to make some hard choices, and it is the best budget relative to how we can move forward to accomplish the mission for the Department of the Interior.

Mr. MORAN. Mr. Secretary, thank you. A very good statement.
[The information follows:]

**STATEMENT OF KEN SALAZAR, SECRETARY OF THE INTERIOR
BEFORE THE HOUSE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR,
ENVIRONMENT, AND RELATED AGENCIES
ON THE 2011 PRESIDENT'S BUDGET REQUEST**

March 18, 2010

Mr. Chairman and members of the Subcommittee, I am pleased to be here today to present the details of the 2011 budget request for the Department of the Interior. I want to thank the Chairman, the members of this Subcommittee for your support of our Department and ongoing reforms that are important to the stewardship of the Nation's natural and cultural resources and to fulfilling our trust responsibilities to American Indians and Alaska Natives. Your support for Interior's programs is helping us to build a strong foundation to achieve a clean energy future, tackle climate change impacts, conserve our treasured landscapes, and empower tribal communities. I look forward to working closely with you to continue to advance these priorities.

I congratulate the new Chairman and express my appreciation for the support of the former Chairman, Congressman Dicks. I also want to recognize the support of this Subcommittee, which provided increases of seven percent for Interior programs in Fiscal Year 2010. Your leadership was and continues to be key in significantly advancing our goals for a clean energy future and improving our capacity to manage the Nation's lands and resources in the face of climate change. Your support for our youth programs is helping us to create a new generation of conservationists and we share your passion for the need to honor our trust responsibilities and empower Indian Nations. We recently asked you to help us to enact legislation to settle a long-running, expensive, and contentious lawsuit that involves thousands of Indians. We appreciate all of your help with this effort. We are hopeful that we can find a way to settle the *Cobell v. Salazar* lawsuit.

Introduction

I am honored to serve as the 50th Secretary of the Interior and to oversee this Department and its vast domain. Our mission is as simple as it is profound. We protect America's natural resources and cultural heritage. Our land and community-based programs touch the lives of most Americans, including 1.7 million American Indians and Alaska Natives.

Interior manages 500 million acres or about one in every five acres in the United States, including 392 national park units, 551 wildlife refuges, the 27 million-acre National Landscape Conservation System, and other public lands. These places are treasured landscapes. They provide us with scenic landscapes, recreational opportunities and they tell our history and our varied culture. They serve as economic engines for tourism and growth opportunities for recreation, drawing visitors and supporting jobs and businesses in surrounding communities.

The Department's public lands and 1.7 billion acres on the Outer Continental Shelf supply nearly one-third of the nation's domestic energy production. These resources are vital to the Nation's energy security and provide economic returns to the Nation. In addition, the mineral and timber resources that

are from the public lands support industry, help to pave our roads, and build our homes.

The Department of the Interior's people, programs, and information have an impact on all Americans. Interior recently analyzed the economic impacts of its programs and activities, and estimates that the Department generates the following in economic benefits: The Department supports over 1.3 million jobs and over \$370 billion in economic activity. Parks, refuges, and monuments generate over \$24 billion from recreation and tourism. Conventional and renewable energy produced on Interior lands and waters results in \$292 billion in economic benefits and the water managed by Interior supports over \$25 billion in agriculture.

The Department fulfills its special responsibilities to American Indians and Alaska Natives, managing one of the largest land trusts in the world including over 55 million surface acres and 57 million acres of subsurface mineral estates held in trust for Indian Tribes and Individual Indians, over \$3.6 billion of funds held in over 2,700 trust accounts for approximately 250 Indian Tribes, and over 380,000 open Individual Indian Money accounts. The Bureau of Indian Education school system provides services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and supports 30 tribally controlled community colleges, universities, and post-secondary schools.

The Department of the Interior is truly the Department of America. We are uniquely positioned to provide enduring benefits to the American people. We will invest the resources included in the 2011 budget and make wise and prudent investments that will allow us to maximize opportunities to realize the potential of our lands and waters, resources, and people.

The First Year

In January 2010, I celebrated my first anniversary as Secretary of the Interior by recognizing the achievements of Interior's 70,000 employees, including:

- Restoring the Everglades – beginning construction of the one-mile bridge on the Tamiami Trail and breaking ground on the Picayune Strand Restoration project in the Everglades in Florida – to restore water flows and revive 55,000 acres of wetlands for wildlife habitat;
- Negotiating a settlement of the long-running and highly contentious *Cobell v. Salazar* class-action lawsuit – resolving trust accounting and management issues after 14 years;
- Advancing renewable energy development – establishing renewable energy coordination offices in four States and teams in six States to facilitate renewable energy production on public lands and issuing four exploratory leases for renewable wind energy production on the OCS;
- Moving forward to invest \$3.0 billion available from the American Reinvestment and Recovery Act in facility renovation and energy efficiencies, habitat restoration, increasing water supplies and water conservation, supporting renewable energy development, and reducing human hazards;
- Restoring confidence and accountability in our energy programs by beginning an orderly termination of the Royalty-in-Kind program and reforming the management of onshore oil and gas resources;
- Coming to the aid of drought-stricken California with emergency aid and infrastructure investments;
- Expanding opportunities for youth – employing 8,200 young adults in 2009;

- Opening the crown of the Statue of Liberty for public access – the crown has been closed to the public since 9/11;
- Ending a stalemate at the Flight 93 National Memorial – completing the acquisition of land in cooperation with willing sellers and clearing the way for construction of a memorial to honor the Nation's heroes;
- Delisting the brown pelican – a case of complete recovery for a species that was first listed as endangered in 1970;
- Increasing transparency – reversing and withdrawing flawed oil and gas leases with potential impacts to national parks in Utah and oil shale research, development, and demonstration leases that may have shortchanged taxpayers; and
- Helping to negotiate a collaborative solution that would end decades of conflict and potentially allow for the restoration of the Klamath River Basin in California and Oregon.

Overview of the 2011 Budget

Interior's 2011 budget reflects an aggressive agenda in the context of challenging fiscal times. The 2011 Interior budget request for current appropriations is \$12.2 billion, \$38.7 million or 0.3 percent below the level enacted by Congress for 2010. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.8 billion, for budget authority totaling \$18.0 billion for Interior in 2011.

Within this amount, the budget proposes investments for high priority goals and initiatives. With the 2011 budget, the Department will:

- Implement a comprehensive **New Energy Frontier** strategy that creates jobs, reduces the Nation's dependence on foreign oil, and reduces environmental impacts. The budget requests an increase of \$27.4 million for renewable and conventional energy programs.
- Confront the realities of climate change by launching an integrated strategy for **Climate Change Adaptation**. An increase of \$35.4 million is requested to implement the Department's integrated program.
- Develop a 21st Century conservation agenda that protects **Treasured Landscapes**. The 2011 budget includes increases of \$106.0 million for Land and Water Conservation Fund programs and \$71.4 million for investments in major ecosystem restoration projects in the Chesapeake Bay, California's Bay Delta, the Gulf Coast of Louisiana and Mississippi, and Everglades.
- Tackle the water challenges facing the Country with a new strategy to **Sustain and Manage America's Resources for Tomorrow**. The Department's WaterSMART sustainability agenda includes increases of \$36.4 million.
- Engage America's **Youth in Natural Resources**. The budget increases funding for youth programs by \$9.3 million.
- Honor trust responsibilities and **Empowering Tribal Nations**. The budget includes targeted increases for contract support and other tribal priorities.

These increases are possible within a level budget as the Department is proposing \$750 million in terminations, reductions, and management efficiencies and absorption of \$108.7 million in fixed costs.

The 2011 request includes \$11.1 billion for programs funded in the Interior, Environment and Related Agencies Appropriations Act. This is \$16.7 million, or 0.2 percent, below the level enacted for 2010. The 2011 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.1 billion, \$22.0 million or 2.0 percent below the level enacted for 2010.

In 2011, Interior will continue an exemplary record of producing revenue for the U.S. Treasury. The estimate for revenue collections by the Department in 2011 is \$14.0 billion, more than offsetting the budget request for current appropriations.

New Energy Frontier

The Department of the Interior oversees one-fifth of the Nation's landmass and more than 1.7 billion acres of the OCS. As the steward of the Nation's energy and mineral estate, the Department has a leadership role, promoting clean energy that can reduce climate impacts, and responsibly developing conventional energy sources to reduce reliance on foreign oil.

The New Energy Frontier initiative will create clean sources of energy using the Nation's vast domestic resources. The New Energy Frontier initiative invests \$73.3 million in renewable energy programs, an increase of \$14.2 million over 2010. The initiative includes \$3.0 million for BLM to focus on the environmental elements of renewable energy projects, \$3.2 million for MMS region-specific planning needs, \$3.0 million for USGS to analyze and document the effects of renewable energy on wildlife populations, \$4.0 million for FWS to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of projects, and \$1.0 million for BIA to support renewable energy development efforts on tribal lands.

The Department has a High Priority Performance Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011.

The 2011 budget continues support for the development of conventional energy, with \$460.2 million in BLM, MMS and BIA. This is a net increase of \$13.1 million over the 2010 level. Within this requested level, there is an increase of \$4.4 million for MMS's 2007-2012 five year program and \$10.0 million for audit costs to support the transition from Royalty-in-Kind to Royalty-in-Value. The 2011 budget increases the MMS inspection fee on OCS above-water oil and gas facilities by \$10.0 million. A reduction of \$13.0 million is proposed in the net BLM oil and gas program appropriation, which is offset by \$10.0 million in new inspection fees in the onshore oil and gas program; the remaining \$3 million reduction results from the completion of a legislated energy study. BIA's budget includes an increase of \$1.5 million for conventional energy leasing activities on the Fort Berthold Reservation, including support for a "one-stop-shop" to streamline development activities in the area.

Climate Change Adaptation

Resource managers consider climate change to be the single most challenging issue they face. In order to equip them with the tools and strategies they need, Interior's Climate Change Adaptation initiative will investigate the causes and formulate solutions to mitigate climate impacts to lands, waters, natural

and cultural resources. As the pre-eminent manager of lands and resources, Interior will leverage its experience and expertise in partnership with other governmental and non-governmental entities. Interior's Climate Science Centers and Landscape Conservation Cooperatives will conduct and communicate research and monitoring to improve understanding and forecasting for those natural and cultural heritage resources that are most vulnerable to climate change impacts.

The Department's High Priority Performance Goal for Climate Change Adaptation is to identify areas and species most vulnerable to climate change and begin implementing comprehensive adaptation strategies by the end of 2011.

The 2011 budget includes \$171.3 million for the Climate Change Adaptation Initiative, an increase of \$35.4 million over 2010. This includes continued investments in the USGS National Climate Change and Wildlife Science Center (\$8.0 million), which will serve as the nexus for eight Climate Change Science Centers; expansion of monitoring in USGS (\$1.0 million) and FWS (\$8.0 million) that will be integrated, standardized, and accessible to Interior bureaus, partners, and the public; expansion of the USGS carbon sequestration project by \$2.0 million; expanded science and planning capacity in FWS (\$8.8 million) and BLM (\$2.5 million) to support additional Landscape Conservation Cooperatives; and FWS adaptive management activities with private landowners (\$2.0 million). Beginning with the 2011 budget, the Bureau of Reclamation and Bureau of Indian Affairs identify dedicated climate change funding, including an increase of \$3.5 million for Reclamation basin studies and scientific support and \$200,000 for BIA participation in an LCC.

DOI's climate change program builds on existing programs, taking advantage of existing knowledge, data, and expertise, to improve the management of lands and resources and address gaps in information. Our strategy has been one of integration to maximize the effectiveness of our investments. I have called on our bureau directors, Assistant Secretaries and staff to work collaboratively to ensure we are being as effective and efficient with these resources as possible. We are closely following the Subcommittee's direction, by collaborating with the Council on Environmental Quality on a Federal strategy, developing an Interior National Fish and Wildlife Adaptation Strategy, and facilitating coordination through a Memorandum of Understanding with the Department of Commerce to ensure our efforts are complementary.

WaterSMART

The 2011 budget proposes a sustainable water strategy to assist local communities to stretch water supplies and improve water management. A High Priority Performance Goal is established to enable capacity to increase water supply for agricultural, municipal, industrial, and environmental uses in the western United States up to 350,000 acre-feet by the end of 2011 through the Bureau of Reclamation's conservation programs including water reuse and recycling and WaterSMART (formerly challenge) grants.

The budget for the WaterSMART program – Sustain and Manage America's Resources for Tomorrow – includes \$72.9 million, an increase of \$36.4 million over the 2010 enacted level for sustainability programs in Reclamation and USGS. Reclamation will use \$62.0 million, an increase of \$27.4 million, to improve water management by encouraging voluntary water banks; reduce demand; implement water conservation and water reclamation and reuse projects; and take action to improve energy efficiency and

reduce environmental conflicts. The USGS will use \$10.9 million, an increase of \$9.0 million, for a multi-year, nationwide water availability and use assessment program.

Youth in Natural Resources

The future of resource conservation depends upon the next generation's understanding of the importance of natural resources and cultural treasures. The 2011 budget continues the Youth in Natural Resources initiative which signals the Secretary's emphasis on youth involvement.

The Department's High Priority Performance Goal for Youth in Natural Resources is, by the end of 2011, to increase by 50 percent from the 2009 level, the employment of youth (ages 15 to 25) in the conservation mission of the Department.

The budget includes an additional \$9.3 million for programs at the parks, refuges and other public lands. This includes \$5.8 million for youth employment and education programs in the national park system and \$2.0 million for youth programs at national wildlife refuges. The budget also includes \$2.0 million for FWS and BLM to partner with the National Fish and Wildlife Foundation in public-private partnerships to engage youth through conservation projects on public and private lands. The total for youth programs includes an elimination of a \$500,000 earmark in the FWS Migratory Bird program. In addition, NPS has committed to dedicate a total of \$6.4 million, \$2.0 million more than last year, of recreation fee revenue collected at parks to youth projects that benefit the visitor experience.

Treasured Landscapes

The 2011 budget reflects the President's agenda to protect America's treasured landscapes and demonstrates a sustained commitment to a 21st Century conservation agenda. The budget will allow Interior to intensify efforts to protect treasured landscapes; to participate in major restoration efforts to restore, protect, and preserve key ecosystems; and to operate and maintain landscapes.

Interior's 2011 budget includes \$445.4 million, an increase of \$106.0 million for Interior Land and Water Conservation Fund programs including Federal acquisition and State grants. The budget also includes \$288.2 million, an increase of \$71.4 million targeted to key ecosystems for restoration and renewal—the Everglades, California's Bay-Delta ecosystem, the Gulf Coast of Louisiana and Mississippi, and the Chesapeake Bay.

President Obama's 2011 budget protects open spaces, forests, and wildlife habitat by funding \$619.2 million in Land and Water Conservation Fund programs in the Department of the Interior and USDA Forest Service. This is a 29 percent increase over the 2010 enacted and a 104 percent increase over the 2009 level. With these consecutive increases, appropriations from the Land and Water Conservation Fund are on track to reach the full funding level of \$900.0 million annually by 2014.

The 2011 budget also includes \$288.2 million for high-priority ecosystem restoration, an increase of \$71.4 million from the 2010 level. This includes \$148.0 million that is requested as part of the Interior, Environment and Related Agencies appropriation, an increase of \$25.9 million. The balance is requested in the Bureau of Reclamation budget. These ecosystem restoration efforts build on existing programs and efforts and feature the following efforts targeted for 2011 funding increases.

The Department of the Interior, through the National Park Service, Fish and Wildlife Service, U.S. Geological Survey, and the Bureau of Indian Affairs, is a key player in restoring the Everglades ecosystem. In 2011, the budget includes \$74.5 million, an increase of \$6.0 million over the 2010 enacted level for restoration of the Everglades. This request includes \$8.0 million for the Tamiami Trail one-mile bridge, a component of the Modified Waters Delivery project that is being managed by the Corps of Engineers.

The 2011 budget includes an increase of \$50.6 million for increased efforts by the Bureau of Reclamation, FWS, and USGS to conduct studies, projects, and other efforts in the California Bay-Delta. These activities will support the December 22, 2009 Bay-Delta Interim Action Plan, investing in short and long-term actions for sustainable water and ecosystem restoration. This request will fund habitat restoration efforts, the development of fish screens and fish ladders, efforts to eradicate or mitigate invasive species, various water quality and quantity studies and assessments, and other efforts. This includes \$5.0 million for FWS and \$45.6 million in the Bureau of Reclamation budget.

The FWS owns and manages ten National Wildlife Refuges totaling 300,000 acres along the coast of Louisiana and Mississippi. For FWS and NPS, there is a net funding increase of \$4.8 million in 2011 to support the restoration of key fish and wildlife habitat along the Gulf Coast of Louisiana and Mississippi and enable FWS to provide its expertise to multi-agency projects in the area. This includes a reduction of \$192,000 to the NPS Gulf Coast Programs.

The Department's 2011 budget for USGS, FWS, and NPS includes \$31.6 million, an increase of \$10.0 million to expand the Department's efforts to conserve and restore the Chesapeake Bay's cultural and natural resources.

Empowering Tribal Nations

The Empowering Tribal Nations initiative includes programs to advance Nation-to-Nation relationships, improve Indian education for students in BIE funded schools, improve the safety of Indian communities, and reform trust land management with an ultimate goal of greater self-determination. In November 2009, the White House held a Tribal Nations Conference, which was attended by over 400 tribal leaders. At the conference, the President pledged to strengthen Nation-to-Nation relationships, improve the tribal consultation process, and empower strong and stable Indian communities.

Overall, the 2011 budget request for Indian Affairs is a reduction of \$3.6 million from the 2010 enacted amount, after excluding the \$50.0 million in one-time funding to forward-fund tribal colleges in 2010. Maintaining key increases for law enforcement and education programs, the 2011 budget request includes programmatic increases of \$70.6 million for the Empowering Tribal Nations initiative. Specifically, the 2011 budget:

- Advances Nation-to-Nation relationships and Indian self-determination by providing additional funding of \$21.5 million for contract support costs and the Indian Self Determination Fund, \$2.9 million to assist with the unique needs of small and needy Tribes, and \$2.0 million for social services.
- Protects Indian Country by providing \$19.0 million to increase the number of Federal Bureau of Investigations agents that are on-the-ground and dedicated to Indian Country.

- Advances Indian education with \$8.9 million to address environmental and security concerns at BIA schools and strengthen grant support funding for tribally operated BIA schools.
- Improves trust land management with increases of \$11.8 million to promote both renewable and conventional development on tribal lands, defend and assert Indian water rights, and assist Tribes with dam safety.

The Department's High Priority Performance Goal for Safe Indian Communities will achieve significant reductions in criminal offenses of at least 5 percent within 24 months on targeted tribal reservations by implementing a comprehensive strategy involving community policing, tactical deployment, and critical interagency and intergovernmental partnerships.

Settlement of the Cobell Lawsuit – On December 8, 2009, the parties in *Cobell v. Salazar* announced a pending settlement of the 14-year old class-action lawsuit alleging the Federal Government's mismanagement of assets held in trust on behalf of individual Indians. Under the terms of the settlement, approximately \$1.4 billion would be distributed to the class members with each member receiving \$1,000 for their historical accounting claims and some receiving additional funds related to trust management claims. The second part of the settlement provides for a \$2.0 billion fund for the purchase of fractionated land interests held in trust on behalf of individual Indians. In addition, as an added inducement to facilitate the purchase of fractionated land interests, up to \$60.0 million of the \$2.0 billion for land acquisition will be contributed to an existing, non-profit organization for the benefit of educating American Indians and Alaska Natives. On February 12, 2010, the President transmitted to Congress a package of budget amendments that includes the Cobell Settlement. Final disposition of the settlement is pending congressional action and approval by the Court.

Management Effectiveness

This Subcommittee's leadership on high-priority public lands issues has been critically important, including the Wild Horse and Burro and Wildland Fire programs as highlighted below.

Wild Horse and Burro Program — The current path of the Wild Horse and Burro program is not sustainable for the animals, the environment, or the taxpayer. On October 7, 2009, I announced a new comprehensive long-term plan to put the wild horse and burro program on a sustainable track. The plan identifies three management strategies to improve the protection and management of wild horses:

- Managing sustainable herds on western rangelands through the aggressive application of fertility control measures.
- Establishing new wild horse preserves, primarily in the Midwest and East for horses that must be removed from western rangelands.
- Providing special designations for selected treasured herds in the West.

The 2011 BLM budget includes \$75.7 million, a program increase of \$12.0 million, for the Wild Horse and Burro Management program. The BLM LWCF budget includes an increase of \$42.5 million to acquire land for a wild horse preserve. Initial costs for implementing the proposals would be significant as the BLM acquires preserves and works to achieve sustainable herd levels on public rangelands, but overall program costs should decline in the future. The plan will enable BLM to achieve appropriate management population levels on the range in the near future.

Responsibly Budgeting for Wildfire – The budget responsibly budgets for wildfires and includes \$933.9 million for Wildland Fire Management, an increase of \$78 million. The 10-year average of suppression costs is fully funded. The budget proposes continuation of a regular suppression account and the FLAME Wildfire Suppression Reserve Fund, and includes a new Presidential Wildfire Contingency Reserve account. Regular suppression will support initial attack and predictable firefighting costs; the FLAME funds will be used in cases of severe, complex, and threatening fires and be used as a contingency reserve. The Presidential Contingency Reserve would require the issuance of a Presidential Finding when the suppression and FLAME appropriations are soon to be exhausted. There is a proposed program reduction of \$42.6 million in the hazardous fuels reduction program. Fire management resources would be used in a cost-effective manner in high priority areas, such as the Wildland Urban Interface to more effectively reduce the risk of wildfire to communities.

Program Reductions – Consistent with the President’s directive to freeze spending on non-security discretionary spending, we took a hard look at all of our programs across the Department. We found over \$750 million in program reductions for ineffective or low priority programs, including the elimination of one-time funding. Included within these reductions is \$50.0 million for a one-time payment to forward-fund tribal colleges. This was a one-time increase in the 2010 budget to provide funding in advance of the academic year, and the \$50.0 million is not needed in 2011. The budget also contains a \$163.9 million reduction, or 34 percent, for Interior construction accounts. These reductions take into consideration the \$3.0 billion Interior received through the American Recovery and Reinvestment Act. The 2011 budget proposes reductions of \$38.4 million to terminate the Save America’s Treasures and Preserve America programs managed by the National Park Service and reduces the Heritage Partnership Program grants for National Heritage Areas by 50 percent.

Management Efficiency Savings – The 2011 budget assumes management efficiency savings throughout the Department totaling \$82.1 million. All bureaus and program offices, including the Working Capital Fund, assume reductions from efficiency savings that are either bureau specific or are part of a Department-wide reform. The budget assumes \$20.1 million in bureau specific management efficiency savings which includes \$3.4 million from property consolidation.

The Department’s 2011 budget assumes \$62.0 million in savings from three specific Department-wide management initiatives launched in 2010 – travel, information technology consolidation, and strategic sourcing. All of these improvements were identified from the Administration’s SAVE Award effort, where Federal employees across the country put forward their best ideas to improve government operations. Each of these initiatives targets unnecessary redundancy. Implementing management policies will reinforce these initiatives to ensure efficiencies are achieved. Savings from these reforms are assumed in each bureau and program office budget request commensurate with established criteria.

Legislative and Administrative Proposals

The budget assumes enactment of a number of legislative proposals, including:

- Termination of mandatory payments from the General Treasury to States and Tribes that have been certified as completing reclamation of abandoned coal mine sites and, consequently, no longer need funds for that purpose.

- A \$4 per acre fee on non-producing Federal oil and gas leases on Federal lands and waters to provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so that the tracts can be re-leased to and developed by new parties.
- The budget proposes to make permanent the current arrangement for sharing the cost of administering energy and minerals receipts. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated through a 2 percent deduction from their payments.
- The Administration will submit legislation to repeal portions of Section 365 of the Energy Policy Act. Section 365 diverted mineral leasing receipts from the Treasury to a BLM Permit Processing Improvement Fund and also prohibited BLM from establishing cost recovery fees for processing applications for oil and gas permits to drill.
- The Administration will submit legislation to repeal Section 224(b) of the Energy Policy Act of 2005. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of the geothermal revenue to the historical formula of 50 percent to the States and 50 percent to the Treasury.
- The budget proposes to repeal Section 344 of the Energy Policy Act of 2005. Section 344 extended existing deep gas incentives to ensure that Americans receive fair value for federally-owned mineral resources.
- The Administration proposes to reauthorize FLTFA, eliminating the 2010 sunset date and allowing lands identified as suitable for disposal in recent land use plans to be sold using the FLTFA authority. FLTFA sales revenues would continue to be used to fund the acquisition of environmentally sensitive lands and the administrative costs associated with conducting sales.
- Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the Federal licenses required for hunting migratory waterfowl. The Administration proposes to increase these fees to \$25 per stamp per year, beginning in 2011. Increasing the cost of Duck Stamps will bring the estimate for the Migratory Bird Conservation Account to \$58.0 million.
- The Office of Insular Affairs is currently engaged with the State Department, the Defense Department, and other agencies in a review of the Compact of Free Association with the Republic of Palau. Permanent and indefinite funding for the compact expires at the end of 2010. The 2011 budget seeks to authorize permanent funding for the Compact as it strengthens the foundations for economic development by developing public infrastructure, and improving health care and education.

Through appropriations language, the Administration proposes to implement the following changes:

- Create an inspection fee in 2011 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated \$10.0 million in 2011, offsetting about 25 percent of the cost of onshore inspections.
- Continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the 2009 and 2010 Appropriations Acts. A fee of \$6,500 per drilling permit was established in 2010, and if continued, would generate an estimated \$45.5 million in offsetting collections.

- Increase the inspection fees in 2011 for offshore oil and gas drilling activities that are subject to inspection by MMS. The increased fees are expected to generate an estimated \$20.0 million in 2011, offsetting about half of the cost of inspections.

Sam Hamilton, Director, Fish and Wildlife Service

Before I conclude my statement, I want to pay tribute to a great conservation leader that died last month. Sam Hamilton was a visionary and a professional whose years of service and passionate dedication to his work have left an indelible mark on the lands and wildlife we cherish. His forward-thinking approach to conservation - including his view that we must think beyond boundaries at the landscape-scale- will continue to shape our nation's stewardship for years to come. He as a remarkable leader and a compassionate, wise, and eternally optimistic man

When Sam became the Director of the Fish and Wildlife Service on September 1, 2009, he brought over 30 years of experience with the Service, beginning when he was 15 years old working as a Youth Conservation Corps member on the Noxubee National Wildlife Refuge in Mississippi. Throughout his career, Sam exhibited outstanding leadership and fostered creative and innovative solutions to the challenges facing wildlife conservation. In the Southeast Region, he supported efforts leading to the establishment of a carbon sequestration program that has helped biologists to restore roughly 80,000 acres of wildlife habitat. His emphasis on partnership activities bolstered the Service's fisheries program and helped establish the Southeast Aquatic Resources Partnership to restore vital aquatic habitats across the region.

Sam provided key leadership and oversight to restoration work in the Everglades and oversaw the extensive recovery and restoration efforts following Hurricanes Katrina and Rita, which devastated coastal wetlands, wildlife refuges, and other wildlife habitat areas along the Gulf of Mexico.

Sam believed that the sustainability of the nation's fish and wildlife resources require our cooperative efforts and he worked tirelessly toward building collaborative partnerships for conservation of resources for this and future generations. We will miss Sam.

Conclusion

Thank you for the opportunity to testify on behalf of the President's 2011 budget request for the Department of the Interior. I want to reiterate my appreciation for the long-standing support of your Subcommittee and the full Appropriations Committee. We have a tremendous opportunity to improve the future for our children and grandchildren with wise investments in clean energy, addressing climate impacts, treasured landscapes, our youth, and the empowerment of tribal nations. I look forward to working with you to implement this budget. This concludes my written statement. I am happy to answer any questions that you may have.

Ken Salazar
Secretary of the Interior

Ken Salazar, a fifth generation Coloradan, was confirmed as the 50th Secretary of the U.S. Department of the Interior on January 20, 2009, in a unanimous vote by the U.S. Senate.

As Secretary of the Interior, Salazar is implementing an agenda of reform, built on openness in decision-making, high ethical standards, and respect for scientific integrity. He has prioritized the responsible development of America's energy resources, including environmentally-appropriate renewable energy development on public lands, and has established Interior's first-ever departmental strategy to address the impacts of climate change on our land, water, and wildlife. Salazar has undertaken a robust 21st century conservation agenda that will help restore America's treasured landscapes, from the Everglades to California's Bay Delta, and connect more young people to opportunities in the great outdoors. Salazar is also working to empower Native American communities by restoring nation to nation relationships with tribes while expanding economic opportunities, improving education, and helping improve public safety.

Prior to his confirmation as Secretary of the Interior, Salazar represented Colorado in the U.S. Senate, where he was involved in every major bipartisan legislative effort on energy since 2005; was a champion for farmers, ranchers, and rural communities, helped lead efforts to pass the 2007 Farm Bill; fought to improve access and quality of health care for veterans and military families; and helped build consensus and bipartisanship on a range of challenging issues facing the Senate.

From 1999 to 2004, Salazar served as Colorado's thirty-sixth Attorney General, during which time he was selected to chair the Conference of Western Attorneys General. From 1987 to 1994, Salazar served in the Cabinet of Governor Roy Romer as chief legal counsel and executive director of the Colorado Department of Natural Resources, where he crafted reforms for oil, mining, and gas operations to better protect the environment and the public.

Raised on a remote ranch in Colorado's San Luis Valley without electricity or telephone, Secretary Salazar and his seven brothers and sisters were all first generation college graduates. Secretary Salazar received a political science degree from Colorado College in 1977, graduated with a law degree from the University of Michigan in 1981, and has received honorary doctorates of law from Colorado College in 1993 and the University of Denver in 1999. Salazar and his wife, Hope, have two daughters, Melinda and Andrea, and one granddaughter, Mireya.

BIOGRAPHICAL SUMMARY
PAMELA K. HAZE

Pamela Haze is the Deputy Assistant Secretary – Budget, Finance, Performance and Acquisition. She was appointed to this position in October, 2009. She is responsible for oversight and management of the Department's programs and policies in budget, finance, acquisition and property management, performance management, and small and disadvantaged business.

Prior to her appointment as the Deputy Assistant Secretary, Ms. Haze was the Director of the Department's Office of Budget, a position she occupied beginning on January 5, 2007. She served as the Deputy Director and Co-Director of the Office of Budget from December, 1999 to December 2006.

Ms. Haze has spent the majority of her 31-year Federal career with the Department of the Interior. She worked for Interior bureaus including the Fish and Wildlife Service, the U.S. Geological Survey, the Bureau of Land Management, and the Bureau of Outdoor Recreation. Her experience with Interior agencies includes working as a planner, hydrologist, field biologist, contaminant biologist, program analyst, administrator, budget analyst, and manager.

Ms. Haze has experience with other Federal agencies including the Small Business Administration and the Office of the Federal Inspector for the Alaska Natural Gas Transportation System, an agency that was in operation during the 1980's to facilitate completion of the Alaska natural gas pipeline. She also worked for Cambridge Scientific Abstracts.

Ms. Haze received an undergraduate degree in wildlife biology and a graduate degree in environmental science/ecology at George Mason University.

ENERGY DEVELOPMENT

Mr. MORAN. I would like to begin with a discussion of the issue of energy and your stewardship of oil and gas programs. You are to be commended for proposing a very impressive, comprehensive and long overdue list of reforms of the Federal Government's onshore oil and gas programs. In January you proposed a new oil and gas leasing program for the BLM that is intended to introduce the balance that is sorely needed between oil and gas development and protecting the environmental values on our public lands. I wonder if you could tell us when you plan to get those new reforms finalized and underway. What is the time schedule for that, Mr. Secretary?

Secretary SALAZAR. In the very near time, Chairman Moran, we have the instruction memorandum which had been sent out by BLM to the field for review and comment, and the Director of the BLM, Bob Abbey, will soon be able to issue those instruction memoranda.

Mr. Chairman, I know time is valuable here, but I also think we have had a balanced energy approach, and partly in response to Congressman Simpson's statement, the fact of the matter is that President Obama has long said our energy program for the Nation has got to be comprehensive in nature. It has to include conventional energy as well as renewable energy. It also has to address the realities of global warming which are affecting our children. We have been moving forward with an agenda that embraces that comprehensive package.

The one thing I would point out to this committee, because you have overseen what happens with oil and gas development, is that we have had a robust oil and gas development program in the Department of the Interior. I won't go through all the statistics, but let me just give you a couple.

In 2009, we leased more acres in the Gulf of Mexico than in any other year since 2000, with the exception of 2008, which was a high record year for prices for oil and gas. In 2009, our onshore, which I know, Congressman Simpson, you care a lot about, we had the highest level of bonus revenues since 2001. The onshore acres leased in 2009 actually increased over where they were in previous years, and onshore oil production increased, and offshore acres leased also increased.

When you look at the statistics, the fact of the matter is we have had a significant production component of the President's comprehensive energy plan.

ENERGY REFORMS

Mr. MORAN. Mr. Secretary, will the new reforms that you have cited include explicitly rescinding the various instruction memoranda? They were issued throughout the previous administration's tenure that are counter to the intended policy of balance, but they seem to still be in place. Do you have any intention of rescinding some of those instruction memoranda?

Secretary SALAZAR. Chairman Moran, we have moved forward with rescinding policies from the past we thought did not achieve the balance the President and I believe ought to be achieved on our

public lands. They have included, for example, our efforts to make sure we are protecting our national parks and wildlife refuges and special places from development.

Our motto, Chairman Moran, is to really be smart from the start. I think in the past what happened is that oil and gas leases were essentially just given out like pieces of paper to whoever came in and actually bid on these places. The approach we are taking is to be proactive in identifying those areas best suited for oil and gas development, because otherwise what ends up happening is that we end up creating uncertainty for the oil and gas industry. Forty-nine percent of the leases that were issued in 2008 were actually protested and went into some form of administrative litigation or even beyond that. Steps are now being taken to carefully manage decisions with respect to those areas that we leased.

OCS FIVE YEAR PLAN

Mr. MORAN. That is very interesting.

Now, we are also interested in the activities concerning new Outer Continental Shelf oil and gas development. I know that you are reevaluating the proposed new 5-year planning process which the previous administration began 2 years ahead of schedule, just before they left town. I know that you recently announced environmental studies which will precede geological surveys off the east coast. We would like to know what is going on now and how might this impact areas that have not seen drilling for decades, such as the mid-Atlantic.

Secretary SALAZAR. Chairman Moran, we are getting close to the point where we will have an announcement on the Outer Continental Shelf and what our plans are with respect to oil and gas development. I will say it has been a matter that has been in litigation in large part because the prior administration didn't do the environmental work that it should have done. A conservative court judge in the D.C. Circuit court writing the opinion said the environmental analysis for the 2007–2012 plan had not been appropriately done. We had to go back and redo the 2007–2012 plan as well as deal with the new 5-year plan. We are within weeks of completing the decisionmaking process, and you can look forward to an announcement.

That plan is guided by a number of different factors, including the eight factors set forth in the law that governs development in the Outer Continental Shelf. Included in that plan and in those factors is that we need to assess and understand the science as well as the geophysical information that is available to us in each of the different areas we are considering.

RENEWABLE ENERGY ON THE OCS

Mr. MORAN. Thank you.

The Minerals Management Service also has responsibility under you for renewable energy development in the Outer Continental Shelf, such as wind and wave projects. I think we would be interested in how that is progressing, the energy potential for this resource. I wonder if you could just give us an update before I turn to Mr. Simpson. What is happening to the cape wind project off Massachusetts, and what are the barriers to this project and to

others, such as the potential wind farm off the coast of Virginia, that might be proposed in the future?

Secretary SALAZAR. Let me say three things. First, I believe standing up the Atlantic wind energy potential is something we can do and will do in the timeframe of this administration. There is huge potential out there, including the National Renewable Energy Lab that has quantified the amount of wind energy that could be produced from the OCS off the Atlantic as well as other areas.

Second, we have broken what had been a regulatory logjam, because of a jurisdictional dispute between MMS and FERC last year, and we now have a set of rules that allow us to move forward with renewable energy permitting for offshore wind.

Third, we have created or are in the process of creating a consortium of the States along the Atlantic so we can work closely with them in the development of offshore wind off the Atlantic. I think there is huge potential, because unlike in Congressman Simpson's State where we are actually working to stand up transmission on a fast-track program in Idaho, one of the things that is an opportunity in the Atlantic is you don't have to go through a lot of the same considerations you have to go through when you are standing up transmission on the onshore. There is huge potential for the offshore wind, including putting in a backbone for transmission off the Atlantic. You will be hearing a lot more about that in the very near future.

CAPE WIND

The final point on Cape Wind, we are in the process of getting close to a decision. I have terminated the consultation process that had been in place and have moved it over to the Advisory Council on Historic Preservation. Their deadline to report to me with their advisory opinion is, I believe, April 15th. I will take that opinion, along with all of the rest of the information that I have the record on, and I will render a decision on the Cape Wind application. That decision will either be to have cape wind move forward, or, in the alternative, it will be to deny the application.

Mr. MORAN. And when would you be making that decision?

Secretary SALAZAR. It will be probably towards the latter part of April.

Mr. MORAN. Mr. Secretary, thank you very much.

Mr. Simpson.

OCS DEVELOPMENT

Mr. SIMPSON. Thank you, Mr. Chairman.

I suspect you saw the Washington Post yesterday and the article on the front of it that said, "Tide for Drilling off Virginia Turns Favorable," and that it is not a partisan issue. Both the Democratic Senators from Virginia and the Governor of Virginia, a Republican, both support offshore drilling off of Virginia since the 25-year moratorium lapsed in 2008.

Just out of curiosity, when we built the Woodrow Wilson Bridge across here, we waived more environmental laws than Carter has liver pills to get that built. Is there anything that Congress or the Administration can do to speed up the process to access that oil and natural gas off the Virginia coast?

Secretary SALAZAR. Congressman Simpson, we spent a lot of time on that, and that will be part of the announcement we have on the OCS. Because this is still a matter under court jurisdiction, without telling you where I will end up on that decision, I will say the particular area you are interested in, Lease Sale 220 off the Virginia coast, ought not to be seen as the panacea for any of the budgetary woes that are being seen in Virginia. The reason for that is, first of all, the seismic information that we have off the Atlantic coast is 30 years old. So what is there, in the triangular area off the coast, is still something which is an unknown. It is not something that is going to be developed in the next however many years.

Secondly, even if the decision is to move forward with Lease Sale 220, there is still the need to move forward with the environmental impact statement which needs to address the military issues in part and other issues that are impacted by whatever happens within that particular area.

The long and short of it is, Congressman Simpson, you say that the tide has turned. The fact is whenever we do any decision with respect to offshore drilling, the policy of the State which is involved is one of the factors we look at, and I am certainly aware of the policy of the State of Virginia and the statements you talked about in that Washington Post article.

Mr. SIMPSON. So you wouldn't suggest that we waive all the environmental laws like we did on the Woodrow Wilson Bridge? You don't have to answer that.

Secretary SALAZAR. No.

Mr. MORAN. I am not sure we are planning on building a bridge to England from Virginia, but go ahead, Mr. Simpson. I don't want to interrupt you.

EQUAL ACCESS TO JUSTICE ACT

Mr. SIMPSON. I think he got my point.

EAJA, the Equal Access to Justice Act, it is very difficult to find out how much money we have paid under that act. As you know, it is an act set up with the best of intentions to help citizens pay for attorneys' fees when they bring lawsuits and prevail. How is that being handled by your Department? Who pays it? Is it the judgement fund? Is it your Department? If they have a lawsuit and end up paying attorneys' fees, is there any way to get an accounting of, governmentwide, how much we are paying into this fund?

As you know, there are organizations, probably organizations on both sides of the issues, that almost look at this as a way of funding the organization. Again, is there any accounting? Is there any way of determining who assesses the fees that are being charged and so forth? Can we get that information? From what I understand, originally when it started off, there was an accounting of that, and the public actually had access to it, and then it just kind of disappeared, and it has been—nobody knows.

Secretary SALAZAR. Congressman Simpson, that matter really is something which comes from the Department of Justice because that is where the judgment fund is—

Mr. SIMPSON. Is that who pays it?

Secretary SALAZAR. It comes out of the judgment fund. For example, in the Cobell litigation we have been involved in, the money that ultimately would pay for the attorneys' fees and, in fact, for the settlement, is money that comes out from the judgement fund. I think that is a question which I will be happy to raise with the Attorney General.

Mr. SIMPSON. If someone sues the BLM over a grazing permit, and it goes through all the court procedures, and a settlement is made, BLM doesn't end up paying the EAJA fees for that plaintiff; it is the judgement fund?

Secretary SALAZAR. I believe that to be the case, Congressman Simpson, but I will check further on that and get a more specific answer back to you. Or perhaps this is something that Pam Haze might know something about.

Mr. SIMPSON. And I am not trying to ask this in a way that says it is not justified or anything else. I would just like to know how much we are paying and if we appropriate money for it. But if you would get back to us—

Secretary SALAZAR. Let me just ask Pam to provide the answer.

Ms. HAZE. My understanding is the Department of Justice pays it, and they have an accounting, and we are supposed to over time reimburse those costs.

Mr. SIMPSON. Through appropriated dollars?

Ms. HAZE. Through whatever means it is available. If it was a mandatory account where the action was related to, that way.

Mr. SIMPSON. So essentially the Department pays for those in the long run?

Ms. HAZE. I think it is fair to say many of the departments have not been keeping up with all of the reimbursements.

Mr. SIMPSON. Because we have not been able to find an accounting of who is getting these fees and how much they are being paid? I would sure like to find out, but I will follow up—

Secretary SALAZAR. I think it is an important question, and let us get some information back to you that will be responsive to your question.

[The information follows:]

EQUAL ACCESS TO JUSTICE ACT

The Equal Access to Justice Act (EAJA) (5 U.S.C. § 504; 28 U.S.C. § 2412) provides for the award of attorney fees (up to \$125 per hour) and other expenses to eligible individuals and small entities that are parties to litigation against the government. An eligible party may receive an award when it prevails over the government, unless the government's position was "substantially justified" or special circumstances make an award unjust.

To recover under EAJA, a claimant must show that it is a "prevailing party." Parties are considered to be prevailing parties when they have been successful on any significant issue in litigation that achieves some of the benefit the parties sought. A party must also show that the lawsuit was a material factor in bringing about the desired result and the outcome was required by law and was not a gratuitous act by the government. Finally, whether a party is a small entity for purposes of EAJA is determined by a unique size standard included in the act. Compliance with the size standard is a threshold requirement for an award of fees under the Act.

GRAZING PERMITS

Mr. SIMPSON. I appreciate it. Last year we appropriated a million dollars to address the backlog in grazing permits. This year OMB and the Department left that out. What are we doing to address

the backlog in the grazing permits and trying to get that up to speed so that we don't have the problems we have with the grazing going on across the country?

Secretary SALAZAR. Director Abbey has been very involved in addressing this issue. I don't know whether he has testified before the committee yet, but he is the Director of BLM and worked in the BLM for about 30 years, was State Director in Nevada, and he is aware of the grazing permit backlog, and I know that he is working at it.

At the end of 2009, there were 4,326 grazing permits that were backlogged, and about 90 percent of 18,000 permits have been processed at least once in their ten-year expiration cycle. We are working on it.

Mr. SIMPSON. We appropriated money last year to work on it. That money is not proposed in your budget. Added on top of that, \$109 million throughout the Department in fixed costs that have to be absorbed by the Department somewhere. Assuming, as I said, during I think it was the hearing at the BLM that you don't hire people just to drink coffee, without fixed costs there is going to be something that doesn't get done. There are going to be fewer people to do something, to decide to do some activities rather than other things. How are we going to address the backlog in that arena and others if we have reduced personnel and so forth in the future?

FIXED COSTS

Secretary SALAZAR. Well, Bob Abbey says we are going to be smarter about it, and that what BLM will do is to prioritize the permit renewals where we are able to move forward where, for example, we are not tied up in litigation.

On your broader question on fixed costs, and absorbing the fixed costs that we have, it is a tough budget. It is not the budget I would have proposed if we were not dealing with the fiscal situation that we are currently dealing with. We had to take some cuts. I think it is \$62 million or so just with respect to travel, acquisitions and information technology. One of the things that we did is Rhea Suh and Pam Haze took the budget line by line, working with our Bureau Directors, looking at where we could make the cuts. As we move forward, there may be some areas where we can find greater efficiencies and still do the job; there may be other areas where we need to revisit with this committee relative to some of those allocations.

INFORMATION TECHNOLOGY

I will say, for example, not on the fixed costs, but on information technology, our Department essentially was spending, I believe, \$1.3 billion a year on information technology. Part of what was happening is we have such a stovepiped Department because of its history that there wasn't the kind of coordinated, integrated approach to information technology. We believe we can achieve efficiencies in IT through a more coordinated approach.

TRAVEL

We believe we can cut back on travel by eliminating unnecessary travel and by not as many people traveling to conferences.

It is in that vein that we are trying to come up with a realistic budget for these very tough budget times. We absorbed the fixed costs for our employees. Our view is we can find smart ways of doing our work, but recognize that it is not the preferable way to go.

COST-CUTTING

Mr. SIMPSON. Let me just conclude by saying it somewhat reminds me of what we around here always do when we want to save some money: We just say, we will just get it through waste, fraud, and abuse. Nobody knows what that is, but we are going to get it through waste, fraud, and abuse.

And when I look at this overall budget, it kind of concerns me that while we are trying to address things like backlog maintenance, we are trying to do backlog and grazing permits and so forth, we are putting money into acquisition of land and increasing the appropriation for that and some other things, while it seems like we are shorting some of this backlog stuff. So I would expect if we continue this over the next 3 or 4 years, we will see an increase in the backlog, and that concerns me, because I think one of our primary concerns over the years as a committee has been to try to address the backlog whether it is in maintenance, whether it is in grazing permits, whether it is in other things, but try to get the Department caught up rather than expanding, if you know what I mean. Thank you.

Mr. MORAN. Thank you, Mr. Simpson.

Incidentally, for what it is worth, it took 10 years to build the Wilson Bridge, including 2 full years for the NEPA environmental review.

Mr. SIMPSON. It would have taken 100 if it was in the West.

Mr. MORAN. Moving along. Mr. Chandler.

OPENING STATEMENT OF MR. CHANDLER

Mr. CHANDLER. Thank you, Mr. Chairman.

Mr. Secretary, it is nice to see you. You and I have known each other for a long time, and I think that this Department and this country are awfully lucky to have you serving in that role, a difficult role, in my opinion. The challenges are pretty great. The main challenge is one of balance, and I know you deal with that every single day, how you balance preservation and development and so forth on so many different fronts and all the decisions that you make. You are the number one steward for our country. That is your responsibility, to be a good steward for this Nation, and I thank you and the Department, and I think you do a tremendous job.

I was just wondering, first of all, if there are any specific areas in which you have—in your first year being Secretary—seen instances in which you have struck that balance; that you have dealt with some things that have been difficult, and you found the bal-

ance that you were looking for, which, of course, led to a better stewardship for any particular part of the country.

And another thing I am curious about is where we are headed in terms of putting together a strategic plan on climate change and what the Interior Department is doing in that regard. I know that there was a GAO report that came out last year that said that the Federal Government really had not had a coordinated strategic plan related to climate change, and I assume that there are some folks in the Interior Department who are interested in how climate change is going to affect certain parts of the country and how we would adapt to those effects. Thank you.

OIL AND GAS

Secretary SALAZAR. Thank you, Congressman Chandler and Attorney General Chandler and great friend from Kentucky. Let me just say first in terms of the areas of balance, probably the area that has received the most attention has been what we have done with oil and gas. Some people have not been happy with what we have done there, but we believe and I believe we found the right balance. We have allowed oil and gas exploration and development to move forward in the right places and at the right time. We also have done it in a way that we are protecting other values that are very important, including national parks and wildlife areas and places that have very special ecological or historical values. That is a balance I think we are achieving.

We have still got a way to go on the onshore. I believe the plan you see on the Outer Continental Shelf will also reflect that kind of balance.

CLIMATE CHANGE COORDINATION

Second, with respect to climate change and how we are coordinating the Federal Government effort on that, let me respond in two ways. First, it is an issue which the President has been very focused on and has wanted to make sure that the agencies of the Federal Government are, in fact, working in a coordinated fashion. An interagency council has been created to deal with climate change and adaptation, and our Department works closely with the other departments working on that issue to make sure we have a coordinated strategy going forward.

Second, with respect to the Department of the Interior, we have coordinated our own efforts with a Climate Change Response Council, which I created, which I chair, and which includes all of the different agencies of the Department of the Interior. Prior to my coming on board, on this issue as well as with many other issues, we essentially had what was a stovepiped Department with each of the agencies doing its own thing. We aren't doing that anymore. We are working hard to make sure the efforts of the United States Geological Survey, the Fish and Wildlife Service, the National Park Service, the BLM, and the Bureau of Indian Affairs on the issue of climate change are, in fact, coordinated.

Let me just say one final thing, Congressman Chandler. I know you and Congressman Salazar often talk about this issue of climate change, as does Congressman Simpson. Let me say, for me, the place where I sit in the United States Government on this Cabinet

level, I see it in some very real ways. I see it when I go to a place like Pelican Island, as I was there a couple of months ago with Sam Hamilton, who passed away recently. I see Pelican Island, the first national wildlife refuge, essentially disappearing because of the fact that the sea is rising. I see it in Montana, where I visited Glacier National Park with Senator Baucus in the summer of last year, and they tell us that the glaciers at Glacier National Park will no longer be there in the year 2020. And I see it in places like the Apostle Islands, where Dave Obey and I, in going to the islands, received the assessment of the scientists there that the surface water temperature is now 5 degrees warmer than it used to be. The consequences of that for the fishery and for the other ecological values of the Great Lakes ought to be sending off some alarm bells in people.

I know there is debate still going on in the Congress about how we fix the climate change challenge of our time, but as a steward of our Nation's natural resources I see the impacts of climate change in a very real way. I have seen them through my eyes. It is an urgent problem that is crying out for a solution.

Mr. CHANDLER. I appreciate that, Mr. Secretary, and thank you for watching out for that. I believe it is very important, too, and I am glad that you could enlighten us a little bit on some of the real things that you are seeing along those lines. I hope you have just completed your first of eight good years as Secretary. Thank you.

Secretary SALAZAR. Thank you very much.

Mr. MORAN. Thank you very much, Mr. Chandler.

Mr. LaTourette.

OPENING STATEMENT OF MR. LATOURETTE

Mr. LATOURETTE. Thank you, Mr. Chairman.

I would just say to my friend from Kentucky that I will do my level best to make sure that the next Republican President of the United States keeps the Secretary in place.

Welcome, and thanks for being here.

Last year we talked a little bit, and I give President Obama, you and your Department very high marks for finally treating the Great Lakes as an entire ecosystem. I think the President's Great Lakes Restoration Initiative is a great one. But we have had the opportunity to have Administrator Jackson in front of us, and we had your Chief of Staff who was filling in for Mr. Hamilton the other day on the Fish and Wildlife Service. And my concern—and I will invite your comment on it if you want to comment on it, but you don't have to—is that I get why it went from 475 million to 300 million. I think Administrator Jackson did a good job of explaining that.

My concern continues to be that the lion's share of the money is being maintained in EPA, and if you take Fish and Wildlife, for instance, they got \$58 million out of the \$475 million. This year they are only slated for \$32 million, and you see that kind of pattern, whereas the EPA out of \$300 million is going to retain for their disposal \$169 million, I think.

Now, the problem with that is EPA is a great organization, but when you talk about cleaning up the Great Lakes or making sure

the Asian carp doesn't get into Lake Michigan, they are really not the "boots on the ground" people. It is the outstanding people that you have at the Fish and Wildlife Service and the Park Service and the Corps of Engineers and everything else.

I think when the Administrator of the EPA was in front of us, she said, well, the game plan is to accept grants, applications from State and locals and distribute that money, you know, sometime after the rules are put in place. And as somebody who had an area of concern on the Great Lakes, a place called Ashtabula Harbor, it took us a long time and \$53 million to get it done. You know, I think the analogy I would give is you are going to have a lot of check presentations, but not a lot of ribbon cuttings, because a problem that takes \$53 million, if you throw a million at it, you are really not going to get it done.

So I asked both of your Directors to sort of think about maybe, one, getting some of the cash out of EPA's hands in the future; and two, redesigning this grant program so that—and you know I would—I think there are 52 areas of concern left in the Great Lakes. So I would understand if today Michigan got the \$50 million and we would have to come back next year. I mean, I think we all get that. My concern if we each get a million dollars is that we are not going to get it done. So any thoughts that you have and—

GREAT LAKES

Secretary SALAZAR. Congressman LaTourette, let me respond just in two ways. First, I think we ought not lose sight that the President has put a spotlight on the Great Lakes, and I think the initiative says a lot when you talk about additional increases in funding for the Great Lakes initiatives. We are involved in that through a number of our agencies, including the Fish and Wildlife Service. We will continue to be part of that broader effort.

I do think one of the questions you raised, which I think is a very legitimate question for this committee and this country, is how we develop the right templates for the restoration of these complex ecosystems. We are involved in a number of these initiatives all over the country, including right now in a very heated controversy concerning the water supply issues in California and the San Francisco Bay Delta. I have asked the National Academy of Sciences to help us try to figure out the best practices relative to how we actually succeed in the restoration of these ecosystems.

Congressman Moran and others who follow what has happened here in the Chesapeake Bay know the amount of money that has gone into the Chesapeake Bay. We still have a lot of progress that we have to make there. The same thing is true for the Great Lakes.

A place where we have made very significant progress has been the Everglades. The Everglades restoration may, in fact, be a template for one of these very complex ecosystems which can be restored.

If there are suggestions you have, Congressman, about how we can be more effective with the boots on the ground relative to the restoration of the Great Lakes, I believe that our administration would be very open to hearing from you.

BIOLOGICAL RESOURCES DIVISION

Mr. LATOURETTE. I would say Administrator Jackson has been kind enough to send people over who are in dialogue. I just wanted to bring it to your attention. And because of my great respect for you on the water issue in California, I am not going to pull any questions out of my pocket from Congressman Nunes. We are going to talk about something else.

Several years ago when my colleague Ralph Regula was the Chairman of this subcommittee, he worked with former Secretary Babbitt to develop a biological expertise for the entire Department, especially the land management agencies at USGS, through the establishment of a Biological Resources Division, and I guess a multipart question is, are you committed to this division and the support that it is providing to your land management agencies, and why does it appear, I guess, that agencies within the Department appear to be building their own capacity in this regard rather than relying on the initiative of Chairman Regula and Secretary Babbitt?

Secretary SALAZAR. I believe that the efforts of Secretary Babbitt in establishing the biological survey and integrating the efforts of the Department was a very worthy cause. I believe we need to integrate the efforts of our Department and do away with the stovepipes of the Department. I am supportive of efforts that do away with the stovepipes and provide the kind of information sharing across the bureaus that is important. That is part of the reason why we have established a Climate Change Council, which I chair, because I want to make sure the science we are developing at USGS is science we can use with the Fish and Wildlife Service, we can use with the Bureau of Reclamation and so on.

Mr. LATOURETTE. I think that was Secretary Babbitt's vision. My only concern is that we are receiving reports that different land management agencies are sort of standing up their own redundant services. If that is not true, I am happy to hear that. If it is, then I guess that is my concern.

Secretary SALAZAR. I would appreciate it if you have the specifics of concern there, because that is something that we will look into. Just if I may, Congressman LaTourette, you think about a Department that has been around since 1849. It has been around for a very long time, and each of these agencies has its own history and its own culture. One of the challenges is how you work across the bureaus to essentially find the efficiencies and share the information that we need to share. We are doing much better at that because of the way we are working with all the bureaus of the Department of Interior. It has been one of the management signature initiatives where I put a lot of personal energy into it, and that is trying to cut down the silo activity to provide efficiencies such as we are doing with information technology and science development.

Mr. LATOURETTE. I will be happy to send you a letter, but my great staff has just indicated that two examples are Fish and Wildlife Service—Landscape Conservation Cooperatives at \$18.8 million, and, in the Park Service, the cooperative ecosystem study units. So I will send you a letter, and maybe we can talk about it another day. Thank you.

Mr. MORAN. Thank you, Mr. LaTourette.

Mr. Cole.

Mr. COLE. Thank you very much, Mr. Chairman. And actually I have Congressman Nunes' questions, but—not really.

Mr. SIMPSON. I do.

COBELL SETTLEMENT

Mr. COLE. You do. Well, they gave them to the big guy.

Seriously, I want to begin by, number one, just thank you on the Cobell settlement. That was an extraordinarily important issue. Count me in the camp that thinks it is not enough money. I feel that very strongly. On the other hand, you did what two previous administrations, one Democrat and one Republican, couldn't do. I think it is very important for the progress in Indian Country, I think it was very important for the Department, and I really appreciate the role that you played in sort of pulling the poison out of this thing. And if there is any way, when the appropriate time comes, that I can be helpful working with my friends on the other side of the aisle to make sure that Congress then follows through on your work, you certainly have my commitment to do that, and I look forward to working with you.

I want to thank you, in addition, just again for your whole attitude, you know, bringing the tribal nations together early in the administration in the manner in which you and the President did, and the manner in which you have operated and, frankly, the administration has operated across the board in agency after agency where tribal nations are concerned. They are to be highly commended. So you guys are off to a great start, and I appreciate it.

TRIBAL TRUST LITIGATION

Cobell, of course, is not the only litigation issue. As I am sure you know better than anybody on this side of the dais, you have got 100 different cases out there, all sorts of cases, litigation pending. Seventeen of them are from my own State. And in full disclosure, although I am not going to talk about a specific case, but one is from my own tribe.

COBELL SETTLEMENT COSTS

Looking forward across that broad range of issues, do you have any idea financially what you are looking at in terms of potential settlement costs and length of time? What are you doing to expedite and move these cases forward? You have certainly done that in the Cobell case, and I assume that will be the approach, where you can, across-the-board.

Secretary SALAZAR. Thank you, Congressman Cole. Let me first thank you for your leadership in this arena as well as for your help as we have dealt with the great challenges that face Indian Country all over this Nation, and I know in particular in Oklahoma, many of the issues that we are facing there. I want to respond to your second question, but first I want to make a comment about Cobell.

Chairman Moran and Ranking Member Simpson and all the members of this committee, we are at a point, frankly, where un-

less we get congressional approval of the Cobell settlement, it essentially could blow up in our very hands, because when we arrived at that settlement in December, the judge who was in that case was about ready to retire. He has stayed on that court in order to see the settlement through.

Mr. SIMPSON. Could I interrupt for just a second? What does Congress need to do there? Do we have to appropriate the money? Have you submitted that request?

Secretary SALAZAR. It needs to be approved and appropriated. The language has been approved, and I think there have been discussions that have been going on to try to figure out when it is appropriate to get that done.

Mr. COLE. As the Secretary knows, there was an initial date, this was to be done by a date in February. We are in extension now, to I think April 16th, if I recall correctly. But there is a point where this stops. We could slide right back into litigation.

There is criticism coming from both sides. A lot of folks say, "Gosh, it is not near enough and we need to fight for another 15 or 20 years." But the reality is that this is an agreement negotiated in good faith on both sides of the table. It is awfully reasonable, and we really do need to deal with this now. Frankly, we have seen great leadership by the administration in bringing this to closure.

This thing dragged on for the Clinton years, this dragged on through the Bush years. There is a lot of bipartisan finger pointing that could legitimately go on in this case. But the fact that we have a chance to settle is a big deal, and we ought to do it. And it will be very well received broadly in Indian Country, just that the historic problem has been recognized, people have tried to deal with it in good faith. It is just very important, I think.

Mr. MORAN. Will the gentleman yield for a moment?

Mr. COLE. I will certainly yield.

Mr. MORAN. I agree with everything you have said, Mr. Cole, I think you know that, and I think Mr. Simpson agrees. The problem is that it is \$3.4 billion, and the Office of Management and Budget has decided it will not give it emergency designation, which means that we really can't get it into the supplemental, which was the plan.

Mr. SIMPSON. Who makes that determination, them or us?

Mr. MORAN. The Office of Management and Budget said they will not consider it for emergency designation. It was not submitted with an emergency designation. So that makes the situation problematic for us.

I don't know what we are going to do. We need to work on it. I think we are all in agreement it needs to be paid. But it is a problem if it doesn't get emergency designation, because then it falls under the PAYGO requirement.

Mr. SIMPSON. Well, I would suggest that what falls under emergency designation is up to us, not OMB, and that if we need to do it, we need to do it, however we need to do it. So I would be more than willing to work with you to make sure this gets done.

Mr. MORAN. Let's try to do that. Sorry for the interruption.

Mr. COLE. No, it is enlightening. Again, I think the Secretary has brought us to the brink of closure and victory, and it would really be a shame if one part of the bureaucracy or Congress blew an op-

portunity to settle a case whose roots reach back into the 19th Century and which has been actively litigated for 14 or 15 years. It is sure an emergency if you are one of the recipients who have been waiting a long time. It is sure an emergency if you are in the Department, which I agree very much with the Secretary, certainly the BIA has been tied in knots over this thing, and it has impacted other things that needed attention. So I don't know how much more of an emergency it can be than that.

Mr. MORAN. Agreed. But if we don't get emergency designation, I don't know where we find the offset.

Mr. COLE. I will be happy to work with you. I don't have a lot of stroke at OMB these days. I never did though. But whatever we can do to be helpful. I think this is an issue that the time is right and it ought to be dealt on this.

Mr. MORAN. Mr. Secretary, did you want to weigh in on Mr. Cole's question?

COBELL SETTLEMENT

Secretary SALAZAR. Let me say all of you are correct. It is a huge issue that we have a very unique opportunity in history to resolve, and it has been a problem that has built up over 100 years. What we have here is a very fiscally responsible settlement. Senator McCain and a couple other Senators along with former Attorney General Gonzales and Secretary of Interior Kempthorne had offered to settle for nearly \$7.5 or \$8 billion a few years ago. How we structured this settlement I think is a very good settlement for the United States of America, as well as for Indian Country.

In addition to just being a settlement to those historic damage claims, it also, Chairman Moran, addresses the issue going forward so that we won't have the issue of fractionation in the future and we won't find ourselves in the same situation 10 or 15 years from now.

I know the President is strongly behind reaching congressional approval of the settlement. We are having discussions with OMB and with CBO and the Members of Congress, and I am very optimistic and hopeful that we will be able to make it happen.

TRIBAL TRUST LITIGATION

With respect to just very quickly your second question on the tribal cases, they are out there, and our view is we believe that if we can get this settlement done, the tribes themselves are interested also and have approached us to engage in a dialogue about how we resolve those cases.

There are about 100 of those cases out there. We don't have a sense of what kind of money we may be talking about there. But in this particular case we are dealing with, Cobell, we are dealing with millions of fractionated interests and hundreds of thousands of people. So the complexity of this case is probably 1,000-fold over whatever the complexity will be in dealing with the specific tribal cases.

Mr. COLE. Let me just finish, because I know I have taken a lot of time, Mr. Chairman. Thank you for your kindness.

Mr. MORAN. But we intervened as well, so please proceed if you would like to.

LAND FRACTIONATION

Mr. COLE. I will go back to my other issues in another round. I do want to finish with this.

I am glad you touched on the fractionated issue. I think that was a brilliant settlement. It was a great way to deal with a thorny issue, and frankly a way for tribes to have land effectively returned to them that they can utilize. It takes care of a lot of individuals in the system. And the scholarship fund is really a welcome addition.

So there is a lot of attractive features to the package which you negotiated and was negotiated by the other side. It really is good. Frankly, it solves a lot of problems at one time. You are just to be commended for that.

TRIBAL JURISDICTION AND LAW ENFORCEMENT

If I can, I will ask one other question in the area of tribal jurisdiction and law enforcement. I commend you again for putting a lot of emphasis on law enforcement problems that we have in Indian Country. I particularly would like to get your views.

Stephanie Herseth Sandlin has a great bill, there is a companion bill in the Senate, actually that is where it originated. In the meantime, what are the things that we can do to enhance jurisdiction and direct involvement by tribes?

When tribes can control their affairs—their education system, their health care system—and individual tribal members know where the decisions are made, it is not somewhere hundreds or thousands of miles away, it is in their community with their own leadership that they can hold responsible they do better. The more of that that can happen, the more levels, the better off I think you are, because you are withdrawn from some of that, and the better off the tribal members are, because they are in control and they know who to hold responsible.

There are some transitions that need to be made, but I have seen this happen in my own tribe. It makes all the difference just to let people control their own assets, resources and governance.

There is a lot there, but I would appreciate your response.

Secretary SALAZAR. Let me just say, Chairman Moran, that I think Congressman Cole raises a very legitimate issue, and there is tremendous confusion frankly over jurisdictional issues between the tribes and non-tribal law enforcement agencies. Attorney General Holder and I have established a task force that is working on developing recommendations on how we can address the issue of lawlessness and crime we see on Indian reservations across the country.

We believe we are going to be able to cut down the level of crime on reservations essentially just by having the Federal Government coordinated in its own efforts and then working alongside with tribal law enforcement authorities. We also have in this budget, we are looking at expanding the law enforcement authorities within the reservations themselves, including training.

Finally, I would say the legislation being proposed by Senator Dorgan and Representative Stephanie Herseth Sandlin, the legislation they have put together, has a good framework for us to be able

to move forward to address justice and law enforcement issues on reservations.

Mr. MORAN. A good question and good response. Thank you.

We notice that both you and Mr. Calvert have been on the floor speaking, so we appreciate the fact that both of you chose to return to us.

Mr. Hinchey and then Mr. Calvert.

Mr. HINCHEY. Thank you very much, Mr. Chairman. It is a great pleasure to be back here with you, and it is a great pleasure to be with you.

I just want to express to you, Secretary Salazar, my great appreciation for you and for all the very appropriate and high quality attention you are giving to the responsibilities that you have. I think that in so many ways this country is in much better condition as a result of you being there and the work that you are doing.

I am just saying that because of the deep way I feel about all of the things that really need to be done and the way in which your attention is being focused on all of these things in such a positive way. So I just want to express my appreciation to you and thank you.

Secretary SALAZAR. Thank you very much, Congressman Hinchey.

OFF-RESERVATION GAMING

Mr. HINCHEY. The oil and gas reforms that you proposed earlier this year were among those that were very positive, and I and many others thank you for proposing them and we look forward to seeing the policies in place soon, whenever that might be.

I want to mention something about off-reservation gaming. This is a very local issue in New York State.

Last August, your Assistant Secretary for Indian Affairs, Larry Echohawk, visited Sullivan County, New York, a place that I represent, and he came there to discuss the issue of off-reservation gaming with the local community. He met with people on both sides of this issue, and by all accounts his visit was a big success. Everybody, no matter what they thought about it, whether they were opposed to it or for it, thought that he was very good. He did a great job, and the event was very positive.

Sullivan County was previously one of the Nation's premier resort destinations. That was in the last century, probably most of the first half, a little bit into the second half of the last century. Thousands of people from the New York Metropolitan Area and across the country visited the county for its many resorts and its pristine natural resources. Today, almost all of those resorts are gone. There is little industry. Unemployment is rising.

One growth opportunity that has received a lot of attention and local support is off-reservation casino gaming. Several tribes, with the support of the local communities and with the State of New York and the local congressional delegation, worked in good faith with the Interior Department for several years to complete the rigorous review process for off-reservation gaming operations.

A couple of the tribes had essentially completed the process and were preparing to move forward with their projects, but they were

stopped when your predecessor abruptly changed the rules of the game and essentially prohibited new off-reservation gaming.

For some time now, we have been told that your Department was reconsidering its off-reservation gaming policy, but to date no decision has been announced, and I can understand this may not be an easy thing to deal with.

But I would just like to put this question to you for your consideration: Do you plan to keep in place the current policies that essentially prohibit new off-reservation gaming operations, or are you considering, just considering, changing this policy, and what can we expect to hear in the context of some kind of a final decision on this matter and when do you think that might happen?

Secretary SALAZAR. Thank you, Congressman Hinchey, for your very, very good question. Let me just say that the issue of gaming and Indian gaming in general is a very complicated and emotional issue across this country, and there are really two sets of applications that one needs to look at.

The first set of applications with respect to gaming are those applications where frankly there is not any discretion on the part of the Secretary of the Department of the Interior in terms of granting them. For example, if the tribe wants to build a casino on the reservation and other requirements of law are met, then there is not a problem with those kinds of establishments.

When you get to the issue of off-reservation gaming, it becomes more complex, especially when you get into discretionary parts of the statute that allow for the Secretary to make a determination based essentially on what is a hardship case.

The Assistant Secretary and I have been trying to work through a process that will provide some clarity with respect to how we address the gaming issues. We had meetings as recent as yesterday trying to figure out a path forward that will provide some clarity to those who are regulated by us. I can't give you an exact time when we will be able to move forward with the policies, but we are working on it very hard.

Mr. HINCHEY. Well, I very much appreciate that, and I appreciate that answer to the question. I know how complicated this is and I know all the other aspects of it that have to be taken into consideration as you deal with it. So I appreciate very much what you are doing and what you just said.

This is something that economically, financially, could be very significant. In Sullivan County and in Ulster County, in a place called Monticello in Sullivan County and a place in Ulster County just outside of Ellenville in southern Ulster County, it could make a very significant difference. It could bring back a lot of energy, it could bring back a lot of enterprise in various ways, it could bring back a lot of jobs, and it could elevate the context of the economy there in those two counties very substantially. So it is something that we are interested in.

It would have to be done in the right way, it would have to be done responsibly, of course, but it is something that we are very interested in for both of those counties, Monticello in Sullivan County, and just outside of Ellenville in Ulster County.

So, whatever you could do to try to make some kind of a decision on that would be deeply appreciated.

Do I have any more time, Mr. Chairman?

Mr. MORAN. Do you have a quick question? Normally members have raised a couple of points, and you stuck to one, although I think you fully exhausted the first issue.

Mr. HINCHEY. Yes, I fully exhausted the first issue, no doubt about it, and I fully exhausted it very intentionally, Mr. Chairman. It wasn't accidental at all. But there are other things we could talk about. But I will be happy to wait my turn.

Thank you very much.

Mr. MORAN. Thank you, Mr. Hinchey.

Mr. Calvert.

CALIFORNIA BAY-DELTA

Mr. CALVERT. Thank you, Mr. Chairman.

Mr. Secretary, being from California I can't let you escape without talking about the Central Valley a little bit. As you know, and you have been up there a number of times, it is literally a Steinbeck novel up there. It is a chapter out of Grapes of Wrath and it is not getting any better.

Mr. COLE. They are actually going back the other way now.

Mr. CALVERT. They are going back to Oklahoma. But it is no laughing matter. It is a huge problem.

I am from Southern California, but we are impacted also. When we are talking about the Bay Delta, we are not just talking about the Central Valley. We are talking about water exports to the southern part of California also.

As you know, the snow pack is greater than it has been in a number of years. I know you have changed your allocation. We thank you for that decision recently. I think you went up to 25 percent allocation on the west side. I would hope that that would go up significantly from there based upon the amount of snow pack and amount of water that I believe is in Shasta at the present time.

I had met with David Hayes over a year ago, and we talked about some interim projects to resolve some of the problems with the Delta Smelt. One of those was the Two Gates Project that seemed to be a good idea to help mitigate the smelt going into those pumps, and the second project was the intertie between the State water project and the Federal water project.

It has been frustrating for a number of folks that these projects haven't moved ahead. I understand the Army Corps of Engineers is involved with these projects, and sometimes things don't work out as quickly as you would like it.

Literally the future of many Californians is in your hands and how we handle this problem. They can't go another year. A lot of the folks that have permanent crops up there have stressed their crops as much as they possibly can and they need to get water on them in order to save those permanent crops this year.

So, if you would like for the record to say what you can do, and I know you are familiar with these projects, to get this moved along so we can give some folks up there in the Central Valley some level of relief.

Secretary SALAZAR. I appreciate the question, and in terms of issues, we have an all-hands-on-deck approach to dealing with the California water crisis we are facing.

There are really two concepts we are moving forward with. The first is dealing with the short-term problem and the short-term pain. The second, which is the longer term issue, is the collapse of the entire ecosystem and the water supply system that was built for a population which was less than half the size it is serving today. How we move forward with that longer-term initiative is something on which we have been working closely with Governor Schwarzenegger and members of the California delegation to try to develop the long-term plan for the Bay Delta, as well as the water supply needs of those who depend on that water.

In the short term, we have been taking a number of different initiatives to provide water supply to those places that you describe as *The Grapes of Wrath* and right out of John Steinbeck's novel, because it is true, and I have seen the pain down there in Mendota and all of these other places.

We have tried to do what we can within the constraints of the law, and also being true to the science, the guides and biological opinions from the Fish and Wildlife Service and from NOAA. Within those constraints, we were able to expedite the timing for announcing the allocation of water, so instead of waiting until the end of the month we were able to make those announcements in the middle of the month.

With respect to a number of other projects, including the intertie, our hope is we will actually be able to move forward and construct the intertie between the two canals.

With respect to the Two Gates project, Congressman Calvert, there probably is a less costly way for us to be able to gather the same information that the Two Gates demonstration project was supposed to fulfill. There were problems with that project relative to the costs, as well as to the evaluation that was going to take place.

What we have done with respect to Two Gates is we have had the United States Geological Survey actually going out and doing studies on the turbidity of the water and how that affects the smelt within the Delta. We believe the studies have been positive in terms of giving us the kind of information we would have gotten through the Two Gates project.

Let me just assure you, I spent my first hour of the morning today receiving a report from the National Academy of Sciences, and that report essentially was an evaluation of the reasonable, prudent alternatives that were set forth in the biological opinions. David Hayes is on his way to California over the weekend to also continue his work on the water issue.

So we are focused on it very much.

Mr. CALVERT. One last point on that. Anecdotally, it seems that the pumping has been significantly curtailed and the smelt population continues to crash. It would seem that, as Representative Costa I am sure has mentioned to you, that there are other factors impacting the smelt population other than pumping: the wildland urban interface within the bay area, in the San Francisco region, along with the islands in the Delta and the farming activities

there. There are a number of reasons why that smelt population has probably diminished over the years.

We ought to look at those factors rather than just pumping, because I don't think the answer is as simplistic as turning off the pumps. I would hope we could come up with some interim solution, because, as you know, a long-term solution obviously is the bypass, but that is going to take some time.

Interim solutions are necessary immediately, because we don't have any time to waste, as you know. If these California farmers lose those crops, the packinghouses are next, the communities are shuttered up. A solution is something we have to jump on right away.

Secretary SALAZAR. I agree with you, Congressman, that there are a number of different stressors affecting that ecosystem, and they include invasive species and water quality and a whole host of other issues that affect the ecosystem there in the Bay Delta. That is why we are moving forward to a long-term solution. An effort that I think will rival what we have done in the Everglades is what I think is going to be necessary in the San Francisco Bay Delta.

Mr. MORAN. Thank you, Mr. Calvert.

Mr. Dicks.

ENDANGERED SPECIES

Mr. DICKS. Mr. Secretary, I regret that I wasn't here to hear your statement, but I am sure it was very good. We have had a number of these major issues under the Endangered Species Act. We had to face it up in the Northwest on the Spotted Owl and Marbled Murrelet.

I guess the thing I would say is it has to be scientific. Whatever you do has to be scientifically credible and legally defensible. I know you will follow the science and the law, and I think that is what you have to do in these situations.

I am sorry Mr. Calvert left. There are circumstances in which there is the so-called god-squad provision in the Endangered Species Act. If something is of such a magnitude that you could bring in other people to evaluate it, I think it is the head of the Corps and yourself and others. But I think what you are doing sounds as if you are addressing this thing in an appropriate way.

LANDSCAPE CONSERVATION

One thing I know that you have been very committed to, besides getting young people back out into the woods and into our forests and out doing things, is developing these important national landscapes. I just would like to have you, again for the edification of the committee, explain what you have in mind here, what your thinking is here. I know you played a big role in doing this in Colorado, and I am very favorable towards this. I just would like to better understand what your concept is.

Secretary SALAZAR. Thank you very much, Chairman Dicks.

What we did in the State of Colorado when I was the Director of the Department of Natural Resources there was we developed a conservation program which I think has become the envy of conservation in the country, essentially creating a pot of money that

has allowed for incentives for private landowners, for conservation easements, for river corridor protections, and for community separators between cities. It was an effort that was brought together in part by the business community and part by the conservation community in recognition that the quality of life we had in Colorado was very important to job creation in our State. As a result I think there has been an indelible mark that has been placed on Colorado in a very positive way.

It seems to me we ought to be able to do a similar thing here at the national level, and I think we are doing it, and doing it without necessarily the hand of the Federal Government coming in in a heavy-handed way.

There are landscapes of national significance, such as the Great Lakes and the Everglades, the San Francisco Bay Delta, the Chesapeake and the Crown of the Rockies and the Appalachian area, and the list goes on, and Puget Sound and the Outlook River and Olympic National Park. I think all of these landscapes of national significance deserve the kind of attention that 5 or 10 years from now will make us proud of what we have done to invest in those places.

In addition to that, I think that part of the conservation agenda for this country has to involve urban communities, and that is through urban rivers. Our population is no longer as urban as they used to be. So how we restore urban parks and urban rivers, I can see the great urban parks of St. Louis connected up to the Arch in Missouri, or in New York on the Hudson River and all of the historic sites and properties that are overseen and managed by the National Park Service. I can see all of these places all around the country.

Mr. DICKS. So part of your vision isn't just something new, it is to reevaluate and re-look at and restore existing places that could be made better.

I think of Puget Sound. I think of the Elwha River, taking the two dams out. That river corridor will be incredibly enhanced by that. So there is a lot of things we can do in terms of restoration that will enhance existing areas that have been protected or should be protected.

Secretary SALAZAR. Very much so. Whether it is the Elwha River and the efforts in Puget Sound or the San Francisco Bay Delta, I think there are probably 100s of those landscapes of national significance that are in fact valuable places to protect in their own right as an ecosystem, but they also are valuable places to protect because of the economic value they inject into their economies. I think that is one of the parts that has been missing in the discussion about conservation.

Mr. DICKS. You know, one area up in the State of Washington, right near Seattle, is Lake Washington. When I was a kid growing up in Bremerton my dad would take us over to the baseball games, and we would go out to Lake Washington. And there were signs up at the time, "Do not go into the lake." You could not swim in the lake because it was so polluted. This was before the Clean Water Act. This was back in the early fifties.

The people of Seattle and the surrounding area bonded themselves for \$140 million and they cleaned up Lake Washington. Now, there is one house today on that lake, Mr. Gates owns it, and

it is worth \$140 million. So you think about the value that was enhanced and protected by just that one restoration.

I think of Puget Sound, a deteriorating polluted Puget Sound would have a major economic impact in the Pacific Northwest. But if we restore it and bring back the Salmon, bring back the Orcas, bring back the wildlife, that would have enormous economic value. But it would also be a wonderful environmental thing to do as well.

So these are not in conflict. I see this as something that the Everglades, the Chesapeake Bay, the Great Lakes, all of this would add value if we can make these restorations work.

So I commend you for challenging us. I think what you have done is lay out a new opportunity, and I think it is very positive.

Thank you, Mr. Chairman.

Mr. MORAN. Terrific point.

LEADERSHIP OF CONGRESSMAN DICKS

Secretary SALAZAR. Mr. Chairman, if I could publicly in front of this committee and both the Democratic staff and Republican staff, say that Chairman Dicks has been an enormous and Herculean champion for all of the Interior missions. There have been good times and there have been bad times at Interior. There have been times of Secretaries of the Interior that probably were not so great, and the times of people like Stewart Udall and Harold Ickes. Through the good and the bad, Chairman Dicks and this committee have been there making sure that as the custodians of this Nation's natural resources and its heritage, this committee has watched out for the Department. I just very, very much want to thank you, Chairman Dicks, for your leadership.

Mr. MORAN. It is so true that Mr. Yates began the tradition, and then Mr. Dicks was such a stalwart supporter of our environment that he really has established quite a legacy.

HERITAGE AREAS

Mr. Secretary, as you know, Congress has designated 49 National Heritage Areas, adding nine new areas to the list most recently just one year ago. We are told that in this past year alone, these areas had 87 million visitors. Clearly they succeed in not only drawing tourism, but exposing Americans to their distinctive regional cultures.

Earlier this week we heard testimony from your Park Service Director in response to a question about Heritage Area partnerships wondering why there was the reduction in them. He did say they have been very successful in instilling the local story and providing economic benefits and a wide range of things.

Your request reduces this program by 49 percent from last year's level that was provided by this committee. We understand from Mr. Jarvis that the reduction was a purely budgetary decision made to meet your allocation, but everything is a budgetary decision. Some things do well, others don't.

We are wondering why reduce the Heritage Areas? Do you envision Heritage Areas as a permanent part of the Park System, and if so, would you consider sending up a legislative proposal to structure the program and provide criteria for selection of new areas?

Mr. Secretary.

Secretary SALAZAR. Chairman Moran, this is a tough budget with tough choices. I would be the first to say that I have been a great champion of the National Heritage Areas because as a U.S. Senator I pushed legislation that created two of them in my State of Colorado, the Sangre de Cristo National Heritage Area and the Park County National Heritage Area.

I think it is important for the Department of the Interior as the custodian of America's heritage to tell America's story, as we do in the battlefields and as we do in the Heritage Areas. We have many partnerships that we form in the Department of the Interior and we will continue to work on those partnerships, and perhaps as we move forward with the budget there will be some ways in which we can come back and revisit this issue with respect to the Heritage Areas. In my view, they are very important.

Mr. MORAN. Good. We figured they were. That is why we were surprised at the budget mark.

BLM NATIONAL MONUMENT MEMO LEAK

In February, someone—

Mr. SIMPSON. It wasn't me.

Mr. MORAN [continuing]. Leaked portions of an internal Interior Department document that listed 14 areas managed by the BLM that could be considered in the future as potential National Monuments.

I know you have discussed this at other hearings, but I think it is important to put on the record your perspective on this, what the background was behind the Bureau compiling such a document, and how you expect your Department and this administration to go forward with National Monument designations? How real was this, or was it just kind of let's throw everything at the wall and look at the big picture, or were these specific pieces of property that you clearly intend to purchase?

Mr. Secretary.

Secretary SALAZAR. Chairman Moran, the memorandum that had been prepared by BLM personnel contained information with respect to places that might be considered for additional protection. The tools that are available for additional protection are many, and one of them does include the Antiquities Act. I can say without any equivocation, Chairman Moran, there has been no direction from the White House to move forward with anything on the Antiquities Act, not one single monument, and that is where the effort would have to be initiated, because that is where the power is.

Having said that, I think this committee, Democrats and Republicans, would always want me to ask the people who have come in to run our services and bureaus to take a look and to come up with their best ideas of those places that do need additional protection, and that is what I have done with my agencies.

When the Bureau of Land Management responded, they oversee over 250 million acres and there are some very special places within that public domain. Some of them may be places where the Members of the House of Representatives will in their particular districts want to move forward and add additional protection to those special places.

At the end of the day, my view on these issues, Chairman Moran, is that we should work with the local communities and with the Members of Congress to essentially do what we did last year. What I consider to be one of the foundational pieces of work of this Congress and this administration is the passage of what was known as the 2009 Omnibus Public Lands Management Act, which I see as a first chapter in the Great Outdoors America chapter of these times. But in those cases, in places like Utah, where there is a lot of controversy over these public lands issues, it was working with the local communities to come up with the places that deserve that kind of special protection, and that is the approach that we intend to take.

Mr. MORAN. Thank you for clarifying that, Mr. Secretary.

Mr. Simpson.

Mr. SIMPSON. Would you give me some assurance that you will not make any National Monument designations under the Antiquities Act without seeking local input and congressional input before making any of those determinations?

Secretary SALAZAR. Yes.

LAND AND WATER CONSERVATION FUND

Mr. SIMPSON. I appreciate that. Back to where I started, or where I ended, I guess, the last conversation, within your budget you are seeking a \$106 million boost in the Land and Water Conservation Fund. I happen to support the Land and Water Conservation Fund. As a matter of fact, there is not much in your budget I don't support. The question is some of the priorities.

A \$106 million increase in the Land and Water Conservation Fund to \$445 million, a 30 percent increase over fiscal year 2010. At the same time, construction accounts within the Department are reduced substantially next year. Employee housing across the National Park Service is rated as poor by the Facilities Condition Index, and yet the fiscal year 2011 budget requested a 40 percent reduction in funding. And particularly concerning to me is the fiscal year 2011 budget for the Interior Wild Land Fire eliminates rural fire assistance and cuts hazardous fuels by \$43 million.

So I understand it is a tough budget, only so much money. Why the decision to increase Land and Water Conservation funding at the expense of some of the other programs that I think we all recognize are important, and is it going to lead to eventually an increase in the backlog and a lot of the problems that we will have to address down the road?

In other words, are we acquiring more and not taking care of what we have got?

Secretary SALAZAR. I think it is a very important question that you ask, Congressman Simpson, and let me respond in this fashion:

First, we believe we can carry out the mission of the Department of the Interior and do a good job with the increases that this committee has pushed through in the last several years.

Our budget for 2011 essentially flat lines us at 2010. You who have been on this committee for a long time know that the budget for the Department was significantly eroded under the prior administration, and we have been playing catch up. But when we look at the increases of 2009 and 2010, which Congressman Norm Dicks

and you and the members of this committee helped push through, we believe, within those resources, we can find efficiencies to allow us to do a good job and continue to address the issues of backlogs in permitting, on grazing permits and some of the other issues that you raised.

At the same time, it has seemed to us and it is part of the Great Outdoors America agenda, we need to move forward towards full funding of the Land and Water Conservation Fund.

We have had many conversations, including with members of this committee, about the creation of LWCF by Secretary of the Interior Udall and President Kennedy back in the sixties. The idea at the time was as we take something from the Earth, oil, gas, and mineral resources, some of those royalties would be devoted back into a fund that would help us with wildlife habitat and other conservation initiatives.

The fact of the matter is, very little of that money has been appropriated into the Land and Water Conservation Fund. There have been champions for LWCF in this Congress in a bipartisan fashion, but it has become essentially a paper entry, where if you were to look at the founders of the Land and Water Conservation Fund today, I think what they would say is it has been a broken promise to America.

The President's budget presented here puts us on a trajectory to get to full funding of LWCF by the year 2014. We believe it is an important thing for us to do as part of our history of conservation here in America.

STATESIDE LWCF

Mr. SIMPSON. What about stateside Land and Water Conservation funding?

Secretary SALAZAR. Stateside, we are moving forward as well. It is part of the effort to try to get full funding for LWCF.

CLIMATE CHANGE

Mr. SIMPSON. One other question. I hate to even mention the word, because every time I do, somebody thinks I am against it or dragging my knuckles on the ground or something like that. Climate change.

One of my concerns has been not that we are studying it or anything else. I don't even know that I am concerned about the amount of money we are spending on it. What I am concerned about is coordination. I know we have had meetings set up that got canceled because of snowstorms, but we are rescheduling those.

But within the various departments, within the Department of Interior, almost every agency has some money for climate change. As we have listened to testimony from these various departments, it is surprising to me, or maybe surprising isn't the right word, but some of the testimony sounds like some of the agencies are doing the same thing. USGS is studying the impact on lands and how that is going to impact fire suppression ability on public lands. BLM is looking at the impact on lands and the fire suppression ability on public lands.

I question whether not just within the Department of Interior, but government-wide, we know how much money we are spending

on climate change, and if our response to climate change isn't "let's just appropriate a bunch of money for it and that will show we are committed to it," instead of coordinating an effort on it.

Do you have a concern in that way?

Secretary SALAZAR. I do have a concern there is that perception out there, and there may be some reality that the efforts in addressing climate change across the Federal Government are not as coordinated as they should be.

We have taken an effort to make sure we are coordinated and that there is not a duplication of effort within Interior through the creation, by Secretarial order, of a Climate Change Response Council, which I personally chair. For every one of those meetings which I hold, which have been already many, I have each of the Assistant Secretaries and Bureau Directors come to those meetings to ensure there is not a duplication of effort and that we are doing the best in terms of assembling the science needed for all of us to understand the realities of climate change we are seeing, and we are developing the adaptation strategy so we can adapt to the changing science.

Sam Hamilton, who is not here because of his untimely death, would have told you this is probably the greatest threat we have to wildlife in America. For hunters and anglers in this country, how we address the issue of climate change I think is a real issue for all of them.

What we will try to do at the Department of the Interior is to maximize the use of the resources this committee has appropriated for us to address the issue of climate change, and we also will work with other members of the Federal family to make sure there is a more coordinated approach.

The President has created the Interagency Council on Climate Change and Adaptation, and it is through that forum we are trying to coordinate our efforts.

Mr. SIMPSON. I appreciate that. Hopefully we are going to get this meeting set up with your different bureaus and climate change people in those different bureaus so we can sit down. I am not comfortable with the amount of money that we are spending that I know what it is going for. Maybe that is just my ignorance in not knowing. So I am trying to educate myself to it, and I am trying to raise the issue not only with Interior but across the agencies.

I have talked with Rahm Emanuel about it, and I spent a little time with Carol Browner last week talking about it also. So it is something that we need to do. The Department of Energy plays a big role in this also. But there is money in virtually every single budget that goes through here for climate change.

I appreciate your answer. Thank you.

Secretary SALAZAR. I am aware that David Hayes, the Deputy Secretary, along with the Council on Environmental Quality, has set up a briefing, I am not sure if it is with you or the entire committee. They will be prepared to answer those questions, because it is a very legitimate question. You don't want to be throwing money at a climate change initiative where there is duplication and waste.

Mr. MORAN. I think we may want to have the head of the Council of Environmental Quality at the interagency meeting, because she is trying to pull them all together in response to your concern.

Mr. Hinchey.

HYDRAULIC FRACTURING

Mr. HINCHEY. Thank you, Mr. Chairman.

Mr. Secretary, I just wanted to ask a question about hydraulic fracturing and chemicals disclosure. I regard it as a very important issue.

As you know, back in the mid-1970s there was legislation passed that would require whenever there was drilling in the ground for chemicals, oil, but also natural gas, and there were the injections of chemicals in the context of that drilling, there had to be disclosures of the context of those chemicals. That came about as a result of the prior experience of those chemicals that were injected causing a lot of problems, very serious problems. But, unfortunately, that provision was extracted from the law back here in 2005.

So we are introducing legislation that would require that process to come back, requiring that when the drilling takes place and there are chemicals that are introduced in the ground in the context of that drilling, they have to be revealed.

Now, in the meantime, I know that the BLM, for example, cannot require oil and gas operators to comply with the Safe Drinking Water Act, but you could require operators on Federal leases, Federal lands, to publicly disclose all of the chemical compounds they use in drilling operations on those Federal leases.

While some of these disclosures take place now—only a few of them take place, not very many of them—they are very limited. For example, there was a situation in Colorado where a nurse in that State died after being exposed to fracturing fluids, in part because the drilling company refused to provide doctors with the list of chemicals to which she was exposed.

I believe this incident was related to drilling on State lands that BLM does not manage, but the point remains the same, and that is that there are public needs that require these chemicals to be revealed. We need to know what they are, and I think if we know what they are, if there is a requirement they be revealed, the whole situation is going to be changed and made much safer.

So I just wonder if you may have considered requiring operators on Federal leases to publicly disclose all of the chemical compounds they use in operations on those leases? In doing so, that would be very important as we struggle to get this bill passed here, that would bring back the requirements of the Safe Drinking Water Act, and in fact the Clean Water Act as well.

If it were possible for you to do this, such a requirement would help set a national standard for disclosure that could be emulated by States that have regulatory responsibility for the oil and gas drilling on their lands and therefore on non-Federal lands.

So I think that this is a very important issue, and I wonder if there is any insight going on, any consideration going on, to try to deal with this in the same way that it was dealt with back in the 1970s based upon all of the damage that took place prior to the es-

establishment of the Safe Drinking Water Act and the Clean Water Act?

Secretary SALAZAR. Congressman Hinchey, let me just say it is an issue we are looking at. I don't have a definitive response for you. I have in meetings with oil and gas companies asked that same question, what is the problem in terms of disclosure. The response I have gotten from oil and gas executives has been there is a proprietary nature to some of the fluids that are injected.

There is a way in which I think the proprietary nature could be safeguarded, but still require the disclosure of the fluids that are being injected. I know there are oil and gas companies, for example, that follow a best practices guide to hydraulic fracking, and they will bring in the community to let them know what the fluids are that are being injected and use what they call green fluids to make sure they aren't creating environmental problems. It seems to me that it is a good way for oil and gas companies to go in terms of relating to the communities affected by their activities.

I don't have a definitive response to the specific issue you raised, which is to use the authority under the statutes that apply to the BLM to require the disclosure. It is something we are looking at.

Mr. HINCHEY. It is something that is being examined. That is very comforting, to know that. It is something being examined here in the context of this Congress in legislation that has been introduced on both sides, both in the House of Representatives and in the Senate, and we are trying to generate more support for it.

If I have another minute, I would like to ask another question, if I may.

Mr. MORAN. Go ahead.

WILDERNESS POLICY

Mr. HINCHEY. Thank you, Mr. Chairman. It is on wilderness policy. The protecting of our wild public lands, of course, as we know, is something that is deeply important, and I know no one more so than you shares that understanding.

I have deep concerns about some of the legacy policies put in place under the previous administration and which remain in effect today, unfortunately. One of those policies is the so-called Norton Settlement, which prohibits BLM from carrying out one of its core missions, that being the identification of, and administrative protection of, public lands that have these wilderness characteristics.

Your Department has been working on a new policy to address how best to protect and manage BLM lands with wilderness qualities that have not yet been designated as Wilderness Study Areas.

So I wonder, can you tell us when that new policy is likely to be put into place?

Secretary SALAZAR. We are looking at various alternatives, including the possibility of rescinding straight out the Norton-Leavitt Settlement, to other authorities that we have to make sure we are protecting special places that have wilderness characteristics. I expect in the months ahead, perhaps as we have a dialogue on the conservation agenda for this country, we will make an announcement about how we are moving forward with respect to wilderness policy.

I disagree with the Norton-Leavitt Settlement because I do not think it was an appropriate way to essentially cede the authority of the Bureau of Land Management, which essentially is what happened in that particular case. It is something that is very much on my mind and something to which we are devoting a significant amount of time.

At the end of the day, Congressman Hinchey, where we will aim for is to make sure we have the appropriate level of protection for these special places that do have wilderness characteristics, but at the same time recognizing the BLM in its mission also has a multiple use responsibility and there are activities, such as grazing and oil and gas activity, that need to proceed.

It is part of the effort we are undertaking with Assistant Secretary Wilma Lewis and Director Abbey.

Mr. HINCHEY. Mr. Secretary, thank you very much. I deeply appreciate it.

Mr. MORAN. Thank you, Mr. Hinchey.

Mr. Cole.

HYDRAULIC FRACTURING

Mr. COLE. I hadn't intended to ask this, but I just want to get a couple of things on the record about hydraulic fracturing, which I know my friend has serious concerns about.

Mr. Secretary, do you have any idea how long this particular process has been used, how many wells have been drilled using hydraulic fracturing?

Secretary SALAZAR. Congressman Cole, I am aware that thousands upon thousands of wells have been drilled.

Mr. COLE. It is literally in the neighborhood of 1 million wells. So this is not a new thing. It is new now to certain areas of the country, but it is pretty well established, and certainly in our State it has been used very widely.

Are you aware of any studies that suggest it is a health hazard? Have there been any scientific studies or anything like that that you are aware of?

Secretary SALAZAR. Congressman Cole, I am not aware of any studies personally, but I am not saying there aren't studies out there that reach the opposite conclusion.

Mr. COLE. I am not trying to trap you. Because I am not either. And, again, this is an old established technology. It is not new. It has had extensive use. To my knowledge at least there has been no evidence of health hazards here.

Just for the record, it is very heavily regulated at the State level, where the regulations have been pretty successful, because, again, when you are talking about this technology, it usually, frankly, is so deep, that we don't drill this deep for water.

Anyway, I am sure we will have an opportunity for a lot of discussion about this. Again, I recognize the legitimacy of the concern, particularly in certain parts of the country, because it is emerging now as a concern, not in the places where it has been used in the historic oil field States so much, but in new areas, particularly where natural gas is now being discovered in terrific quantities and may offer the solution to at least part of our energy puzzle.

So I just want to be very careful as we go forward in this area, and I am just speaking for myself, that we not take away proven technologies or walk into litigation situations without meaning to on something that has been proven, used for literally decades. This is not, again, new science, new technology. But it is an extraordinarily valuable tool in reaching what I know is a shared goal of as much energy independence as we can get. And particularly in the natural gas area you are talking about the cleanest form of fossil fuel that we have. So there is a lot to be said for it.

If you want to respond, that is great. If you want to just leave it there, that is fine, too.

Secretary SALAZAR. Let me just respond because I think it is a good discussion to have and a good forum to have the discussion in. I would say Congressman Hinchey is correct, if we can prevent pollution from occurring and dangers to the public health, we certainly ought to do that because we have huge examples for many centuries in this country where we haven't prevented the pollution and we end up having to pay a lot more to clean it up after it occurs. So it is a legitimate question that he raises.

Your point also is a point well taken, that fracking has been a practice of the industry for a very long time. I would caution, as I cautioned the members of the industry, that as we look at the potential contribution of natural gas to the energy portfolio of the Nation, which is something the President and I support, much of that natural gas development will depend on hydraulic fracturing.

As we move forward with the development of those resources, it is also going to be very important to make sure there is a level of public confidence. If the public does not know what it is that is being injected into these underground aquifers because of a faulty disclosure system we have, that is something I think is ultimately going to hurt the natural gas industry.

Mr. COLE. I think that is a fair point, and I think the discussion will be very helpful for all concerned. One of the problems you deal with in your capacity as Secretary is the amount of litigation that goes on now that frankly I think is pointed at—you mentioned, I think, the figure 48 percent of the leases you have let are under some sort of litigation. Some of that is very legitimate. A lot of it is frankly just simply designed, in my view, to stop the development of fossil fuels on Federal lands. I think particularly if you look at the explosion of litigation over the course of a decade, it is hard to believe there is that much local issue, there is a national concern here.

So I just want to be very careful as we move forward. And anyway I appreciate your approach. I certainly appreciate my friend's questions. I think they are very legitimate ones. But I did want to get into the record that, again, hydraulic fracturing is not a new technology. It has been used very widely in a lot of States. It is regulated and we don't have, at least to date, any sort of information that would suggest a significant public health hazard to my knowledge. But I am sure we will have this talk again. I suspect so.

Secretary SALAZAR. Chairman Moran, if I may.

Mr. MORAN. Please.

Secretary SALAZAR. I had a 4:30 phone call I had to make and I am running a little late, but I will be happy to make the call and then come back.

Mr. COLE. I apologize. I will hold my other question, which was pretty minor, for the record and get it to you.

Mr. MORAN. Thank you, Mr. Cole.

Go make your phone call. Thanks very much for the time you have spent with us, Secretary Salazar. It has been very enlightening.

The hearing is concluded.

Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
Department of the Interior – Secretary Salazar
Hearing Date: March 24, 2010

Chairman's Questions for the Record

APPROPRIATE ENERGY DEVELOPMENT

Mr. Secretary, you are to be commended for proposing a very impressive, comprehensive and long overdue list of reforms of the federal government's onshore oil and gas programs.

Moran Q1. Mr. Secretary, in January you announced that you would ask the BLM to use an enhanced process for their future oil and gas leases. This involves an additional, mid-level planning step, which your critics say will slow down sales. Can you explain your new oil and gas leasing process and why you think it is necessary? Will this process delay sales or have a large impact on your management costs?

ANSWER: The BLM is developing a new oil and gas leasing policy that will ensure environmental protection of important natural resources on BLM lands, while at the same time aiding in orderly leasing and development of oil and gas resources. It will require a comprehensive parcel review process that takes a site-specific approach to individual lease sales. Each potential lease sale will undergo increased internal and external coordination; increased public participation; interdisciplinary review of available information; confirmation of Resource Management Plan (RMP) conformance; national, state, and local guidance; and site visits to parcels when necessary to supplement or validate existing data.

The BLM's new policy will allow for more public participation and better environmental documentation. The BLM expects this to reduce the number of protests filed, as well as enhance the bureau's ability to resolve protests prior to lease sales. BLM State Office quarterly lease sales will still occur as statutes require; however, the BLM anticipates extending processing time frames to accommodate the interdisciplinary review of lease sale parcels. We do not expect any increase in management costs, as any increase in costs associated with the new leasing process would probably be offset by a reduction in costs associated with responding to protests and sale delays.

INDEPENDENT SCIENTIFIC ANALYSIS FOR THE BEAUFORT AND CHUKCHI SEAS

Moran Q2. What action is the Department of the Interior taking, or planning to take, with regard to an independent scientific analysis of scientific information for the Beaufort and Chukchi Seas? You will recall that in the Conference Agreement for the DOI appropriations bill for FY 10, the Conferees noted there have been expanded areas available for oil and gas leasing in the Beaufort and Chukchi Seas and that these waters host a rich diversity of wildlife and fish

resources and are critical to the survival of the Inupiat culture of the Arctic Slope. The Committee noted that:

“To ensure science-based planning with regard to these important resources, a continuing comprehensive assessment of the health, biodiversity, and functioning of Arctic marine and coastal ecosystems, including the impacts of industrial activities and of climate change is needed. To inform this continuing assessment, the conferees believe that there should be scientific analysis conducted by an independent entity to assess existing scientific information and identify any relevant additional information to ensure adequate environmental review of proposed industrial activities in the region. This assessment should also include recommendation for obtaining the identified relevant scientific information.”

ANSWER: The Department is developing a multi-pronged plan to address the conferees' request. Secretary Salazar announced on March 31, 2010, his plans for a Comprehensive Strategy for Offshore Oil and Gas Development and Exploration. As part of that strategy he has asked the United States Geological Survey (USGS) to assess what information is known and what is not known about resources, risks, and environmental sensitivities in Arctic areas. In addition, the USGS has initiated a new study funded in the 2010 Appropriation, called "Changing Arctic Ecosystems," to better understand the consequences of widespread loss of arctic sea ice and terrestrial permafrost-supported habitats to the suite of species and ecosystems under the Department's jurisdiction. This new effort will support a strategic expansion of the physical-biological forecasting capacity that was successfully used to assess polar bear status. Additionally, Secretary Salazar on March 4, 2010, announced the creation of the first DOI Climate Science Center, hosted by the University of Alaska. Projects are being developed to address the science issues in the Arctic with the funding provided. An announcement of projects from the Center will be made when project plans are final. All plans, like all USGS science, will be peer reviewed. The USGS serves the Nation as an independent fact-finding agency that collects, monitors, analyzes, and provides scientific understanding about natural resource conditions, issues, and problems. Because it has no regulatory or management mandate, the USGS provides impartial science that serves the needs of our changing world.

ENERGY REVENUE AUDITING, RISK AND ETHICS

Moran Q3. Mr. Secretary, we have been watching your efforts to ensure the public that both environmental and revenue collecting work is done with the highest ethical standards. I note that your budget request has targeted increases for auditing and financial system development at the Minerals Management Service and the BLM. You also are diligently phasing out the Royalty-in-kind program at the MMS. Which of these efforts are you most focused on, and which should this committee be sure to support?

ANSWER: We are committed to responsibly developing resources on public lands and to ensuring the American public receives a fair return on that development. The efforts you reference in your question are key components of that commitment, including the \$4.4 million to improve the management of the OCS including expanded inspections, \$13 million for compliance and audits, \$3.5 million for renewable energy activities, and \$1 million for marine spatial planning.

Moran Q4. How will the RIK program phase-out help ensure better management of the of-shore oil program? What additional costs are in the new budget due to this change?

ANSWER: The Department's role in revenue collection will continue to be to ensure that the American public realizes a fair return for the minerals and energy produced on Federal lands. The decision to terminate the program was based upon my strong conviction that the Department of the Interior should be regulating, not participating in, industry activities, as well as concerns that have been raised regarding the program's capacity to ensure transparency and a fair return to the taxpayer. With the termination of the RIK program, mandatory funding through RIK receipts will no longer be available to fund RIK activities. Therefore, in FY 2011, MMS will require additional discretionary appropriations of \$10 million. Since these funds are, in effect, replacing mandatory funding that was previously available from RIK receipts, the requested increase in discretionary appropriations is not a net increase in overall program funding. Not providing this funding would significantly disrupt the orderly phaseout of the RIK program and transition to in-value payments and would likely result in a significant reduction in compliance oversight capabilities.

ENERGY INSPECTION FEES

Moran Q5. I see that your appropriations language calls for slight increases in energy inspection fees at both the MMS and the BLM, and that these inspection fees will off-set Federal appropriations needed to support Federal workers implementing required tasks. These seem like appropriate fees, much like the APD fees we began a couple years ago. Can you explain these fees and how they will work?

ANSWER: The budget proposes a new inspection fee on onshore oil and gas facilities and increases the inspection fee that was established in the FY 2010 appropriation for offshore facilities. The inspection fees will support Federal efforts to provide services that ensure production accountability, human safety, environmental protection, and conservation of energy. The inspection fee for onshore facilities will generate \$10.0 million in FY 2011 and offset approximately 25 percent of the cost of onshore inspections. With the proposed increase in the offshore inspection fee, these fees will offset approximately 50 percent of the cost of the Minerals Management Service's inspection activities.

The onshore inspection fee features four tiers and is based on the complexity of the activities under a given lease or agreement. A lease or agreement would only be subject to inspection if the BLM had approved a permit within its boundaries. The inspection fee for the least complex leases or agreements, those with surface disturbance but no wells, is \$150; those leases or agreements with 1 to 10 wells is \$300; those leases or agreements with 11 to 50 wells is \$750; and those leases or agreements with more than 50 wells is \$1,500.

The inspection fee for offshore facilities features three tiers and is based on the complexity of the facility as measured by the number of wells. The inspection fee for the least complex facilities, those with no wells but processing equipment or gathering lines, is \$4,000; those facilities with 1 to 10 wells is \$6,500; and those facilities with more than 10 wells is \$12,000.

AUTHORIZING ITEMS ON ENERGY IN THE BUDGET

Moran Q6. Mr. Secretary, I see that there are a couple of major energy-related initiatives that will be sent up later for our authorizing committees to evaluate. This includes a proposed fee for non-producing wells. You also indicate that you will administratively increase the royalty rate for onshore energy, which currently is generally lower than what States charge. Can you summarize these initiatives and explain how they relate to the business of this subcommittee?

ANSWER: The budget request includes several proposals that are intended to encourage responsible energy development, ensure the American taxpayers receive a fair return for publicly-owned mineral resources, and transfer the cost of public services to the benefactors of those services. In some cases, the Department will submit detailed legislative proposals to the Congress in support of the assumptions in the 2011 budget. The budget also includes proposals that would be implemented using appropriations language and directly relate to the business of the subcommittee. These proposals include:

New Fee for Onshore Oil and Gas Inspections - Through appropriations language, the Administration proposes to implement an inspection fee in 2011 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated \$10.0 million in 2011, offsetting about 25 percent of the cost of onshore inspections. The fee would support Federal efforts to provide services that ensure production accountability, human safety, environmental protection and the conservation of energy.

Onshore Oil and Gas Drilling Permit Fee - The 2011 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the 2008, 2009, and 2010 Appropriations Acts. A fee of \$6,500 per drilling permit was established in 2010, and if continued, would generate an estimated \$45.5 million in offsetting collections.

Fee Increase for Offshore Oil and Gas Inspections - Through appropriations language, the Administration proposes to increase the inspection fees in 2011 for offshore oil and gas drilling activities that are subject to inspection by MMS. The increased fees are expected to generate an estimated \$20.0 million in 2011, offsetting about half of the cost of inspections. These inspections ensure production accountability, human safety, environmental protection and the conservation of energy.

Net Receipts Sharing for Energy Minerals - The budget proposes to make permanent the current arrangement for sharing the cost of administering energy and minerals receipts, beginning in 2012. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. In 2011, this net receipts sharing change would be implemented as an offset to the Interior Appropriations Act, consistent with the proposal adopted in the 2010 Interior Appropriations Act.

POTENTIAL FOR NEW NATIONAL MONUMENTS

Moran Q7. In February, someone leaked portions of an internal Interior Department document that listed 14 areas managed by the BLM that could be considered in the future as potential national monuments. In a Washington Times editorial March 2, Senator DeMint wrote: *"Any new plans to take away states' freedom to use land as they see fit must be stopped."* Would you care to respond to his accusations and explain whether or not you have ever had any plans or discussions about seizing lands?

ANSWER: Regarding Senator DeMint's quote, the BLM Land Acquisition program acquires lands from willing sellers and that policy will continue. Any Federal lands that might merit special management or Congressional designation would be considered using a collaborative approach with state and local officials, Congress, and the public.

In addition to responding to Senator DeMint's quote, it would be helpful to provide some background on the nature and purpose of the leaked internal document. The Secretary believes it is important that the Department of the Interior serve as a wise steward of the places that matter most to Americans. For that reason, he asked the BLM to consider what areas might be worth further review for possible special management or Congressional designation. The preliminary internal draft document reflects brainstorming discussions within BLM, but no decisions have been made about which areas, if any, might merit more serious review and consideration. Secretary Salazar believes new designations and conservation initiatives work best when they build on local efforts to better manage places that are important to nearby communities. The BLM will work with stakeholders, local governments, the governors, and the Congress as we figure out how we are going to move forward with respect to using and protecting the great outdoors of America.

LAND ACQUISITION INCREASE AND TREASURED LANDSCAPES INITIATIVE

Moran Q8. In 1964, Congress created the Land and Water Conservation Fund to fund Federal, State and local land acquisition and conservation programs. The fund is financed primarily by Outer Continental Shelf oil and gas receipts and receives \$900 million a year. To date, Congress has appropriated more than \$15 billion from the fund for these important programs. However, only twice have we appropriated the full \$900 million, as envisioned by the original legislation. The combined requests for both the Department and the Forest Service include over \$600 million for LWCF programs, getting us 2/3rds of the way to the \$900 million goal. This is \$140 million above the 2010 level.

Yet, your request also reduces the resource management budgets for the National Park Service, the Fish and Wildlife Service, and the BLM. As I mentioned in my opening statement, I am concerned about finding the proper balance between acquiring new lands and ensuring we have adequate staff and resources to manage those lands.

Please explain how you will fund operations and management at the lands you propose to buy in 2011.

ANSWER: The majority of the land acquisition projects proposed for 2011 are inholdings, meaning that they are within a boundary or congressionally designated area identified as a park, wildlife refuge, monument or conservation area. The projects requested that are not inholdings are edge-holdings that are adjacent to boundaries or congressionally designated areas and bordered by Federal or State owned land. These purchases capitalize on the operation and maintenance budgets that are already in place on the adjacent land which reduces maintenance costs.

Moran Q9. I understand that the Department has developed a new approach to prioritizing land acquisitions, which includes consistent and merit-based criteria across all the bureaus. You have done this in part at the urging of this Subcommittee and I commend you for that. Please explain the new approach and the criteria you used to select the projects in the request.

ANSWER: The Bureau of Land Management, Fish and Wildlife Service and the National Park Service acquire important properties available for sale by willing sellers through fee title and easement. Most lands acquired by these bureaus are additions to park units, national wildlife refuges, national monuments, and national conservation areas. Acquisitions also result in additions to other areas including National Wild and Scenic Rivers, National Historic Trails, and Wilderness areas. These three bureaus use prioritization systems that consider multiple factors when determining which lands to acquire. These criteria include the mission value of their planned acquisitions, feasibility of acquiring and managing lands, the availability of willing sellers, the potential for imminent development of the property, and the participation of partners. Within each bureau there is significant degree of coordination at the field and local level to provide land acquisition to achieve conservation goals.

For the 2011 process each bureau developed a prioritized list of projects using these existing ranking processes and criteria. These lists were then integrated and ranked using a set of DOI-wide criteria. The criteria emphasized common, landscape-scale conservation projects.

Criteria for DOI Bureaus Related to LWCF Investments:

Projects should demonstrate how they advance the following:

- A. Project Types
 - a. Landscape level conservation. Projects that achieve goals on a landscape or ecosystem level with particular emphasis on:
 - i. River and riparian conservation and restoration; and
 - ii. Conservation of wildlife and their habitat.
 - b. Great urban parks and open spaces.
 - c. Historical and cultural preservation.
- B. Project Criteria
 - a. Leveraging: The amount of matching funds and donations that non-Federal partners bring to the project.
 - b. Partnerships: The number and diversity and relevance of the partners involved in advancing and supporting the project.

- c. DOI Integration: The degree to which projects involve more than one DOI bureau.
- d. Urgency of completing the project.

Moran Q10. The impact of global warming on our public lands has been evident for some time. Refuges in Louisiana and Florida are losing acres to sea level rise. Dry weather and vegetation changes have resulted in longer fire seasons each year. The mighty glaciers in Montana are expected to disappear in the next 20 years. How will you guide the land acquisition efforts of the Interior agencies to strategically acquire the most important lands for conservation and preservation given the impacts of a changing climate?

ANSWER: The three Interior land management bureaus – BLM, FWS, and NPS – use prioritization systems that consider multiple factors, including mission value, when determining which lands to acquire. Although the bureaus maintain a significant degree of coordination at the field and local level, the 2011 list of land acquisition projects represents a new approach. This approach implements national conservation strategies, while considering the need to apply adaption strategies that will allow the Department to respond to climate change impacts on the ground. The Department is currently working to further refine and develop the criteria and process to strategically prioritize and acquire lands at a landscape level that will optimize landscape conservation for wildlife and their habitat.

Moran Q11. How many of the land acquisitions that you propose for 2011 meet the following criteria: addresses sea level rise and storm surges by acquiring upland habitat or addresses shifting wildlife and habitat populations by investing in new wildlife corridors?

ANSWER: While none of the projects proposed were specifically selected for this criteria, there are 11 proposed acquisitions within FWS and four (4) within NPS that meet the first criteria: address sea level rise and storm surges by acquiring upland habitat, i.e., habitat that is uphill of riparian or instream zones. These are:

FWS

1. St. Marks NWR
2. Laguna Atascosa NWR
3. Savannah NWR
4. Blackwater NWR*
5. Waccamaw NWR
6. San Bernard NWR
7. Nisqually NWR*
8. San Diego NWR
9. Willapa NWR
10. Rappahannock River Valley NWR
11. Cape Romain NWR

NPS

1. Golden Gate National Recreation Area
2. Virgin Islands National Park
3. Ebey's Landing National Historical Reserve
4. Acadia National Park

*Denotes projects that are interspersed with wetlands.

By design, wildlife refuges are generally expanses of relatively un-fragmented habitat, so they may serve as natural corridors for species to migrate and shift their ranges. The corridor effect is easy to see with the river refuges (Silvio O. Conte, Cache River, and San Joaquin River) and the Rocky Mountain Front (established to preserve corridors for species such as grizzlies, moose, and elk to migrate from mountains to prairie). Others, like San Bernard and Red Rock Lakes NWR, are important stopover points along migration corridors for migratory birds.

Within the proposed NPS acquisition list, the Petrified Forest National Park, Cuyahoga Valley National Park, Mojave National Preserve, Prince William Forest Park, Fredericksburg and Spotsylvania National Military Park, Palo Alto National Historic Site, Congaree National Park, Glacier Bay National Park and Preserve, Santa Monica Mountains National Recreation Area, Wind Cave National Park, New River Gorge National River, and Sand Creek Massacre National Historic Site all maximize opportunities to address wildlife habitat shifts and wildlife corridor issues.

The BLM projects add to existing monuments, wild and scenic rivers, and wilderness thereby expanding wildlife habitat. In many cases, BLM additions are planned to leverage other Federal, State, and private holdings as well.

Moran Q12. Your budget request for "Treasured Landscapes" restoration in this bill totals 148 million dollars for 4 large ecosystems: The Everglades, the California-Bay-Delta, the Gulf Coast, and the Chesapeake Bay. Also, included through funding from the EPA is 50.2 million dollars for the Great Lakes. Why were these ecosystems chosen to be part of "Treasured Landscapes"? Were these ecosystems part of on-going efforts at Interior? Is there anything different about these efforts now that they are part of the "Treasured Landscapes Initiative"?

ANSWER: The 2011 budget request reflects Secretary Salazar's emphasis on treasured landscapes, implementing wise stewardship, science based decisions, and forward looking policies that will help protect the Nation's land, water, and wildlife for future generations. The Department's 2011 request for these ecosystems in this bill is an increase of \$70.4 million over the 2010 enacted level, which included an increase of \$45.6 million in the Bureau of Reclamation budget for CALFED activities.

In developing the 2011 budget request, the Department looked across the landscape for geographic areas that faced significant and increasing challenges to protecting and restoring natural and cultural resource values. The Department looked for areas where Interior bureaus were already active, but could benefit from a more coordinated focus with other Interior bureaus, and other Federal and non-federal partners. And the Department looked for areas where targeted investments could achieve real results.

The 5 ecosystems included as part of the Secretary's Treasured Landscapes agenda met each of these criteria. These ecosystems will remain priorities for restoration and renewal through coordinated and targeted investments. The Department will continue to look for opportunities to leverage existing federal conservation efforts for additional ecosystem restoration. As the Department's Climate Science Centers and the Landscape Conservation Cooperatives become operational they will be relied on to prioritize and coordinate Federal and non-federal efforts for ecosystem restoration nationwide.

CLIMATE CHANGE ADAPTATION AND SCIENCE

Moran Q13. Mr. Secretary, as you know I am encouraged by your leadership at addressing global warming and especially the natural sciences that will need to be enhanced as we move to adapt and mitigate to the changing environment. Your request maintains last year's large increases, and has some further enhancements. Before we talk about the request, please explain how your department has used the funds during this fiscal year, including both science and land management.

ANSWER: The Department of the Interior's Climate Change Adaptation initiative is an effort to gain effective and broad collaboration to determine the causes, formulate solutions, and implement changes to reduce or reverse climate impacts to lands, waters, natural, and cultural resources. This initiative reflects Interior's leadership as the primary natural resources science agency for the Nation. Interior's vision for building an organization and workforce that can successfully address 21st century conservation challenges includes three approaches: 1) climate change research, co-locating scientists and resource managers on the landscape to evaluate climate change impacts and develop adaptation strategies; 2) data integration and dissemination, to improve the availability of and access to data that inform climate change science issues; and 3) enabling science-based adaptation strategies, providing the scientific and technical capacities and tools to cultural and natural resource managers to help them design and implement adaptive management strategies in the face of a changing climate.

The Department has taken significant steps to turn this vision into reality. The USGS National Climate Change and Wildlife Science Center was established by Congress to provide the science and technical support needed to help fish and wildlife resource managers anticipate climate change impacts and evaluate options that will facilitate adaptation to changing landscapes. The Center will work with eight regional Climate Science Centers across the Nation that will create partnerships with other agencies to identify data gaps, synthesize existing climate change impact data and management strategies, and help resource managers put them into action on the ground. In addition, more than 20 Landscape Conservation Cooperatives will be established around the Nation to engage other Federal agencies, State and local partners, and the public in crafting practical, landscape-level strategies for managing climate change impacts in coordination with the regional Climate Science Centers.

The Department's Climate Change Council is developing a strategy to put into place a unified climate change monitoring network, the Global Change Effects Network. This strategy facilitates the ability to synthesize environmental change information and relies on the

collaboration of Interior's bureau-wide efforts including the National Park Service's Vital Signs Monitoring Network, the National Wildlife Refuge system of the Fish and Wildlife Service, Bureau of Land Management eco-regional assessment monitoring, and the development of the National Phenology Network partnership. Through these efforts, environmental indicators linked to climate change causes and effects will be tracked and can be used to improve understanding of the changes and the efficacy of the responses. Science applications and related data from this effort will support the development of scenario and forecast-based decision-support tools.

Interior's carbon storage project is developing methodologies for assessing the geological and biological carbon sequestration potential of U.S. ecosystems and geologic formations. With USGS leadership, the project will provide information about the potential for carbon storage in geologic formations and in plants and soils.

Because research projects often take several years to complete, results from the 2008 USGS Global Climate Change program are now being completed and made available to scientists, land managers, and the public. Completed and ongoing studies can be found at the following websites:

http://www.usgs.gov/global_change/
http://www.usgs.gov/global_change/doi_taskforce.asp
<http://www.fws.gov/science/SHC/lcc.html>

Climate change funds were appropriated in 2010 for BLM, Reclamation, FWS, and NPS. Working through the Landscape Conservation Centers and their program offices, these bureaus will make science-based climate change adaptation and mitigation decisions using data and other resources provided by the USGS and other governmental and non-governmental partners.

Moran Q14. Last Friday you released the second annual "State of the Birds" report on climate change. The report is a collaboration between the U.S. Fish and Wildlife Service and conservation organizations. The finds that climate change is already having an impact on some bird species and may exacerbate conservation efforts for bird species that are currently threatened or endangered. How can your proposed funding for climate change be used to address these concerns?

ANSWER: Scientists continue to find that climate change has affected birds and other species for at least a decade. The Fish and Wildlife Service (FWS) has documented declines in species and shifts in their distributions at many National Wildlife Refuges and across the country in the various surveys we conduct for birds, fish, mammals, amphibians and other species. The FWS is confident the science and modeling information of the national network of 21 Landscape Conservation Cooperatives (LCCs) established beginning in FY 2010 will improve the status of birds, other taxa and their habitats.

Funding requested in FY 2011 will be used for similar purposes as the FY 2010 funding. Specifically, the \$3.8 million requested for climate change planning will enable the Department, along with its LCC partners to:

- develop shared objectives for priority species,
- establish research and monitoring priorities for those species, and
- develop the science information necessary for making decisions about those species.

The \$5.0 million requested for climate change adaptive science capacity within FWS will enable the LCCs to conduct the monitoring, research and inventory programs that are critical to informing the conservation planning process and producing conservation plans and strategies that are based on sound scientific footings. Additionally, funding will be used to:

- identify the habitats and species that are most vulnerable to climate change,
- build habitat-population models that will enable us to assess how climate change will affect priority species and habitats,
- conduct genetics studies that will help us identify and understand genetic differences among and within species, and
- thoroughly evaluate the effectiveness of our conservation delivery decisions and actions.

Moran Q15. What other impacts from climate change are you seeing that justify the \$35 million increase in your request?

ANSWER: Climate change is affecting every corner of the American continent. Shifting precipitation patterns are occurring up and down the seven-State Colorado River basin. The glaciers in Montana's Glacier Park are melting and are expected to disappear in the next two decades. The world's first wildlife refuge—Florida's Pelican Island, which President Theodore Roosevelt set aside in 1903—is being consumed by rising seas.

Land and resource managers are confronting longer and hotter fire seasons, new incursions of invasive species, the early impacts of sea level rise, and changes in wildlife migration habits and species interactions. Water managers are experiencing new precipitation patterns, diminished snow packs, and more extreme wet and dry periods. Scientists are observing droughts that are drier and longer, floods that are more dangerous, and hurricanes that are more severe. Scientific evidence indicates that many of these transformations are likely to be due to, or enhanced by, climate change.

These are symptoms of a large-scale problem that requires a comprehensive approach that integrates the talents of government at all levels, the private sector, and others. The United Nations Climate Change Conference held in Copenhagen in December 2009 reinforced the imperative to work collaboratively on a global scale to address the causes and solutions to climate change.

NATIONAL CLIMATE CHANGE STRATEGY

Moran Q16. As you know, this Committee has encouraged your Department to take a lead at coordinating the Federal response to global warming. We understand that several departments, including yours, the EPA, USDA and the CEQ, are working on a more coordinated approach. What are you doing to ensure that the various departments, and the bureaus in your department, are not duplicating their climate change efforts? What should this committee do to ensure that

various Federal and State efforts are complimentary, and are absolutely essential? What is the role of the Interior Department versus the role of the CEQ or other White House body as a leader of this joint effort?

ANSWER: The Interior Department is taking a lead role in conducting climate change science, protecting our nation's resources from climate change, and managing our public lands to mitigate the effects of climate change. On Sept. 14, 2009, the Secretary launched Interior's first-ever coordinated strategy to address current and future impacts of climate change on America's land, water, wildlife, cultural heritage and tribal resources. The Department established the following framework through which the bureaus will coordinate climate-change science and resource-management strategies to serve the Department's land, fish, wildlife, water, marine, tribal, and cultural heritage managers, as well as for our Federal, State, local, tribal, NGO, private landowner, and other stakeholder partners.

- **A Renewable Energy and Climate Change Council** — This Council is coordinating our response to the impacts of climate change within and among our bureaus. It also is working to improve the sharing and communication of climate-change impact science, including through www.data.gov.
- **Eight DOI Regional Climate Change Response Centers** — Serving Alaska, the Northwest, the Southeast, the Southwest, the North Central, the South Central, the Northeast, and the Pacific regions, these Centers will conduct original climate change research, ecological forecasting, and multi-scale modeling. On Thursday March 4, 2010, Interior announced that the University of Alaska would become the first of eight regional Climate Science Centers dedicated to providing science on the impacts of climate change and helping land managers respond. Additionally, the Department is about to initiate a competitive process to establish DOI's Northwest and Southeast Climate Science Centers in 2010 and DOI's Southwest and North Central Climate Science Centers in 2011. CSCs will prioritize their delivery of fundamental science, data and decision-support activities to meet the needs of the Landscape Conservation Cooperatives. This includes working with the LCCs to provide climate-change-impact information on natural and cultural resources and to develop adaptive management and other decision-support tools for managers. We will be basing these regional CSCs at host institutions with substantial expertise and partnerships in climate-change science. CSCs will include scientific and information specialist staff from within Interior and from multiple partners – including universities and other Federal agencies such as NOAA, USFS, NRCS, and EPA.
- **A Network of Landscape Conservation Cooperatives** — These cooperatives will engage Interior and other Federal agencies, local and State partners, Tribes, non-governmental organizations, and the public to craft practical, landscape-level strategies for managing climate-change impacts across the country. They will focus on impacts such as the effects of climate change on wildlife migration patterns, wildfire risk, drought, or invasive species that typically extend beyond the borders of any single National Wildlife Refuge, Bureau of Land Management unit, or National Park. They will link science and conservation delivery, and Interior invites all Federal, State, tribal, local government and non-governmental management organizations to become partners in their development.

Coordination and collaboration across all of Interior's agencies and bureaus as well as across the Federal government is essential. No one Federal agency can effectively study, understand, and take actions to combat the negative effects of climate change. We must have a truly coordinated effort in order to effectively respond to this tremendous challenge.

The Department of the Interior is working on multiple fronts to ensure that our efforts on climate change science, adaptation and mitigation are fully integrated with the efforts of other Federal agencies and the White House.

- 1) The Deputy Secretary serves on the Steering Committee for the Interagency Climate Change Adaptation Task Force that the Council for Environmental Quality has organized to begin to develop Federal recommendations for adapting to climate change impacts both domestically and internationally. More than twenty Federal Agencies, Departments and Offices are participating in this Task Force and contributing operational capabilities and expertise through a series of workgroups on specific topics related to climate change adaptation.

Interior is a key member in the Interagency Climate Change Adaptation Task Force, and we are working with this effort to ensure that our Climate Science Centers and Landscape Conservation Cooperatives are coordinated with and supportive of the Interagency Task Force. Interior's bureaus are engaged in every one of the interagency work-groups stemming from this effort. Interior is leading the workgroup efforts on water adaptation and the development of a National Fish and Wildlife Adaptation Strategy in conjunction with CEQ.

- 2) The Global Change Research Act (GCRA) of 1990 established the interagency U.S. Global Change Research Program (USGCRP) "to understand, assess, predict, and respond to human-induced and natural processes of global change." Thirteen Federal science agencies have contributed to the USGCRP by investing significant resources in understanding climate through observing systems in the oceans, on land, and in the atmosphere.

Until recently, the U.S. Geological Survey was the only one of Interior's bureaus that was a member of the USGCRP. However, with the USGCRP's upcoming National Assessment's focus not only on climate change science, but also on adaptation and mitigation management, for the first time, many other Interior bureaus are participating in this effort. Additionally, Interior is working closely with the USGCRP to ensure our Climate Science Centers and Landscape Conservation Cooperatives are coordinated with and supportive of the new National Assessment.

- 3) Interior is working on individual agreements (such as Memorandums of Understanding) with other agencies such as NOAA to ensure that our actions on climate change science, adaptation, and mitigation are coordinated and complementary, rather than redundant.

Moran Q17. The GAO issued a report in October 2009 stating that there is a general lack of strategic coordination across agencies with regard to climate change adaptation and recommended that CEQ and OSTP coordinate with the Federal agencies to develop a strategic plan for climate change adaptation. GAO recommended that such a Strategic Plan should, among other issues:

- identify mechanisms to increase the capacity of federal, state and local agencies to incorporate information about current and potential climate change impacts into government decision making;
- clarify roles, responsibilities, and working relationships among federal, state, and local governments;
- and define federal priorities related to adaptation

Could you please tell us what efforts are already underway at the Department of Interior to coordinate these types of activities across your Bureaus and with other Agencies?

ANSWER: The White House Council on Environmental Quality (CEQ), the White House Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) convened the Interagency Climate Change Adaptation Task Force to begin to develop Federal recommendations for adapting to climate change impacts both domestically and internationally. The Deputy Secretary serves on the Steering Committee for the Interagency Climate Change Adaptation Task Force to begin to develop Federal recommendations for adapting to climate change impacts both domestically and internationally. More than twenty Federal Agencies, Departments and Offices are participating in this Task Force and contributing operational capabilities and expertise through a series of workgroups on specific topics related to climate change adaptation. Interior is working closely with this Task Force to ensure that Interior's climate change science, adaptation, and mitigation strategy is closely coordinated with and integrated into a national climate change adaptation strategy.

On Sept. 14, 2009, the Secretary launched Interior's first-ever coordinated strategy to address current and future impacts of climate change on America's land, water, wildlife, cultural heritage and tribal resources. This strategy breaks down Interior bureau silos, and establishes a truly Department-wide initiative to better understand and respond to the impacts of climate change. Interior established this framework so that the bureaus will coordinate climate-change science, adaptation, mitigation and other forms of resource management activities.

Interior's Climate Science Centers, Landscape Conservation Cooperatives and integrated work with the White House, the U.S. Global Change Research Program, other Federal partners, State, local and tribal governments, non-governmental partners, and other community stakeholders will all help to identify mechanisms to increase the capacity of Federal, State and local agencies to incorporate information about current and potential climate change impacts into government decision making; clarify roles, responsibilities, and working relationships among Federal, State, and local governments; and define Federal priorities related to adaptation.

LANDSCAPE CONSERVATION COOPERATIVES

Moran Q18. The landscape conservation cooperatives appear to be a major focus of your land management climate change adaptation. How many do you have now and how will they change the way the bureaus are able to manage the National Parks, wildlife refuges, and public lands?

ANSWER: Of the planned network of 21 LCCs, nine are currently operational. The Landscape Conservation Cooperatives (LCCs) will improve the effectiveness of the Service and its LCC partners by providing scientific capacity to deliver information necessary for decision making on fish and wildlife throughout the country. The LCCs will improve our abilities to use our land base and land-management programs, including the Fish and Wildlife Service's Partners for Fish and Wildlife Program, to engage in specific conservation activities that are key components of conservation plans and conservation strategies. The Fish and Wildlife Service, National Park Service, Bureau of Land Management, and Bureau of Reclamation will be active partners in LCCs that share trust responsibilities. As these LCCs become operational and participation by partners grows, they will develop shared objectives and conservation plans and strategies that will unify and focus the efforts of the conservation community to conserve priority species and habitats, especially those most vulnerable to climate change and other ecological stressors. The shared plans and conservation information developed by LCCs will not be hard prescriptions that conservation agencies and organizations must follow, but will be roadmaps that partners, with shared objectives and diverse capabilities, can use to implement conservation actions that are consistent with their authorities, responsibilities and capabilities and knit them together in ways that produce synergies and tremendous efficiencies.

Moran Q19. What role do States, Tribes and other partners have in these cooperatives?

ANSWER: States, Tribes and other partners will have the opportunity to be full partners in all of the 21 Landscape Conservation Cooperatives (LCCs) within their jurisdictions, be represented on each relevant LCC steering committee, and contribute resources to the essential planning and science functions performed by their LCCs. LCCs will not be bureau specific, but will be partnerships among a diverse array of conservation agencies and organizations, industry, universities and NGOs, and the public. The mix of partners, their contributions and their participation will necessarily vary somewhat from one LCC to the next, but all of the LCCs will have the same general roles, responsibilities, organizational structures, charters, bylaws and work plan structure. In this way, they will be part of Interior's national network of LCCs.

Moran Q20. Will all the participants have to come to common agreement on species and habitat management proposals?

ANSWER: Based on the successful Migratory Bird Joint Venture model, each Landscape Conservation Cooperative (LCC) will have a steering committee comprised of executives and senior managers from conservation partners who are committed to the LCC concept. Each committee will establish and govern the LCC equitably with the goal of improving the effectiveness of conservation at landscape scales. Each steering committee and each partner represented on a steering committee will be faced with making difficult choices and setting clear priorities. The actions of each partner will be shaped by their authorities, responsibilities, budgetary resources and other considerations which will differ from one participant to the next. Underlying the LCC concept is a core principle that the common interests and trust that unite LCCs partners will be sufficiently strong to enable them to resolve differences of opinion concerning priorities and differences in their abilities and inclinations, and make decisions that are consistent with the scientific information developed by LCCs.

NATIONAL CLIMATE CHANGE AND WILDLIFE SCIENCE CENTER

Moran Q21. Mr. Secretary, I am also pleased that the Department is developing the National Climate Change and Wildlife Science Center at the USGS. I see that the regional centers will be a key part of the Department's Regional climate change science centers. You are also asking for an \$8 million increase for the centers. What are some key accomplishments so far, and what can we expect will be accomplished if the requested increase is granted?

ANSWER: Four DOI Climate Science Centers (CSCs) will be established in 2010, and two are planned in 2011 that will include staff from the USGS National Climate Change and Wildlife Science Center (NCCWSC). The CSCs will partner with USDA-Forest Service Climate Change Resource Center, NASA, NOAA, EPA, and other Federal and State fish and wildlife managers and natural resource partners.

The NCCWSC supported 22 new climate change research projects that were led by USGS scientists, at a cost of approximately \$7.0 million annually, from 2009 until 2011. The funded research focuses on down-scaling and derivative products of coupled Atmosphere-Ocean General Circulation Models specifically for fish and wildlife management applications at a regional and or local scale, and national and or regional projects that assess the responses of aquatic or coastal and terrestrial plants and animals to climate change. With this funding, USGS scientists and collaborators are studying the vulnerability of species and ecosystems to projected future climate change in the Pacific Northwest, and the impacts of climate change and melting glaciers on coastal ecosystems in the nearshore waters of the Gulf of Alaska. Scientists are assessing climate-induced changes in plant phenology on the migration, breeding, and distribution of birds in the Arctic, and assessing the vulnerability of quaking aspen woodlands and associated bird communities to climate change in the Great Basin. The results of studying the management of the Nation's fish habitat at multiple spatial scales in a rapidly changing climate will provide useful information to Interior's land managing bureaus. Studies as diverse as the effects of climate change on San Francisco Bay marshes, and the changes in Hawaiian seabird populations were initiated in 2009. In addition, the Center's Southeast Regional Assessment science partnership undertook research in designing sustainable landscapes, determining water availability for ecological needs, and studying the impact of climate change on bird distributions in the Southeast. These three projects will be merged at a landscape scale and subjected to more rigorous downscaled climate data.

The additional increase request will support the establishment of the three remaining Climate Science Centers to be located in the Pacific Islands, South Central and Northeast United States.

Moran Q22. What are you doing to be sure the USGS science centers are engaged in research that will be useful to land managers, and that is not duplicative of work going on in your bureaus, or in other Federal science agencies, such as NOAA?

ANSWER: Setting priorities among science needs and selecting specific science activities to address climate change effects on fish, wildlife and their habitats will be undertaken through the partnership consultations of the Interior Department's Landscape Conservation Cooperatives

(LCCs) and regional Climate Science Centers (CSCs). Each of these entities will have a stakeholder steering committee. LCC steering committees will assess science needs and identify priorities for their landscape based on those identified by natural resource managers.

Climate Science Center steering committees will identify and set priorities among the needs identified by the LCCs, the CSC steering committee, and other management partners in each region. This steering committee will include both management agencies from the region and multiple science entities (e.g., USGS plus science partners such as other DOI bureaus, universities, USDA Forest Service, NOAA, NASA, etc.). The partnership-driven CSC steering committees will allow for identification and commitment of resources to answer science questions that will go beyond what DOI or USGS can provide alone, thus increasing the leveraging of existing climate science resources. As with other agencies, USGS will work to match items from regional CSC science agendas with the mission and capabilities of the full range of USGS science assets.

In addition to funding provided to the global change program, funding was provided to the USGS Ecosystems Program for science development directed to the LCCs. USGS will work with the relevant LCC partners to ensure the scientists hired and funded with these dollars address the DOI bureaus' highest priorities.

MONITORING NEEDS

Moran Q23. As you know, addressing the Climate Change challenge will require a focused and dedicated monitoring effort to detect climatic changes and determine what management response is appropriate to mitigate climate impacts or to assist natural systems adaptation to change. It is troubling however to examine the number of DIFFERENT monitoring systems already in place within DOI units, that are not yet coordinated or standardized within DOI. In addition, there are numerous monitoring systems used by non-governmental organizations and academic institutions. What effort is being made to avoid duplicity and ensure standardization across the Department?

ANSWER: On September 14, 2009, Interior Secretary Salazar issued Secretarial Order 3289, "Addressing the Impacts of Climate Change on America's Water, Land, and Other Natural and Cultural Resources." The order "establishes a Department-wide approach for applying scientific tools to increase understanding of climate change and to coordinate an effective response to its impacts on tribes and on the land, water, ocean, fish and wildlife, and cultural heritage resources that the Department manages."

The Climate Change Council is developing a strategy to put in place a unified climate change monitoring network. Currently, Interior bureaus collect valuable data from numerous monitoring networks; however, the information cannot easily be integrated and shared. In addition, the protocols for collection, storage, and analysis are not consistent. The Department's integrated strategy for the collection, management, and use of monitoring information – the Global Change Effects Network – will unify monitoring approaches and make information more relevant and readily available for sharing.

Through this effort, environmental indicators linked to climate change causes and effects will be tracked and can be used to improve understanding of the changes and the efficacy of the responses. Science applications and related data from this effort will support the development of scenario and forecast-based decision-support tools.

Moran Q24. While increased coordination and standardization will help stretch monitoring dollars, much more monitoring will have to occur to ensure the Department's programs can detect and adapt to changes in the environment. What additional monitoring resources are needed by the Department to address climate change?

ANSWER: Monitoring climate impacts on whole systems and the associated feedback to the climate from those systems is important to USGS research. Current programs monitor ecosystem components (water, trees, etc.) and have served us well for managing individual resources. We now need to understand the interaction of these components to manage for climate change. Hence, we have an unprecedented and urgent need for more and better integrated monitoring.

To forecast change and recommend adaptation strategies in the shortest time possible, we have to look at environmental systems across climate gradients, determine the tipping points for changing from the existing condition to a new condition, and then map where we are vulnerable to those changes and how soon we are vulnerable. We need monitoring linked across both science disciplines and scales.

The cost of creating an entirely new monitoring network would be in the many hundreds of millions of dollars. Rather than create a "new" monitoring network, we are developing a process that leverages and links existing capacities into the Global Change Effects Network, and will use any new funds to fill critical gaps in data collection for addressing climate adaptation and ecosystem trend detection requirements. The monitoring strategy will not change or interfere with the existing program missions, instead the strategy is to leverage those capabilities and enhance monitoring as needed to fill gaps for addressing climate impact issues. Our long-term records are critical to early detection of change.

Whether any new monitoring is needed will be determined, using existing data, through a rigorous assessment of the major climate impacts being observed. Weaknesses in those scientific assessments will point to specific monitoring improvements and in specific locations that will decrease our uncertainty as to where scientifically-based resource management adaptation decisions can be made. Management decisions that will drive these assessments will be determined through the resource manager-science partnerships being developed in the Landscape Conservation Cooperatives (LCCs), which will also be involved in national science planning and implementation. This framework of nationally integrated monitoring, made available through the Global Change Effects Network, inter-Department and inter-bureau collaborations, the DOI regional Climate Science Centers (CSCs), and local LCCs, will ensure a science strategy that meets local manager needs through science that by necessity spans landscapes beyond their jurisdictions. The new monitoring will also allow us to verify that the adaptation actions taken meet their objectives.

We are starting incrementally, beginning in Alaska where the changes are most rapid and our understanding of baseline conditions is weakest, and then working a large watershed at a time to build the network across the lower 48 States and islands. Planning and initial assessments are underway in five watersheds nationwide. Collaborative strategies through the LCC and CSC offices are underway. We are making progress within the current budgets. The resulting network will thus likely be limited in scope but effective where implemented and progress beyond the pilot areas will be incremental.

FRAUD/WASTE/ABUSE

LAND APPRAISAL PROCESS REFORMS

Moran Q25. Last December, the IG issued a report on the Department's Land Appraisal Operations. The IG found that the Appraisal Services Division, located organizationally within the National Business Center, is not a strong, independent organization, is plagued by internal and external obstacles, and does not complete appraisals in a timely manner. Now that your budget includes a significant increase for land acquisition, the problems with the appraisal process carry even more significance.

How do you plan to address the issues raised by the IG? Specifically, please address the IG finding that the Department has failed to intervene to protect ASD's independence and operational integrity?

ANSWER: Even before the IG audit became final, the Department was taking steps to strengthen the appraisal program and to ensure higher accountability and independence. A major restructuring is under way that will ensure greater independence. The first step is creating a new supervision and reporting structure where the Office of Valuation Services (formerly Appraisal Services Directorate) will be directly accountable to the Assistant Secretary for Policy, Management, and Budget, through the Deputy Assistant Secretary for Technology, Information and Business Services. The second step is to align the workforce into four client-based support teams (BLM, NPS, FWS, and Reclamation), instead of seven regional offices. Each team will support all the appraisal needs of a respective Interior bureau. This will assure greater appraisal life-cycle management, tighter mission cohesion and increased direct accountability by eliminating regionalized differences. Lastly, the appraisal contracting function will be managed by the Office of Valuation Services and not by a third party contracting specialist. This will achieve uniformity, standardization, and control of the process to achieve timely completion of appraisal requests.

Moran Q26. Do you believe it is important for the Department to have a centralized appraisal operation with control over appraisal contracts?

ANSWER: Yes. Having the contracting function within the Office of Valuation Services (OVS) will ensure uniformity and accountability. Currently, there are differences within each bureau where efficiency is not uniform. Having the function centralized will ensure that the OVS, which is responsible for timely delivery of appraisal products, is totally responsible and

accountable for ensuring that appraisal contract timeliness is managed within the entire project cycle.

Moran Q27. The IG report notes that providing professional appraisal services is a difficult balancing act. On the one hand, appraised value estimates and other products must be delivered in a timely manner. On the other hand, these products must adhere to professional Federal appraisal standards designed to produce credible and unbiased appraisals. How will you ensure that the bureaus work cooperatively with ASD to ensure that the goal to determine fair market value does not conflict with the Bureaus' drive to expedite land transactions to "make the deal"?

ANSWER: The proposed reorganization is being instituted to create greater efficiencies for provide the appraisal services that Interior needs to meet its mission. The bureaus are part of the process improvement team and they are partners in all reorganization and customer service decisions. However, the responsibility for providing approved appraisals will rest solely within the Office of Valuation Services (formerly ASD). This will ensure the valuation integrity is maintained uniformly and objectively. Steps will be taken to decrease the amount of time it takes to provide a usable product to the client bureaus. This will include the strict adherence to a process that delivers a product within 120 days of a request. This request time will not remain static but instead will be evaluated and incrementally improved to reach a goal of 90 days over the next fiscal year. It should be stressed that at no time will any of the proposed improvements impact the integrity and impartiality of the appraisal process or the accountability that the Department has to the American taxpayer.

Moran Q28. When do you expect to fill the Chief Appraiser position and will you ensure that the candidate selected has both the technical qualifications and managerial experience to lead this important organization?

ANSWER: The Department is in the process of evaluating and classifying the lead position within the new Office of Valuation Services and it should be advertised within the next 60-90 days. In order to attract the best possible candidate, this position will be advertised as an appraiser as well as a manager. Depending on the selection, the Chief Appraiser's duties may reside with the OVS Director or the Deputy Director. One of these positions will be a State certified and professionally accredited individual.

RELOCATION COSTS

Moran Q29. According to the Office of the Inspector General, in 2008 the Department spent more than \$57 million to relocate employees from one duty station to another. Given the vast geographic spread of the lands the Department manages, I imagine you have one of the larger domestic agency relocation budgets.

In a recent report, the OIG found a number of questionable payments associated with relocations. Employees have been paid for discretionary costs not allowed under the travel authorizations. In one case, an employee was relocated for what appeared to be his benefit and not that of the government. (He moved back to an area where his family lived and retired less than 13 months after the move, just in time to avoid repaying the government for the cost of the move.) Another

employee continued to receive subsistence for temporary quarters even though the need for an extension fell outside the allowable criteria for “an event beyond the employee’s control.” (Rather, he chose to keep his family in the first location while the child finished school and continue to receive an allowance to pay for his housing at the second location.)

To address these types of abuses, the Department issued policy guidance a little over a year ago to improve the administration of these relocations. Can you tell me what training the Department has offered on this new policy and have you documented improvements in the program since the policy was issued?

ANSWER: Training on the guidance was provided in 2008. Based on the September 2009 OIG Report, the Department is developing additional training and has established a workgroup that is looking at ways to standardize the relocation process and policies across the Department. This workgroup includes Department and bureau representatives from travel and relocation, human resources, budget, and financial management. The Department is currently establishing a methodology to baseline, track, and monitor relocation actions and this process will allow us to track the improvements made and capture savings from efficiencies that are accomplished.

Moran Q30. Although the OIG has commended the Department for this new guidance which it said did much to alleviate concerns that the Bureaus might continue to make questionable payments, the OIG continues to recommend that you invest in an integrated management information system for PCS relocations. This system should link data on authorizations with financial information on what was spent and when. The OIG also recommended the Department require standardized forms for travel and service agreements.

Can you tell me if either of these recommendations have been implemented and if not, why?

ANSWER: The Department and bureaus are working to implement a more centralized approach for an integrated management information system for the relocation program. This approach will utilize functionality that exists in the Departmentwide Financial and Business Management System (FBMS).

The Department has partially implemented standardized forms for relocation, and with the deployment of our Departmentwide FBMS system, the standardized forms will be mandatory. We are also working with the General Services Administration (GSA) to develop forms that will capture standard data elements that are to be reported as part of GSA’s planned future reporting requirements for Government relocations. Currently the Department has three bureaus utilizing FBMS and they are working to implement the standardized form. All bureaus are scheduled to be on-line on FBMS by October 2012.

INTERIOR FRANCHISE FEES

Moran Q31. Last June, the Inspector General issued a report finding that the National Business Center has been improperly managing the Interior Franchise Fund. In particular, the IG found that NBC managers do not have clearly defined limits for the IFF operating reserve nor are there management controls to ensure that the revenue generated does not exceed the limits established

for the operating and capital improvement reserves. What has been done to address these shortcomings?

ANSWER: In follow up to the OIG report, the Department accepted all of the OIG recommendations and deferred the transfer of NBC lines of business to the franchise fund from the working capital fund. The Department concurred with the OIG recommendations to establish limits for the reserve and develop management controls. The development of policies and procedures is underway.

MUSEUM COLLECTIONS

Moran Q32. The Department of the Interior is steward to museum collections second only to that of the Smithsonian Institution. These collections represent our Nation's heritage. However, the IG found that many of these collections have been neglected, forgotten and are unaccounted for. The IG made 10 important recommendations. What are doing to implement these recommendations and provide proper care for these important pieces of our Nation's heritage?

ANSWER: The OIG found that Department of the Interior (DOI) must continue its efforts to improve museum collection accessioning, cataloging, and inventorying. Relevant Assistant Secretaries, bureau heads, and key senior managers are leading an effort to improve these and other functions of the museum collection program.

The DOI senior leadership and the bureaus have collaborated to draft a multi-year Corrective Action Plan (CAP) to address the OIG recommendations. The CAP includes necessary actions to achieve the overall goals of fulfilling the Department's stewardship responsibilities such as realigning organizational structures, updating relevant policies, leveraging existing resources, and working with non-Federal facilities that hold DOI collections. The CAP also contains actions to secure external support, increase use of interagency agreements and cooperative agreements to benefit all bureaus and offices in a consolidated fashion, and expand the use of internship and volunteer programs to assist with cataloging of museum objects.

Bureaus and offices require a better infrastructure with which to fulfill the Department's stewardship responsibilities. This includes staffing key bureau positions, such as National Curators or Chief Curators and necessary staff, to build momentum and continue progress toward meaningful results. Bureaus and offices will also review their individual plans for managing museum property to ensure they conform to the provisions of the Departmental Manual, and update if necessary.

The National Park Service's 2011 Budget proposes investing \$10 million on museum collections in over 70 parks to reduce the number of uncataloged archival collections and make archival collections more accessible and utilize improved documentation.

ABSORBING FIXED COSTS

Moran Q33. Your budget request assumes the Department will absorb \$109 million, or 96%, of the Department's increased fixed costs for 2011. This includes the 1.4% proposed pay raise, employee health benefits, worker and unemployment compensation and rent. I realize in total this is less than 1 percent of your budget. However, I am concerned about the impact it will have on individual programs, park units and refuges. Can you give us an idea of how you will absorb these costs?

ANSWER: Interior programs will make adjustments in their program plans for FY 2011 to enable absorption of these estimated cost increases. Among the actions programs are anticipated to take are the following: not refilling vacancies as they become available, consolidating positions, limiting the hiring of seasonal employees, cutting back on training, reducing contract support, eliminating underutilized space, closing or consolidating facilities, and scaling back program operations as needed. Options such as reducing travel and relocation, IT reductions, and strategic sourcing are not available to address the fixed costs increases, as these areas are already targeted for specific reductions to help offset other program priorities.

Moran Q34. For the past three years, this Committee has been able to provide full funding for the Department's requested fixed costs increase. Frankly, it is something that was long overdue and something for which I take great pride. It was the right thing to do. I cannot imagine that you will be able to absorb this amount without leaving critical vacancies open. Do you have an estimate of how many positions this will affect?

ANSWER: The specific impacts of the absorption of these costs are difficult to predict. Costs are incurred throughout the duration of the year and can be ameliorated to a limited extent as the year progresses. Bureaus will hesitate to fill critical vacancies or undertake longer-term projects that would require funding commitments in FY 2011. In anticipation of the 2011 budget many programs will slow plans to staff in 2010.

Total staffing for Interior programs at the end of FY 2009 was 68,577 FTEs, including temporary positions. With the 2010 enacted budget, FTE usage is projected to increase by 2,026, about a 3 percent increase. If taken solely against salaries and benefits, absorbing fixed costs of \$109 million is roughly the cost of 1,300 FTE, almost half of the projected 2010 increase. Although some of this increase reflects additional temporary or "seasonal" hires, it also reflects the hiring of full-time permanent employees needed to conduct programs in the President's 2010 request.

Moran Q35. It is our understanding that 30 percent or more of the refuges are woefully understaffed or have no staff. In your proposed budget, the Fish and Wildlife Service will have to absorb almost \$15 million in fixed cost increases, of which more than \$10 million is associated with employee salaries and benefits. What are your plans to ensure that the proposal to absorb these costs does not exacerbate the situation at the refuges?

ANSWER: In Fiscal Year 2010, the Refuge System received an increase of more than \$39 million, or a 12 percent increase for operations. The Fiscal Year 2011 budget maintains most of this increase and considers the current fiscal climate and eliminates low priority, unrequested.

Over the past few years the refuge system has developed a general business rule that at least 25 percent of a station's funding be used to cover non-salary operational costs, also known as "management capability" or MC, with the remaining 75 percent in salary and benefits for permanent employees. Maintaining these MC margins ensures that permanent employees have sufficient funds for operations, and it ensures field station budget flexibility.

Management Capability funds critical operational activities necessary to carry out the mission of the Service such as:

- Flooding additional wetlands using water pumps that operate on diesel or electricity,
- Hosting additional school groups using seasonal interpreters,
- Hiring additional biologists to monitor effects of management actions on target wildlife populations, and
- Hiring temporary employees to restore habitats and control invasive species.

MANAGEMENT SAVINGS AND EFFICIENCIES

Moran Q36. Your budget also assumes management savings and efficiencies of \$82 million. The largest component of these savings is \$30 million saved by reforming how you contract for goods and services. As I understand it, you will coordinate and consolidate large acquisitions Department-wide to negotiate lower costs. How quickly will you be able to implement this new approach and you do anticipate any impacts to the programs?

ANSWER: The Department of Interior has already awarded a number of strategic acquisition contracts that provide savings including: IT Hardware, Wireless Equipment and Service, Office Supplies, and Domestic Delivery. We will increase the utilization of these contracts to provide additional savings by requiring that all Interior entities participate. We will expand our efforts. There are many more opportunities to consolidate requirements and leverage our purchasing power by establishing a formal program for conducting opportunity assessments to identify and prioritize implementation of additional strategic sourcing initiatives. We are seeding the initiative this year with full implementation in FY 2011. There is \$5 million requested in the Working Capital Fund in 2011 that will be used to support this effort. In addition to achieving greater cost savings by establishing more strategic contracts, we are examining opportunities to participate in Federal Strategic Sourcing Initiative acquisitions. We anticipate no negative impacts to the programs.

Moran Q37. Will this approach require you to hire additional staff and better train the contracting staff?

ANSWER: Yes, the 2011 Working Capital Fund includes \$5 million to support the efforts. This funding is critically important and will allow us to hire staff needed to establish and manage these contracts – in the Department and in bureaus. We will also use this funding for training.

Capitalizing on the success of the current strategic sourcing initiatives will require additional personnel who will be able to focus on increasing savings opportunities; building additional administrative efficiencies; and developing cross-organizational initiatives for DOI, bureau, regional and/or program use.

The additional staff will include procurement analysts, cost/price analysts, program analysts and systems analysts who should be well versed in the competencies needed to successfully implement strategic sourcing initiatives. We will ensure they are trained and developed in the Federal Acquisition Certification Program as well as specific competencies such as Strategic Sourcing Overview and Spend Analysis Strategies, and other training as necessary. Most courses are available online through the Defense Acquisition University, the Federal Acquisition Institute, DOI University, and other sources.

Moran Q38. Another area for savings is consolidation of information technology. Your budget assumes the Department will spend \$1 billion on IT systems in 2011. Do you think there is a possibility to save even more than \$20 million from such a large program?

ANSWER: DOI was able to identify \$20M in Information Technology (IT) savings that can be achieved in a relatively short period of time (i.e., by the end of fiscal year 2011) with a high degree of confidence.

Additional IT spending cuts that do not compromise DOI's ability to invest in projects that drive future efficiency gains will require a broader strategy and coordination among DOI's 13 bureaus and offices. DOI currently spends 87% of its IT budget on maintenance of legacy systems, and less than 13% on future innovation. Additional cost savings in the outyears are dependent on our ability to adequately plan for business and operating changes, such as consolidating help desks.

To that end, DOI has chartered a DOI Innovations and Efficiencies Team (DIET) that is tasked with identifying additional opportunities for cost savings in FY2012 and beyond. The 2011 budget for the Working Capital Fund includes \$5 million that will be used to plan IT efficiencies and achieve savings that can be used for priority investments. As those opportunities are identified, they will be presented to senior leadership for consideration. As additional IT cost savings initiatives are approved, they will be described to OMB and Congress.

COBELL SETTLEMENT

Moran Q39. The budget for the Office of Special Trustee includes a \$25 million reduction for historical trust accounting, based on the proposed 3.4 billion dollar settlement of the *Cobell* litigation. As you know, legislation and court approval of the proposal are necessary before the agreement can be implemented.

The parties have agreed to a deadline of April 16 for the proposed settlement. If we are unable to enact legislation will the Department need to continue funding historical accounting? Will you need an additional 25 million dollars?

ANSWER: We continue to believe the settlement will be finalized. In the meantime, we will continue to assess our workload and reallocate existing resources, as appropriate. If the settlement is not finalized and the Cobell litigation continues, OHTA may be responsible for completing the historical accounting of approximately 300,000 Individual Indian Money (IIM) accounts and distributing those accounting statements.

WILDLAND FIRE CONTINGENCY FUND

Moran Q40. Mr. Secretary, as you know the wildfire program has a great history of collaboration between the two departments, and it is a vital program for millions of Americans, especially in the fire-prone west. Last year the Congress responded to past fire suppression funding problems by passing and funding the FLAME Act. I note that you continue to ask for funds in the FLAME account, and I appreciate that. But I do not understand why you have an additional "Presidential Wildland Fire Contingency Reserve", which appears to be duplicative of the FLAME Wildfire Suppression Reserve Fund. Can you explain how these two reserve funds will work in relation to your normal preparedness and suppression accounts?

ANSWER: The proposed three-tiered system for funding fire suppression, including the regular suppression account, the FLAME Wildfire Suppression Reserve Fund, and a Presidential Wildfire Contingency Reserve account, will provide greater transparency regarding wildfire management and expenditure decisions and will enhance oversight and accountability to better ensure that cost is considered in firefighting decision making. Each of the three accounts requires a different level of responsibility for authorizing the expenditure of funds and includes the Secretary of the Interior and the President in the chain of command for wildfire suppression. This overall process requires and includes continuous engagement of agency executive level leadership, fire and aviation management leadership, and DOI policy officials. As the complexity and consequences of wildfire management and expenditure decisions escalates, so will the engagement of these entities resulting in shared leadership and risks.

Funds in the regular suppression account (Wildland Fire Management) would support initial attack and predictable firefighting costs, while the FLAME funds would be used for the most severe, complex and threatening fires, and serve as a contingency reserve if the agencies exhaust their regular suppression resources due to an active fire season. The Presidential Contingency Reserve would provide for responsible budgeting for wildfires in cases when funding requirements exceed projections and would be available to the Secretary subject to the issuance of a Presidential finding when suppression appropriations, fully funded at the 10-year average, are exhausted and certain objective criteria are met. Additional funds may also be available as carryover from 2010.

HAZARDOUS FUELS PROGRAM REDUCTION

Moran Q41. Mr. Secretary, I also am surprised that your request has such a large reduction for the hazardous fuels program at the Interior Department. I note that similar programs at the Forest Service have increases in the request. Why are you reducing the hazardous fuels program so much? Aren't the hazard prevention and preparedness programs essential if we are ever going to get on top of the fire suppression cost issue?

ANSWER: The proposed funding reduction for the Hazardous Fuels Reduction program reflects a shift in focus toward conducting hazardous fuels projects in wildland urban interface (WUI) areas to reduce the risk of wildfire to communities. These are the areas where suppression costs are the highest and where hazardous fuels activities are most effective in reducing the risk of catastrophic fires threatening communities and in reducing firefighting costs.

When there is a clear priority of treating acres within the WUI, hazardous fuels treatments can be more effective in reducing risk.

REVENUES TO THE TREASURY

Moran Q42. I think it is important to note that the Department of the Interior contributes more to the Federal Treasury than it takes through Congressional appropriations. You estimate that in fiscal year 2011, your programs will contribute almost \$14 billion in revenues through offshore and on shore bonuses, rents and royalties, grazing, timber and recreation fees, and various other offsetting receipts. Not many Departments can make that claim.

Your budget assume a large decrease in 2010 revenues as a result of the 2009 Fifth Circuit Court of Appeals ruling in the Kerr McGee case on faulty leases. What will be the impact to 2011 revenues from this case?

ANSWER: For leases issued under the Deep Water Royalty Relief Act in 1996, 1997, and 2000, repayments to lessees from previous overpayments resulting from the Kerr McGee ruling will be made in the form of credits against Federal OCS royalty and bonus payments. The budget projections assume that all of these credits will be used in Fiscal Year 2010, which accounts for a large decrease in Federal leasing revenues in that year. Another important fiscal impact from the Kerr McGee ruling is an annual reduction in Federal leasing revenues from new oil and gas production on the subject leases. This effect is related to the Court's ruling that the Department does not have the authority to condition royalty relief on oil and gas prices for leases issued in those years. For Fiscal Year 2011, the Department estimates that production of 56 million barrels of oil and 197 billion cubic feet of gas will be affected by this ruling. The gross value at the wellhead of this production is estimated to be \$5.3 billion, which otherwise would be expected to generate royalties of \$664 million.

ENDANGERED SPECIES ACT

Moran Q43. Last Thursday you declared 48 Hawaiian species endangered and announced plans to set aside more than 40 square miles on Kauai as critical habitat. This is a very large announcement, given your backlog of over 200 domestic species. You emphasized that this was an "ecosystem" approach to species listing. Can you please explain what you mean by this and whether you will be using this approach for other areas?

- Will this approach help you to reduce your listing program's backlog of species more effectively?

ANSWER: Yes, this approach will help the Service reduce the listing program's backlog of species more effectively. The ecosystem approach reduces redundancy in our rulemaking, resulting in time and cost savings that allow for greater progress in reducing the number of candidate species and species warranted for listing but precluded by higher priority listing actions. The Kauai ecosystem-based listing alone reduced this number by 31 species.

SOUTHWEST BORDER

Secretary Salazar, this past Saturday you and Representative Grijalva toured Organ Pipe Cactus National Monument, which is on the U.S. border with Mexico. As you know there have been concerns expressed by members of this House about the lack of environmental coordination between Homeland Security and the Department of the Interior. It is my understanding that none of the \$90 million appropriated to Homeland Security in the past two years for environmental planning and mitigation associated with fence construction and enforcement operations have been used for projects identified by your Department.

- **Do you know why there has been such a delay in receiving the funding for its intended purpose?**

ANSWER: The DHS was provided \$50 million in FY2009 for regulatory and environmental assessments and mitigation. An additional \$40 million was provided in 2010 for environmental and regulatory requirements.

DOI has been intensively working to identify the appropriate science-based projects to be funded under the Comprehensive Mitigation Agreement. This process has taken longer than anticipated, but is now finalized. DHS funds are now being used to implement identified projects. Additionally, effective implementation of some of the projects does not require the immediate expenditure of DHS funds. DOI received \$5.95 million from the Department of Homeland Security for work associated with construction and maintenance of border security infrastructure. Three mitigation agreements are pending including the Comprehensive Mitigation Agreement which is expected to provide up to \$50 million for mitigation projects.

Southwest Border Initiative			
Summary of DHS Agreements with DOI - Executed and Pending with DOI			
Item	Agency	Date	Amount
Non-Mitigation Agreements			
<ul style="list-style-type: none"> • One DOI employee for on-site subject matter expertise • 	Department of the Interior	Jul-08 to present	\$200,000
<ul style="list-style-type: none"> • Information, Planning and Consultation System (IPaC) • 	US Fish & Wildlife Service	Sep-07 to present	\$5,700,000
<ul style="list-style-type: none"> • Environmental Monitoring Protocol • 	US Geological Survey	Fall 2009	\$50,000
Mitigation Agreements			
<ul style="list-style-type: none"> • BMGR/Cabeza Pronghorn BO • 	US Fish & Wildlife Service	Fall 2008	\$811,000
<ul style="list-style-type: none"> • Phillip Banco Refuge RGV 	US Fish & Wildlife Service (via agreement with US Army Corps of Engineers)	Fall 2009	\$138,000

Southwest Border Initiative			
Summary of DHS Agreements with DOI - Executed and Pending with DOI			
Item	Agency	Date	Amount
Pending Agreements (estimated):			
• Comprehensive Mitigation Agreement regarding PF70, PF225 and VF300 Fence Construction	Department of the Interior	In Process	Up to \$50,000,000
• Ajo 1 Towers Mitigation	US Fish & Wildlife Service	In Process	\$4,200,000
• Tucson West Towers Mitigation	US Fish & Wildlife Service	In Process	\$1,800,000

Since January 2009, DOI and DHS have been working closely to complete the Comprehensive Mitigation Agreement that would facilitate the actual transfer of those funds to DOI based on the agreed upon list of projects.

The estimated \$50 million to be provided under the Comprehensive Mitigation Agreement would be transferred to DOI over several fiscal years. DOI agreed that spreading funding across a few years would be more effective than funding all at once, given the amount of time required to complete mitigation projects such as land acquisition.

Many of the mitigation projects proposed by DOI involve the purchase of land from willing sellers to mitigate the impacts to endangered species habitat. DHS has concluded they do not currently have the statutory authority to purchase land for conservation purposes or transfer funds to DOI under the Economy Act to do so; consequently, the development of the Interagency Agreement has been delayed. Senate and House Interior Subcommittee staff have been briefed on the issues surrounding this issue and possible resolutions.

In the meantime, we decided to complete the Agreement, so the non-land acquisition projects may proceed. We agreed on the language for that Agreement and DOI transmitted a list of projects to DHS on March 24, 2010. The estimated amount for non-land acquisition, Phase 1 projects is approximately \$7 million and will be the first installment received by Interior. Using this list, we estimate the final agreement for these projects will soon be in place and DOI can begin implementation within 90 days.

The major funding allocations provided to DOI to date include \$5.7 million to develop the Information, Planning and Consultation System (IPaC) that will improve efficiency of project planning in endangered species habitat along the Southwest border. This project will provide long-term benefit to all federal agencies by improving the efficiency of the Section 7 consultation process. In accordance with the recent Ajo Towers Environmental Analysis and Biological Opinion, the U.S. Customs and Border Protection agreed with the U.S. Fish and Wildlife Service to provide \$4.2 million to address potential impacts on listed species associated with the Ajo 1 SBinet tower construction project and border patrol operations in the project area. Under this agreement, CBP will provide significant funding toward recovery of the endangered Sonoran pronghorn antelope.

Additionally, CBP is currently working with the General Services Administration to transfer a 23-acre mitigation site to the U.S. Fish and Wildlife Service. This land was acquired by CBP to offset impacts to 4 vernal pools, encompassing a total of 1.8 acres in San Diego and Riverside Counties, which are inhabited by fairy shrimp listed under the Endangered Species Act. The cost to initially acquire and develop suitable habitat on this site was \$1.3 million. CBP continues to provide annual funding to maintain this site.

- What are you and the Department of Homeland Security doing to ensure that this funding will be used for its intended purpose?

ANSWER: We have been working closely to complete the Interagency Agreement and the list of agreed upon projects. The original MOA and Letter of Commitment requires that all of the projects be tied to actual impacts from construction of border infrastructure. DHS has already approved many of the projects proposed by DOI. In some other cases, they have requested additional information or effects analyses to meet this criterion. As mentioned above, we have now agreed on approximately \$7 million of projects which do not involve land acquisition. We will be happy to share that list with the Committee.

- What projects you are proposing be accomplished with this funding and what is the status of your negotiations with DHS?

ANSWER: The current list includes 29 proposed projects, in California, Arizona, New Mexico and Texas, focused primarily on mitigating impacts to a wide variety of endangered species.

- What is your estimate for a schedule for implementing mitigation efforts?

ANSWER: We hope to begin funding projects as soon as DHS issues the Interagency Agreement to DOI to transfer the funds. We estimate this will occur within the next 90 days.

- What are your top priorities and what are you doing to ensure these funds will be used to address them?

ANSWER: Our top priorities include funding the actions called for under the Sasabe and Lukeville Biological Opinions, land acquisition in Hidalgo County, Texas, addressing construction deficiencies in the San Bernardino Valley, and projects that will benefit a broad range of endangered species. These include Bighorn Sheep, Yaqui Fish, Quino Checkerspot Butterflies, Gnatcatchers, Arroyo Toads, Aplomado Falcons, endangered bat species and more.

Many of the most critical projects do involve the acquisition of land from willing sellers to replace important habitat for endangered species. Ensuring the DHS has statutory authority to use appropriated funds to purchase lands for mitigation purposes, and/or transferring funds to DOI to do so, is critical to achieving the necessary mitigation associated with the construction of border infrastructure.

FWS LAW ENFORCEMENT

Moran Q44. You recently announced your proposal to list the Burmese python and eight other large constrictor snakes that are threatening the Everglades as “injurious wildlife” under the Lacey Act. However, your budget recommends reducing the Fish and Wildlife Service law enforcement operational budget by over 2 million dollars. This would result in a direct decrease of funding for Special Agents, the individuals responsible for helping to enforce the Lacey Act. How can you expect to have any success with your python proposal, when the resources needed to ensure its success are not requested?

ANSWER: Congress provided additional funding for Service Law Enforcement in FY 2010 to cover one-time costs associated with recruiting, hiring, equipping, and training a class of 24 new special agents. These officers will report to their duty stations in FY 2011, increasing the number of criminal investigators on the job to enforce U.S. wildlife laws without the need to permanently increase “base” funding for Law Enforcement operations. FWS Law Enforcement will continue to prioritize its work so as to use its investigation and inspection resources to address high-priority conservation issues, including the unlawful import and interstate transport of injurious wildlife.

Moran Q45. What is the optimal number of Special Agents that are needed within the Fish and Wildlife Service?

ANSWER: The funding proposed for the law enforcement program will secure an appropriate level of special agent staffing and adequately support Service investigations of those crimes that represent the greatest threat to wildlife. Under its FY 2011 budget request, the Service will continue to use available resources to address wildlife enforcement priorities.

FWS PLANE CRASH

Moran Q46. I want to express my sympathy to the families, colleagues and the Department on the loss Ray Bentley and Dave Pitkin who perished in a January plane crash while working on a winter waterfowl survey. Last February, Interior’s Inspector General issued a report finding that the Department had been allowing 8 of its aircraft to fly over maximum takeoff gross weight, contrary to FAA policy and the manufacturer’s specifications. These planes posed a serious risk to people and property. Did this unfortunate accident involve one of those planes? What has the Department done to address the deficiencies found by the Inspector General?

ANSWER: Migratory birds are an important trust responsibility of the U.S. Fish & Wildlife Service as set forth in the four bilateral treaties with Canada, Mexico, Japan and Russia. To fulfill this responsibility of international partnership, FWS aircraft survey and assess migratory birds and natural resources each year in remote areas of the U.S., Canada, Mexico, and Latin America at low altitudes.

The plane flown by Ray Bentley was not one of the aircraft that was part of the Inspector General report mentioned above. The eight survey aircraft in the Inspector General’s report have limitations and have been flown under operational waivers afforded to the Department of Interior

by the Federal Aviation Administration (FAA) as "Public Use" aircraft, but within the manufacturers allowable 20% above commercially prescribed take-off weights for the past 18 years. They do not pose a serious risk to people and property. A rigorous DOI structural monitoring and testing program has supported this policy and these aircraft have been operated safely under explicit operational guidelines when flown within these weights.

To address the question of the aircraft mentioned above, a multi-year \$16.0 million program began in FY 2004 to replace eight of the 14 aircraft that comprise the migratory bird survey fleet. The "Kodiak" is a conventional single engine (turbine), high wing aircraft designed to be operated with amphibious floats. The aircraft was certificated for operations on land by the FAA in May 2007. The Fish and Wildlife Service has received the first non-amphibious aircraft with approval for amphibious operations expected by May, and expect seven additional aircraft to be delivered during calendar year 2010.

WILD HORSE & BURRO MANAGEMENT - PURCHASE OF AN EASTERN HORSE PRESERVE

Moran Q47. The BLM wild horse management request is now increased to a total of \$76 million. In addition, you are requesting \$43 million to purchase land in the East or Midwest where animals can be held instead of in contract holding facilities. Please explain why you think the funding increase is needed and explain your long-term vision for care of wild horses and public lands. How did you come up with the \$43 million estimate to purchase a horse park? Where do you think it would be located?

ANSWER: Secretary Salazar's new management strategy for the Wild Horse and Burro Management program has three primary components: Sustainable Herds, Treasured Herds and National Wild Horse Preserves. Increased funding as proposed in the President's Budget and new legal authorities are needed to implement the Secretary's plan.

Sustainable Herds refers to wild herds on public lands in the West where wild horses are currently found. The BLM is taking measures to reduce the rate of population increase (currently about 20 percent per year). These measures aim to balance the number of animals that must be removed from the range with the adoption demand and reduce or eliminate the need for long-term holding.

Some of the measures that will be taken quickly to ensure Sustainable Herds include:

- 1) Reducing the total population to get closer to reaching the appropriate management level (AML) by gathering and removing excess animals to be adopted or placed in long term holding;
- 2) Using the fertility control drug Porcine Zona Pellucida (PZP) to try to reduce the rate of population increase;
- 3) Adjusting the sex ratio of wild herds in favor of males to reduce population growth rate and increase the genetic health of the herd; and
- 4) Replacing some reproducing herds with non-reproducing (or sterile) animals in certain areas to reduce the overall breeding population and balance the number of excess horses with adoption demand (currently about 3,500 animals in 2010).

Even with the increased use of fertility control and sex ratio adjustments, the BLM expects to remove an average of over 10,000 horses from the public lands each year from 2010 to 2011 to get closer to achieving appropriate management levels. As a result, holding costs will continue to increase until the balance between removal and adoption rates can be reached.

Designation of some wild herds as Treasured Herds will highlight the importance of the wild horse herds in the West for the American people, and create potential opportunities for increased ecotourism in the areas where the herds are located.

National Wild Horse Preserves will be used to care for wild horses that must be removed from Western rangelands in order to maintain the health and viability of both the wild herds and their habitat. These preserves will highlight the importance of wild horses for the American people, and will be open to the public. Currently long-term holding pastures are on private ranch lands secured through contracts and thus, are closed to the public. The preserves will provide an alternative to the long-term holding contracts, which at times have been difficult to obtain, and costs for partnership preserves are estimated to be comparable to or lower than contracts. A preserve will differ from a contracted long-term holding facility in that it would be managed and operated by the BLM or an agency partner through a cooperative agreement, and would be open to the public, thus creating opportunities for viewing, tourism and education. The \$42.5 million requested in 2011 will be used to acquire land for one government-owned preserve.

The BLM used the average price of grasslands in the Midwest, as reported by the U.S. Department of Agriculture, to estimate the cost of acquiring lands for the proposed government-owned preserve. The BLM predicts it will be possible to purchase land for a 30,000-acre preserve in this part of the country to provide forage for approximately 3,500 horses for approximately \$42 million. An additional \$500,000 is requested for acquisition management program costs associated with obtaining interests in lands for a national wild horse preserve. The BLM believes that the Midwest has the kind of land and forage-base that is optimal for providing horse pasture at the lowest cost. The BLM will proceed thoughtfully, in partnership with state and local governments and stakeholders to locate preserves.

WaterSMART INITIATIVE AND STREAMGAGES

Moran Q48. Mr. Secretary, can you tell us some more about the USGS portion of your new WaterSmart initiative? I see that you are requesting a \$9 million increase, for a total of \$11 million for the USGS to begin a multi-year, nationwide water availability and use assessment. Why is this important now, and how does it relate to the vital, long-standing USGS national stream gage program, which I have supported for a long time?

ANSWER: The last national assessment of water availability was done by the U.S. Water Resources Council in 1978. Much has changed since then. Water shortage and water-use conflict have become more commonplace in many areas of the United States. As competition for water resources grows – for irrigation of crops, for growing cities and communities, for energy production, and for the environment – the need for information and tools to aid water resource managers also grows. The water resources challenges in this country are great and an assessment of this nature is long overdue. The USGS has identified this effort as one of six priority science

themes highlighted in its Science Strategy for the coming decade. Implementation of the WaterSMART Availability and Use Assessment as requested in the 2011 USGS budget submission will allow us to begin a national water availability and use assessment as mandated by the Omnibus Public Land Management Act of 2009, P.L. 111-11, signed by President Obama in March 2009.

A primary goal of the WaterSMART initiative is to integrate and synthesize all aspects of USGS data and science that contribute to a complete picture of the Nation's water availability. USGS streamgaging, groundwater, and water-quality data are fundamental underpinnings of this effort. Ongoing regional and national water-quality, surface water, groundwater, and climate investigations, such as those underway by the National Water-Quality Assessment, Cooperative Water, and Groundwater Resources Programs are key elements of the broad USGS Strategic Science Direction of providing a Water Census for the Nation. The WaterSMART initiative will fill in gaps in some key areas such as fresh and saline groundwater, water use, and assessments of water needs for environmental and wildlife needs. Collectively, the new information and ongoing work will be used to provide a broad perspective on the Nation's water availability.

NATURAL HAZARDS SCIENCE AND EARTHQUAKES

Moran Q49. As you know, the Pacific Northwest is one of the most earthquake prone areas in the nation, and of course it has active volcanoes near our largest cities. I see you are requesting a small increase for earthquake science. Can you give us a feeling for how this increase relates to your overall natural hazards initiative, and what we in the Northwest can expect with respect to scientific monitoring and research?

ANSWER: Expansion of the multi-hazard initiative to the Pacific Northwest began through congressional support in 2008. The funding has been used to begin a systematic study of earthquake hazards in eastern Washington, deploy the new low-cost NetQuakes seismic sensors in the Seattle area, develop ground motion models for Washington faults, and begin implementation of a flood path model for the lower Snoqualmie and Snohomish river system. The Increased Resilience to Natural Hazards initiative in the 2011 budget calls for increased funding to more rapidly deploy NetQuakes sensors in Washington and Oregon in an effort to provide emergency responders with improved situational awareness. There are not enough strong motion instruments to produce reliable ShakeMaps after earthquakes on the many urban faults in Puget Sound (e.g., Southern Whidbey Island fault, Seattle fault, Tacoma fault) to reliably improve local response. The deployments are based on plans developed for western Oregon and Washington to deliver the kind of reliability required by emergency managers to improve their immediate understanding of likely response needs. That deployment includes a number of strong motion stations along the Pacific coast, to aid in quickly determining response to a Cascadia earthquake and likely tsunami. Areas with very strong shaking will face difficult evacuations to get people out of harm's way before the arrival of the tsunami. Indeed, the earthquake in Chile showed exactly the problem of emergency managers not knowing how hard some towns along the coast had been damaged. The installation of NetQuakes sensors will provide an instant read on likely damage conditions before the arrival of a local tsunami.

The 2011 hazards initiative would also enhance volcano monitoring in the Pacific Northwest consistent with the National Volcano Early Warning System (NVEWS), which prioritizes monitoring needs by volcano threat level. The initiative would support work with the University of Washington to install co-located seismic and continuous GPS instruments to bring Oregon's very-high-threat Mount Hood Volcano to an NVEWS-defined optimal monitoring level in 2012. The initiative will also support work with local, State, tribal and Federal emergency officials and land managers to develop interagency response plans for all active Pacific Northwest volcanoes. This initiative takes advantage of the ARRA funding used to increase the data capacity of telemetry systems, acquire high resolution digital elevation maps of volcanoes with LiDAR, and support state partners in assessing vulnerabilities near Mount Hood and Mount Rainier.

FISH DISEASE, VIRAL HEMORRHAGIC SEPTICEMIA (VHS)

Moran Q50. The terrible fish disease, VHS, was recently found in Lake Superior for the first time. What is the role of the Interior Department, including the USGS and the Fish and Wildlife Service, at investigating the disease? Do you know what is in your budget to address this potentially devastating disease? To what extent does the USGS have responsibility for research in this issue? Do you think the Interior Department has enough, or the right, resources to deal with this issue?

ANSWER: The USGS is providing critical advice on identification and isolation techniques for this virulent strain of VHS and consultation to staff at USDA-APHIS, FWS and various State agencies to identify, control and manage viral hemorrhagic septicemia virus (VHS). The USGS provides critical support in potential control/disinfection methods for VHS and provides managers with methodologies and techniques to confirm the presence of this strain of the disease. To date, VHS has only been recovered from wild or free-ranging fish. In addition to re-directing approximately \$250,000 annually for the past 5 years from other research areas, the USGS has committed an additional \$200,000 of appropriated funds in 2010 to continue and expand this work in three areas: 1) genetic typing and epidemiology of VHS, 2) develop a stratified sampling design for VHS monitoring in wild fish, and 3) expand studies on egg disinfection and biosecurity. In 2007, scientists from the USGS assumed a lead role in research planning by drafting a comprehensive research plan that was adopted by several agencies in the US and Canada to prioritize VHS research and surveillance activities. Full implementation of this plan will cost approximately \$1 million per year.

OFFICE OF SURFACE MINING GRANT REDUCTIONS

Moran Q51. Your budget proposes to shift a greater burden of the cost to regulate surface mining to the States. I'm very disturbed by this. Under the existing structure we provide grants to the States to cover up to half of the cost of their regulatory program; they cover the other half. However, you are proposing to "encourage" states to increase the user fees they charge industry to cover more of their costs and reduce the Federal contribution. Now I'm all for not giving a free pass to those who can afford to pay their share, but State budgets are more constrained than they have ever been, industry is struggling to keep their workers employed, and we're using every tool we have available to try to put people back to work. So realistically, where is this extra funding going to come from if we don't maintain our end of the bargain?

ANSWER: The FY 2011 budget decreased State and Tribal grants by 15 percent of what was requested, or about 7.5 percent of total State regulatory costs. The budget does not propose to shift the burden of the cost to the States. Rather, it encourages the States to increase fees paid by the industry that receives the benefit of the services States provide. OSM is willing to work with the States to assist in fee recovery. Therefore, we believe this is an equitable proposal.

Moran Q52. Further in last year's budget, you noted that the Federal contribution was only covering 95 percent of the match requested by States and Tribes, and that for the first time the 2010 budget requested full funding to support the States and Tribes request. This Committee did just that in 2010 – we found the money and fully funded the match – and one year later you are asking that we not? Why such a swift change in policy?

ANSWER: The Administration has committed to reduce subsidies to fossil fuel industries. While other energy industries must pay user fees to reimburse the Federal government for regulatory costs, coal fees are very low. The Administration's Budget reduces State grants in order to encourage States to increase their cost recovery from the coal industry.

AMERICAN RECOVERY AND REINVESTMENT ACT

Moran Q53. The Department of the Interior received almost 3 billion dollars in Recovery Act funding. However, as of March 5, your Department has only expended 11.2 percent of its total Recovery Act funds. Can you explain why this rate is so low? What steps are you taking at the Department to increase the rate at which these funds expended?

ANSWER: Interior's Recovery Act program is primarily construction-oriented in nature. For construction-oriented programs, economic activity is generated when the funds are obligated and projects are mobilized as opposed to the outlay of dollars. Outlays are a measure of project completion and have a relatively fixed relationship with project obligations. Just as no homeowner would pay someone in advance to do repairs on his or her house, the Department pays only upon the demonstration of progress or completion. Outlays are also subject to the billing cycle of recipients and may lag progress by 60-90 days. We have made aggressive efforts to accelerate obligations and outlays. Nearly all of our projects will be mobilized with work on the ground early this summer.

Moran Q54. What impact has Recovery Act funding had on the Interior Agencies' deferred maintenance plans and projects?

Answer: Through the American Recovery and Reinvestment Act, the Department was appropriated a total of \$3.0 billion, \$2.0 billion appropriated for Interior, Environment, and Related Agencies programs and \$1.0 billion in Energy and Water Development appropriations programs. This funding, excluding \$15 million for the Inspector General and \$10 million for support, is being used for projects to enhance parks, refuges, and public lands throughout the Nation; improve conditions in Indian Country; strengthen the Department's scientific infrastructure; and to improve our water infrastructure throughout the western States. The

Department's geographically dispersed and field-based delivery network was afforded unprecedented opportunities to employ individuals in communities in all fifty States.

A significant portion of the Recovery Act funding is dedicated to construction, maintenance, and other programs that will improve the condition of facilities. Using the Facility Condition Index (FCI), an accepted industry method to gage facility condition, the Department estimated the impact of Recovery Act funds on Departmental assets. The FCI quantifies the condition of an asset by dividing the estimated amount needed to correct deferred maintenance by its current estimated replacement value. A declining FCI indicates an improvement in condition of the asset. The chart below illustrates the 2008 FCI baseline and the estimated 2009 and 2010 projected performance gains due to the deferred maintenance, line-item construction, and Recovery Act funding on the overall condition of the in-target projects that were presented in the bureaus' Recovery Act Implementation Plans.

Bureau	2008 Actual	2009 Estimate	2010 Estimate
Bureau of Land Management*	0.0625	0.062	0.059
U.S. Geological Survey	0.134	0.133	0.115
Fish and Wildlife Service	0.1225	0.1215	0.1201
National Park Service	0.176	0.151	0.125
Bureau of Indian Affairs**	N/A	N/A	N/A

*Indicates average FCI

**BIA measures performance at the individual asset level and does not calculate an overall FCI

Moran Q55. How many jobs have been created or saved to date with the Recovery Act funds?

ANSWER: Interior estimates that during the period of October 1 to December 31, 2009, 2,221 full-time equivalents were employed, as reported by recipients of Interior ARRA funds. It is important to note that this is a quarterly snapshot of jobs created or retained as opposed to the cumulative number of jobs created. The Administration's recipient reporting job creation guidance issued on December 18, 2009, requires recipients to report on a quarterly basis as opposed to a cumulative basis.

We expect the number of jobs created or retained to significantly increase in the coming quarters as projects are awarded and as we enter into the heavier construction and summer working seasons. Also, the 2,221 jobs created or retained does not account for jobs created or retained by subcontractors of contract awards (over 60% of our funding is awarded via contracts) since job reporting is not required for these entities. It also does not consider the downstream job creation by suppliers or other vendors.

Moran Q56. What efforts are being made to ensure that you will you be able to hire the additional temporary and seasonal employees to complete your Recovery Act projects within the statutory deadline?

ANSWER: The vast majority of our Recovery Act projects will be awarded via contracts, cooperative agreements, tribal agreements or grants to external entities as opposed to being performed by temporary or seasonal employees. Programs that have or will be using more temporary or seasonal employees have implemented additional processes or procedures as needed to accelerate hiring. For example, the Indian Affairs On-The-Job Workforce training

program implemented the practice of starting new workers after a favorable fingerprint check was received and the Security Officer approved the security forms instead of waiting for all background check requirements to be completed. Continued employment is contingent upon the successful completion of the remaining background check requirements.

Moran Q57. How has your Department prepared for hiring these additional workers so that it can be done quickly?

ANSWER: For those programs leveraging temporary or seasonal employees (such as Indian Affairs On-the-Job Workforce Training program), new processes and procedures were implemented as needed to accelerate hiring as discussed in the previous question.

CHALLENGE COST SHARE PROGRAM

Moran Q58. The Challenge Cost Share (CCS) Program is the Department of the Interior's effort to leverage funding through partnerships to obtain benefits in excess of what Federal funding alone could have achieved. The use of partnerships has been emphasized by the Department as a means to accomplish its various missions of managing, conserving and protecting America's natural, cultural, and historic resources. We are concerned to see the elimination of funding for the Challenge Cost Share program. The recent Inspector General's findings of management and tracking problems need to be addressed forthwith. We understand that CCS funded projects have significant successful accomplishments and this significantly increases the on-the-ground activities of the Bureau and its partners. What are the major management problems identified by the IG, and what specifically are the BLM, the Fish and Wildlife Service, and the National Park Service doing this year to establish accountability and credibility for the challenge cost share program?

ANSWER: The Inspector General reported the following findings:

- Partner contributions not verified. This was due to the lack of program oversight and uniform policies and procedures. The lack of written agreements, cost share enforcement, and monitoring in which the required dollar for dollar match was not verified and met.
- Ineffective project planning. This was due to the lack of commitment letters, lack of written agreements, lack of partner certifications, lack of fund reallocation guidelines, and management control reviews.
- Ineffective program communication resulting from lack of reporting and lack of transparency.

The Department will be working with the three bureaus to develop and implement uniform policies and procedures to improve reporting, planning, communication, evaluation, accountability, and overall transparency, consistent with the Inspector General's recommendations to strengthen the Challenge Cost Share program.

Moran Q59. Please provide a summary of the challenge cost share projects accomplished in FY 2009 and those anticipated for FY 2010. To what extent will bureaus be able to get needed habitat and recreational enhancements done without this leveraged funding?

ANSWER:**Bureau of Land Management**

Under the CCS Program in 2009, the BLM, citizens, communities, industries, and conservation groups inventoried more than three million acres of wildlife and plant habitat; applied vegetation treatments to more than 16,000 acres of shrub and grasslands; treated more than 10,000 acres of weeds and supported research studies and publications documenting and discovering a variety of archeological artifacts and sites.

In 2010, the BLM's partners include Federal, State, and municipal agencies; school districts, universities, and recreational groups; nonprofit organizations and advocacy groups; local businesses and industry; and the Girl Scouts and Boy Scouts of America. The BLM will continue to the degree possible within available funding to work with existing partners to support partnership-driven priority projects. Limited funding for habitat and recreational enhancement projects will come from appropriated program dollars.

Below is a summary of CCS projects accomplished in 2009 and planned for 2010:

FY 2009 CCS Accomplishments		
State	# of Projects	% of Total
AK	14	3.71%
AZ	25	6.63%
CA	66	17.51%
CO	21	5.57%
ES	6	1.59%
ID	53	14.06%
MT	41	10.88%
NM	31	8.22%
NV	17	4.51%
OR	60	15.92%
UT	23	6.10%
WY	16	4.24%
WO	4	1.06%
Total	377	100%

FY 2010 CCS Accomplishments		
State	# of Projects	% of Total
AK	18	3.84%
AZ	30	6.40%
CA	104	22.17%
CO	25	5.33%
ES	1	0.21%
ID	52	11.09%
MT	50	10.66%
NM	34	7.25%
NV	18	3.84%
OR	69	14.71%
UT	36	7.68%
WY	28	5.97%
WO	4	0.85%
Total	469	100%

National Park Service

The Challenge Cost Share Program (CCSP) enhances the ability of National Park Service park units and community programs to engage partner organizations in on-the-ground, mutually-beneficial initiatives that help people appreciate and become stewards of natural, cultural, and recreational resources. The CCSP funding enables parks to work with partners to accomplish projects that: directly benefit the park visitor experience, connect people (especially youth) to parks, expand park education capabilities, and facilitate species reintroduction and recovery, site restoration projects, recording of oral histories and other timely resource protection projects. The NPS will continue to carry out similar projects that were funded through the CCSP to the extent possible through park base funding and grant and technical assistance programs, such as the NPS's Rivers, Trails and Conservation Assistance (RTCA) and National Natural Landmarks (NNL), Chesapeake Bay Gateways and Trails Grants Assistance programs.

In 2009:

- The Program received \$2.33 million in funding.
- Less than 3 percent of CCSP funding was used for administrative overhead.
- CCSP funded 153 projects for 95 different parks, trails, and program areas.
- Ten percent of projects directly involved habitat restoration. Twenty-five percent directly involved recreation enhancements. Many more CCSP projects went to other categories within the NPS conservation mission: archaeology, education, wildlife study, geology, and work with tribal partners.
- The anticipated partner match was \$4.71 million, which doubled the Federal match. As part of increased documentation requirements, partner matches for FY09 are being verified through required status and completion reports. To date, 33 percent of FY 2009 projects have filed status or completion reports and many projects are still in progress. All completion reports on file show partner match amounts that meet or exceed the program's matching requirement.

In 2010:

- The Program received \$2.34 million in funding. Project selection is completed in most NPS regions and funding is being obligated to project partners.
- Of selected projects, 11 percent directly involve habitat restoration. Twenty-four percent involve recreation enhancements. Many more CCSP projects went to other categories within the NPS conservation mission: archaeology, education, wildlife study, geology, and work with tribal partners.

Sample Projects from FY2009 and FY2010

- In 2009, Antietam National Battlefield restored five acres of the historic East Woods by planting native hardwood trees. The \$8,000 CCSP award was matched with \$10,000 in funding from the Western Maryland Interpretive Association.
- In 2009, at Ebey's Landing National Historical Reserve, \$25,000 in CCSP funding leveraged \$133,718 in partner funds to develop a unified Reserve-Community cultural landscape approach to ensure protection of the Reserve through a Uniform Design

Review Program, a Preservation Field School, Building a Volunteer Corps, and establishment of an Ebey's Landing Forever Fund.

- In 2009, at Hawaii Volcanoes National Park, \$26,000 in CCSP funds leveraged a \$54,000 match to engage the nearby Kau High School students and the local land manager of Humuhumu Point in habitat restoration and education and community outreach to reduce human-caused disturbances of nesting Hawksbill Turtles.
- In 2009, Kenai Fjords National Park assisted a local conservation organization, Resurrection Bay Conservation Alliance (RBCA), in the removal of 13,740 pounds of marine debris from 5.25 miles of remote and rugged beaches within the park using CCSP funding. CCSP supplied \$22,500 and the partner organization matched approximately \$29,000 in goods and services – involving volunteers and services from many local organizations.
- In 2009, Ozark National River replaced a gate at Round Spring Cavern to protect two species of federally endangered bats. These species use the park caves as maternity sites, hibernacula, transient sites, and bachelor colonies. The habitat is now protected. The CCSP funding amount for the project was \$8,383. The Cave Research Foundation provided \$10,228 in matching contributions.
- In 2009, \$27,500 in CCSP funding was matched by over \$69,000 in funding, goods, and services to conduct summer camps at Scotts Bluff National Monument, Agate Fossil Beds National Monument, and Fort Laramie National Historic Site in partnership with the Nebraska Game & Parks Commission. These camps inspired future environmental leaders with science-based inquiry.
- In 2010, CCSP is funding a project at Buffalo National River to restore Channel Catfish. This project includes tagging, stocking, and monitoring of the fish, which is an intermediate host in the lifecycle of several mussel species in the river. The CCSP contribution is \$20,000 with a match from the Arkansas Game and Fish Commission of \$43,428.

Fish and Wildlife Service - National Wildlife Refuge System Challenge Cost Share Program

The CCS program of the Refuge System provides for cooperative efforts and engages local communities, organizations and citizens in conservation; fosters innovation; and helps achieve conservation goals while maintaining working landscapes. Project selection priority is based on those that provide important links to local communities; involve multiple or diverse partners; and support youth instruction, participation, or involvement in interpretation, environmental education, or wildlife recreational activities. Priority is given to projects with innovative/new techniques for invasive species control, outreach, visitor services, habitat restoration, or habitat management. The Service will continue to carry out similar projects that

were funded through the CCSP to the degree possible through grant and technical assistance programs, such as the Partners for Fish and Wildlife Service and Coastal program.

In 2009, Refuges completed 409 Challenge Cost Share projects. Projects and partnerships vary but many include invasive species control, and monitoring the efficacy of management and control techniques; habitat restoration; research, monitoring, and restoration directly benefitting high priority or Federally-listed species; visitor access, as well as community & youth outreach. Together, Refuges and partners invested in contributions of cash, in-kind goods, services, labor, and project materials.

While most cost-share projects provide wildlife and habitat benefits, many enhance visitor experiences. An example of those benefitting the public and visitors, and our cultural history is found in the Northwest. An interpretive trail was built to celebrate the successful restoration of the Headquarters Creek and return of the Chum Salmon run. In addition to spawning salmon, a unique draw for visitors is the addition of art pieces to the trail, including a sculpture illustrating both extinction and biodiversity. This highlights birds found on the Willapa National Wildlife Refuge, bringing attention to the role each and every species of bird plays in ecosystems throughout the world and the potential impact of their loss.

In 2009, emphasis was given to cost-share projects integrating youth in natural resources, a Departmental initiative. This was particularly true in Alaska, where youth from native villages served as interns. The work of these interns associated partnership projects with Alaska villages, native corporations, and tribal governments, benefitted both wildlife and habitat, as well as public outreach, programs and activities.

In 2010, Refuge Challenge Cost Share projects will focus primarily on connecting children with nature, creating accessible outdoor recreational opportunities, restoration of tidal and freshwater wetlands, water quality, control and management of invasive plants, and recovery projects for threatened and endangered species. In addition, many projects will include student volunteers in important resource conservation projects.

In 2010, Refuges will undertake over 400 Challenge Cost Share projects. These partnering projects estimated to total about \$21 million, leveraging the Service's \$6.6 million allocation. We expect partners to invest over \$14 million in cash, in-kind goods, services, labor, and project materials.

The Challenge Cost Share program allows a wide range of partners to help accomplish the various missions of the managing, conserving and protecting America's natural, cultural and historical resources. CCS contributions bring in additional technical expertise, equipment, and resources to help accomplish shared goals. At the budgeted level, accomplishing habitat and recreational enhancements will be challenging but we will use other available programs as possible. Additionally, we envision some partnership contributions will continue.

Moran Q60. To what extent is the challenge cost share program a useful way for citizens, communities, industries and conservation groups to participate directly in the management of their public lands? A program that engages thousands of Americans in the very democratic tradition of working the land in conjunction with their government for the benefit of all. If this program is not reinstated, where and how will the American people find agency assistance, tools or support to volunteer to improve our public resources?

ANSWER: Like many other ongoing programs, the challenge cost share grants engage communities in the conservation of resources and promote communication about the mission and the programs of the Department's land management bureaus. Programs such as the FWS Partners for Fish and Wildlife Service and Coastal program, NPS visitor programs, and the BLM rivers and trails programs promote this same type of activity.

SECRETARY'S REPORT SHOWING INTERIOR DEPARTMENT SUPPORTS 1.4 MILLION JOBS

Moran Q61. On February 23 you released a report, "Economic Impact of the Department of the Interior's Programs and Activities", which indicated that the Department programs and activities support more than 1.4 million jobs and bring more than \$370 billion in economic activity across the country. Please explain to the Committee some of the most important roles that the Department plays and how you came up with these figures.

ANSWER:

Economic Impact of the Department of the Interior

The lands, waters, wildlife, and cultural and historic resources the Department of the Interior oversees are an engine of prosperity for our Nation. Energy generated from onshore and offshore Federal lands represents a significant portion of domestic supplies; minerals and timber resources are the building blocks for the products we consume; grazing helps supply food for our families; and the scenery, recreational opportunities, and shared history that draws Americans to Interior lands support jobs and businesses in communities across the country. State and local governments benefit from grant and payment programs administered by Interior, supporting a wide variety of activities.

The Department of the Interior has a substantial impact on the national economy, supporting over a million jobs while infusing billions of dollars into the economy. In 2008 alone, Interior supported approximately \$370 billion in economic activity. Most of these revenues were produced by Interior's management of natural resources on Federal lands, including leasing mineral rights, protecting unique natural resources, and providing valuable information to the mineral markets. Many of Interior's activities, such as the leasing of mineral rights, significantly impact the national economy by enabling private industry to create wealth and jobs. Many of these jobs are in underserved areas of the Nation. For example, Interior supports tens of thousands of jobs in rural areas of western states.

Some highlights of Interior's economic impact in 2008 include:

- **Recreation and Tourism:** Americans and foreign visitors paid more than 414 million visits to Interior-managed lands. These visits supported 316,000 jobs and generated \$25 billion in economic activity.

- **Energy and Minerals:** Exploitation of oil, gas, coal, hydropower and other minerals on Federal lands supported nearly 726,000 jobs and \$295 billion in economic activity.
- **Water, Timber and Forage:** Use of water, timber, and other resources on Federal lands supported about 230,000 jobs and \$32 billion in economic activity.
- **Grants and Payments:** Interior administers numerous grants and payments, supporting programs across the country and improving Federal lands with projects as diverse as reclaiming abandoned mines and building coastal infrastructure. Grants and payments of \$5.3 billion supported 90,900 jobs and \$13 billion worth of impacts.
- **Ecosystem Services:** Ecosystem services are critically important to land management agencies, though it is difficult to assign a dollar value to them since they are not typically bought and sold in markets. However, these vital services support all sectors of the economy.
- **Information:** Interior provides valuable scientific information on natural hazards, helping to mitigate costly disasters and build resilient communities. Information on supply, demand and flows of minerals and other essential commodities supports well-functioning markets and industries. Satellite imagery improves agricultural planting and management decisions. National water-use information reflects the impact of demographic, economic, and climatic trends.

Methodology Measuring Impacts

Interior's Economic Impact Report used a distributional analysis to evaluate the economic impacts of Interior activities on selected sectors of the economy. Economic impacts broadly refer to employment, employment income, economic output, and Federal and State tax revenue that result from agency expenditures.

The methodology used to evaluate the employment and economic impacts was developed by Interior economists based on a widely used input-output modeling approach known as IMPLAN. IMPLAN estimates the output (sales), employment (jobs) and income effects arising from the interdependencies and interactions of economic sectors and consumers. The income and employment resulting from Interior's activities represent *direct effects* within the economy. *Multipliers* (or *Response Coefficients*) within the model capture the size of the secondary effects (*indirect* and *induced effects*), relating changes in one sector of the economy to changes in other sectors of the economy. Employment ratios are used to translate these dollar impacts into jobs supported in the region.

MAINTENANCE AND CONSTRUCTION BACKLOG

Moran Q62. The construction request for the Bureaus is \$166 million below the Fiscal Year 2010 level. We have been told that this reflects the work they were able to accomplish with the ARRA funds provided for construction and deferred maintenance. Please provide the current maintenance and construction backlog estimates by bureau and category. Please provide separate estimates for roads, trails, and bridges by bureau, and for roads, separate out the backlog which is the responsibility of the Federal Highways Fund versus the Interior and Environment Appropriations Act.

ANSWER: The current maintenance and construction deferred maintenance inventory as of the end of the 4th quarter of 2009 is summarized in the chart below. This data was provided in the 2009 Agency Financial Report and follows the Federal Accounting Standards for Property, Plant and Equipment (PP&E). Estimates for deferred maintenance deficiencies are based on square foot cost (or unit cost) of similar construction. These estimates are often prepared without a fully defined scope of work, and may contain potential inaccuracies. Therefore, the deferred maintenance inventory is presented as a range based on the total estimated cost. The “low” range is equal to the total estimated cost minus 15 percent; the “high” range is equal to the total estimated cost plus 25 percent.

Total PP&E	Total DM	
	Low	High
BIA	\$2,038,192	\$2,997,342
USGS	\$27,550	\$40,514
BOR	\$525	\$85,321
BLM	\$478,170	\$584,430
MMS	\$0	\$0
OSM	\$0	\$0
NPS	\$8,232,030	\$12,105,925
FWS	\$2,439,756	\$3,587,874
DO	\$0	\$0
Total*	\$13,216,223	\$19,401,406

NOTE: Dollars are in thousands (\$000).

*DM as reported in the Federal Real Property Profile is \$16.2 billion.

This Government-wide real property inventory tracks the condition of constructed assets and lands improved as a result of constructed assets.

The Department is currently unable to separate the deferred maintenance inventory attributable to the Federal Highways Fund versus the Interior and Environment Appropriations Act. A recent evaluation report, *Department of the Interior Roads Programs: The Dangers of Decentralization* issued by the Officer of the Inspector General in February 2010 found that the Interior had significant inaccuracies in road inventories that affect the identification of needs, skew funding levels, and may lead to either an overestimation or underestimation of public road miles. The Department is currently in the process of developing an action plan to correct this finding.

Questions for the Record from Mr. Simpson**SAGE-GROUSE**

As you know, the recent determination by the U.S. Fish and Wildlife Service that the greater sage-grouse is “warranted but precluded” from the protections afforded by the Endangered Species Act directly impacts my home state of Idaho. While I am concerned about the long-term implications of a warranted determination, I am encouraged that the “warranted but precluded” determination will continue to allow the Department of the Interior to work closely with states, private landowners, and other partners on collaborative solutions for conserving the species and its habitat so that there is no need to list the species in the future.

The State of Idaho has been a leader in developing and implementing collaborative solutions to conserve the species and maintain stability for land users, starting in 1996 when Idaho became one of the first states in the country to develop a comprehensive plan for species and habitat preservation. Over the past 14 years, the State has adapted the plan as better information has become available and recently completed the nation’s first Candidate Conservation Agreement with Assurances (CCAA) for the species, with plans to complete two more in the coming months. These types of agreements and other voluntary, cooperative efforts are, I think, the best hope for real species recovery.

SimpsonQ1. Can you tell me how the “warranted but precluded” determination will impact the CCAAs that the State has completed, as well as its plans to complete additional agreements?

ANSWER: The purpose of the CCAA is to provide incentives to private landowners for the conservation actions implemented on their properties without fear of future regulatory restrictions should the species conserved become listed. Existing CCAAs for the greater sage-grouse contain those assurances, and therefore the warranted but precluded determination will have no effect on those agreements. Likewise, for CCAAs in development this finding should have no effect on that process. However, the regulatory assurances imparted to the private landowner under a CCAA will not be provided if the agreement is not completed prior to a listing of the species. Therefore, landowners may feel the need to expedite these agreements for the greater sage-grouse as a result of our determination.

SimpsonQ2. I’m concerned that the same environmental group that challenged the Fish and Wildlife Service’s 2005 decision not to list the species is seeking to amend its original Complaint to challenge the “precluded” portion of the Service’s decision. Do you feel like this decision can stand up in court?

ANSWER: All decisions the Service makes are reviewed for adherence to statute and policy, and therefore legal defensibility, beforehand. It would be inappropriate to comment on the merits of the case you reference beyond this as the case is currently being litigated.

SimpsonQ3. Do you intend to work with the Department of Justice to fully defend the determination against any lawsuits that may be raised against it?

ANSWER: Yes, FWS intends to work with the Department of Justice to defend the determination.

EQUAL ACCESS TO JUSTICE ACT

We all know that many legitimate goals of the Department of Interior are undermined by litigation filed by a variety of environmental organizations regardless of merit. In fact, I would suggest that many of these organizations exist primarily to file lawsuits and prevent worthy projects from moving forward. As a result of the Equal Access to Justice Act (EAJA), many of these groups are able to sue at will and have their legal costs entirely covered by American taxpayers.

I recognize that Congress had good intentions when it created EAJA, and I believe that there needs to be recourse for Americans who are treated unfairly or unjustly by their government. My skepticism stems from the amount of money that we're spending and the complete lack of transparency and accountability of the legal fees paid out under EAJA. I'm concerned by allegations of abuse of EAJA fees, which have gotten a lot of attention in the national media recently. Most of all, I am deeply concerned about the impact that these abuses are having on the ability of agencies within your Department to make good, timely land management decisions.

Before asking a few questions, I'd like to request for the record an accounting of the last ten years worth of EAJA fees that the Department has paid out, including information on who received it, what the hourly rates were, and how much was spent on each case.

ANSWER: The Department does not have an accounting for Equal Access to Justice Act fees paid out from Department of the Interior appropriations over the last ten years. The Department does not centrally track the fees awarded under EAJA.

SimpsonQ4. Can you explain the Department's role with regards to EAJA? Do you pay these fees out of your own budget, or do they come out of the Justice Fund?

ANSWER: The Department works with the Department of Justice defending litigation, which on occasion involves an application for Equal Access to Justice Act attorney fees. In those circumstances, the Department works with DOJ to settle the fee matter, often by paying fees or defending against the application. The Department then complies with any resulting court order, unless appealed. There are generally two types of Equal Access to Justice Act (EAJA) awards, those based on a fee-shifting statute or common law modification to the "American rule" that each party bears its own attorney's fees and for these awards, the Judgment Fund pays; and awards in general civil litigation when there is a prevailing party who meets certain financial eligibility requirements, these fees are paid by the agency's appropriation, more specifically the program impacted by the decision. For awards from the Judgment Fund, the Department of Justice is the responsible agency for tracking the expenditures.

SimpsonQ5. Do you keep records of administrative EAJA payments? Who reviews these bills?

ANSWER: There is not a central Department of the Interior tracking system for the administrative records of EAJA payments. Proposed payments of EAJA fees are reviewed by the Department of Justice and the Department of the Interior before the government agrees to settle. The Department of the Interior review is handled by attorneys involved in the individual cases related to the EAJA fee award.

SimpsonQ6. How much of your budget goes to paying EAJA fees? Do you ask for appropriations in anticipation of losing some cases and therefore having to pay the litigant's legal bills? Does this money get deducted from agency program budgets?

ANSWER: The Department does not track EAJA fee payments and cannot specify how much of the budget is used to pay EAJA fees. The Department of the Interior does not ask for appropriations in anticipation of losing cases since the Department cannot anticipate the outcome of any individual case that is brought against it. Funding for EAJA fees is either paid from program funds in the bureau budgets or from the Judgment Fund, based on the type of EAJA award.

I'm also concerned about how the fact that you have to pay attorney's fees influences the government's decision to either settle a case or take it to court and let the agency's decision stand on its merits.

SimpsonQ7. When one of your bureaus is sued over one of its land management decisions, who decides to settle? Is it the Department of Interior or DOJ? Who has the ultimate authority, and what happens if there is a difference of opinion?

ANSWER: The settlement of litigation is discussed on a case-by-case basis within the government by the Department of Justice and the agency. In general, DOJ and DOI try to come to an agreement on the settlement position. Ultimately, the litigation authority of the United States rests with the Department of Justice.

SimpsonQ8. Who is responsible for verifying EAJA payments? Do you scrutinize attorneys' bills for hours, fees, and expenses and measure against expertise?

ANSWER: The Department of Justice and the Department of the Interior jointly have the responsibility for scrutinizing proposed attorney fees for reasonableness before an EAJA claim is settled or before it is litigated.

SimpsonQ9. Does the public have access to how much you're paying in EAJA fees and to whom you are paying it? If so, how do people get a hold of that information?

ANSWER: When the government settles a case for Equal Access to Justice Act fees or when the court awards EAJA fees, the information is publicly available as part of the settlement or

court order. The Department of the Interior does not track the awards of EAJA fees, and does not have the information centrally available for the public.

CONSOLIDATED APPRAISAL SERVICES

We've had considerable dialogue over the last year relating to problems within Interior's consolidated appraisal services that have led to significant project delays and lost sales. All indications are that the Department is working hard to resolve these issues and I applaud you for your leadership.

SimpsonQ10. Given your interest in continuing to increase land acquisition in the coming years up to the fully authorized funding level of \$900 million by 2014, what assurances can you give us that those problems won't be repeated – particularly as the workload increases?

ANSWER: The Department is taking significant steps to ensure the appraisal process keeps up with the increased land acquisition funding. A major restructuring of the appraisal organization is being undertaken to ensure that the appraisal products are of the highest quality while meeting the mission needs of our client Interior bureaus in a timely manner. The former Appraisal Services Directorate will be elevated to be under the direct supervision of the Deputy Assistant Secretary for Technology, Information and Business Services and renamed the Office of Valuation Services. Also, each bureau will be assigned a client service manager, who along with a group of dedicated staff, will provide all of the appraisal needs for that bureau. Lastly, the appraisal contracting function will be provided by a group of dedicated in-house staff who will have the tools necessary to expeditiously handle contracting requests. All of these changes will create a strong appraisal organization that will be better poised to efficiently deliver the appraisal products required by our land management agencies.

DOUBLE STANDARD OF RENEWABLE ENERGY VS. OIL AND GAS

I mentioned in my opening statement that your budget proposal appears to create winners and losers when it comes to addressing domestic energy development. On the one hand, the Administration has taken extraordinary steps to promote renewable energy—including expedited environmental permitting, tax incentives, and billions in stimulus funding. On the other hand, the Administration seems to be taking the opposite approach with the oil and gas industry by proposing new fees and higher fees, shorter terms for previously approved leases in the Gulf of Mexico, and offering countless reasons for never-ending delays in further oil and gas production onshore and offshore.

SimpsonQ11. What's the benefit of rewarding one energy sector and penalizing the other, especially at a time of 10 percent unemployment when good-paying jobs can be created by both sectors?

ANSWER: The President is committed to the aggressive pursuit of U.S. energy independence; achieving that requires a comprehensive energy plan that includes responsible, environmentally-sound, scientifically-grounded development of both conventional and renewable energy resources on the nation's public lands. An integral component of a comprehensive energy plan is

increased energy production from clean renewable resources, like wind and solar, which have added environmental benefits such as low carbon emissions and fewer air and water pollutants. Conventional energy development has been occurring for over a century, and the industry and its business models have had the ability to mature. For example, the oil and gas industry has earned record profits in recent years, clear evidence that it is viable and self-sustaining. Domestic renewable energy development, by contrast, has not achieved a similar scale of development or profitability. Due in part to the relative newness of renewable energy production, and the lack of programs to support the development of these low carbon energy resources, it is important to support renewable energy development while it is in its infancy. We are making a concerted effort to even the playing field in order to stand up energy production from renewable resources, a vital component in addressing the challenges of ensuring our domestic energy security and reducing the impacts from climate change.

The proposed fees in the President's Budget are not intended to penalize the industry. The intent of these fees is to partially reimburse the government for costs incurred for activities that directly benefit oil and gas producers. The fees are a fraction of overall industry production costs, so they do not represent a significant burden on producers.

SimpsonQ12. If the Administration is serious about job creation and lessening our dependence on foreign oil, why not provide oil and gas producers the same set of rules being provided to create so-called green energy and green jobs?

ANSWER: Conventional energy development is a mature industry, and has been able to earn record profits in recent years, clear evidence that it is viable and self-sustaining. Domestic renewable energy development, by contrast, is an endeavor in its relative infancy that has not achieved a similar scale of development or profitability. Fostering a robust renewable energy development industry requires support to put it on track to achieve the success conventional energy development enjoys.

RAISING FEES ON ONSHORE AND OFFSHORE OIL AND GAS PRODUCERS

Last year's budget included a substantial increase in the cost of Applications for Permits to Drill (APDs)—from \$4,000 to \$6,500 for each permit—for oil and gas producers on BLM lands.

This year's budget request continues this trend of increasing fees associated with energy production by proposing a *fee increase* for offshore oil and gas inspections.

Mr. Secretary, you have said repeatedly that the DoI supports onshore and offshore energy development and yet for the two years that I have served as ranking member of this subcommittee I've seen higher fees being assessed on these energy producers. These are costs that, in the end, will be passed on to consumers.

SimpsonQ13. If our goal is greater development and production of domestic energy sources, then why saddle energy producers with these additional costs? Aren't these fees a disincentive to make investments, create jobs, and meet our future energy needs?

ANSWER: Oil and gas jobs are largely dependent on the market value of oil or natural gas, not on the fees charged for processing drilling permits. Energy producers who produce oil and gas from federal lands have enjoyed tremendous financial success in recent years. Because this success comes from the use of a public resource, it is fair that producers pay fair value for the benefit they enjoy, including the cost of processing drilling permits. The BLM has determined that the current APD fee of \$6,500 covers the average costs the BLM incurs processing APDs.

ATLANTIC OCS

In response to direction provided in last year's Interior conference report, you recently submitted a timeline for completion of a Programmatic Environmental Impact Statement (PEIS) on the Atlantic Outer Continental Shelf (OCS). According to your timeline, it will be at least April 2012 before individual permit applications can even be processed. This date is later than estimates within the current 5-year leasing plan which calls for leasing portions of this area as early as next year. The proposed lease area may hold up to 130 million barrels of oil and over one trillion cubic feet of natural gas. That equates into a lot of domestic energy production and a lot of jobs for unemployed Americans.

SimpsonQ14. What is the earliest possible date for a lease sale on the Atlantic OCS to occur?

ANSWER: I announced on May 6, the postponement of public meetings on potential offshore energy development activities so that information from the ongoing review of OCS safety issues that the President has directed can be appropriately considered.

SimpsonQ15. Given the President's emphasis on creating both domestic energy and energy jobs, why hasn't the Administration been more aggressive in completing the necessary environmental work for the Virginia lease sale?

ANSWER: There were extensive efforts to lay the groundwork for the Virginia lease sale including a December 2008 scientific workshop, *Environmental Research Needs in Support of Potential Virginia Offshore Oil and Gas Activities*, to determine research needs concerning potential development of Virginia's offshore oil and gas resources. However, at this time, further efforts will consider the results of the ongoing review of OCS safety issues.

SimpsonQ16. Do you believe it possible to have a viable lease sale offshore Virginia during the current Five Year Plan?

ANSWER: Lease Sale 220 offshore Virginia is scheduled in 2011 in the current Five-Year Program for 2007-2012. I now have made public my decision to postpone public meetings on offshore energy development.

ENVIRONMENTAL WORK NEEDED TO MOVE FORWARD IN NEW OFFSHORE AREAS

Mr. Secretary, soon after the lifting of the moratoria on Outer Continental Shelf (OCS) oil and gas leasing, the previous Administration on January 21, 2009 issued a Notice of Intent to prepare

a Programmatic Environmental Impact Statement (PEIS) on conducting modern seismic surveys in the Atlantic Ocean for possible oil and gas leasing. This modern seismic data is needed to fill in the very information gaps you often mention is needed before moving forward on leasing new OCS areas.

Because the Department had not acted on this Notice in the first nine months of the Administration, the FY 2010 Interior Appropriations bill contained language instructing DoI to report back to this Committee on an expected timeline for completing the PEIS. Last month, you indicated that the PEIS would not be completed until April of 2012. You also indicated that the Department would begin scheduling Public Scoping Meetings on January 28 and that a Federal Register notice would be published on March 15 to announce the scoping meeting locations and begin the public commenting process. March 15 has come and gone, and to date, no Federal Register notice has been published.

SimpsonQ17. Mr. Secretary, it has now been 14 months since the Department published its Notice of Intent to conduct a Programmatic Environmental Impact Statement on Atlantic seismic, and still we have seen no action taken. When can we expect to see a Federal Register notice announcing that the PEIS has finally begun?

ANSWER: A notice announcing scoping for the Atlantic seismic EIS was sent to the Federal Register on March 31.

NEW FEES ON "NON-PRODUCING" OIL AND GAS LEASES

The President's FY2011 budget indicates that the Department plans to submit a legislative proposal to Congress to implement a new fee on *both* non-producing onshore *and* offshore oil and gas leases. Your staff has indicated that this request will be submitted to the authorizing committees and not to our subcommittee.

SimpsonQ18. When do you expect this proposal to arrive on the Hill? How will the Department define the term "non-producing lease?"

ANSWER: The Department is currently developing the details of this proposal and will submit it to Congress in the near future. The Department will notify the subcommittee when the proposal is submitted. The proposal will utilize metrics that address the due diligence of oil and gas companies to move leases into production whether the leases are held onshore or offshore. This proposal is similar to other non-producing fee proposals considered by the Congress in the last several years.

SimpsonQ19. Would these proposed fees on non-producing oil and gas leases be assessed at the issuance of the lease or after a certain period of time? How would that work?

ANSWER: The budget proposes a fee on non-producing Federal leases that would provide a financial incentive for oil and gas companies to move expeditiously to explore new leases and get the leases into production or relinquish them so that the tracts can be re-leased to, and possibly developed by, new parties. The proposed \$4.00 per acre fee would apply to all new

leases and would be indexed annually. Cumulatively, the offshore and onshore components are expected to generate an additional \$760.0 million over 10 years. The Department is developing the details of the proposal and will submit it to Congress in the near future.

RENEWABLE ENERGY—WIND

You have taken a number of steps to expedite the processing and approval of permits for renewable energy, including domestic wind energy production. While many stress the benefits of wind energy, it is certainly not without controversy. The proposed Cape Wind project off of Massachusetts is perhaps the most vivid illustration of this point. Detractors of wind energy also point to bird mortality, bat mortality, and the fact that the manufacturing jobs associated with building turbines are being created largely in China rather than in the United States. It's pretty clear that while generating capacity is increasing, wind energy job growth isn't exactly blowing anyone away.

SimpsonQ20. What specifically are you doing to overcome these obstacles, particularly efforts to compete with China in creating good-paying energy sector jobs in the United States?

ANSWER: The Department is taking great strides to stand up a robust renewable energy development program for the lands we manage, both onshore and on the OCS. Onshore, the BLM has prepared a Wind PEIS, established a BLM wind energy development policy, and amended land use plans to facilitate wind energy development. These key steps laid a solid and essential foundation for the growth of wind energy on public lands, which is now underway. The BLM has authorized 30 wind farms on the public lands. Of these, 29 wind farms are in operation with a total production capacity of 437 MW, and 1 wind farm is under construction. The BLM is now processing applications for 42 additional wind development projects and 207 wind testing projects. This represents significant progress, and indicates a strong future for wind energy development and associated job growth.

Offshore, The Department oversees 1.7 billion acres. The Department of Energy's National Renewable Energy Lab estimates the wind potential off the East Coast of the United States in the Atlantic Ocean to be more than 1,000 gigawatts, greater than our entire national electricity demand. We worked with the Federal Energy Regulatory Commission to develop and enter into a Memorandum of Understanding that resolved jurisdictional concerns that had resulted in the delay of renewable energy projects on the OCS. We have also put in place long-awaited offshore renewable energy rules, creating the first-ever framework for offshore renewable energy development. We subsequently awarded four limited leases for site assessment activities on the OCS offshore of New Jersey and Delaware and are currently evaluating four proposals for commercial-scale wind energy projects on the Atlantic OCS. We expect these significant steps will result in the development of significant offshore wind energy potential, and create green-energy jobs.

SimpsonQ21. What is your timeline for announcing a decision on allowing the Cape Wind project to move forward?

ANSWER: On April 28, 2010, I announced my decision to approve the project. Based on the lengthy review and consultation process and thorough analyses of the many factors involved, I found that the public benefits weigh in favor of approving the Cape Wind project. This decision marks the beginning of a new direction in our Nation's energy future, ushering in America's first offshore wind energy facility and opening a new chapter in the history of the region. Nevertheless, because of concerns expressed during the consultations, we are requiring the developer to change the design and configuration of the wind turbine farm to diminish the visual effects of the project and to conduct additional seabed surveys to ensure that any submerged archaeological resources are protected prior to bottom disturbing activities.

WILDLAND FIRE

I'm more than a little concerned about the President's budget request as it relates to the various wildland fire accounts. The President's budget proposes three distinct pots of money for fire suppression including a new Presidential Contingency Reserve fund. At the same time, the request reduces DoI funding for preparedness which means fewer boots on the ground. It completely eliminates funding for rural fire assistance. And, it reduces hazardous fuels funding by \$43 million. Your own fire experts indicate that this reduction in hazardous fuels money would result in 500,000 fewer acres treated next year.

SimpsonQ22. Do you support eliminating funding for rural fire assistance, scaling back preparedness, and reducing the hazardous fuels budget?

ANSWER: Yes. The proposed reduction to the Hazardous Fuels Reduction program reflects a strategic decision to focus hazardous fuels projects in the wildland urban interface, where they have been proven to be most effective in reducing the risk of wildfire to communities. The Rural Fire Assistance program is duplicative of other fire assistance grant programs. The items and activities funded by these grants, such as basic wildland fire safety equipment and tools, communication devices, wildland fire training, and community wildfire prevention and education activities, could also be funded with U.S. Department of Agriculture Forest Service grant funding that is available to many of the same communities that support the Department of the Interior.

SimpsonQ23. Given the progress Congress made last year, why do we need three pots of money for fire suppression?

ANSWER: The 2011 Fire budget request builds on the progress made by Congress last year, when it authorized and appropriated funds to the FLAME Fund, by adding a Presidential Wildfire Contingency Reserve account as a third source of funding for fire suppression. The proposed three-tiered system for funding fire suppression will provide greater transparency and will enhance oversight and accountability to better ensure that cost is considered in firefighting decision making. The 10-year average of inflation-adjusted suppression expenditures of \$384 million is split between the regular suppression account in the Wildland Fire Management appropriation and the FLAME Wildfire Suppression Reserve Fund. Each of the three accounts requires a different level of responsibility for authorizing the expenditure of funds and includes the Secretary of the Interior and the President in the chain of command for wildfire suppression.

The Presidential Wildfire Contingency Reserve account, which provides an additional \$75 million, will also better ensure that sufficient funds are available for wildland fire suppression activities to eliminate or minimize the need to transfer funds from non-fire accounts.

SimpsonQ24. Can you support this fire budget or did OMB just go too far?

ANSWER: Yes, the Department supports the proposed fire budget. The 2011 DOI Wildland Fire budget reflects a \$78.0 million increase over the 2010 enacted level. The budget places a priority on providing sufficient funds for suppression to minimize the need for transferring funds from non-fire accounts, and increases responsibility, oversight and accountability in firefighting decision making. The Department will continue to meet its firefighting obligations and responsibilities in 2011.

CLIMATE CHANGE ADAPTATION

Mr. Secretary, your FY11 budget proposes \$171 million for climate change adaptation – an increase of \$35 million over last year. Interior’s FY10 and FY11 budgets appear to be heavy on building new capacity and light on actual on-the-ground action. I’m skeptical of any notion that Interior’s dedicated scientists and managers have been doing things wrong all these years, and that what is needed is a new cadre of Response Councils, Regional Climate Science Centers, Landscape Conservation Cooperatives, and Global Change Effects Networks.

SimpsonQ25. What, if anything, have we been doing wrong, how will this new bureaucracy get it right, and how do you intend to measure success?

ANSWER: Climate change is driving rapid and broad changes across the United States and the world. The U.S. Department of the Interior has an obligation to address the impacts that climate change is having on America’s resources by developing effective adaptation and mitigation strategies. We are fulfilling this obligation by investing in scientific research to better understand climate-change impacts, designing science-based strategies to protect our resources and people from climate change, and decreasing greenhouse-gas emissions into the atmosphere.

The U.S. Department of the Interior manages one-fifth of the land in the country, thousands of miles of coastline, and 1.76 billion acres of the Outer Continental Shelf. Interior also upholds the Federal government’s trust responsibilities to 564 Indian Tribes; conserve fish, wildlife and their habitats; manage water supplies for more than 30 million people; and protect the icons of our national heritage.

Among our 67,000 employees, Interior employs many of the nation’s top scientists and natural resource managers. The impacts of climate change are forcing us to change how we manage our resources. For example, the Department’s scientists and managers are starting to address how climate change may dramatically affect water supplies in certain watersheds, impact coastal wetlands and barrier islands, cause relocation of and stress on wildlife, increase wildland fires, further spread invasive species, and more.

On Sept. 14, 2009, the Secretary launched Interior’s *first-ever coordinated strategy* to address current and future impacts of climate change on America’s land, water, wildlife, cultural heritage

and tribal resources. This strategy breaks down long-existent Interior bureau silos, and establishes a truly Department-wide effort to better understand and respond to the impacts of climate change. Interior established this framework so that the bureaus will coordinate climate-change science, adaptation, and mitigation activities instead of following the former course of trying to address these complex problems in isolation, one-by-one, in a less than cost effective and efficient manner.

Coordination and collaboration across all of Interior's agencies and bureaus as well as across the Federal government are essential. No one Federal agency can effectively study, understand, and take actions to combat the negative effects of climate change. We must have a truly coordinated effort in order to effectively respond to this tremendous challenge. Interior's climate change strategy is designed to make a significant contribution to this coordinated national climate change science, adaptation, and mitigation effort.

DOI's Climate Change Science Centers and Landscape Conservation Cooperatives form the cornerstones of this integrated strategy for developing climate-change science and subsequently successful adaptation and mitigation strategies. DOI's climate change strategy will leverage substantial existing resources and will coordinate resources and facilitate collaborative actions across DOI's bureaus and between DOI and other federal and non-federal partners. Each element of this strategy has a distinct science and resource-management role but also shares complementary capacities and capabilities. This strategy will serve the Department's land, fish, wildlife, water, marine, tribal, and cultural heritage managers, as well as for our Federal, State, local, tribal, NGO, private landowner, and other stakeholder partners.

Interior's 2010 and proposed 2011 budgets will enable on-the-ground action. In 2010, DOI's Alaska, Northwest, and Southeast Climate Science Centers will be established. Additionally in 2010, Interior will stand up close to a dozen Landscape Conservation Cooperatives. In 2011, DOI's Southwest and North Central Climate Science Centers will be established, as will additional Landscape Conservation Cooperatives.

Success of the Department's Climate Change Adaptation activities will be judged in terms of:

- *Development and Application of Climate Change Impact Science:* conducting and communicating to managers the results of research and monitoring that improve our understanding and prediction of climate change impacts on land, water, marine, fish and wildlife, cultural heritage, and tribal resources.
- *Data Integration and Dissemination:* improving our nation's scientific database integration and management, increasing the availability and dissemination of climate change impact data, analytical information, and decision-support tools to scientists, resource managers, decision makers, and the general public through www.data.gov and other appropriate mechanisms.
- *Science-Based Best Management Practices for Resource Managers:* designing and implementing coordinated science-based adaptive management strategies for land, water, marine, fish and wildlife, cultural heritage, and tribal resource managers in the face of a changing climate.

EVERGLADES RESTORATION

This subcommittee has been a strong supporter of the Everglades restoration for many years. The President's budget request continues this investment, with \$75 million in the Interior budget and an additional \$71 million in the Energy & Water spending bill for the Corps of Engineers for restoration of the Everglades.

SimpsonQ26. What specifically are you doing to coordinate the Department's work with the work of the Army Corps of Engineers and its local sponsor, the South Florida Water Management District, to ensure that planning and construction can proceed on schedule?

ANSWER: The Department works closely with the Army Corps of Engineers and its local sponsor, the South Florida Water Management District, on a number of actions to ensure that Everglades restoration projects, specifically those that improve water quantity and quality, continue to move forward. This is important as Everglades restoration moves from planning to construction and as the agencies review the project schedule and tasks in light of currently available federal and state funding.

With respect to our work with the Army Corps of Engineers, the Department enjoys a close working relationship with the Office of the Assistant Secretary of the Army for Civil Works where the Administration has appointed individuals with extensive legislative and executive branch experience in Everglades restoration efforts. Additionally, the Department's agencies and its Florida-based managers work closely with the District Engineer and staff for the Jacksonville District of the Army Corps of Engineers. For example, to improve the coordination of the Modified Water Deliveries Project, the National Park Service located its project manager with the Army Corps staff in Jacksonville to ensure the Modified Water Deliveries Project remains on track towards completion in 2013.

Additionally, the Department maintains significant coordination with the South Florida Water Management District, as well as with other State and Federal agencies. The Department has a representative on the South Florida Water Management District's Water Resources Advisory Commission, and there are numerous interagency project meetings for the purpose of keeping various projects moving forward. Further, the Department utilizes the intergovernmental South Florida Ecosystem Restoration Task Force to facilitate the intergovernmental coordination that is necessary among all of the affected agencies, as well as with the stakeholder interests. The close coordination the Department enjoys with the Army Corps and the South Florida Water Management District is reflected in the three ground-breakings that recently occurred and in the ground-breakings that are planned for 2010.

EVERGLADES/TAMIAMI TRAIL

Mr. Secretary, this past December you broke ground on the Tamiami Trail one-mile bridge which is part of the Modified Water Deliveries Project funded by this Committee. The project is intended to restore water flow to Everglades National Park and is being implemented by the Army Corps of Engineers. In addition, in response to concerns that the one-mile bridge was not large enough to fully restore flow to the park, last year Congress directed your Department and

the National Park Service to provide the Committee with a report and recommendations on what amount of additional bridging in the Tamiami Trail will be necessary to fully restore water flow to the park and to restore the remaining state and federal Everglades habitat. I have heard that the report is nearly complete and recommends upwards of five more miles of bridging in the Tamiami Trail.

SimpsonQ27. Can you explain to this Committee the need for the additional bridging in the Tamiami Trail and what it is anticipated to achieve?

ANSWER: The modifications to the Tamiami Trail highway currently being implemented under the Modified Water Deliveries project authority specify the construction of a one-mile bridge. This level of improvement will permit slight increases in flows and water levels within the downstream Northeast Shark River Slough in Everglades National Park. Tamiami Trail currently serves as a barrier to restoring more natural water between the Water Conservation Areas and Everglades National Park. Increasing water volumes and flow distribution would reestablish seasonal water depths that are critical to the survival of fish and wildlife species.

SimpsonQ28. How much will it cost and whose budget will pay for it?

ANSWER: The Department is collaborating with the U.S. Army Corps of Engineers and other agencies to complete the study requested in the Omnibus Appropriations Act, 2009 that will address the project cost.

SimpsonQ29. When will we see the Department's report relating to the potential need for additional bridging to restore water flows?

ANSWER: The Department is collaborating with the U.S. Army Corps of Engineers and other agencies to complete the study requested in the Omnibus Appropriations Act, 2009. The Department intends to provide this report to the Committee after it has completed interagency review, which should occur in the near future.

WILD HORSE AND BURROS

Your budget request increases base funding for the Wild Horse and Burro program by \$12 million over the present fiscal year for a total of \$76 million. The proposed budget also includes an additional \$42 million for the purchase of lands in the Midwest or Northeast to serve as a wild horse preserve. Taken together, this is almost \$120 million for the wild horse and burro program.

Your budget request explains that the increase in base funding is needed to cover increases in holding costs, as well as efforts to increase fertility control and adoptions and sales of wild horses. I understand that the Department is also working with partners to develop new strategies and management techniques—like sterilization and same-sex herds—to contain the population of herds.

SimpsonQ30. Should taxpayers be concerned about spending potentially \$120 million for the wild horse and burro program? Is this a good use of taxpayer dollars?

ANSWER: A 2009 GAO report (“Effective Long-Term Options Needed to Manage Unadoptable Wild Horses”) on the Wild Horse and Burro Program concluded that BLM is in an untenable situation. Section 1333(b)(2)(iv) of the Wild Free-Roaming Horse and Burro Act (1971) states, “Where the Secretary determines ... that an overpopulation exists on a given area of the public lands and that action is necessary to remove excess animals, he shall immediately remove excess animals from the range so as to achieve appropriate management levels.” Since 1971, the BLM has removed over 270,000 excess wild horses and burros from the range, of which more than 225,000 have been adopted to private individuals. The BLM has cared for unadopted excess animals in short-term (corrals) and long-term (pastures) holding facilities. The costs to the BLM of providing life-long care to unadopted wild horses exceeds \$36 million in 2010. Holding costs for unadopted animals are estimated to be approximately \$47.8 million in FY 2011.

The GAO report encouraged the BLM to develop a new approach to management of wild horses and burros. On October 7, 2009, the Secretary announced a strategy intended to align herd populations with adoption demand. The means to achieve this alignment include herd fertility control, adjustment of herd sex ratios, establishment of non-reproducing herds, as well as the designation of treasured herds, and the establishment of wild horse preserves. The FY2011 budget request supports this strategy and our management approach to reduce overpopulation of wild horse herds on the range, humanely care for unadopted animals, and reduce the impacts to the public land ecosystems that allow for many other multiple uses.

SimpsonQ31. Why have efforts to date to manage these herds been largely unsuccessful?

ANSWER: The number of excess wild horses and burros requiring removal has exceeded the adoption demand nearly every year since the inception of the program. Adoption demand has sharply declined in recent years, with an average of about 3,500 horses adopted each year since fiscal year 2008. The rapid rate of wild horse and burro population growth on the range (an average of 20 percent per year) and the decline in adoption demand are major reasons the program has struggled to meet the need to preserve and maintain a thriving natural ecological balance on the public lands while humanely caring for a large number of surplus wild horses.

We expect the Secretary’s new strategy will move the Wild Horse and Burro Program onto a sustainable course.

RENEWABLE ENERGY PERMITTING

Your budget request calls for a \$14.2 million increase over fiscal 2010 levels for renewable energy as part of your “New Energy Frontier.” These funds will be spread among five different agencies. Renewable energy companies across the West are expressing frustration with the slow and often unpredictable and permitting process for renewable energy projects, particularly within the BLM.

SimpsonQ32. How do you believe the relatively small increase of \$3 million for the Bureau of Land Management assist in the permitting process next year?

Answer. The requested 2011 funding level is sufficient to support the BLM's renewable energy permitting workload. It is important to recognize that the \$3.0 million requested increase for 2011 is on top of a \$16.1 million program increase provided in the 2010 appropriation, as well as \$41 million in one-time funding provided as part of the Recovery Act. Also, wind and solar energy right-of-way applications are processed largely on a cost-recovery basis, so additional funding from applicants will be available over time. The requested funding supports the portion of the BLM's application processing costs that are generally not reimbursed through cost-recovery. The requested 2011 funding level, in conjunction with cost recovery fees for permit processing, and achieving greater management efficiency through the Renewable Energy Coordination Offices, should be sufficient to support the BLM's renewable energy program.

The BLM will use \$2.0 million of the proposed increase to prepare regional EISs for wind energy development in Wyoming, Oregon and Nevada to address wind-related planning and resource conflict issues, including impacts to sage grouse. Wind is the nation's fastest growing renewable energy resource. These regional wind EISs would update the BLM's existing wind energy plan and address the potential for strategic siting of wind development in these key wind resource areas.

The additional \$1.0 million will support site-specific NEPA studies for potential solar energy development in Nevada and California. These studies will help the BLM to propose additional high-potential energy areas with relatively low environmental conflict that can be approved and move into production more quickly.

SimpsonQ33. Are you anticipating a much larger budget request in the future along with real policy changes to improve the BLM's permitting record?

ANSWER: We believe the 2011 funding level, factoring in cost recovery fees for permit processing, should be sufficient to support the BLM's renewable energy program. The Department and BLM, with funding support from Congress (including \$41.0 million provided in the Recovery Act and base funding of \$16.8 million in 2010) have instituted renewable energy policies and development approaches that not only emphasize timeliness and predictability in the permitting process, but also emphasize developing renewable energy in a manner that protects the signature landscapes, wildlife habitats, and cultural resources of the public lands. As the Secretary has stated on numerous occasions, we want to implement the New Energy Frontier "right from the start." This is being accomplished by conducting studies and analyses in advance to identify the most appropriate areas for siting renewable energy projects and transmission infrastructure, areas where conflicts with other resource values are avoided or minimized.

The BLM will continue to identify opportunities to accelerate renewable energy development and evaluate funding needs as appropriate.

Questions for the Record from Mr. Cole**STREAMGAGES**

Cole Q1. The department's request to cut Cooperative Water Program (CWP) and the National Streamflow Information Program (NSIP) which would lose almost \$2M, and \$0.5M respectively is troubling. This comes at an especially bad time this year because the recession severely reduces the capability of the non-federal cost-share partners to sustain their data collection and interpretive science needs. Please comment on the Department's decision to cut these programs and the potential ramifications that you see as a result given the dire economic situation currently afflicting state and local governments.

ANSWER: The CWP and NSIP are sharing in the cost savings from IT, acquisition, and travel efficiencies, as are all USGS programs. These programs also share in a technical adjustment that is budget neutral to the USGS budget as a whole. The increases in funding to NSIP in 2009 and 2010, along with the \$14.6 million in ARRA funding for network upgrades, have improved the funding trend for that program.

Cole Q2. What do you view as the role of localities in regards to stream gauges? Do you feel the department's cost-share program is fair toward the local communities when there have been decreases in funding?

ANSWER: The USGS values its State and local partners in the USGS National Streamgage Network. The Cooperative Water Program is a 50/50 cost share program whereby Federal funds appropriated to the USGS are leveraged with that of partners to support water resources data collection and interpretive studies.

Cole Q3. Does the President's request for USGS in FY-2011 indicate that the ongoing loss of 100-200 streamgages/year is acceptable in light of the information required to implement the proposed WaterSMART initiative, the tribal settlement agreements, restoration projects, endangered species studies, the project planning and design requirements that are included in the proposed budget for FY-2011?

ANSWER: Network instability is the result of fluctuations in funding by cooperator organizations. The USGS continues to seek out alternative funding for streamgages that are threatened to be discontinued.

A primary goal of the WaterSMART initiative is to integrate and synthesize all aspects of USGS data and science that contribute to a complete picture of the Nation's water availability. USGS streamgaging, groundwater, and water-quality data are fundamental underpinnings of this effort. The WaterSMART initiative will fill in gaps in some key areas such as fresh and saline groundwater, water use, and assessments of water needs for environmental and wildlife needs. Collectively, the new information and ongoing work will be used to provide a broad perspective on the Nation's water availability.

OCS DRILLING

Cole Q4. On March 5, DOI announced that the Department will not be issuing an Outer Continental Shelf (OCS) lease plan until 2012 rather than July 2010 as originally planned. This means that the Draft Proposed Plan initiated in 2008 will take nearly four years to develop and there will be no new leasing areas of OCS in Obama's entire term. The OCS has the potential to provide billions of barrels of oil and trillions of cubic feet of natural gas. Explain why the original plan was delayed and why the Administration has not made this a priority, when we have a high unemployment rate and an unhealthy dependence on foreign fuel sources?

ANSWER: The Department takes a considered and thoughtful approach to what, where, and how much of the OCS to offer for leasing and recognizes the role and need for conventional energy sources. The Department has postponed planned meetings on potential offshore energy developments so that information from the review of OCS safety issues can be considered.

Questions for the Record from Alan B. Mollohan

**FY 2011 Department of the Interior Budget Hearing
March 18, 2010**

Appalachia Coal Payments

MollohanQ1: The FY 2011 budget cuts OSM regulatory grants by \$11 million and directs states and tribes to offset the decrease by increasing user fees. Further, the budget also includes a significant reduction for discretionary emergency grants, based on the premise that increased mandatory funding will sufficiently cover state emergencies. How are these severe reductions consistent with strong regulatory and reclamation programs in states such as West Virginia, which is second in total U.S. coal production? Why is the Department asking states to do more with less?

ANSWER: The Administration has committed to reduce subsidies to fossil fuel industries. While other energy industries must pay user fees to reimburse the Federal government for regulatory costs, coal fees are very low. The Administration's Budget reduces State grants in order to encourage States to increase their cost recovery from the coal industry.

MollohanQ2: Are states and tribes being consulted on the proposals to increase user fees to offset regulatory grants and to reduce discretionary emergency grants? Can you provide summary examples of feedback you have received from states and tribes on these issues?

ANSWER: On March 3, 2010, OSM held a conference call with its State and Tribal partners to discuss the FY 2011 Budget Request. During the conference call, some States indicated that their legislative calendars would hinder the establishment of user fees while others noted that industry within the State oppose the fees. The OSM is the regulatory authority on Tribal lands, and the Surface Mining Control and Reclamation Act requires OSM to provide full funding for Tribal regulatory programs once a Tribe achieves primacy.

The OSM began transferring the responsibility for emergency programs to the States and Tribes in FY 2010. Congress provided a \$3.5 million in 2010 to support the transition. OSM continues to cooperate with the States and Tribes to support the transition.

MollohanQ3: Has consideration been given to the fiscal and programmatic impacts that could result if certified states and tribes, who would not receive AML payments under the request, choose to return their Title V regulatory programs to OSM, especially given the severe reductions being proposed for Title V grants in FY 2011?

ANSWER: The FY 2010 regulatory grant distribution to the four certified States totals \$5,886,169. The majority of funding in Montana and Wyoming is for regulatory

activities on Federal lands, which fully reimburses States for what it would have cost OSM to operate the program.

The proposed budget requests a funding level for State and Tribal regulatory grants of \$60.3 million. The proposed budget does not provide funds for OSM to run, in whole or part, a Federal coal mining program in any program currently run by the State. We intend to work closely with States to implement the budget and ensure that regulatory programs remain effective.

Land Acquisition

MollohanQ4: I am concerned about the undue delays in obtaining appraisals for DOI land acquisition projects. Appraisals must absolutely follow the laws and regulations which govern this process, but I am alarmed about appraisal delivery taking in excess of a year to complete perhaps due to organizational issues within the Appraisal Services Directorate (ASD). There may be a serious disconnect between increasing Land and Water Conservation Fund monies – which I support – and decreasing opportunities for their timely expenditure.

Can you address these delays and whether or not the Department plans to revisit the 2003 decision to consolidate the DOI appraisal operations with the creation of the ASD? What specific steps is the Department taking to address the Congressional directive provided in the FY 2010 Interior, Environment, and Related Agencies Conference Report?

ANSWER: On May 21, 2010, the Secretary of the Interior signed a Secretarial Order authorizing a complete overhaul of the Appraisal Services Directorate (ASD). The reorganization, which went into effect on June 6, 2010, consists of the following three main elements: 1) Move the Office of Valuation Services (OVS), formerly known as ASD, from the National Business Center to the Deputy Assistant Secretary for Technology, Information, and Business Services. This will ensure greater oversight and accountability by eliminating intermediate layers. 2) Restructure the appraisal staff from the current seven regional offices, where work was performed for all clients (Bureau of Land Management, Fish and Wildlife Service, National Park Service, and Bureau of Reclamation), to four bureau centric teams that only have to support one client bureau each. This will ensure that each bureau only has one stop in order to resolve any outstanding issues. 3) Assign OVS the appraisal contracting responsibility and streamline the cost reimbursement process for the agencies' appraisal contracts. This will give OVS the direct responsibility to ensure timeliness and accountability as well as the ultimate disposition of appraisal products. It should be noted that the client bureaus are fully participating members of the appraisal team. This ensures that communication barriers are eliminated and cooperation and collaboration is increased between the valuation client service manager and their client bureau.

each bureau, and what is the current turnaround time for ASD appraisal delivery?

ANSWER: As of June 3, 2010, OVS has the following appraisal requests in progress for each of the bureaus.

Bureau of Land Management – 161 appraisals, covering 56,389 acres.

Bureau of Reclamation – 53 appraisals, covering 17,631 acres.

Fish and Wildlife Service – 177 appraisals, covering 106,367 acres

National Park Service – 119 appraisals, covering 559,351 acres

The Department is instituting a requirement that 85 percent of all appraisals be completed within 120 days. As the transition progresses and the new infrastructure put into place, including contracting for appraisals, the timely delivery of appraisal products will be accomplished.

Mollohan Q6: How many appraisers are currently employed within the ASD and are more needed to address the undue delays? What is the ratio of appraisers to appraisals, based on the current workload?

ANSWER: The OVS currently has 56 appraisers on staff. Once alignment under the new structure is accomplished; we expect to fill some existing vacancies created through retirements and normal job attrition as well as add additional positions to support the agency workload. We are evaluating the number of appraisers needed to meet the agencies' workload. It is estimated that each appraiser can accomplish between 22-32 appraisals per year, depending on the complexity of each appraisal.

Mollohan Q7: The Inspector General's December 2009 report states, "The Department has not acted while ASD flounders in NBC and has not yet responded as bureaus circumvent rules designed to maintain the accountability and credibility of the appraisal process." How are you addressing these concerns?

Answer: The Department is implementing a series of recommendations made by the Office of Inspector General in a recent report. As previously described, the reorganization, effective June 6, 2010, moved OVS out of NBC and located it under the Deputy Assistant Secretary – Technology, Information, and Business Services which will provide stronger oversight, accountability, and support for DOI's valuation process. This reorganization has bureau support and ensures that accountability for, and the integrity of the appraisal process is maintained. The bureaus are vested in this reorganization and are committed to ensuring its success.

Climate Change Adaptation

MollohanQ8: Can you provide specific examples – in terms of research activities and projects – of how you envision the eight regional Climate Change Science Centers working in collaboration with the Landscape Conservation Cooperatives?

ANSWER: The Climate Science Centers (CSCs) will be regionally-focused centers of expertise that complement the Landscape Conservation Cooperatives (LCCs). These two climate change program components will bring results directly to the management community and enable development of regional expertise.

Steering committees of managers and scientists for each Center will determine the research and monitoring to be undertaken by the Climate Science Centers. Needs and priorities will be identified by LCCs and partner organizations, and priority setting among regional needs will be undertaken in a transparent fashion by these bodies. Initially the research will focus on areas important to address wildlife adaptation, such as vulnerability and risk assessment, development of derivative habitat and population models that use climate projections and development of scientific approaches that incorporate adaptive management as science based approaches for decision-making.

The bureaus are working closely across the Department on joint planning for CSC and LCC coordination, including discussions on development of data and information sharing across CSCs and LCCs. For example, if FWS at a particular LCC is seeking vital information to make a management decision concerning the habitat in which an endangered toad resides, but are unable to locate any information anywhere, the CSC will work with FWS at the LCC to locate or generate that information.

MollohanQ9: How is the Department-wide Climate Change Adaptation Initiative collaborating with other science agencies across the federal government? Can you provide some examples of interagency consultation and collaboration?

ANSWER: The Department of the Interior is working on multiple fronts to ensure that our efforts on climate change science, adaptation and mitigation are fully integrated with the efforts of other Federal agencies.

The White House Council on Environmental Quality (CEQ), the White House Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) work together on the Interagency Climate Change Adaptation Task Force to develop Federal recommendations for adapting to climate change impacts both domestically and internationally. The Interior Deputy Secretary serves on the Steering Committee for the Interagency Climate Change Adaptation Task Force to develop Federal recommendations for adapting to climate change impacts both domestically and internationally. More than twenty Federal Agencies, Departments and Offices are participating in this Task Force and contributing operational capabilities and expertise through a series of workgroups on specific topics related to climate change adaptation. Interior is working closely with this Task Force to ensure that Interior's

climate change science, adaptation, and mitigation strategy is closely coordinated with and integrated into a national climate change adaptation strategy.

On Sept. 14, 2009, the Secretary launched Interior's coordinated strategy to address current and future impacts of climate change on America's land, water, wildlife, cultural heritage and tribal resources. This strategy breaks down Interior bureau silos, and establishes a Department-wide initiative to better understand and respond to the impacts of climate change. Interior established this framework so that the bureaus will coordinate climate change science, adaptation, mitigation and other forms of resource management activities.

Interior's Climate Science Centers and Landscape Conservation Cooperatives work with the White House, the U.S. Global Change Research Program, other Federal partners, State, local and tribal governments, non-governmental partners, and other community stakeholders to increase the capacity of Federal, State and local agencies to utilize information about climate change impacts in government decision making.

The USGS is working directly with the Forest Service on two research projects. One project in southeastern United States is focused on the development and assessment of tools for evaluating stream fish community responses to climate change along thermal gradients. The other project, in the Pacific Northwest, is focused on developing an integrated analysis of physical processes and biotic responses to climate and landscape change on aquatic ecosystems. Further, USFS, NOAA, and others are directly engaged on the review panel for CSCs. USGS is also in direct discussions with NOAA as part of the information sharing initiative that will provide access to data and information, such as downscaled climate model results, across the LCC/CSC network.

Treasured Landscapes

MollohanQ10: I'm interested in learning more about the restoration-based components of the Treasured Landscapes Initiative and the value these types of efforts can add to local communities and economies. Can you discuss the Treasured Landscapes Initiative and its potential application in Appalachia? How would this initiative potentially coordinate with and relate to the Appalachian Landscape Conservation Cooperative and other efforts of the U.S. Fish and Wildlife Service?

ANSWER: In developing the 2011 budget request, the Department looked across the landscape for geographic areas that faced significant and increasing challenges to protecting and restoring natural and cultural resource values. The Department looked for areas where Interior bureaus were already active, but could benefit from a more coordinated focus with other Interior bureaus, and other Federal and non-federal partners. And the Department looked for areas where targeted investments could achieve real results.

The five ecosystems included as part of the Secretary's Treasured Landscapes agenda met each of these criteria. These ecosystems will remain priorities for restoration and

renewal through coordinated and targeted investments. The Department will continue to look for opportunities to leverage existing Federal conservation efforts for additional ecosystem restoration. As the Department's Climate Science Centers and the Landscape Conservation Cooperatives become operational they will be relied on to prioritize and coordinate Federal and non-federal efforts for ecosystem restoration nationwide, including Appalachia.

MollohanQ11: How are applicable Department-wide programs being coordinated under the Treasured Landscapes Initiative? Can you provide examples?

ANSWER: The mechanisms to coordinate activities of the Department of the Interior's bureaus are specific to each of the five ecosystems identified under treasured landscapes. For example, California Bay Delta activities are being coordinated through a Federal Leadership Committee established by a Memorandum of Understanding that includes the Department of Commerce, Department of Agriculture, Department of the Army, Environmental Protection Agency, the Council on Environmental Quality and the Department of the Interior and its bureaus. Chesapeake Bay activities are coordinated through a Federal Leadership Committee established by an Executive Order that includes the Environmental Protection Agency, Departments of Agriculture, Commerce, Defense, Homeland Security, Transportation and Interior and its bureaus.

WEDNESDAY, APRIL 14, 2010.

**MAINTAINING NATIONAL CULTURAL AND SCIENTIFIC
CENTERS: FY 2011 BUDGET REQUEST FOR THE SMITHSONIAN INSTITUTION, NATIONAL GALLERY OF ART,
KENNEDY CENTER, WOODROW WILSON CENTER, PRESIDIO TRUST**

OPENING STATEMENT OF MR. HINCHEY

Mr. HINCHEY [presiding]. We will have a very busy and interesting session, so I want to get started right away. Today we will examine the budget request for five of our Nation's leading cultural and knowledge generating institutions, the Smithsonian Institution, the National Gallery of Art, the Kennedy Center, the Woodrow Wilson Center, and the Presidio Trust.

Our plan is to deal with each institution one at a time, giving each witness the chance to make their case and for the committee members to pursue issues of interest.

First, I would like to welcome Dr. Wayne Clough, Secretary of the Smithsonian Institution. This Subcommittee held an oversight hearing on the Smithsonian last December. At that hearing, the GAO and the Smithsonian's Inspector General reviewed the progress the Institution is making to implement important governance reforms. Previously, there were major concerns about Smithsonian management before the time of Secretary Clough.

I think it is safe to say that the Members were generally pleased that the Secretary and his team have made as much progress as they have and probably could. It is important that we examine the Smithsonian's budget request closely because this institution is important to the Nation and it is a keystone to the national capital region's culture and tourism.

I am generally pleased with the Smithsonian's fiscal year 2011 budget request. It appears to be a responsible request. It helps to see it organized around the four major themes of the new strategic plan, Mysteries of the Universe, Biodiversity, Valuing World Cultures and Understanding the American Experience. The requests build on this Subcommittee's work last year to strengthen the collections, and the request has a small, targeted increase for key research and science. I will be interested to hear more about the Smithsonian's role in climate change science.

The capital budget also has \$20 million for design of the new National Museum of African-American History and Culture to be built next to the Washington Monument.

Lastly, I note the request has \$106 million for baseline facilities revitalization, which will help with the huge deferred maintenance backlog.

Mr. HINCHEY. And I want to thank you for being here, Wayne. Thanks very much. And before I ask you to begin your statement, I would like to turn to our Ranking Member, Mr. Simpson.

Mr. SIMPSON. Thank you, Mr. Chairman.

Mr. HINCHEY. Mr. Simpson, it is a great pleasure to be with you, and frankly, I must tell you, it is a great pleasure to be this close to you.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Well, thank you. I appreciate that. I am not quite sure how to take that. Thank you. Dr. Clough, thank you for appearing today. I apologize for being late because of the Virginia traffic. That would never happen in my district. We do not have that many cars in my district, especially in one place.

One of the wonderful things about serving on this Subcommittee is the opportunity to spend time with interesting people who enlighten and educate us. Our conversation with you today is a case in point. We appreciate you joining us this morning to share your vision for the future of the Smithsonian and to discuss your budget request for next year.

It was not long ago that you laid out an ambitious 5-year strategic plan for the Smithsonian. As we have discussed on more than one occasion, I am particularly interested in your plans to reach a larger and broader cross-section of America, including small communities in rural America, like those in my home State of Idaho. The resources of the Smithsonian are incredible, but not everyone has the means to travel to the Nation's capital to visit the national treasures that reside in the Smithsonian's many museums. Providing content-rich educational materials on line and connecting with rural communities through traveling exhibitions are worthwhile endeavors that I fully support.

Earlier this week I was reminded yet again of the vastness of the Smithsonian's reach. With the help of your staff, I had the opportunity to tour the Smithsonian's American Art Museum where I saw the Framing of the West, an exhibition featuring the work of photographer Timothy O'Sullivan who captured in stark terms the complex and rugged landscape of the American West. O'Sullivan was a photographer for two of the most ambitious geographical surveys of the 19th century, and he spent a lot of time in the mountains and desert regions of the western United States. Some of his best work captures the beauty and the majesty of the Shoshone Falls and the Snake River in Idaho.

Dr. Clough, in closing I want to thank you for the fine work of the professional staff that serves you and the Smithsonian so well. Nell Payne, Maura Reidy, and countless other dedicated professionals do an incredible job communicating with us, educating us and keeping us informed of the Smithsonian's many activities, and we greatly appreciate their efforts.

I look forward to your testimony today and continuing to work with you. Thank you.

Mr. CLOUGH. Thank you, Congressman Simpson.

Mr. HINCHEY. Mr. Clough. Thank you.

WEDNESDAY, APRIL 14, 2010.

SMITHSONIAN INSTITUTION**WITNESS****DR. G. WAYNE CLOUGH, SECRETARY**

TESTIMONY OF SECRETARY WAYNE CLOUGH

Mr. CLOUGH. Thank you, Mr. Chairman. I appreciate it very much. We are pleased to be here, and we are thankful for the support that Congress has given to the Smithsonian and to its future.

We would like to think we have begun a new era at the Smithsonian. We have put a lot of the past behind us and are moving forward with our new strategic plan.

As you know, our new plan calls for us to shape the future by preserving our heritage, discovering new knowledge and sharing our resources with the world. And Mr. Chairman, you very nicely described the four grand challenges which are intended really to take this institution with its many moving parts and focus it in these challenging areas. Also, they allow us to do cross-disciplinary things, in other words, to take the resources of the Smithsonian and use them, in a way, more creatively, to cross the disciplines and cross the different museums and different ways to address the major topics of the day.

Added to this, as Congressman Simpson has indicated, we want broadened access to the Smithsonian. We want to actually take the museum to the people through partnerships and using digital technology as well as traveling exhibits.

So this is an ambitious plan, we think, but we think we can do it because we have 6,000 very talented people, passionate people, who work at the Smithsonian. And in addition, we have 6,500 volunteers who love it just as much. I gave a 50-year pin to a volunteer the other day. That is a long time for volunteer work.

We are, we believe, making progress on many fronts: exhibitions, visits, collections, digitization, outreach, education, and more, and I will give you a few examples.

EXHIBITIONS

Last year through the help that we received from Congress, our Collections Care and Preservation Fund directly improved the care of 1.5 million items, and we opened a state-of-the-art facility on Penny Drive which offers us much more capacity to protect the assets that we have for the American people. Last month we celebrated the 100th anniversary of the opening of the National Museum of Natural History, the most visited museum in the United States. It has an exciting new, permanent exhibit called What Does It Mean To Be Human? I hope you all have a chance to visit that. If you would like to and you have not, we would love to give you a tour.

But this is one of only 10 brand-new exhibits that we have, and you mentioned one, Framing the West, which is a very good one, across the Smithsonian for the visitors who are starting to come in droves in the spring and the summer.

This month also we are celebrating the truly original American art form, jazz. We have our own jazz group, and others are invited to participate with us. All of these are free events and live performances. This week marks the 40th anniversary of Apollo 13, and Commander James Lovell is joining us at the Air and Space Museum to help relive that mission and that dramatic space flight which we will remember for all time because of his words, Houston, we have had a problem.

VISITS

From kites on the mall, the Smithsonian sponsors the National Kite Festival, to curators on YouTube, we are reaching out locally, globally, in person and on-line. If you cannot come to us, our motto is, we will come to you. We had 30 million visitors last year, 6 million more than the year before but nearly 190 million visitors to our websites. We reached another 5 million visitors in person through our traveling exhibits program. We now have nearly 200 social media accounts across the institution, and on our central social media accounts alone, we have 50,000 Facebook fans, 62,000 Twitter followers and our YouTube videos are being viewed at very high rates, particularly the First Lady's gown exhibit, and that indeed is the leave behind for you today. You have four of our new YouTube videos. I hope you will have a chance to take a look at them.

People have told us the most popular one of these four is the First Lady's gown event which was marvelous, and the First Lady was delightful. But my favorite is the one that you will see shown on the CD cover with a gorilla eating.

It is about the chef at the zoo. The chef at the zoo prepares daily meals for 2,200 animals with completely different appetites and different nutritional requirements. I found it fascinating. The idea is to bring out from behind the walls more of what is happening at this institution.

DIGITIZATION

We are hiring a new director of digitization and will issue a digitization strategic plan this month. We are making steady progress on creating the digital Smithsonian. For example, our Encyclopedia of Life Project, which has the objective to have one web page for every species of life on earth already provides access to 400,000 species pages, and that is up by 200,000, or doubling the number that we had last year. We have 20 million pages of literature devoted to biological diversity through the Biodiversity Heritage Library which we share with others.

Mr. Chairman, good to see you.

Mr. MORAN [presiding]. Good to see you. This is embarrassing. The 20-minute trip took nearly an hour and a half. But that is not your responsibility.

Excuse me very much for interrupting you.

Mr. CLOUGH. Not a problem.

Mr. MORAN. Doctor, please proceed. It is very nice to see you.

Mr. CLOUGH. Good to see you. So we were just going over our efforts in digitization and global outreach, and you have this in front

of you. That is YouTube videos which you can see at your own time when you have a chance to do it.

So we are trying to share our resources with others around the country and indeed around the world. In fact, we would like to begin to use these resources to revitalize K through 12 education in the country. So we have been having discussions with the Department of Education and with many others who do just that. And we just hired our new Director of Education, Claudine Brown, who actually worked with the Smithsonian in her past life, to coordinate our efforts in education.

EDUCATION

We have much to offer students, teachers and parents, and indeed learners of all ages. For example, today actually is Day 2 of a four-day Smithsonian on-line education conference sponsored by Microsoft Partners in Learning. Microsoft Partners in Learning reaches 2 million students in this country and some around the world. The conference addresses our four grand challenges that we have in our strategic plan, and it allows participants not only to hear from our experts but to ask them questions. It reaches all 50 states, six continents and the Microsoft network of 2 million teachers and students. It will be archived for continued access, and we have plans for more such on-line seminars in the future.

COLLABORATION WITH FEDERAL AGENCIES

We are also proud of our collaborations with other government agencies. We indeed want to make sure we do not overlap too much, that in fact we are working consistently with them.

For example, we are working with the State Department on a number of fronts. Last month with the State Department we hosted the President and First Lady of the Republic of Senegal at our African Art Museum for a lunch, and Saturday we hosted the President of Argentina to help launch our 26-event schedule that will celebrate the bicentennial of Argentina this year. And in Haiti, we are working closely with the State Department, the President's Committee for Arts and Humanities, the Defense Department, the NEA, the NEH, and the Institute of Museum and Library Services and many American cultural institutions who want to help Haiti recover its cultural assets, many of which lie today in the rubble of the buildings there that need to be rescued and restored.

The Smithsonian has always been an international institution explaining what it means to be an American to both our citizens and to those of the world. Our fiscal 2011 budget totals \$797.6 million. This is the proposal to you from OMB. I want to assure the Committee we are determined to use every penny as wisely as we can. We just received an unqualified audit opinion of the whole institution from KPMG with no significant deficiencies and no material weaknesses, and on Friday we will complete a big study we have been doing called the Best Practices Study so that we will become a better institution, use our resources more clearly and carefully and communicate with our people about how we do that. We want to run a tight ship and maximize every dollar because we know those dollars are hard to come by today.

So thank you for your continued support, and I am very optimistic about the future of the Smithsonian.
[The statement of Mr. Clough follows:]

**STATEMENT OF DR. G. WAYNE CLOUGH
SECRETARY OF THE SMITHSONIAN INSTITUTION
BEFORE THE
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES
ON THE FISCAL YEAR 2011 REQUEST**

April 14, 2010

Mr. Chairman and Members of the Subcommittee -

It is my privilege to appear before the Subcommittee to testify on behalf of the Institution's FY 2011 budget request, and share with you the future direction of the Smithsonian Institution as outlined in our Fiscal Year 2010-2015 Strategic Plan. I would like to express my appreciation for your continued support of the Smithsonian and its activities.

Over the next decade, the Smithsonian is committed to becoming more engaged than ever before with the great issues of our day. The Institution completed an unprecedented, year-long, planning activity resulting in a Strategic Plan that is interdisciplinary and entrepreneurial, and which has been embraced by both internal and external stakeholders. It calls for us to broaden access and reach new audiences by bringing the resources of our museums and research centers to people where they learn and live. It was approved enthusiastically by the Smithsonian's Board of Regents.

The plan identifies four "Grand Challenges" that bring focus to what we do, and allow for cross-cutting activities to flourish within the Institution and with external partners. These challenges are: *Unlocking the Mysteries of the Universe*; *Understanding and Sustaining a Biodiverse Planet*; *Valuing World Cultures*; and *Understanding the American Experience*. Our aspiration is to shape the future by preserving our heritage, discovering new knowledge and sharing our resources with the world.

We have structured our FY 2011 budget request around these themes and we have re-positioned our organizational structure so that we can achieve our ambitious goals.

As the largest museum and research complex in the world, the Smithsonian is uniquely positioned to meet the challenges and goals spelled out in the plan. The Institution is supported by authoritative scholarship that connects Americans to their cultural heritage and also acts as an international leader in scientific research and exploration. The Smithsonian consists of 19 museums and galleries, a system of 20 libraries, numerous research centers, and the National Zoological Park. All but two of the museums are located in the Washington, DC metropolitan area; Cooper-Hewitt, National Design Museum and the George Gustav Heye Center of the National Museum of the American Indian are located in New York City. In addition, the Smithsonian has research

facilities in eight states and the District of Columbia, and has activities in nearly 100 countries, at sites ranging from the equator to both poles.

The Institution's collections include a remarkable 137 million artifacts, works of art, and scientific specimens. The Smithsonian preserves and displays many of our nation's greatest artistic, scientific, and cultural treasures, including objects that speak to our country's inquisitiveness, bold vision, creativity, and courage: Edison's light bulb, the Wright flyer, Lewis and Clark's compass, the only national collection of presidential portraits outside the White House, the world's largest meteorite collection, the only Neanderthal skeleton in this hemisphere, and Mark Twain's self-portrait.

To experience our unique collections, nearly 30 million individuals from across the country and around the world came to the Smithsonian during the past fiscal year (six million more than in 2008), and more than 188 million visited our various websites. This is our highest visitation level since FY 2000, and offers an indication that the Smithsonian plays a key role in the lives of Americans during difficult economic times. High visitation levels continue in 2010. The millions who make the effort and travel long distances to visit our museums speak to the quality and relevance of the 90 new exhibitions the Smithsonian launched in 2009, and the hard work of everyone — staff, carpenters, curators, security officers, scholars, scientists, and historians — to make the Smithsonian an exciting, inspiring place.

The Smithsonian has more than 6,000 employees, including approximately 650 scientists and scholars, and more than 6,600 dedicated volunteers. Additionally, the Institution has built a network of 167 affiliate museums in 41 states, the District of Columbia, Puerto Rico, and Panama so we can share our collections and expertise with others. The Smithsonian Institution Traveling Exhibition Service, the largest traveling exhibition service in the world, reaches roughly five million people throughout the country each year. This combination of volunteer support, philanthropic support, and our national and international reach makes the Smithsonian's activities a very good value for the appropriations invested by the federal Government each year. The support of the Administration, the Congress, and the American people is vital to all Smithsonian activities and the success of our mission.

I believe that our FY 2011 request is a strong budget that, when combined with our fund raising, business activities, and increased grant activity, will allow us to make great strides toward fulfilling of our Strategic Plan. If we are able to do this, we will make strong inroads towards our intention to significantly increase the audiences we reach and the people who look to us as a trusted source of information.

The Smithsonian's total request for FY 2011 is \$797.6 million. After addressing most of our non-discretionary needs with an increase of \$13.8 million for items such as legislated pay raises and inflation-related increases in rent and utilities, the requested Salaries and Expenses increase for programs and support activities amounts to \$14.6 million. These increases are partially offset by savings from an Institution-wide buyout and a small maintenance reduction that, together, total \$4.4 million. We also seek \$136.75 million to continue our Facilities Capital program.

Salaries and Expenses

For FY 2011, the Institution's Salaries and Expenses request includes four new line items that are tied directly to research and program activities embodied within the Grand Challenges of the Strategic Plan. The Four Grand Challenges articulated in the plan are intended to allow integration of the work of many disciplines. To make the most of our intellectual capital, we are creating centers, or consortia, to advance each of the Grand Challenges. These consortia are not new programmatic units, but leanly staffed offices that will focus and coordinate the work of existing museums and research centers to facilitate innovative scholarship and outreach. We set the expectation for them to attract additional funds in the form of grants, contracts, private contributions, and build partnerships with other research entities so we can leverage the federal funding we hope to receive.

Focusing on Grand Challenges

Unlocking the Mysteries of the Universe

Since the late 1800's the Smithsonian has played a lead role in developing the understanding of the fundamental nature of the universe, dark matter and galaxy formation. The Smithsonian, particularly the Smithsonian Astrophysical Observatory, will focus on applying the integrative research of its scientists to today's big questions regarding the origin and evolution of the Earth, planets, stars, galaxies, and the universe, thereby harnessing the collaborative energy of scientists, scholars, and cultural experts.

For FY 2011, we are seeking an increase of \$500,000 to conduct research through the "Universe theme" interdisciplinary consortium, using the Smithsonian's world-class collections and scholarly resources. Areas of specific focus will be the study of the origin and evolution of the Earth and solar system; the effects of geologic and meteoric phenomena on Earth's atmosphere and biosphere; research into the discovery and characterization of exo-planets in the habitable zone; research using our rich collections, including the national meteorite collection; and research into the next generation of ground- and space-based astronomical telescope mirrors and instrumentation that will enable the next generation of research.

Understanding and Sustaining a Biodiverse Planet

The FY 2011 request includes an increase of \$2 million for research that will be conducted through the "Biodiversity theme" interdisciplinary consortium, using the Smithsonian's world-class collections, field stations, and scholarly resources. Research will focus on such questions as: how to sustain a biologically diverse Earth; how does this diversity change across geography and through time; and how do we better understand the life-sustaining services of ecosystems and best sustain their contributions to human well-being locally and globally?

The Smithsonian's request also includes \$4 million to address global climate change issues that support many strands of the U.S. Global Change Research Program (USGCRP) by providing baseline data, measurements, and monitoring of change to the biosphere and atmosphere. These funds will support observation and monitoring capabilities to ensure a long-term, high-quality, and high-resolution record of the state of the natural variability and change in climate; improve our understanding of the natural and human-induced forces of change; and increase the accuracy of environmental models and projections of future conditions. Within this \$4 million request for Global Change Research, \$2 million will be focused on forests through the expansion and sustainment of the Smithsonian Institution Global Earth Observatories (SIGEO) network. SIGEO is a leader in the world in forming international partnerships involving twenty countries that have joined together to promote large-scale environmental monitoring and maintain banks of data allowing for sophisticated analyses. The request also would allow \$1 million to develop an important marine analog to SIGEO, with a global array of assessment sites focusing on coastal marine environments, and \$1 million for additional USGCRP priorities. SIGEO is also supported by about \$20 million in in-kind and financial support from government, private and international partners.

The FY 2011 request includes a \$1 million increase to maintain the Smithsonian's leadership in DNA barcoding. The Smithsonian is a leader in this international initiative devoted to developing DNA barcoding as a global standard for the identification of biological species. The new technique uses a short DNA sequence from a standardized position in the genome as a molecular diagnostic for species identification. As the recognized U.S. leader in DNA barcoding, the Smithsonian seeks to increase its capacity in research and training. The funds requested are part of a larger funding strategy that includes private support and collaboration with other Government agencies and international science funding agencies. The requested funds will allow us to make ongoing commitments to core infrastructure, which will also leverage external funding for more research activities. These activities directly support the biodiversity theme of our Strategic Plan, and also link to access initiatives, such as the *Encyclopedia of Life* and SIGEO.

This request includes a \$1 million increase to support the *Encyclopedia of Life*, (EOL at www.eol.org), an ambitious project at the National Museum of Natural History (NMNH), which will become a key repository of scientific information about virtually every form of life on Earth. The EOL is a Web-based, online database, which has financial, logistical and research support from numerous partners including private foundations. It is expected to encompass the 1.9 million known species of animals, plants, and other life forms in about 10 years. The database will be configurable for all types of audiences, from students and scientists, to policy makers and the general public, and is intended to allow free access to all. The NMNH is uniquely positioned to contribute to this global effort of documenting every known species currently living on Earth, through its extensive and broad collections as well as through the scientific staff who provide the context for these specimens. The specimens require scientific expertise to provide related ecological and evolutionary information.

This unprecedented research initiative is designed to broaden access to Smithsonian collections and knowledge, and share these resources with America and the

world. It includes collaboration with other parts of the Smithsonian and leading institutions across the country and abroad. The first phase of this initiative was developed with support from the MacArthur and Sloan Foundations, and currently provides access to 180,000 species pages, as well as 20 million pages of literature related to biological diversity, through the Biodiversity Heritage Library. The next phase of this project will expand information to 500,000 species pages and some 50 million pages of literature, as well as develop resources for students and teachers across the nation over the next three years.

Valuing World Cultures

Globalization has brought peoples and cultures of different backgrounds around the world closer together, heightening the need and the desire for greater mutual understanding, appreciation, and communication. The United States is increasingly engaging people around the world through cultural exchange and partnerships in an effort to promote human rights and democratic values, a major cornerstone of which is respect for a diversity of people and cultures. Leaders of museums and cultural institutions around the world look to the United States, and particularly the Smithsonian, for expertise and aid in preserving their own cultural heritage — from preserving the manuscripts of Timbuktu, the treasures of ancient Mesopotamia in the Baghdad Museum, and Indus Valley archaeological sites in Pakistan, to documenting dying languages and the knowledge systems they carry among indigenous peoples of Africa, the Pacific, and the Americas. The Smithsonian, with its position of respect, its unparalleled collections of cultural artifacts from around the globe, its breadth and depth of cultural expertise, and its capacities as cultural convener and instructor, can help our Government help others safeguard world cultural treasures, document and preserve priceless knowledge, and participate in forums for intercultural dialogue. Currently, for example, we are taking a lead role and working closely with the U.S. Department of State, the President's Committee for Arts and Humanities, and numerous American and international cultural organizations to help rescue and preserve Haiti's cultural heritage — the artwork, artifacts and archives severely endangered in the aftermath of the earthquake.

Our FY 2011 request includes an increase of \$500,000 that will allow the Smithsonian to focus more attention on manuscript preservation, materials science, site preservation, and knowledge systems, with expertise in Asian, African, and Latin American cultures at the National Museum of African Art, the Freer and Sackler Gallery, the National Museum of Natural History Department of Anthropology, the National Museum of the American Indian Latin American Research unit, the Center for Folklife and Cultural Heritage, and the Museum Conservation Institute. Specialists will work on the preservation of Smithsonian collections, energize their colleagues, and provide support for international exchange and engagement by expanding preservation knowledge through training and professional activities with cultural institutions around the world, particularly with those in Asia, Africa and the Americas.

Understanding the American Experience

The United States continues to evolve into a more diverse society, where no single racial, ethnic, or religious group will constitute a majority, and where the impact of global

movements of people and ideas is felt across the country. Understanding how diverse peoples have become one nation; how that nation has been shaped by various communities, individuals, leaders, inventors, heroes, and artists; how it has changed over time; and how our history, art, and culture connect to the world are of vital concern today. Exploring these issues helps us assess current challenges and opportunities and become responsible members of society.

As holder of the national collections — invaluable American art works; historical and technological artifacts and images; and extensive photographic, sound, and documentary archives — the Smithsonian is at the forefront of research institutions interpreting the American experience. The fourth Grand Challenge of the Smithsonian's Strategic Plan is to better document, interpret, and publicly present the rich and diverse cultures that have forged a national heritage that is uniquely American.

The FY 2011 request includes an increase of \$1 million to expand the Smithsonian's research activities in history, art, and culture in areas that have not kept pace with the demographic changes in the United States, and the increasing knowledge of the varied accomplishments, achievements, and stories of diverse communities which both historically and today form the fabric of America. The resources will provide curators and scholars greater opportunity to conduct the research and acquire the collections, where they presently lack artifacts and artworks, photographs and documentary records that represent varied communities. Additionally, the development of an Institution-wide center for *Understanding the American Experience* will enable the Smithsonian to support and coordinate efforts across Smithsonian museums and research centers; encourage interdisciplinary teams; foster partnerships with other scholarly organizations; develop new strategies for disseminating research results; and develop new sources of research funding. With these enhanced capabilities, the Smithsonian can develop a comprehensive approach to major research questions, creating exhibitions, symposia, publications, and on-line offerings on such topics as the Civil War and Civil Rights, Immigration and Migration, American Landscapes, American Democracy, and U.S. Aerospace History.

In addition to the increases for research in our Four Grand Challenges, the FY 2011 request includes increases in three other broad areas that support our plan: *Broadening Access* to all of our activities, collections, and technology, *Strengthening Collections*, and *Mission Enabling* activities that support the Institution's overall mission.

Broadening Access

The Smithsonian has the potential to become one of the most trusted and referenced sources of information on the World Wide Web by taking advantage of new technologies to share its vast collections and extensive research, along with the expertise of its scholars, scientists, researchers, museum specialists, and curators. Key to achieving this potential is developing enterprise systems, common processes, and shared resources and services to create and deliver digital assets. We have already tested pilot activities that have demonstrated the considerable value of online learning techniques. The FY 2011 request includes \$1.5 million to build the underlying systems and processes to create

a framework for future content delivery that will enable users everywhere to experience the national collections at the Smithsonian through technology.

The requested funding will allow us to continue building the infrastructure needed to digitize our resources, and to make existing digital assets more open and available; and will help guarantee that all digitization efforts move in concert toward the ideal of a unified, digital Smithsonian. As the Institution embraces the potential of sharing our knowledge and collections virtually, our Digitization Strategic Plan will ensure that digital assets are created and managed to maximize access and use, both internally and externally.

Also in the area of Broadening Access, our request provides an increase of \$100,000 for Latino programs. This increase will allow the Smithsonian to increase support for research, collections, public and educational programs, and exhibitions that will generate and advance knowledge and understanding of the contributions of Latinas and Latinos to U.S. history, culture, arts, music, and science at a national level.

There is an increasing awareness at the Smithsonian of the need to ensure diversity and equity by including Latino perspectives, and of the opportunities inherent in such diversity. Latinos are the nation's fastest-growing minority and, consequently, the Smithsonian's potentially largest new constituency. Latino scholars, writers, scientists, and artists are making extraordinary contributions to our common fund of knowledge and culture. The increase will be applied to projects that are currently underfunded, and also initiate additional projects that reach a national audience. The requested increase will also allow the production of more virtual and traveling exhibitions and public programs, and offer more opportunities for participants in fellowship programs throughout the United States.

Strengthening Collections

This request includes a \$2.5 million increase for Collections care funding needed to improve the quality of preservation, storage, documentation, and accessibility of collections across the Smithsonian. Collections play a central role in carrying out the research and program activities in each of the Grand Challenges. Collections serve as the intellectual base for our scholarship, exhibition, education, and public programming activities. It is, therefore, imperative that we ensure that collections are properly preserved, stored, documented, and made accessible for researchers around the globe, federal agencies, and the general public.

Thousands of works of art, historical artifacts, and natural science specimens have been stabilized and catalogued with funds provided in previous years. Examples of progress made include the archival rehousing of the Apollo and Lunar Orbiter photographic collection, major improvement in the storage of spacesuit collections at the National Air and Space Museum, and inventory and preservation of the U.S. Armed Forces uniform collection at the National Museum of American History. In 2009, the Institution piloted the first survey of collections conditions across units. This request provides essential resources to address some of the identified needs. The request allows the Institution to meet professional standards of collections care and reduce the percentage of collections at risk of deterioration. The request includes funds for the National Museum of Natural

History to replace substandard storage that is currently detrimental and hazardous to collections and staff, and to digitize original handwritten collection ledgers, thereby increasing their accessibility for scholarly use. In addition, the request includes resources to improve animal welfare and safety for the living collections at the National Zoo, which is critical to maintaining the Zoos' accreditation by the Association of Zoos and Aquariums and compliance with the Animal Welfare Act. Our collections care initiative and FY 2011 request reinforce the Institution's commitment to the stewardship of federal scientific collections in support of the Smithsonian's strategic goal of Strengthening Collections and maintaining America's excellence and leadership in science and technology.

Mission Enabling

The Institution's request for FY 2011 includes an increase of \$700,000 to complete implementation of a revised, comprehensive security staffing plan that began in FY 2010. The new plan increases overall security staffing by creating positions for lower level gallery attendants and also addresses attrition problems by creating mid-level positions that help to provide a clear career ladder for the security force. It provides for an increase in security staffing without a permanent increase in cost. The plan will also allow us to attract candidates with skills better aligned for security officer positions. The request also provides \$620,000 to strengthen the Institution's governance and financial internal controls, as recommended by the Board of Regents.

Buyouts

The Smithsonian implemented an Institution-wide Buyout program as part of our effort to restructure our workforce in accordance with the Institution's Strategic Plan, and to help fill the anticipated gap in funding for salaries and benefits and other fixed expenses. Savings of \$3.7 million realized from the buyout in FY 2011 are included in the request as a partial offset to total increases.

Facilities Capital Program

The FY 2011 budget request of \$136.75 million for the Facilities Capital Program will improve the deteriorating condition of some of the Institution's oldest buildings and maintain the current condition of other facilities through systematic renewal and repair. The FY 2011 request includes baseline revitalization requirements of \$106.2 million, as well as \$10.6 million for facilities planning and design, and \$20 million for design of the National Museum of African American History and Culture.

Major projects in our request for Facilities Revitalization include \$11.45 million to upgrade the utilities infrastructure and Sea Lion support systems at the National Zoological Park, and \$17.6 million to continue long-term renovation of the National Museum of Natural History building on the Mall. The request includes \$5 million to complete the alteration of the Museum Support Center Pod 3 in Suitland, Maryland, to provide appropriate storage for art and anthropological collections.

The request also includes \$16 million to begin renovation through replacement of an outdated facility and trailers with a reconfigured laboratory facility at the Smithsonian Environmental Research Center in Edgewater, Maryland, and \$7 million to continue the conversion of an uninhabitable school house at the Smithsonian Tropical Research Institute in Panama into urgently needed research and laboratory facilities. Together, these projects will provide more than 120,000 square feet of code-compliant laboratory and support space. The improved facilities will incorporate sustainable technologies and building methods that will reduce energy and maintenance costs.

For FY 2011, the Institution requests \$18 million to continue revitalization of the National Museum of American History building on the Mall by replacing components of the HVAC and power-distribution systems, and concluding the conversion of existing garage space to office and swing space for future revitalization projects. The request also includes \$8.9 million for the 64-room Carnegie Mansion, of the Cooper-Hewitt, National Design Museum in New York. The building was built between 1899 and 1902 and requires interior and exterior renovation work. Requested funds will upgrade the Museum's electrical distribution and emergency systems. The planned renovation and improvement of this facility is estimated to cost \$54 million, of which \$33 million is to be provided by private donations and the City and State of New York.

The Institution also requests \$22.3 million for critical revitalization projects which each cost under \$5 million.

In conclusion, this budget provides a strong impetus to our Strategic Plan so that we can better serve the American people and people around the world. It contains the first significant increase the Smithsonian has received for research in many years. We will use it wisely. The FY 2011 budget request supports our great exhibitions, museums, and research centers, and our passionate professionals who care so much about their work. The requested program increases will enable us to make even greater research contributions, and to enhance our relevance and expand our service to the country and the world.

We are grateful for the past support we have received and understand the need to use federal funding in the most effective way possible. To this end, we are in the process of conducting a study with McKinsey & Company to evaluate the need to improve our service delivery and to insure we are organized appropriately to meet the expectations of our new strategic plan. With your continued support, the Smithsonian can become a stronger resource for the American people and serve the millions who look to us for education and discovery. I am optimistic about the future of the Smithsonian. It is exciting to be part of that future and an honor for me to serve with so many people who are making a difference.



February 2010

Wayne Clough
Secretary of the Smithsonian Institution

Wayne Clough is the 12th Secretary of the Smithsonian Institution, leading the world's largest museum and research complex with 19 museums, nine research centers, the National Zoo and research activities in more than 90 countries.

Clough envisions a new era for the 164-year-old Institution, expanding the Smithsonian's global relevance and helping the nation shape its future through research, education and scientific discovery on major topics of the day. One of his first initiatives led to a new strategic plan that speaks to four grand challenges that will bring together the diverse resources of the Smithsonian's museums and science centers through interdisciplinary approaches.

Ensuring that the Institution's vast collection is accessible and available to everyone is a priority for Clough and the new strategic plan. Efforts are underway to digitize much of the Smithsonian's 137 million objects in the collection and use the World Wide Web and Smithsonian experts and scholars to reach out to new audiences in the United States and around the world.

Since Clough began as Secretary in July 2008, he has overseen several major openings at the Smithsonian, including the Sant Ocean Hall at the National Museum of Natural History and the reopening of the National Museum of American History.

Before his appointment to the Smithsonian, Clough served as president of the Georgia Institute of Technology for 14 years. He received his bachelor's and master's degrees in civil engineering from Georgia Tech in 1964 and 1965 and a doctorate in 1969 in civil engineering from the University of California, Berkeley.

Clough has been a professor at Duke University, Stanford University and Virginia Tech. He served as head of the department of civil engineering and dean of the College of Engineering at Virginia Tech, and as provost at the University of Washington.

The Georgia Tech campus served as the Olympic Village for the 1996 Centennial Olympics while Clough was president. Research expenditures increased from \$212 million to \$425 million and student enrollments from 13,000 to 18,000. More than 1.5 billion dollars was raised in private gifts, and campus operations were opened in Savannah, Ga., Ireland, Singapore and Shanghai.

Clough completed a building program of more than \$1 billion that incorporated sustainable design. Georgia Tech was also ranked among the top 10 public universities by *U.S. News and World Report* during Clough's tenure. The publication *Diverse Issues in Higher Education* cited Georgia Tech as the top producer of African American engineers, and *Hispanic Business* magazine named the school among the top institutions for study by Hispanic students.

In March 2009, Clough was inducted into the Technology Hall of Fame of Georgia, and in February 2009, he received the Joseph M. Pettit Alumni Distinguished Service Award that recognizes a lifetime of leadership, achievement and service to Georgia Tech. In 2012, Georgia Tech is scheduled to open the G. Wayne Clough Undergraduate Learning Commons building to honor his commitment to undergraduate students.

Clough received nine national awards from the American Society of Civil Engineers, including the 2004 OPAL lifetime award for contributions to education. He is one of 14 civil engineers to have been twice awarded civil engineering's oldest recognition, the Norman Medal, in 1982 and in 1996. He received the George Westinghouse Award from the American Society of Engineering Education in 1986 for outstanding teaching and research. In 1990, he was elected to the National Academy of Engineering (NAE), and in 2008 was recognized with the NAE Bueche Award for his efforts in public policy. He was awarded the 2002 National Engineering Award by the American Association of Engineering Societies and in 2004 was named as a Distinguished Alumnus from the College of Engineering at U.C. Berkeley. Clough is a recipient of honorary doctorates from Shanghai Jiao Tong University, Florida Southern College and the University of South Carolina.

Clough chaired of the National Research Council Committee on New Orleans Regional Hurricane Protection Projects and serves as a member of the National Science Board. He served on the President's Council of Advisors on Science and Technology (2001-08) and as co-chair of the 2004 National Innovation Initiative and University vice chair of the U.S. Council on Competitiveness; he chaired the Engineer of 2020 Project for the NAE and served as a member of the National Governors Association Innovate America Task Force (2006-07).

He served on the boards of Noro-Moseley Partners and TSYS Corp. as well as the International Advisory Board of King Fahd University of Petroleum and Minerals.

Clough's interests include science, technology and higher-education policy, sustainability, international programs, museums and history. His civil engineering specialty is in geotechnical and earthquake engineering. He has published more than 130 papers and reports and six book chapters and has co-written numerous committee reports. Clough was born in Douglas, Ga., Sept. 24, 1941.

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EDUCATION

Mr. MORAN. Thank you very much, Mr. Chairman. Let me inquire into two or three areas and then give an opportunity to my friends and colleagues here.

You talked about education, and yet there is no additional money to pursue that educational initiative. How are you going to get the resources to accomplish that?

Mr. CLOUGH. Well, the good news is that my colleagues at the Smithsonian recognized this as an important issue a long time ago. And so they have basically built that into their budget since, so almost all of our museums and research centers have educational outreach programs already built into their budgets. But what we are doing at this point in time before we actually look for places to actually get the funding from the federal side is that we have brought in private money. We are paying, for example, the salary of our new Director of Education with a grant from Bob Kogod, one of our regents, who is very interested in education. We think there will be a lot of private interest in this, and there will be grant processes that we can go through with the Department of Education and other institutions. We will be opening two learning labs at the Smithsonian working with the Pearson Foundation. They will pay entirely for the software and hardware, and those two labs will be run by existing organizations at the Smithsonian for which we already have the funding in our budget.

REGENTS ROLE

Mr. MORAN. Good answer. You mentioned Mr. Kogod, and it brings up the role of the regents. The GAO did a pretty intensive investigation because we have had some problems in the past, some questions have been raised, particularly with regard to the role of the regents. Could you give us a brief description of how the regents now provide that oversight and guidance as was intended when it was set up?

Mr. CLOUGH. After they had the problems, I think to the regents' credit, they brought in folks who could really speak to the idea of best practices for governance. And those best practice reviews showed that the Smithsonian really was lacking in some areas. And I would say after having looked at those myself and having been at a public institution which was a non-profit, that the Smithsonian was behind the times. Many of the things that they were recommending were things that universities had already done, needed to do. But it amounted to 25 new policies and procedures which were fairly extensive, some of which really went deep into the institution. So an effort was undertaken to implement all 25 of those procedures and policies. Now the GAO sort of parsed those in a different way, and their version of it was that it was the same set of parameters, but they identified 46 different ways to look at it as opposed to 25.

The Smithsonian has completed all of those activities. When the GAO did their latest review which was fairly recently, they found the Smithsonian had completed 38 of the 46. Three of those sort of lay on the institutional side, and we have completed all three of those. Three of those lay on the Regents side. An example of that

would be advisory boards. The Smithsonian is a big place with a lot of moving parts. And so to its credit it has many advisory boards. Every museum has an advisory board, and the question as raised by GAO and others is how do those boards communicate with the Board of Regents, which is the governing board. And so the regents have taken this very seriously. Many of the regents serve on some of these boards as well. And then the chair of the boards, for example, and I meet annually or since we have been active with the strategic planning and other processes, we are meeting twice a year with all the chairs of all the committees. And when I say that, there are about 30 of them. So there are lots of those boards. So that was one of the findings is find a way to integrate the planning and the board activities for all of the advisory boards. Now, all the boards that I mentioned are just advisory boards. The fiduciary board is the Board of Regents. And so they are working themselves to satisfy all the GAO recommendations. We think we will be done with all those very soon.

Mr. MORAN. Very good. It seems as though you were almost prepped on these. I guess they are obvious questions to ask.

Mr. CLOUGH. I have had to live with this—

INTERNATIONAL ASSISTANCE

Mr. MORAN. They are not particularly original questions, I guess. Let me ask you one for which I am sure you are not fully prepared, but I know we will get a good answer.

Mr. Dreier, Dave Dreier and I were on a CODEL a few years ago, and we went to Mali which not a whole lot of CODELs go there because it is something of a God-forsaken country, very poverty stricken. We went to one of the oldest mosques in the world, and they had manuscripts written down by original, some they say were at the time of Mohammed. I do not know that that is true, but clearly well over 1,000 years old. But there was no temperature control, and in fact, we saw insects eating away at the paper.

You mentioned that you are an international institution. Do you ever, for example, have people go there, give them instructions and maybe in return for whatever cost might be, they might lend us some of those manuscripts once they are restored? We wouldn't want to take them from the country, obviously. But there could be some benefit to the United States, but more importantly, you are an international institution, and it is an international resource.

Mr. CLOUGH. Right.

Mr. MORAN. Do you do that kind of thing?

Mr. CLOUGH. Well, on any given day, there are people from countries like that who are here seeking our help, seeking our advice. And we provide that readily to them. We have something called Museum Conservation Institute which deals specifically with issues like that because we have issues like that ourselves. We have documents, we have artifacts that can be attacked by insects and things of that sort. We have expertise. And I recognize after having been there a little while that this is an expertise that most museums cannot have. They just cannot afford the kind of talent that is necessary or the equipment because there is equipment involved to make sure you understand the quality of the artifact and so forth.

We make this kind of information readily available to people. We have thought, however, because it seems if we are getting more of those requests than we did in the past that we should create a structure. And so our regents recently approved something called a Museum Professional Studies Program for us so that we will have a central resource. So rather than having someone from Mali, for example, come to three of our museums or not know which one to go to, we will have a central entity that will be a gateway for people who have requests like that so we can refer them to different places.

In addition, we have thought about the fact that we should recover costs because this does take time away from people who are in demand here to do the things we have to do here. So we are putting it on the basis of a cost structure, if you will, to recover our cost for these kind of activities. It only makes sense when we do these kind of things.

Now, there are cases where people simply do not have the money, and that would be Haiti as an example. We have worked with the First Lady and others on how do we help Haiti because their whole cultural heritage is at risk there. And somehow they will have to have an international coalition come together, donors, and we have already had a donor gift, for example, to provide art materials to many of the artists in Haiti, and we will help sell the materials for them and the monies will go back to a fund that will be controlled by a non-profit agency to see that it gets back to the right people.

So we are trying to think about how we do this in a more structured way as opposed to highly unstructured.

Mr. MORAN. Thank you, Mr. Secretary. Mr. Ranking Member Simpson.

OUTREACH

Mr. SIMPSON. Thanks, Mr. Chairman. I mentioned during my opening statement and you mentioned during yours getting the Smithsonian out to rural America. Most people from Idaho that come here, after the White House, the next thing they want to see is the Smithsonian when they call our office and ask, you know, what should we do, where can we go. They do not realize the Smithsonian is big. They are thinking of a building, you know.

You mentioned you had a new education director, I guess it was. But what are we doing to get the Smithsonian out to the rest of the country because while it is nice that while I am here, I have the opportunity to go to the Smithsonian. Most people in Idaho are never going to be in Washington.

Mr. CLOUGH. And that is a subject that is very sensitive with me personally because I grew up in a rural part of the State of Georgia. My parents did not have a lot of money, and so we never came to Washington until later in life. And I thought about that. My parents actually helped pay for the Smithsonian, and they never had the benefit of it in a way. So to me, I think we need to reach out to these communities. We need to let them know what we have. Fundamentally, if you think about it, although I think our demographic is fairly broad because we get 30 million visits a year but still, it tends to be more college-educated, more higher income

bracket, fewer young people. We really have to find a way to connect to the young people. That is why we are getting into YouTube. Fewer folks from rural areas really get to see us. Now, we have traditionally done traveling exhibits which is a very effective way to travel exhibits, and we may have an exhibit that we start here at the Smithsonian, but it will end up in 30 cities over a period of 3 years. And we do that and that is provided by free access, and upwards of 5 million people see those traveling exhibits. But digitally we can reach everybody.

And so we are in the process, and you have been very generous to support us in our efforts to digitize our collections, and we want to do that in a very dynamic way. We do not want to just show somebody a picture or something. It should be, for example, if you are interested in air and space and Amelia Earhart that you see not only her beautiful plane that she flew but you could turn it over and see the struts and how the wheels work and look on the inside of the cockpit. And some day, it will take off and you will be able to watch that happen.

So we want to make that experience as engaging as we can make it for those folks and encourage them to come to see the real thing when we do it. With the Director of Education, we want to get more focused as opposed to just making it available for free on the web which these are, and we have had tremendous response to the things that we are putting on the web. But in that case, we want to say to a particular school district, for example, what do you need? Because we have all these collections, 137 million objects that can be used for science lessons, used for history lessons, used for culture lessons. And so what we want to do is to try to find out how far down the road we can go to sort of customizing the delivery of what we do to some of the K through 12 districts that need the help.

As you know, the K through 12 system is run by the states anyway, and so we are working hard. One of the most effective connections for us is the Council of Chief State School Officers, CCSSO, and their headquarters is not far from here. We are working closely with them. We, for example, honor the teachers of the year from all 50 states, and we do not just let them go. Once we honor them, they become part of a network for us. And so over a period of years, we built a network of teachers of the year all over the different states. We are trying every way we can to reach and get more structure about delivery.

NATIONAL MALL

Mr. SIMPSON. One of the other things you do is the Folk Life Festival that has been going on at the mall for a number of years. As you know, we are trying to restore the mall with the National Park Service, and have talked about this, I do not want to say, conflict, but sometimes competing needs, trying to restore the mall so that it is—I guess probably the biggest disappointment that most people have when they come and when they see the pictures of the mall and how green and beautiful it is in the pictures and then they go down there and go wow, that is not anything like the pictures. And so this committee is trying to restore this mall to the prominence that it should have. Sometimes that creates competing needs and

overuse. And you recently received a letter from the Parks Service allowing you to do the permit for this year—

Mr. CLOUGH. Yes.

Mr. SIMPSON [continuing]. For the Folk Life Festival. Are you going to be able to work with the Park Service and try to work out a plan where you can still do the Folk Life Festival understanding the needs that the mall is going to have?

Mr. CLOUGH. Absolutely, and I am meeting with Mr. Jarvis tomorrow, I think it is. So we are going to have that discussion. And they have been very good in allowing us to comment on their process. We have tried to be responsible in our responses back, and I have helped draft them personally myself because I have a strong interest in this. If you really want to see the condition of the mall, go up to the top of the tower of the Castle Building and you can see how poorly maintained it is presently and you know, how much traffic it gets on it and that kind of thing. So it really impacts us and the impression people have of the Smithsonian. We are very anxious to work to improve this. We did ask that they undertake a scientific study to try to look at this balance of public use versus the look of the mall, and they are doing that. We will be very supportive of them in that activity.

ARTS AND INDUSTRY BUILDING

Mr. SIMPSON. Okay. I appreciate that. Arts and Industry Building. The committee went down and took a look at it last year. I think the committee is very interested in seeing that building reopened for use. Where are we on that, and what is it going to take in the way of funding to do that? How much of it is going to be raised privately, how much by the committee?

Mr. CLOUGH. Bear with me for a moment and I will tell you where we are because you did provide us with \$25 million of stimulus funding which was very helpful to us. And because of the stipulations about being shovel-ready, we can only use about \$5 million on the building. But we did apply that and I think very effectively. That contract is just being completed today. We did repoint the outside. That was a very important thing to do, and on the inside, over time that building has been built up with many, many offices which should not have been there. And as a result, the original concept for the building which was to kind of see through it was lost. And so we really—you know, I indicated to the contractor, go in and take those walls out. And so they have done a lot of that, have not quite completed, and to work on the hazardous materials. This is an old building with hazardous materials. Get that stuff out of there.

And so you can go there today, and we would invite you again if you want to come back and take a look. I was just there with our regents because the regents wanted to see it on Monday. And you can actually begin to see what it used to look like back in the days when it was the only museum or the only exhibition hall on the mall.

So that has been done. And we have \$12.6 million in fiscal year 2010 which we are applying to design and really to try to get at the core issue which you raised and that is how much really will it cost to bring this building back? And there are some basic ele-

ments that have to be undertaken for this building no matter what its ultimate use. For example, it has to be brought up to code. It is not up to code. And it has issues. You have to blast proof it. The roof is a very complicated roof. It has 137 different angles on top of it if you ever look at it. So it has leaked over time. It has no insulation. It took a heavy snow load during the snow. I came in during the snow. I can walk to work fortunately, do not have to go on the GW parkway, and you know, when you are standing there you can see water coming through in certain places where they have the valleys and so forth. So the roof is a big problem. We do not know quite what the cost will be. It will not be inexpensive. Now, simultaneously, some time back, our regents had tasked me with figuring out what would we do with it if we could open it, and there were various proposals that were there in place. And we have had groups in the Smithsonian and other advisory groups who have given us pro bono advice on what to do with it. And the notion is that we could create what we call a gateway center. Because the Smithsonian is such a diverse institution, very few people know as you said about all these museums. They do not know we have this magnificent Reynolds Center up on 7th and G where the Portrait Gallery and the Smithsonian American Art Museum are. And so the idea would be that this would be an entryway where people could come in and understand the history and the entirety of the Smithsonian and understand something about the history of the mall as well which is a fascinating story in itself. And we have had an architect engage with us who specializes in taking old buildings and doing fairly dramatic things inside them that are engaging for folks. And so we just had a presentation on that. It is an exciting possibility. We think it would be very reasonable in terms of the cost of that part of it, but the basic part will be relatively expensive. We just do not have a number on that yet. But we are moving down that road.

In addition, so you should be aware, the Latino Commission which is considering the possibility of a Latino museum and considering who should run it—we are not necessarily designated or will not be necessarily chosen to do that—have indicated and sent me a letter that the A&I building is one possibility they are considering among a number. And they have a group that is looking just at siting as we speak, and we should hear from them in the fall. But regardless of what purpose, we need to do a lot of things to that building that have to be done to bring it up to code.

Mr. SIMPSON. It is truly an iconic building for the mall and for the Smithsonian, and it would be nice to have it as an entry structure for the rest of the Smithsonian to see what was going on with the rest of the museums, and it would be nice to be able to do it at the time we refurbish the mall also—

Mr. CLOUGH. Yes.

Mr. SIMPSON [continuing]. To have all that done.

Mr. CLOUGH. It would be wonderful. It is exciting to think about the prospects, and this new plan is a very exciting plan. And you know, I am out on the mall a lot on the weekend because I live nearby, probably every fifth group that comes by tries to get in the building. And it is a shame for the building not to be open, and it is an iconic building built in 1881, one of the most spectacular

buildings in Washington. It can be used as an exhibition hall, not as a museum. You would never get the temperature and light controls as you would like.

But we have done the studies on sustainability. We could probably make it what we call a Gold LEEDS building. The roof does capture water, and we can put that in cisterns. And it does have beautiful, now that you open it up, natural lighting. You do not need artificial light in that.

Mr. SIMPSON. Really?

Mr. CLOUGH. The architect was a genius when you think about it.

Mr. SIMPSON. Go ahead. I have got a couple other questions.

Mr. MORAN. Good. Thank you, Mr. Simpson, Mr. Hinchey, and thanks again for enabling us to start a little closer to the scheduled time.

Mr. HINCHEY. Thank you.

Mr. MORAN. Thank you for your time.

Mr. HINCHEY. It was a great pleasure. Thank you very much.

Mr. Secretary, thank you. It was great listening to you, and it is great listening to your response to these questions. They are very important and intriguing. I was deeply interested in what you were talking about in the initiation of your remarks. All of the things that you are involved in from gorilla behavior, to jazz to the expansion of space travel, and a whole host of other things are deeply intriguing and very important for our country. They are particularly important in helping people understand it and see what is going on, and I think this is one of the wonderful things that you do. I am deeply grateful for everything that you do.

Mr. CLOUGH. Thank you.

FOUR KEY CHALLENGES

Mr. HINCHEY. The four key challenges of the new strategic plan are also very intriguing and very interesting and are going to produce a great deal of interesting new developments. So I would appreciate it if you might talk to us about that and tell us exactly what that situation is going to be and how it is going to develop and how the Smithsonian is going to operate in the context of those new four operations.

Mr. CLOUGH. Well, thank you for that. We are excited about it, and this was a plan that was developed that was very inclusive. It has never been done before at the Smithsonian, but we do have a lot of moving parts at the Smithsonian and we have people who are around the world. We brought everybody together to talk about this. And so I think it is a very focused vision. It captures our current efforts by and large, the core efforts that we want to focus on and then allows us to do cross-cutting things across.

A good example of that I think is the American Experience. What does it mean to be an American? And I find that a very compelling topic. And when I start to talk to people about it at first there is not a connection, but the more you talk to people about it, the more they realize how important that is. What is the glue that holds a country together that is made up of peoples who have come from so many different places, some of whom were here in the beginning, many of whom came here to seek opportunity, some who

came here under bondage. And so there are many different stories to be told.

And the Smithsonian is unique because it has different aspects of this topic within it and also in addition, we hope to collaborate with other institutions. We could work with the National Gallery, we can certainly work with the Library of Congress and others to help tell these stories. But if you take the Smithsonian alone, we have the National Portrait Gallery, we have the Smithsonian American Art Museum, we have the National Museum of American History, we have the National Museum of the American Indian, we have the National Museum of African-American History and Culture, we have the Air and Space Museum which tells another side of the great story of America as creating in essence the aerospace industry and both the airplanes as well as the space part of that.

And so the idea is to bring all of these resources together to speak to these common issues and we have to organize ourselves to do that because the museums by themselves do not have the capacity to do that.

So we are going to create what we call a consortium or a center that will speak to this issue. And we are going to make it so that it will be very lightly administered, that is, we do not want to build up another silo or another organization. This is an organization designed to facilitate the working together of different groups within the Smithsonian, as well as reaching out, for example, to the Park Service, because if you are going to tell the story of the American experience, well, there is a monument right there that is next to us that is part of that story, there is the Lincoln Memorial, there is the Jefferson Memorial. And so reaching out to the Park Service, reaching out to the National Gallery, reaching out to others who have resources we do not have will help tell that story.

So organizationally we are creating this consortium. We believe shortly we will have a nice announcement to make about a foundation that is very keen on this idea that will give us a significant amount of funds to get this rolling and get it started and get our folks going. We had our first what we call idea fair. We are going to have four idea fairs, and so what we are doing is the idea fair will address each one of these topics. And so the first one was on this very subject, and we had 200 proposals that were sent in from across the Smithsonian about ideas of ways they thought they could fulfill this destiny or this story. We ended up discussing 70 of them—we could not do them all—at the idea fair, and 250 people came to the idea fair, and it was interesting. It was not just the arts and the history museum but the scientists were there because the story of American science is also the story of America.

We had some fascinating topics that were brought to the table. We are in the process of recruiting directors for each of the centers. We are going to situate them in the Castle building, and then we will all have one common source of administrative support so we do not have to duplicate that. But we are very excited about this prospect. We think we can do it. We think it is a great way for us also to reach out to our fellow cultural and scientific institutions and universities as well to help us tell the story. But it is a powerful thing because this country is getting ever more diverse and

needs to think about how it is going to stick together in the future. So we think it is historic but it is all about the future as well.

EDUCATION/OUTREACH

Mr. HINCHEY. Yes, I agree. I think it is a wonderful thing to do. One of the most important things that you deal with is the expansion of education around this country and how significant it is for some local educational institutions, particularly for high schools that can actually come here. Not very many of them are able to do that, but nevertheless, it is a great experience. And I know that the educational aspect of what you do is something that is critically important to you and something that you are expanding on. Could you mention a couple of things about that as well?

Mr. CLOUGH. Well, we try to build on this idea from several points of view, one is the conventional museum visit, to enrich that visit because we call it the Learning Journey. And this is a place where we try to tie together the digital outreach with the conventional visit. So if a high school group from New York is coming down and they are doing a civics lesson on what does it mean to be an American, they would have been able to access our website, access our digital material on that kind of information beforehand and would have been able to virtually talk to a docent or possibly one of our experts on this very topic or reach into our archived sources and get that material.

So when they come here, they are prepared for their visit. They are not just wandering around hoping to see something, they really know—because the Smithsonian can be overwhelming. There are so many different places to go. And while they are here, they would hopefully have a very meaningful visit. And then when they go back home, they can still continue to interact with our docents using the Internet. So the idea is to build up the essence and the engagement activities regarding a visit. Now, in addition, we will be developing educational modules in and around topics. For example, we did an on-line seminar on Lincoln earlier this year, his 200th birthday, and six of our curators had six different exhibitions on Lincoln, spoke to their exhibitions, why they chose the objects, how Lincoln had—you know, each thing we have, Lincoln touched in some way. So how was it Lincoln touched these objects. It made it very real, and the students could blog in and talk to the curators and talk to the docents, and we got to Douglas, Georgia, my hometown. So there were about 150 kids in Douglas, Georgia, who participated in that. So we want to get more formal about this, we want to work with the school districts and really make sure that we are not doing something they do not want. We give them something they need, and they can build it into their curriculum because they are losing the arts, they are losing the civics and they are losing the sciences, and we can fill that gap with that.

I should say incidentally some great credit to our Smithsonian American Art Museum. They already have a contract with the Department of Defense which operates the largest K through 12 system in the world, and we are providing arts education to youngsters on military bases all over the world.

Mr. HINCHEY. Mr. Secretary, thank you. Thank you very much.

Mr. CLOUGH. Thank you.

Mr. HINCHEY. Thank you particularly for everything that you are doing.

Mr. CLOUGH. Thank you.

Mr. HINCHEY. And how fortunate it is for this country.

Mr. CLOUGH. I have a great group of people who are working with me, let me tell you.

PROLIFERATION OF MONUMENTS AND MUSEUMS

Mr. MORAN. Thanks very much, Mr. Hinchey. Let me just register an observation because it is probably only—it may be unique to me but since I happen to be in this position, I want to take advantage of the opportunity to share it and then I want to give Mr. Simpson the opportunity to ask the rest of his questions.

You have more money for, a substantial request actually, for the design of the African-American Museum as part of the Smithsonian. There is a request to turn the Arts and Industries Building into a Hispanic-American Museum. We have the Indian Museum, the new one. I am concerned about the proliferation of museums, and as we do that, we do not integrate as well. What is told in the African-American Museum should also be reflected in the Museum of American History fully. We just had a little spat over the proclamation on the Confederacy leaving out slavery which was an inexcusable omission. Unfortunately, it was only after the fact that it has been corrected. I had occasion to talk to the Park Service. They were almost doing the same thing in their commemoration, 150th anniversary. I think they are going to make sure that that is corrected and that the true cause of the Civil War is fully expressed in their depiction of it. Part of the proliferation of buildings is not your responsibility at all. The World War II History Museum, for example, had nothing to do with 50 states but had everything to do with one Nation. I find it inappropriate, frankly, and taking up an awful lot of space. The Indian Museum does not tell the story of Native Americans. It is kind of a glorified arts and crafts museum, frankly. I wish it was more evocative like the Holocaust Museum. It has told a story and left people emotionally affected.

But as we proliferate, it is almost as though our generation, as large as my generation is, the baby boomers, it is almost as though our heroes and icons are the only ones that matter to history. There are going to be subsequent generations that will have their own heroes and ought to and ought to be able to have some space on the mall to express what inspired them to greatness, if you will. And there is going to be no room left. We are going to build an Eisenhower Memorial now on a little grassy plot in front of the education building. I think Eisenhower was a terrific president, but it is not so much a reflection on the individuals as where we are going with this. And particularly with the African-American and Hispanic museum, it almost gives an excuse not to fully reflect the true history of the country if you have a separate museum that reflects that. I find that objectionable.

So this is kind of a personal statement, although I really would like to elicit from you a reaction from you, if you have given any thought to this because I do have great respect for your insight and reflection.

Mr. CLOUGH. Thank you.

Mr. MORAN. Mr. Secretary, do you have any thoughts on that?

Mr. CLOUGH. Sure, and I think we all share some concerns in this process, and I would say the Smithsonian shares some of the blame, if you want to take it that way, that we do have this proliferation of museums. I think if the Smithsonian had been doing its job, if it had been a more inclusive institution in the beginning and it had taken its job seriously to tell the story of the American experience at large, that you would have been able to do it within a larger context as opposed to sort of a smaller context. But this has already happened, and so I think our job is to say this is what it is. What can we do to bring coherence to this story? Because obviously we now know the melting pot idea is probably not the true way life works. All of us have roots somewhere, and all of us like to think about those roots and that is a fine thing. But there is a commonality. There is this glue that holds us all together. And I think we learned a little bit from the experience at the American Indian museum which I think is a fine museum and—its future still needs to be shaped for us. And fortunately we have a great director there, Kevin Gover, who is outstanding and who understands some of what might be considered shortcomings of that museum, and he is working hard on that. He is working hard to bring that more current, to bring more artifacts into that museum so people can really understand it better and more programs that are meaningful. And some of them are whimsical, and I like that. He just had one on skateboards, Indians and skateboards, you know, and why not because actually the kids on reservations or wherever they are love the same culture that other kids do. The Brian Jungen Exhibit is about the Northwestern Indian artifacts as you have behind you here, but it is done in a remarkable way where he talks about deep time but he uses artifacts that are very contemporary and very temporal and we lose them. And I think he has done a great job of trying to bring more people in so then you can tell your story.

To the Smithsonian's great credit, enduring credit, they hired Lonnie Bunch to be the Director of the National Museum of African-American History and Culture, and Lonnie is a remarkable individual. He had many years at the Smithsonian, but then he went on to a distinguished career outside of the Smithsonian and getting him back was important. He understands the point you just made. And having worked in the Museum of American History, if we had done our job there well, we would have been able to I think address these issues more holistically than we are doing them today. But Lonnie clearly understands this museum has many missions, if you will, one of which is to tell the American story. You know, the African-American story is an American story, to tell it in the context of America and what it means to be an American. But also to tell the dimensions of that story that were unique to the African-American community and the horrors of slavery and how those slaves were brought here. But he does not want this to be a museum where that is the only story that is told because there is a story of redemption, there is a story of greatness, and the African-American story of people making their way through this country, fighting for their rights, and finding fortunately some allies along the way and making a difference in the country.

And so you will find celebration of African-American contributions to music, to sports, to science, to all these other areas and to arts and so forth in this museum. I think they have done a great job of thinking this through about balancing the parts of the story that need to be told. And he has been all over this country in an attempt to make sure that all of the African-American smaller museums are a part of this, to see us as their national partner. And so he has done a great job of doing that. So he has listened a lot. I was with him at the Atlanta History Center just about 2 months ago with John Lewis who made an absolutely compelling case for this museum from his point of view.

So I think that Lonnie understands it, I think Kevin understands, and I think we learned some lessons in the American Indian museum. Kevin is working I think to make that a broader approach to the issues that that museum represents. For example, in education, we note that an awful lot of American Indian youngsters live on reservations, go to Bureau of Indian Affairs schools and we need to reach them. And so you know, we are working with the Department of Education lastly on a plan to literally deliver education using the information background we have in that museum to these youngsters about what does it mean to be an American from their point of view and realizing they have a special set of issues that they deal with, an unfinished project with the American Indian in this country, and it is a tragic story, clearly.

Mr. MORAN. Thank you, Mr. Secretary. Mr. Simpson?

COLLECTIONS CARE INITIATIVE

Mr. SIMPSON. A couple quick questions. One of the most important things you do is obviously preserve over 100 million items. You got a \$2.5 million increase in the Collections Care initiative. What exactly are we going to do with that, and where are we on the emphasis that the committee put on the military uniforms collection last year?

Mr. CLOUGH. A full assessment has been made of where we are with the military uniforms and what needs to be done, and they are in the process of implementing that. So I think that project is well under way to take care of that. Those uniforms are in American History. And so it is a fairly targeted issue that we can deal with and address. But overall we have continued the need to add to our capacity to take care of 137 million artifacts. We are not intentionally trying to grow that collection, but there are times when it grows. For example, if we are going to have a Museum of African-American History and Culture, and right now that museum started out initially with no collection, they are up to 10,000 items now that they have been able to add to their collection. We have to preserve those. And so there is a component that addresses the growing collections. We are trying to work with other museums. For example, in our bird collection, we have 650,000 birds that we use that are used to help people for example with bird strikes. When the United flight went down on the Hudson River, the first place they came to was the Smithsonian, and we were able to tell them exactly what birds were, as they say, ingested into the engines, where they came from and where they had been residing. It is a remarkable story. But we work with the Field Museum and the

American Museum of Natural History in New York to say let's do not duplicate our collections. If you have a collection that covers a different set of species than we do, that is fine. We will work with you. So we use the Field Museum collections in that process.

Mr. SIMPSON. Are you able to keep up with the \$2.5 million increase in this initiative? Are you able to keep up with the needs of preserving what we have got?

Mr. CLOUGH. We think so. We think we made a lot of progress, as I mentioned in my statement, particularly with the new Pennsy facility. It gives us much better facilities than we had before. We do suffer that we still have some old facilities, the old Garber facilities out at Suitland, and you may remember we had a little collapse out there, one of our buildings. It was a very old building. Classical story that you see with a big institution. Somebody built that in 1967, said it was going to be temporary and it stayed. Now, we are going to tear it down, and our goal is to get all those torn down and get all those objects out into good places for them to be cared for.

REVITALIZATION, CONSTRUCTION AND MAINTENANCE

Mr. SIMPSON. That leads to the other question and that is that in 2005 and 2007 the Smithsonian needed an investment of \$2.5 billion for revitalization, construction and maintenance over a 10-year period. We have got \$137 million for facilities capital program to make major repairs to current building. What specific projects are we going to undertake with that funding and how do you prioritize those projects?

Mr. CLOUGH. Yeah, and those are kind of two different things because the \$2.5 billion was really \$250 million a year, and that was made up of two parts, one was the facilities revitalization and the second part was maintenance. And so we are fortunate in this budget, for example, to have \$137 million targeted toward revitalization and another \$73 million which covers the salaries and expenses category for maintenance. Ideally you would like to have \$150 million in revitalization each year and \$100 million in maintenance. So what we have is \$137 million for revitalization and \$73 million. So we are not quite there, but there has been a lot of progress, and we are very proud of that.

So we are making steady progress against the challenges, but when you are open every day of the year and you get 30 million visitors a year, that is a lot of boots on the ground in your buildings.

Mr. SIMPSON. Well, thank you. It is obvious that you have a passion for your job. There are a lot of things we could talk about. I am interested in the Encyclopedia of Life and what is being planned there, but we will have an opportunity to talk about that in the future. And I want to reemphasize again, you have got great employees there. Whenever people talk about you know, those lums that work for the Federal Government and federal employees or state employees and all that kind of stuff, all you have to do is point to some of your own employees who are doing a fantastic job, and we really enjoy working with them. So thank you, and do not lose those employees. And congratulations to the Rambling Wreck. They had a great year.

Mr. CLOUGH. They did. Thanks. Well, I will certainly pass on your high regards to our people because they would appreciate it, especially during the snowstorm. You know, we kept a museum open every day during that snowstorm, and you know, I was up here and I pushed a few snow shovels around and things. But I did not do anything really. There were a lot of people out there who were working 12-hour days, and quite a few of them stayed and slept over in their buildings to try to keep something going for the American people. So they will be very appreciative of those words.

Mr. SIMPSON. Thank them for us.

Mr. MORAN. Thank you, Mr. Simpson. Excellent testimony.

Mr. CLOUGH. Thank you very much, Mr. Chairman.

[The information follows:]

House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
Questions for the Record
Smithsonian Institution
Hearing Date: April 14, 2010

Questions for the Record from Chairman Moran

Strategic Plan

- MoranQ1.** I am interested in hearing more about how the four key challenges in your new strategic plan affect your budget request, and how they will alter how the Smithsonian operates. How important is it for the numerous and varied museums and research institutions to work across the Institution and with outside parties?
- MoranQ2.** Your budget request includes separate funds for a new center for each of these challenges. Exactly what is being proposed? To what extent will this create a new layer of bureaucracy? How will these centers benefit the public and the Smithsonian mission?
- MoranQ3.** I think your strategic plan also suggests that the Smithsonian will take on a larger role as an educational institution, including more efforts at the Museums, with the traveling exhibitions, and through remote access. Your budget request doesn't seem to be asking for additional funding for education. How will you revitalize education at the Smithsonian?

Governance issues and Regents

- MoranQ4.** Last December this Subcommittee held an oversight hearing on the Smithsonian's past governance problems, and its ongoing deferred maintenance backlog. At that hearing the GAO was generally complimentary, but they still had concerns about the role of the Regents in governance. I know you had a Regents meeting earlier this week. Can you explain what the relationship is between you as Secretary and the Regents? Are you implementing the recommendations of the GAO concerning activities of the Regents and their relationship with the various museum advisory committees?

Deferred maintenance

- MoranQ5.** Our last oversight hearing also included discussion of the huge backlog in deferred maintenance and major revitalization that the Smithsonian has. I see that this request has \$18 million for a large project at the American History Museum and \$17.6 million for a large project at Natural History. Can you please explain a bit more about how you see the overall backlog, and how this budget request will begin to deal with this burden?

MoranQ6. I understand that a sizable number of the Air and Space Museum's artifacts are in storage in inadequate facilities at the Garber facility in Maryland. Many of these items are supposed to be moved soon to the Hazy Museum, phase II, near Dulles Airport. I also heard that a building with artifacts collapsed during the recent blizzard. What damage occurred with this building collapse? What is the outlook for getting the new storage facility at the Hazy Center done soon? How will this help with your collections care, and with your facilities backlog?

MoranQ7. Your budget request actually reduces funds for facilities maintenance by \$750,000. Why? Isn't your maintenance backlog a large problem for the Smithsonian?

Science and collections

MoranQ8. Dr. Clough, you commented that this budget also has an increase for science and research activities at the Smithsonian, something which has not occurred for a while. Please explain why you think these increases are needed, such as for the \$1 million increase for both the Encyclopedia of Life and the DNA Bar-coding project.

MoranQ9. I see that the request also has an increase of \$2 million for strengthening the collections. Since the collections are the life blood of the Smithsonian, how will you select projects if this increase is provided? Will a \$2 million increase make much of a difference given how large the collections care backlog is?

MoranQ10. Your discussion of the National Museum of Natural History discusses how important it is for Federal funding to support the maintenance and preservation of priceless collections for future generations. To what extent is there a cohesive Federal policy concerning which institutions should have particular expertise and collections in various scientific fields, such as botany, geology, anthropology, entomology, zoology, etc?

MoranQ11. What is the Smithsonian involvement with the NSF-funded National Ecological Observatory Network (NEON)? To what extent can such Federal funds supplant or complement funds from the Interior and Environment bill?

Climate Change Research

MoranQ12. I see that your scientific research includes a substantial portfolio that relates to global warming research. Can you tell us some more about the Smithsonian's role on this issue? How is some of the Smithsonian's research into ancient climate-change related biodiversity collapses relevant to today?

MoranQ13. How does the Smithsonian coordinate its climate change research efforts with other Federal agencies and programs?

MoranQ14. Please explain the SIGEO program and why it is important for your role in climate change research? Your budget indicates that you want to increase your efforts in the temperate zone and in the US. To what extent are you collaborating with other Federal

agencies on this effort? For instance, what are you doing with the Forest Service International Program, and with their Forest Inventory and Analysis program and with the USGS climate change science effort?

Digitization

MoranQ15. In your statement you mentioned that you expect the Smithsonian will be able to broaden access to the research and collections of the Smithsonian by increasing use of digitization. What is in the budget for digitization, and to what extent are you making progress at getting more images and data from your collections on-line?

MoranQ16. Your budget discusses digitization of sound recordings of endangered languages in the National Anthropological Archives and Human Studies Film Archives. What does this work involve, and which other agencies or institutions are partners in these efforts?

African American Museum of History and Culture

MoranQ17. I see that the budget request has a hefty \$20 million for design of the new African American Museum of History and Culture, which will be built near the Washington Monument. Can you please explain a bit more about how you see this building project will unfold and who will pay for it? To what extent is the museum beginning to accumulate an important collection to aid its mission?

Natural History Museum Centennial last month

MoranQ18. I see that the National Museum of Natural History celebrated the centennial of its opening on the national mall. That is quite an achievement. Can you tell us how the public is responding to the new exhibits, such as the Oceans hall and the Human Origins exhibit which opened on the centennial?

MoranQ19. I understand that a lot of the dangerous specimens in alcohol have been moved out of the Natural History museum and are now in safer, more accessible storage in Suitland. To what extent does the Natural History Museum still have problems with the condition and accessibility of the various collections it holds? To what extent will this budget request help take care of some of these priceless collections?

Arts and Industries Building and the legacy fund

MoranQ20. The Arts and Industries building has been closed for several years. Last year the Congress changed the restrictions governing the Legacy Fund and targeted the fund for revitalizing Arts and Industries. To what extent do you think the Smithsonian will be able to promptly use the \$30 million in the Legacy Fund under its existing legislation? Are you experiencing problems at being able to cost-share that amount for this building?

MoranQ21. I have heard you talk about using the Arts and Industries building as an educational center for the Smithsonian. Can you tell us some more about the potential uses of this building in the future, and how you see this being realized?

Folk Life Festival on National Mall

MoranQ22. I understand that the National Park Service, the stewards of the National Mall, has just recently agreed to issue the permit for this year's Folklife Festival. In their March 31st letter to the Smithsonian, the Park Service requested that you join in a scientific, peer reviewed study on the long-term impact of special events under the American elm trees on the Mall. They also asked you to work with them lightened the impact of the Festival on the Mall.

I know that you will work with the Park Service on these important endeavors and ask that you think creatively about ways to less the impact of the Festival on the Mall.

Who at the Smithsonian will be charged with working with the Park Service on this?

Please provide for the record your ideas on how to best to lighten the impact of the Festival on the Mall.

National Zoological Park conditions and animal care at Front Royal

MoranQ23. In recent years the American people have been investing a lot of resources to revitalize the National Zoo, including some of the Recovery bill funding the Smithsonian received. What is the overall condition of the Zoo and how is it able to meet standards required for proper animal care? How does this request deal with the Zoo?

MoranQ24. The recent audit of the zoo revealed that the National Zoo has a shortfall of animal keepers, and your budget includes \$155,000 to add two animal keepers. How bad is the situation? Will the addition of just two keepers make a substantial impact on this shortfall? Isn't this basic zoo support more important than some of your new initiatives?

MoranQ25. Earlier this year there was a news story about the death of Virginia bats at the Front Royal conservation biology center. Does this center have the proper personnel and equipment to be doing such captive breeding of endangered species? What happened in this case where so many rare bats died?

Business ventures

MoranQ26. During the previous Secretary's administration, the Congress and the American people had some real problems with how the Smithsonian business ventures were operating. Can you explain how your Institution is now engaging the business community and to what extent partnerships generate funds for your use, while remaining true to your mission and your role as a Federal agency?

MoranQ27. We understand that you are entering new partnerships with the QVC brand and with the floral FTD brand. Can you please explain each of these partnerships? How do they relate to the Smithsonian Institution mission?

MoranQ28. The Smithsonian TV HD channel has been operative for awhile. Please summarize the activities of this partnership, including the extent of public outreach it accomplishes, as well as the financial benefits.

National Campaign for fund raising

MoranQ29. I have heard rumors that you will start a capital fund raising campaign for the Smithsonian. What can we here in Congress expect to see, and when? What is the focus of your fund raising?

Financial Management

MoranQ30. Among the more important and fundamental governance problems the GAO and your own Inspector General found in the past were problems with the Institution's ability to do financial management. I heard that you recently received a clean audit with no material weaknesses, for which I commend you. I see that this budget has a \$600,000 increase for internal management controls. To what extent has the Smithsonian been able to modernize its financial systems and how much more do you have to do to get this right?

Security and anti-terrorism

MoranQ31. I understand that your visitation topped 30 million in 2009, a large increase over the past few years. This must also require serious investments in security. Please explain the security initiative in your budget and how you hope to expand career ladders for your guards.

Fixed costs

MoranQ32. Overall you have a pretty generous budget request compared to most agencies in our bill. I am still not clear what portion of your fixed costs for pay, rent, utilities and the like are covered by this request. Please explain the fixed costs you have, and to what degree this request covers them or not, as the case may be.

Buy-out Savings

MoranQ33. The budget assumes savings of \$3.7 million through buy-outs. Can you please explain how you arrived at that sum, and how the savings were split out by museum? Do you have recent experience with buy-outs? What were the savings realized in past efforts?

National Air and Space Museum external science

MoranQ34. The budget justification indicates on page 45 that the National Air and Space Museum may lead a \$400 million Mars Radar Mission research effort. Does the NASM have

experience with such large scientific missions? To what extent is the NASM budget aimed at basic scientific research?

Major Scientific Instrumentation

MoranQ35. Your request includes \$1,922,000 for the multiple mirror telescope. This project is a multi-funded effort. If future external support is realized, what will be the appropriate mix of funds from the Interior and Environment bill and from other sources? What is the commitment of the NSF or other Federal science providers?

General Trust Support to Museums

MoranQ36. We appreciate the helpful summary tables in your budget justification provided for each museum and program. Please discuss how the Smithsonian Institution has determined the allocation of the General Trust funds to each museum? Does this vary for each museum? Will you be addressing the allocation criteria soon?

Questions for the Record from Mr. Simpson

Climate Change research funding

Your budget request includes \$4 million to address a variety of climate change issues. While I don't question the need for study and research relating to climate change, I continue to have concerns about redundancy of effort as well as the level of coordination within government when it comes to having so many different entities receiving climate change funding. This subcommittee approved almost \$364 million for climate change funding last year and the budget for the coming year includes close to \$437 million in climate funding.

SimpsonQ1. What is unique about the type of climate change research conducted by the Smithsonian? To what extent do your scientists collaborate with and share information with other government agencies conducting related research?

Digitization of Assets

Your written testimony explained that more than 188 million people in the United States and around the world visited the Smithsonian's various websites last year. It's pretty clear that the Smithsonian has not only become a source of information on the World Wide Web but is also becoming a valuable educational and research tool accessible by anyone with a computer.

SimpsonQ2. Can you describe your efforts to digitize the Smithsonian's many assets and why this is important to the public?

SimpsonQ3. What is your vision for making the Smithsonian's digital assets not only available but also an integral part of our educational system?

Encyclopedia of Life

I understand that the National Museum of Natural History has undertaken an ambitious web-based, online project known as the "Encyclopedia of Life" (EOL) which will become a repository of scientific information about every form of life on Earth. When completed in about 10 years, the EOL is expected to contain information about the 1.9 million known species of plants, animals, and other life forms.

SimpsonQ4. What is the projected cost of this initiative and to what degree will non-federal sources of funding be utilized?

SimpsonQ5. Has an initiative of this nature ever been undertaken before? How do you envision the Encyclopedia of Life being used and by whom?

Latino Museum

Last September, the President appointed several people to a commission studying the feasibility of creating a National Museum of the American Latino in Washington, DC. I understand that the two-year study will address steps necessary to plan for a potential museum dedicated to exhibiting the art, history, and culture of the U.S. Latino population.

SimpsonQ6. Are there any estimates at this point of the total anticipated cost of this museum? When are we likely to see funding requests related to this project?

SimpsonQ7. Can you describe the process undertaken to determine the potential location of this new museum? Who ultimately makes the decision about the location of this and other potential future museums?

WEDNESDAY, APRIL 14, 2010.

NATIONAL GALLERY OF ART**WITNESS****EARL A. POWELL, III, DIRECTOR**

OPENING STATEMENT OF CHAIRMAN MORAN

Mr. MORAN. Next we will hear from Earl Powell, the Director of the National Gallery of Art. We got a little show and tell here. We are going to have to talk about this because this is a big issue. But let us first go through the formality of welcoming you, Mr. Powell, as the Director of the National Gallery of Art. It has been a couple of years since you were last before this subcommittee. The Gallery of Art was established in 1937, by a joint resolution of Congress which pledged the United States to provide the necessary funds for the upkeep of the gallery, its administration, costs of operations, and the protection and care of the art.

The gallery we enjoy today is considered one of the world's premiere art museums. It has a renowned collection of American and European masterworks. There is actually even some Eastern works that are terrific. But we owe a debt of gratitude particularly to the Mellon family, who provided the museum's original collection and financed the buildings that house these great masterpieces.

This year's budget request totals \$163 million. It is a little bit less than last year's appropriation. Of that almost \$150 million is for the care of the art. No new collections or anything, just the maintenance, operation, and protection of the buildings and grounds. The remaining \$48 million dollars funds repair, restoration, and renovation of the buildings.

Your request includes funds needed to complete the repair of the East Building's exterior marble veneer. Last year we provided \$40 million to begin this urgent work on repairing the facade of the East Building. This year you have asked for a second installment of another \$42.250 million to hopefully complete this work.

What really started this, Mr. Simpson, was that this arrowhead fell off the top, came down, had somebody been standing underneath it, it would have killed them. It stuck right into the ground. Mr. Powell wants to share that with us.

Mr. POWELL. That is all that has fallen, Mr. Chairman.

Mr. MORAN. Yes. Well, that is the concern, and we have met on this before. It is troubling at least to me and I know others that there was not a tough contract that would have enabled you to go back to the contractor and really make them liable for what would appear to be a construction defect. Now the taxpayers have to spend over \$80 million to fix this.

Now, you are going to tell us that it is a lot older than it appears to be, it is a beautiful building. But that is what we want to talk about particularly because I know we would much rather see this go into expansion of the collection and the presentation of the collections instead of the nitty-gritty work of taking down panels and putting them back up again and so on. That is really not what the taxpayers think they are funding when they fund the National Gallery of Art.

But that is what we will want to ask you about, of course, and I want to give Mr. Simpson an opportunity to say something if he would like to make an introductory comment.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thanks, Mr. Chairman. I thought the same thing when I had to replace the front steps at my house two years after they built the house because they sank. That kind of stuff happens, and while we can complain about it all, the fact is we need to fix it, and that is just the reality.

But, Director Powell, I will be very brief, and I want to join Chairman Moran in welcoming you to the subcommittee this morning. As an aspiring artist myself I marvel at the incredible collections contained within your gallery walls as I walk through the gallery and take in room after room of magnificent paintings. I think to myself, what if these walls could talk, but then I realize that these gallery walls really do talk, and the incredible masterpieces say something quite different to each and every one of us. That is the beauty and magic of art. I enjoy my work in Congress, but I must confess that you have one of the greatest jobs in Washington, DC, and quite possibly in the entire world.

Lastly, I want to thank you, Director Powell, for surrounding yourself with dedicated professionals who are committed to their work and are truly a pleasure to work with. Pam Jenkinson and Bill McClure and your entire team serve you and the gallery well and the American people well.

So thank you for being here today.

Mr. POWELL. Thank you, Mr. Simpson. I appreciate that, and I know the staff does.

Mr. MORAN. Nice comments, Mr. Simpson. Thank you. Mr. Powell, you may proceed.

TESTIMONY OF DIRECTOR EARL POWELL

Mr. POWELL. That would be the central point I would like to discuss also, I know, but there are an enormous number of very positive things that have happened. This is an unanticipated, unwanted problem, but we certainly appreciate Congress's support in helping resolve it. And that will be done in another two to three years, and the building will be restored to the pristine beauty that it was when it opened in 1978.

The gallery we are very proud of. I know Congress is and the Nation is, and we appreciate your incredible support in the operations and maintenance of the building. It is not only an art museum. I was reminded of Secretary Clough's comments about the Smithsonian, but it is an institution of higher learning. It was created and sustained by the Federal Government and the private sector, and in fiscal 2009, we welcomed 4.8 million visitors from throughout the country and abroad. That is the highest attendance of any art museum in this country, and I think the third highest in the world. We are very proud of that, and that is a trend that has been sustained and is growing. So we are excited about that.

Mr. MORAN. I hate to interrupt, but it would be the Louvre and then London?

Mr. POWELL. The Louvre and the British Museum are alleged. I would say alleged but I will have to take it on face value, but I know our numbers are right.

Mr. MORAN. Excuse the interruption. I just wondered who were the top two.

Mr. POWELL. And you are very kind to mention the fact that the Mellon family did the donation of the art collection and the funds to construct the West Building and Paul Mellon and sister, Alisa, funds to construct the East Building, all private funds. Federal Government's commitment to operate the gallery originates in the 1937, joint resolution, and I think it has been arguably, I certainly believe, the most positive, sustained private/public partnership that exists that I can think of.

The Federal Government has been matched by private donors who following Mellon have generously given works of art and funds to create the great collections. The Special Exhibitions Program is one of our great prides and joys, and that is a critical part of the gallery's educational mission and another example of private and public sectors working together for the benefit of the American public. Major works of art are brought together from public and private collections around the world for the many millions of visitors to the gallery and to our website, which is another extremely important component in our outreach to the Nation and abroad as well.

WEBSITE

That is a website that is ten years old now, and it is by those terms antediluvian, and we are redesigning the website, which has had millions and millions of visitors with private funding donated for that purpose. It is one of our great educational opportunities and initiatives, and I think the National Gallery, the kids' site alone, has won numerable awards.

PUBLIC EDUCATION PROGRAMS

Public education features are in fiscal 2009, more than 40,000 students took part in over 2,200 programs. National Teaching Training Institute is held each summer in addition to teacher workshops, which are held throughout the academic year. We hosted 123 specially-planned family programs for some 13,500 attendees, including summer programs for families with children ages 8 to 11. In addition, we have an extensive loan program of educational resources, which reach a viewing audience of more than 30 million through the elementary and secondary schools, colleges and universities, museums and television stations in towns and cities throughout the country. Our website extended the experience to more than 16.7 million virtual visitors to us, and that will certainly grow.

REPAIR OF EAST BUILDING FAÇADE

The West and East Buildings we consider works of art as well, and they are landmark buildings and significant as great works of art which house the works of the collections and protect them and make them available to our millions of visitors, and I want to take

this opportunity to thank Congress and the Appropriations Committee and staff for your support for the repair, restoration, and renovation program.

The repair of the East Building façade is obviously for all of the unfortunately obvious reasons, included in the fiscal year 2011, budget request. This was first discovered in 2005, in the large stone veneer panels on the East Building exterior. I would stress the interior has not been a problem, but the exterior has, and that is due to a combination of circumstances, largely because of temperature changes, heat, et cetera, on the outside over 30 years. It is not a young building, Mr. Chairman, as you know and we have discussed, but the problems emerged. We have been dealing with it, you know, on a weekly basis. We have developed perimeter security around so the public will not be endangered in any way. A small stone fell off just last week, but it is a microcosm of the problem we will be addressing, and you will get a beautiful new building again. It is a complex reasoning, but we are working it as you know. We have appreciated your staff's attention to it, your attention to it with us, and we have been able to get, I think, ahead of the curve on this project, which is such a high priority for us.

The President's fiscal year 2011 budget for the National Gallery as you mentioned is \$162.8 million, including \$114.6 for salaries and expenses, which is an increase of \$3.8 million, and \$48.2 million for repair, restoration, and renovation, which is a net decrease of \$8 million. And once we have this project behind us, I am sure it is going to decrease exponentially beyond that.

But the building will not have to close during the renovation, so it will not affect programs, exhibition viewing, educational initiatives, staff, or the public.

[The statement of Mr. Powell follows:]

NATIONAL GALLERY OF ART

Statement by Earl A. Powell III, Director of the National Gallery of Art, to the Appropriations Subcommittee on Interior, Environment, and Related Agencies, United States House of Representatives, April 14, 2010

Mr. Chairman, Members of the Subcommittee, it is my pleasure to be here today. Thank you for the opportunity to meet with the Subcommittee about the National Gallery of Art.

The National Gallery's mission is to serve the country by preserving, collecting, exhibiting, and encouraging the understanding of works of art at an exemplary level. The Gallery is not only an art museum of the first rank but an institution of higher learning, created and sustained by the federal government and the private sector. In fiscal year 2009, we welcomed some 4.8 million visitors from throughout the country and abroad.

The National Gallery was founded with an unprecedented gift to the nation of Andrew W. Mellon's donation of his art collection and the funds to construct what we now call the West Building. The federal commitment to operate the Gallery originates in the 1937 Joint Resolution of Congress which pledged that the United States would provide funds for the upkeep, administrative expenses, and costs of operations, including the protection and care for the works of art given to the nation, so that the Gallery would at all times be properly maintained and be open to the public at no charge.

This federal commitment has been matched by private donors, who, following Andrew Mellon's lead, have given generously to create America's National Gallery. The West and East Buildings, as well as the Sculpture Garden, have been constructed solely with private funds and were gifts to the nation. All works of art in the National Gallery collection have been acquired by donation or through purchase with private funds. Our collection of international stature has been created by the generosity of donors who have presented the nation with more than 117,000 works of art, creating one of the world's premier art museums.

The Special Exhibitions Program, the most critical part of the Gallery's educational mission, is an example of the public and private sectors working together for the benefit of the American public. Major works of art are brought together from public and private collections around the world for the many millions of visitors to the Gallery and to our web site. We play a significant leadership role nationally and internationally through our involvement in the organization and presentation of special exhibitions; more than half of the special exhibitions we organize travel to art museums outside Washington.

Our public educational initiatives feature programs designed for many audiences—scholars, teachers, students of all ages, and local, national and international visitors. Each week, visitors to the Gallery can attend a variety of lectures, tours, concerts and films. Our work with school districts includes tours designed for all grade levels and high school seminars for local teens. In fiscal year 2009, more than 40,000 students took part in over 2,200 programs. Our

national teacher training institute is held each summer in addition to teacher workshops held throughout the academic year. We also hosted 123 specially planned family programs for some 13,500 attendees, including summer programs for families with children ages eight to eleven. In addition, our extensive loan program of educational resources reached a viewing audience of more than 30 million through elementary and secondary schools, colleges and universities, museums, and television stations in towns and cities across the country in fiscal year 2009. Our Web site extended the Gallery experience to more than 16.7 million virtual visitors during last fiscal year.

Another element of the Gallery's educational mission is scholarship in art history and the consequent enrichment of higher education across the country. The Gallery's Art Research Library is one of the finest and most respected art libraries in the world. The comprehensive, in-depth collection comprises some 368,000 volumes on the history, theory, and criticism of art and architecture as well as the rare book collection with more than 8,500 volumes. The Art Research Library is used by some 2,200 members of the public each year as well as scholars, visiting fellows, and professors associated with the Gallery's Center for Advanced Study in the Visual Arts.

The Gallery's Conservation division is one of the largest and most comprehensive of the world's art museums, with laboratories for conserving paintings, sculpture, works on paper, and textiles as well as for scientific research. The most dramatic advances in art conservation take place in the Gallery's Scientific Research lab using highly advanced technologies and sophisticated equipment. By utilizing carefully researched conservation techniques, the Gallery also fulfills its mission of protecting the works of art in its care. Our conservators are active with colleagues at the art museums around the country, sharing techniques and recent research developments.

The West and East Buildings that comprise the National Gallery are landmark buildings, as significant as the great works of art which they house. The West Building opened in 1941 and the East Building opened in 1978. It is not surprising that the Gallery faces a steady, ongoing program of repairs and renovations to keep these buildings functioning efficiently, securely and safely. Recognizing that the buildings were reaching an age at which many components were in need of major repair or replacement, and that some infrastructure systems were reaching the end of their useful lives, we undertook in 1997 the development of the long-range and comprehensive Master Facilities Plan. It provides an organized framework for an effective implementation of repair, restoration, and renovation. I would like to take this opportunity to thank the Congress and the Appropriations subcommittee, committee, and staff for your support of our repair, restoration, and renovation program.

Funds to complete the repair of the National Gallery's East Building façade are included in the FY 2011 budget request. As first discovered in 2005, the large stone veneer panels on the East Building exterior began tilting at the top, and in some extreme cases were displaced over one inch. After hiring a forensic structural engineer to investigate the cause, we concluded that

we must undertake remedial repair work as soon as possible to replace the supports for the 16,200 panels that cover the East building exterior. I want to take this opportunity to thank you for supporting this project. Our FY 2010 budget included \$40 million to develop construction documents and begin construction; the FY 2011 budget includes the funding necessary to complete the repair of the façade by FY 2013 as planned.

The President's Fiscal Year 2011 budget for the National Gallery is \$162.8 million. It includes \$114.6 million for Salaries and Expenses, an increase of \$3.8 million, and \$48.2 million for Repair, Restoration, and Renovation, a net decrease of \$8 million.

The National Gallery provides it millions of visitors with an enjoyable and rewarding experience with the world's artistic heritage through the collection and special exhibitions. The National Gallery is America's art museum and we hope every American will share in this gift. We look forward to continuing the vision and the high standards of excellence established by Andrew W. Mellon and the 1937 Joint Resolution of Congress.

Mr. Chairman and Subcommittee members, the Gallery is very appreciative and grateful for your continuing support. I will be glad to answer any questions you may have about the National Gallery, its operations, and its programs.

REPAIR OF THE EAST BUILDING FAÇADE

Mr. MORAN. Mr. Powell, briefly for the record I suspect that Mike has been briefed as I have but I think it is important to put in the record why we could not have been compensated for what was a structural defect in that the façade has leaned over, that it did not hold fast to the—

Mr. POWELL. We had that looked at, Mr. Chairman. We had the Department of Justice review all the options. It is over 30 years old. Apparently it is more of an equation of problems than just one. It is not really a contractor deficiency, it is not really an architectural design deficiency. What happened over time is the building settled incrementally. It is a veneer, so the wall behind it settled somewhat. The stainless steel pins that attach these panels, which are 2 by 5 feet, and there are some 16,000 or so of them—

Mr. MORAN. Each weighs about 450 pounds.

Mr. POWELL. They are heavy, and I think it is called pore rock, but it is a cement bonding material, over time began to degrade. The engineers believe because of the climate change largely. Not water intrusion, which is something I might have expected, but it was that. So the pins began pulling out, and our engineering staff monitored this, I would add, weekly to make sure that there is no disastrous occurrence. Began pulling out. That, in turn, began compressing them down on each other, so the gaskets bowed in. We had a distinguished team of world-class engineers review it over these several years, and they have come up with a proposal, but that is the circumstances. I can certainly provide the technical data for you, which is extensive.

Mr. MORAN. No. I just think we need to—

Mr. POWELL. But historically, that apparently is what happened, and unfortunately, now we have to address it, and we certainly thank you for your support for the project. It will be a project that will begin this year. It already really has begun, and the support system that will go back underneath the veneer will be a different one, and I am sure we will get the warranties that we—I was not there at the time so I do not know that I can answer it further, Mr. Chairman.

SPECIAL EXHIBITION PROGRAM & PRIVATE FUNDING

Mr. MORAN. I hear you. Unfortunately, it has an adverse impact upon other things that the gallery is able to do. For example, you have got the Special Exhibition Program. It enables the gallery to bring great art treasures from all over the world to Washington and then the majority of those exhibits actually travel to other U.S. cities outside of Washington. It has been a very popular program.

The planning process takes four or five years, but this year your request is only for \$1.7 million. It is half of what we provided last year. You suggest you are going to raise the money from the private sector, but it is tough to get private money to contribute for a planning process. What kind of success have you had in raising the private funding?

Mr. POWELL. We have some success. The federal budget before has been higher than that and has helped immensely in bringing these to us. The one good thing as I mentioned is we will not have

to alter our planning programs for our exhibitions and public programs. Those will go forward for both buildings, and the exhibition funds are very sorely needed. We do raise private funds for them, but the federal planning funds are incredibly important for us and have always been.

MASTER FACILITY PLAN

Mr. MORAN. Well, unfortunately, again, it is difficult to add any more money to these kinds of initiatives that we like when we are having to put more than \$40 million into facility reconstruction.

This committee has also put \$140 million into your Master Facilities Plan over the years, and this year you are asking \$5 million, which is less than half of what the committee provided last year. Is this going to come back to haunt us, giving shortage to your Master Facilities?

Mr. POWELL. No, I do not think so, Mr. Chairman, because working with OMB, the Master Facilities Plan is currently underway with existing funds, and what is in this budget will allow it to continue, but really the idea will be that during the veneer project we will halt it. It is probably an appropriate time and space to do it. The West Building has been a strategic plan that, again, we have worked with OMB and with Congress and with great success over the course of several years, and we are in what we call work area four, which is the fourth quadrant of the West Building. We will complete that. This will not affect that, and the money will allow us to begin design development for the next phase of the master plan, which theoretically would occur after we finish the veneer project. We would go back and finish.

Mr. MORAN. Okay. Well, you are doing a good job defending the budget request, Mr. Director. Mr. Simpson, I think we will just do the one round of questions in deference to the people waiting in line—

Mr. SIMPSON. Right.

Mr. MORAN [continuing]. To testify as well.

Mr. SIMPSON. You have asked most of the questions that I had. You said working with OMB. You know, that is kind of an oxymoron but—

Mr. POWELL. The with, you mean? Yeah. Yeah. It seems like for, does not it?

Mr. SIMPSON. Yeah.

Mr. POWELL. Yeah.

Mr. SIMPSON. Is the \$80 million going to cover the cost of this?

Mr. POWELL. Those are the estimates. We have had peer group reviews of those estimates, and if there is any glimmer of light in it, when we go to bid in this context, I understand we might see some benefits to the budget at that time.

Mr. SIMPSON. When are they going to start construction?

Mr. POWELL. It will start this year.

Mr. SIMPSON. This year? So we will be able to see—

Mr. POWELL. It is being vetted now. The design has been done and approved. It is pretty much through. We will go to bid soon. We are taking a look at the contractors that might have the qualifications to do this sort of work before we put it out, but it will go out very soon.

MASTER FACILITY PLAN

Mr. SIMPSON. I compliment you on creating the Master Facility Plan the Chairman mentioned earlier. This obviously will affect that plan, and obviously OMB is looking at if we are going to put \$40 million here, we are going to have to take it out of somewhere, and when you look at reducing the facilities plan from \$15.8 million to \$5 million that was meant to address the backlog, how long does this put the backlog off, trying to address the complete backlog?

Mr. POWELL. I think we are keeping up, we are keeping pace with it, but it will slow things down.

Mr. SIMPSON. Slow things down. By any particular time? A couple of years?

Mr. POWELL. I can ask one of my colleagues. Two years.

Mr. SIMPSON. Two years.

Mr. POWELL. Two years is where that is.

Mr. SIMPSON. I understand—

Mr. POWELL. We can use the money.

OFF-SITE OFFICE LEASES

Mr. SIMPSON. Yeah. I understand that National Gallery leases space in nearby office buildings to accommodate employees who are displaced during this ongoing repair and restoration work, and one of the impacts of the delays of this implementation will be that we will need to extend the off-site leases that are scheduled to expire in 2012, and '13. What is the anticipated cost to extending these leases, and how many years will you have to extend these leases, I guess, to about two years. Is that accurate?

Mr. POWELL. We will. The cost I would need to get back to you on the exact cost of that but—

Mr. SIMPSON. Okay.

Mr. POWELL [continuing]. It would be three more years of leases that we would have to incur.

Mr. SIMPSON. Okay. How successful are we in this environment? Because this budget as I look at it, anticipates being able to raise non-federal funds to do a lot of these things or to make up for some of these things, whether it is the gallery financing, whether it is the Special Exhibitions Program and stuff. We are going down from what, 63 percent of the total to 24 percent of the total. We are going to have to raise that. How optimistic are you that you will be able to raise that in this economic environment to cover those costs?

Mr. POWELL. I would say cautiously optimistic. We have begun to see corporate support which evaporated substantially for us in that area, that part of the economy were major sponsors of many of our exhibitions over the years. That eroded. Some personal support, foundation support. Everything kind of retracted.

Mr. SIMPSON. Right.

Mr. POWELL. But I think for our Exhibitions Program it is easier for me to say, Mr. Simpson, we have not had to cancel anything, but it has been hard sledding.

Mr. SIMPSON. And your number of visitors is up. Right?

Mr. POWELL. Number of visitors is up.

Mr. SIMPSON. Kind of interesting. You see the economy go down, people start staying closer to home, visitors of the Smithsonian as Secretary Clough was saying, visitorship is up there. The demands on the facilities go up and the revenue of the Federal Government goes down.

Mr. POWELL. It is absolutely true. Washington is a great destination for families and for visitors, and I am delighted about that aspect of it.

Mr. SIMPSON. Well, I appreciate it. Thank you for the work you do, and again, you have got some great people working for you. We certainly enjoy working with them.

Mr. POWELL. Thank you very much.

Mr. MORAN. Thanks very much, Mr. Simpson. Thank you——

Mr. POWELL. Thank you, Mr. Chairman.

Mr. MORAN [continuing]. Director. We love the National Gallery.

Mr. POWELL. We appreciate it.

Mr. MORAN. Fine job.

Mr. POWELL. Hopefully next year I will not have to talk about building repairs.

Mr. MORAN. So thank you, Mr. Powell.

[The information follows:]

House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
Questions for the Record
National Gallery of Art FY2011 Budget
Hearing Date: April 14, 2010

Questions for the Record from Chairman Moran

Repair of East Building Marble Facade

MoranQ1. As I noted in my opening statement, we provided \$40 million in Fiscal Year 2010 for the repair of the East Building's exterior marble veneer. You have requested an additional \$42 million for Fiscal Year 2011.

With the requested amount, will you have all the funds you need to complete this work?

Answer:

Yes. The Gallery believes that the funds requested will be sufficient to complete the East Building Exterior Stone Repairs project as planned.

MoranQ2. I understand that you are still in the design phase of this project, but you have had to take a number of actions to ensure the safety of your staff, volunteers and the millions of visitors you receive each year. Driving down Pennsylvania Ave, one can see the covered entrance portals you have erected to protect those who enter the building.

What other efforts have you undertaken to ensure the safety of those who enter the building and of the art?

Answer:

In February 2009, the Gallery erected the covered entrance portals in order to ensure the safety of those who enter and exit the building. In December of 2008, The Gallery erected a 25 foot restricted safety zone around the entire East Building. In addition, the Gallery performs weekly surveys to inspect the façade for displaced panels. Robert Silman Associates, the consulting structural engineer, recommends stabilization procedures be performed on any displaced panels. The Gallery's facilities maintenance staff performs the recommended

temporary stabilization procedures on those tilting panels. In the summer of 2010, temporary protection structures above the main atrium skylight will be installed and will remain in place until construction on the walls above the atrium is complete.

In order to protect the art, the Gallery has removed some of the outdoor sculptures and will remove the other affected sculptures prior to construction. Two or three major works of art that will not be moved will be protected in place.

MoranQ3. Please provide for the record the projected timeline for obligating the funds we provided in Fiscal Year 2010 and for the funds you are requesting for next year.

Answer:

The Gallery expects to obligate the \$40.0 million provided in FY 2010 prior to the end of this fiscal year. By the end of FY 2011, the Gallery expects to obligate \$35,950,000 of the \$42,250,000 funding requested for that year. Of the remaining \$6,300,000, an amount of \$5,550,000 will be obligated in FY 2012. The remaining \$750,000 will be obligated in FY 2013.

Salaries and Expenses – Fixed Costs

MoranQ4. Your request for the Salaries and Expenses account is \$114.6 million, which is an increase of \$3.8 million above the Fiscal Year 2010 level. The request includes increases for salaries, rent and utilities -- what we consider to be "fixed costs". Does your request fully fund the fixed cost needs of the Gallery?

Answer:

No. The Gallery estimates that an additional \$2,239,000 would be required to fully fund all compensation and benefit costs.

MoranQ5. How many FTE are supported through federal funds and is your FY 2011 budget sufficient to maintain that number?

Answer:

885 FTEs are supported by federal funds. The FY 2011 budget request only supports 846 positions.

Master Facility Plan

MoranQ6. In 1997, the Gallery developed a Master Facility Plan with the goal of extending the useful life of its facilities and equipment. Since that time, we have provided more than \$140 million to systematically renovate the Main building, as outlined in the Plan. Because of the urgent work to address the public safety issues associated with the East Building's marble veneer, you have scaled back your work on the Master Facility Plan and the accompanying budget request. You request \$5 million for the Master Facility Plan in Fiscal Year 2011, which is almost \$11 million less than what we provided last year.

Please provide for the record a revised Master Facility Plan reflecting the two year delay to accommodate the emergency work on the East Buildings façade.

Answer:

The Master Facilities Plan Budget Formulation schedule included in the FY 2011 Request on pages 4-10 to 4-11 reflects the two-year delay in the start of Work Area 5 and the deferral of all remaining project budgets.

Prior to the East Building Façade requests in FY 2010 and FY 2011, funding for Work Area 5, the final work area in the West Building, was planned to begin in FY 2010. (Please refer to p. 4-8 of the Gallery's FY 2009 Budget Request.) Work Area 5 will now be deferred for two years until the critical East Building Stone project can be completely funded.

MoranQ7. Because of delay in implementing the Master Facility Plan, I understand that you will need to extend the off-site leases for the office space you rent across the street from the main gallery. Provide the record detail about these leases.

Answer:

The Gallery occupies a total of 48,000 square feet of office space across the street from the Gallery's West Building under the terms of two leases that expire in December 2012 and January 2013. These leases provide for office space for approximately 155 staff members who do not work directly with the art collections, and who therefore can work outside the main buildings.

MoranQ8. Will the extended leases include expansion of the existing space?

Answer:

No. The Gallery plans to extend the current leases when they expire without any expansion of the existing space.

Protection Services

MoranQ9. Your request includes \$345,000 for a security risk and vulnerability assessment of the interior spaces of the Gallery's East and West buildings. This is in addition to past and ongoing studies of the exterior of the buildings. How much in total will you have spent on these risk assessments and what, if any, improvements have resulted from them?

Answer:

Since FY 2003, the Gallery has obligated \$269,000 for security risk assessments to protect the East Building, the West Building and the Sculpture Garden. As a result of these assessments, the Gallery has made improvements in security including the installation of intrusion detection devices such as photo-electric beam sensors in the Sculpture Garden, installation of protective blast film on all windows and doors of the East Building, installation of a retractable vehicular barrier at the West Building service entrance, and installation of new, improved CCTV cameras with expanded coverage on the West Building exterior.

In FY 2009, a study to determine placement and installation of CCTV on the East Building to enhance surveillance coverage of that building began and is being coordinated with architects and engineers working on the East Building façade repair project. New East Building cameras will be installed as the East Building façade project is completed.

The Gallery has also begun an assessment of CCTV surveillance of the interior spaces of the East and West Buildings and the underground Connecting Link and will begin implementation of the recommended improvements from that assessment. This effort to enhance surveillance of interior spaces will continue into FY 2010 and FY 2011.

MoranQ10. How many FTE do you allocate for guards and other protection services?

Answer:

There are a total of 304 FTE allocated for guards and guard officers. A further 29 FTE are allocated for other protection functions such as risk management, investigations, identification badging, security information technology, and management of the Protection function.

MoranQ11. In the past, you have faced challenges in keeping guards on staff. Has that problem been successfully addressed and if so, how?

Answer:

The Gallery's security force is more fully staffed now than at any time in recent years.

One important factor in this success is the creation of internal promotion opportunities to enhance the security force's advancement and professional growth. Another significant contributing factor is that the weakened economy has led to an overall increase in the pool of applicants and significantly reduced turnover. In addition, through increased advertising and vacancy announcements, the Gallery has maintained recruitment levels ahead of turnover rates.

MoranQ12. How many Segway-type vehicles does the Gallery use and what was the cost to purchase or rent these vehicles?

Answer:

The Gallery currently owns four T-3 (three-wheeled) electric patrol vehicles, commonly referred to as "Segway-type" vehicles. This count includes 1 vehicle recently purchased, but not yet delivered. The cost to purchase these four (4) vehicles was \$40,469.

WEDNESDAY, APRIL 14, 2010.

**JOHN F. KENNEDY CENTER FOR THE PERFORMING
ARTS****WITNESS****MICHAEL KAISER, PRESIDENT**

OPENING STATEMENT OF CHAIRMAN MORAN

Next we will hear from Michael Kaiser, the President of the John F. Kennedy Center for the Performing Arts. I have to tell you, Mr. Kaiser, you are traveling all over this country, if not this world, on behalf of the arts. It has just been terrific. Do you want your piece of stone back there?

Mr. POWELL. I will try to glue it back.

Mr. SIMPSON. We might need it at some point in time.

Mr. MORAN. You know, I do not want to sound too biased here, but boy, the Kennedy Center has just done such wonderful work, and you have done a great job. I know. I have got my opening statement right here, but I just fixated on all that Mr. Kaiser has been doing and all that he has done for us through the Kennedy Center.

But these are tough times. They are tough times for theatres and the arts throughout the country, and I know you have extended yourself to address that.

Just a word about the Kennedy Center for those who are not familiar with it. It was established back in 1958, as our Nation's cultural center. It has been a living memorial to the late President since 1964. It used to be administered by the Park Service, but now the Board of Directors has full responsibility for all its operations since fiscal year '95. So that has been 15 years now.

The request is for \$37 million. That is \$3 million less than was provided last year. The reduction, of course, is coming from the capital repair and restoration account. You do not include funding for the Arts Management Program, although the subcommittee provided one half of a million dollars for that last year.

We do want to make mention that Kathy Kruz is now on your staff from Senator Kennedy's office. Senator Kennedy obviously has made wonderful contributions to this country and the Kennedy Center. I have seen him so many times at the center. He is going to be missed there as he is missed in the Halls of Congress. In her new position we know that Kathy can help continue his legacy.

We have some questions; It has been a couple of years since you have been here. We are delighted to have you, Mr. Kaiser.

Mr. Simpson.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Kaiser, for being here today and for your leadership in continuing the legacy of the Kennedy Center as the premiere center for the arts and a world leader in the arts in general. I cannot help but note this morning that your appointment back in 2001 may well have been one of the best decisions made by a previous Administration. We just like to throw that out there occasionally.

Mr. MORAN. Some would say the competition was not keen, but it was an excellent decision.

Mr. SIMPSON. I am not——

Mr. MORAN. But it was an excellent decision. We are in complete agreement on that.

Mr. SIMPSON. Thank you for being here today, and thanks for the job you are doing.

Mr. KAISER. Thank you very much, sir.

Mr. MORAN. Very good. Mr. Kaiser, you may proceed with your statement.

TESTIMONY OF MICHAEL KAISER

Mr. KAISER. Thank you. It is my pleasure to appear today before the subcommittee to present the Center's budget request for fiscal year 2011. Before doing so I would like to thank the subcommittee for its past support and for allowing me the opportunity to share with you the Kennedy Center's progress with its operations, maintenance, and renovations. I also would like to extend my gratitude to your staff members for their impressive work they do for us throughout the year.

KENNEDY CENTER OVERVIEW

I would like to take a moment to describe the Kennedy Center. The Kennedy Center is both our national cultural center and living memorial to President John F. Kennedy. I do emphasize the word living since there is a vitality to the building and the institution that far exceeds anything that could have been envisioned when the Center was originally chartered by Congress in 1958, under President Dwight D. Eisenhower.

Each year the Kennedy Center reaches over 1 million people, with more than 2,000 performances in all performing arts disciplines. Every season our focus is on developing programming that achieves national and international acclaim as is befitting our role as a national cultural center.

But our performing arts activities are not limited to the Washington DC area. We are committed to serving people in all 50 states. The National Symphony Orchestra, a vital part of the Kennedy Center for over 20 years, is fulfilling this mandate by expanding its national touring activities. Our theatre for Young Audiences on Tour Program brings the best of family theatre to 65 cities in 38 states and serves over a quarter million people annually.

The center is committed to making the arts accessible to everyone and presents free performances every day of the year on our Millennium Stage. In addition, these performances are available free to everyone on the internet.

ARTS EDUCATION

Our leadership in the performing arts is mirrored by our commitment to arts education. The center has created one of the most extensive arts education programs in the world. We have committed \$125 million over 5 years in this effort and serve 11 million children in the United States annually. We now train 30,000 teachers every year to bring the arts into the classroom at all levels. Our

Distance Learning Initiatives, which touch more than 1 million teachers and children, enable classrooms to experience world-class performances and programs broadcast from the Kennedy Center, and to your earlier question, Mr. Simpson, to many rural areas as well.

Our Partners in Education Program mentors relationships between arts organizations and their community school systems in 103 organization teams and school systems in 46 states. One of our newest initiatives, Any Given Child, seeks to work with individual communities across the country to ensure that all children have the arts as part of their educational experience.

Based on the premise that every community has rich cultural resources, a plan is created to combine those resources with the schools and the Kennedy Center's resources to coordinate arts education in a logical, equitable, and especially economic way. The Kennedy Center also provides training to talented young Americans who aspire to careers in dance, music, conducting, and set designs. Our American College Theatre Festival identifies the next generation of actors, designers, and playwrights with 20,000 students from 900 colleges participating.

ARTS MANAGEMENT INSTITUTE

In addition, the Kennedy Center has instituted several programs which we hope will change the landscape of the arts in America. The premise of these programs is that our Nation invests heavily to cultivate artistic talent but comparatively little to train arts managers. The Arts Management Institute prepares arts managers to lead arts institutions throughout the Nation and the world and offers arts organizations practical training to address management challenges.

ARTS IN CRISIS

In February, 2009, remote practical strategies for financial and institutional help during these difficult economic times, I initiated Arts in Crisis, a free consulting service for arts organizations throughout the country and a set of community conversations for staff and board members. With the program the center will reach 69 communities in 50 states, Puerto Rico, and the District of Columbia, and I might add that we'll celebrate the conclusion of this tour in your district in Boise, Idaho, on July 16. We hope you will be at the Morrison Center.

Mr. SIMPSON. What a coincidence.

NATIONAL CAPACITY BUILDING PROGRAM

Mr. KAISER. In fall, 2010, the Kennedy Center will implement a National Capacity Building Program. This program is modeled after an initiative launched in 2002, and developed for culturally-specific performing arts organizations to provide strategic planning guidance and other technical assistance for executive directors, artistic directors, and board chairs of 31 arts organizations whose mission is to produce and present work for, by, and about African-American, Latino, Asian American, and Native American people.

The success of this initial program fostered programs for a broad range of organizations in Washington, DC, and northern Virginia I might add, New York City, and Chicago. The new National Program will provide arts managers at over 200 organizations in five American cities with comprehensive training and strategic planning, marketing, and fundraising. In each city, I, along with members of my senior staff, will lead seminars and online discussions and provide specialized mentoring to each participating organization. I am especially grateful to this committee for its support of this important effort.

FY11 BUDGET REQUEST

The Kennedy Center Board of Trustees and its staff take very seriously our responsibility to maintain our building, a federal asset, in the best condition possible. We appreciate the support and guidance we receive from Congress and your subcommittee in particular. The Office of Management and Budget has worked very closely with my staff to assess our budgetary needs and to evaluate our comprehensive building plan.

I will also say, Mr. Chairman, that I am most grateful to this subcommittee for its support for our request for \$40.447 million for fiscal year 2010.

The Kennedy Center is requesting a total of \$37.42 million for fiscal year 2011. That amount covers two important accounts; operations and maintenance for which \$23.5 million is needed, and capital repair, for which \$13.92 million is requested.

I will delineate for you the projects, renovations, and costs that comprise these numbers. The Kennedy Center's request for 2011, for capital repair and restoration funding will allow two projects for which design is currently in progress to move forward with construction. These are door hardware replacement to bring all doors up to current code with new lever handles, compliant door openers, panic hardware, and other opening devices. This is necessary for both accessibility and for life-safety reasons.

The second project is modernization of the heating hot water system. The center system consists of a combination of electric and gas boilers that deliver hot water in a complex piping system, much of which is original to the building. This project will provide invaluable updates to this system, to improve heating delivery and control, reduce energy consumption, and extend the life of the equipment.

In addition, the center's request includes funding for project design for the renovation of our Terrace Theatre. This theatre which opened in 1978, and still has its original finishes, requires improvements to accessibility, finishes, and mechanical, electrical, and plumbing infrastructure. Construction is anticipated to proceed in 2013, contingent on funding.

OPERATIONS AND MAINTENANCE

The operations and maintenance needs of the Kennedy Center for fiscal year 2011, totals \$23.5 million. This amount will fund the daily operation of the physical facility and building systems, including utility costs, preventive and predictive maintenance to ensure the center is open and fully functional every day of the year, non-

routine and emergency repair projects, security officers, staff, and safety personnel to maintain a safe and secure building. Essential visitor services, including public tours, interactive kiosks, informational brochures, and other services related to the memorial aspect of the building, and the infrastructure to support these ongoing activities, including tradesmen, contracting, finance, human resources, information technology, and management.

In closing, I would like to point out that in all projects the Kennedy Center undertakes we are guided by our goal of ensuring the center's infrastructure is as energy and resource efficient as possible, and we are committed to minimizing the effects of our operations on the environment. The mechanical, electrical, and plumbing systems projects, for example, include energy efficient upgrades, energy efficient lighting, and occupancy centers are being installed, and we have a robust recycling program.

Mr. Chairman, on behalf of the Board of Trustees I thank you for the opportunity to address you this morning. I have the remarkable privilege of overseeing one of the most exciting organizations in the world. It is a national monument to President Kennedy and a living tribute to our American cultural heritage. I am grateful for the committee's support and partnership, and I look forward to answering any questions that members of the subcommittee may have.

Thank you very much.

[The statement of Mr. Kaiser follows:]

Statement of Michael M. Kaiser
President, The John F. Kennedy Center for the Performing Arts
Before the House Committee on Appropriations'
Subcommittee on Interior and Related Agencies
April 14, 2010

Mr. Chairman and members of the Subcommittee, my name is Michael Kaiser and I have the honor of serving as the president of the John F. Kennedy Center for the Performing Arts. It is my pleasure to appear before your panel this morning to present the Center's budget request for fiscal year 2011. Before doing so, I would like to thank the Subcommittee for its past support and for allowing me the opportunity to share with you the Kennedy Center's progress with its operations, maintenance and renovations. I also extend my gratitude to your staff for the impressive work they do throughout the year to help the Center.

For the benefit of members new to this Subcommittee, I'd like to take a moment to describe the Kennedy Center. The Kennedy Center is both our national cultural center and a living memorial to President John F. Kennedy. I emphasize the word "living" since there is a vitality to the building and the institution that far exceeds anything that could have been envisioned when the Center was chartered by Congress in 1958 under President Dwight D. Eisenhower as the national cultural center.

Each year, the Kennedy Center reaches over one million people with more than 2,000 performances in all performing arts disciplines. Every season, our focus is on developing programming that achieves national and international acclaim as is befitting our role as the national cultural center. But our performing arts activities are not limited to the Washington D.C. area. We are committed to serving people in all 50 states.

The National Symphony Orchestra, a vital part of the Kennedy Center for over 20 years, is fulfilling this mandate by expanding its national touring activities. Our Theater for Young Audiences on Tour program brings the best of family and children's theater to 65 cities in 38 states and serves over a quarter million people annually.

The Center is committed to making arts accessible to everyone and presents free performances every day of the year on its Millennium Stage. In addition, these performances are available free to everyone via live Internet broadcasts.

Our leadership in the performing arts is mirrored by our commitment to arts education.

The Kennedy Center has created one of the most extensive arts education programs in the world spending \$125 million over five years on this effort and serving 11 million people nationwide. We now train 30,000 teachers annually to bring the arts into the classroom at all levels. Our distance learning initiatives, which touch more than one million teachers and students, enable classrooms to experience world-class performances

and programs broadcast from the Kennedy Center. Our Partners in Education Program mentors relationships between arts organizations and their community school systems with 104 organization teams in school systems in 46 states, including the District of Columbia.

One of our newest initiatives, Any Given Child, seeks to work with individual communities across America to ensure that every child has the arts as part of their educational experience. Based on the premise that every community has rich cultural resources, a plan is created to combine those resources with the schools' and the Kennedy Center's resources to coordinate arts education in a logical, equitable, and economic way.

The Kennedy Center also provides training to talented young Americans who aspire to careers in dance, music, conducting and set design. Our American College Theater Festival identifies the next generation of actors, designers and playwrights with 20,000 students from 900 colleges participating.

In addition, the Kennedy Center has instituted several programs which we hope will change the landscape of the arts in America. The premise of these programs is that our nation invests heavily to cultivate artistic talent, but comparatively little to train arts managers. The Arts Management Institute prepares arts managers to lead arts institutions throughout the nation and the world and offers arts organizations practical training to address management challenges. In February 2009, to promote practical strategies for financial and institutional health during these difficult economic times, I initiated Arts in Crisis, a free consulting service for arts organizations and a series of community conversations for staff and board members. With this program the Center will reach 69 communities in 50 states, Puerto Rico and the District of Columbia.

In fall 2010, the Kennedy Center will implement a National Capacity Building Program. This program is modeled after an initiative, launched in 2002 and developed for Culturally Specific Performing Arts Organizations, to provide strategic planning guidance and other technical assistance for executive directors, artistic directors and board chairs of 31 arts organizations whose mission is to produce and present work for, by or about African-American, Latino, Asian or Native-American people. The success of this initial program fostered programs for a broad range of organizations in Washington D.C., New York City, and Chicago. The new national program will provide arts managers at over 200 organizations in five American cities with comprehensive training in strategic planning, marketing, and fundraising. In each city, I, along with members of senior Kennedy Center staff, will lead seminars and online discussions, and provide specialized mentoring to each participating organization. I am especially grateful for the Committee's past support of this important effort.

The Kennedy Center Board of Trustees and its staff take very seriously our responsibility to maintain the building, a Federal asset, in the best condition possible. We appreciate the support and guidance we receive from Congress and your subcommittee in particular. The Office of Management and Budget has worked very closely with my staff to assess our budgetary needs and to evaluate our comprehensive building plan. I will

also say, Mr. Chairman, that I am most grateful to this Subcommittee for its support of our request for \$40.447 million for fiscal year 2010.

The Kennedy Center is requesting a total of \$37.42 million for fiscal year 2011. That amount covers two separate accounts: "Operations and Maintenance," for which \$23.5 million is needed, and "Capital Repair," for which \$13.92 million is requested. I will delineate for you the projects, renovations and costs that comprise these numbers.

Before I present the Center's capital repair and restoration plans for fiscal year 2011, I would like to review briefly some of the projects that have been completed since I last appeared before the Committee three years ago. The renovation of the Eisenhower Theater, our third largest theater, and the related dressing rooms, was completed on schedule in September 2008. This project enhanced accessibility and egress, installed fire sprinklers and fire separations to bring the space into compliance with current fire codes, upgraded mechanical, electrical and theatrical systems and replaced all finishes. In addition to this project, the Center installed fire sprinkler systems and fire separation upgrades on the Roof Terrace level, painted the exterior columns, renovated the motor lobbies to install sprinklers and fire separation doors, made fully accessible all bathrooms not previously renovated as part of other projects, and modernized the mechanisms of the elevators.

A number of important projects are now underway: spalled concrete repairs in the garage have begun and renovation of the Concert Hall support spaces will be completed this summer. The replacement of the large window walls on the Plaza level and the Roof Terrace Level began last month. In addition, this year the construction contract to modernize our major mechanical and electrical systems will be awarded. An important aspect of the window wall and systems modernization projects is improved energy efficiency.

The Kennedy Center's request for 2011 for Capital Repair and Restoration funding will allow two projects, for which design is currently in process, to move forward with construction. These are:

- Door hardware replacement to bring all doors up to current code with new lever handles, compliant door openers, panic hardware and other opening devices. This is necessary for both accessibility and life safety reasons.
- Modernization of the heating hot water system. The Center's system consists of a combination of electric and gas boilers that deliver hot water in a complex piping system, much of which is original to the building. This project will provide invaluable updates to this system to improve heating delivery and control, reduce energy consumption and extend the life of the equipment.

In addition, the Center's request includes funding for project design for the renovation of the Terrace Theater. This theater, which opened in 1978 and still has its

original finishes, requires improvements to accessibility, finishes and mechanical, electrical and plumbing infrastructure. Construction is anticipated to proceed in 2013, contingent on funding.

The Operations and Maintenance needs of the Kennedy Center for fiscal year 2011 total \$23.5 million. This amount will fund:

- the daily operation of the physical facility and building systems, including utility costs
- preventive and predictive maintenance to ensure the Center is open and fully functional every day of the year
- non-routine and emergency repair projects
- security officers, staff, and safety personal to maintain a safe and secure building
- essential visitor services, including public tours, interactive kiosks, informational brochures, and other services related to the memorial aspect of the building
- and the infrastructure to support these ongoing activities, including tradesmen, contracting, finance, human resources, information technology and management.

In closing, I would like to point out that in all projects the Kennedy Center undertakes, we are guided by our goal of ensuring the Center's infrastructure is as energy and resource efficient as possible and we are committed to minimizing the effects of our operations on the environment. The mechanical, electrical and plumbing systems projects, for example, include energy-efficient upgrades; energy efficient lighting and occupancy sensors are being installed, and we have a robust recycling program.

Mr. Chairman, on behalf of the Board of Trustees, I thank you for the opportunity to address you this morning. I have the remarkable privilege of overseeing one of the most exciting organizations in the world. It is a national monument to President Kennedy and a living tribute to our American cultural heritage. I am grateful for the Committee's support and partnership and I look forward to answering any questions that members of the Subcommittee may have. Thank you very much.

The Kennedy Center

THE JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS



Michael M. Kaiser

President, The John F. Kennedy Center for the Performing Arts

Michael M. Kaiser has been President of the Kennedy Center since January 2001. He has expanded the educational and artistic programming for the nation's center for the performing arts, has overseen a major renovation effort of most of the Center's theaters and has led the country in arts management training.

Signature artistic programs during his tenure have included an unprecedented celebration of the works of Stephen Sondheim; major festivals of the arts of China, Japan and the 22 countries in the Arab World; long-term relationships with the Bolshoi Ballet, the Mariinsky Ballet and Opera, New York City Ballet and Alvin Ailey American Dance Theater; a country music festival; a celebration of August Wilson's ten plays presented in sequential order; as well as a major revival productions of *Ragtime* that transferred to Broadway. Mr. Kaiser also works closely with the National Symphony Orchestra's Music Director and its Board of Directors on the Orchestra's performances and outreach programs.

Mr. Kaiser created the Kennedy Center Arts Management Institute to provide advanced training for arts administrators at varying stages of development and has created a series of programs to help train others in the field. He has created a ten-month fellowship program for mid level arts administrators to include intensive course work and practical experience with the various Kennedy Center departments. A multi-year summer program for international arts managers is in its third season. Mr. Kaiser has created a Capacity Building Program for culturally specific arts organizations, which offers mentoring services to the leaders of African American, Latino, Asian American and Native American arts groups from across the United States. A similar program was instituted for arts organizations in the American Midwest and the City of New York. He also advises performing arts organizations around the world on building institutional strength through marketing, strategic planning and fundraising, and, in this capacity, is currently working with arts leaders in 60 countries. He has created artsmanager.org, a website that provides resources to arts managers around the world.

In February 2009, he created "Arts in Crisis: A Kennedy Center Initiative," a program which provides free arts management consulting to non-profit performing arts organizations around the United States. Mr. Kaiser has embarked on a national tour for the Arts in Crisis initiative, hosting arts management symposia in all 50 states, Puerto Rico, and the District of Columbia through July 2010. More information may be found at www.artsincrisis.org.

Mr. Kaiser previously served as the Executive Director of the Royal Opera House, the largest performing arts organization in the United Kingdom. During his tenure with the Royal Opera House, that organization erased its historic accumulated deficit, completed a £214 million

-more-

redevelopment of the facility, created an endowment fund, and greatly increased its level of support from the private and public sectors.

Prior to joining the Royal Opera House, Mr. Kaiser was Executive Director of American Ballet Theatre. During his three-year tenure at ABT, Mr. Kaiser erased the entire historic accumulated deficit, created a second company, greatly expanded national and international touring activity, substantially increased both contributed and earned income, and built an acclaimed series of education programs.

Mr. Kaiser has also served as Executive Director of the Alvin Ailey Dance Theater Foundation, the world's largest modern dance organization. During his tenure, the Ailey Company erased its accumulated deficit, expanded its school, and increased all forms of revenue. He has also served as General Manager of the Kansas City Ballet, where he also erased the company's deficit.

As an arts management consultant, Mr. Kaiser has advised such institutions as The Jewish Museum, the Market Theatre (Johannesburg), Detroit Symphony, Glimmerglass Opera, New York City Opera, and many others. He also represented the United States on a commission that established the Arts Council of the Republic of South Africa.

Before entering the arts management field, Mr. Kaiser was a management consultant in the corporate sector. In 1985, he sold the consulting firm he founded, Kaiser Associates, which specializes in helping large corporations formulate strategic plans. Among his clients were General Motors, IBM, Corning Glass Works and 50 other major corporations. Kaiser Associates remains a major participant in the strategy-consulting field.

Mr. Kaiser has served as a research economist for Nobel prize-winning economist, Wassily Leontief, and is the author of four books: *The Art of the Turnaround* (2008); *Strategic Planning in the Arts: A Practical Guide* (1995); *Developing Industry Strategies: A Practical Guide of Industry Analysis* (1983); and *Understanding the Competition: A Practical Guide of Competitive Analysis* (1981). His new book, *Leading Roles: 50 Questions Every Arts Board Should Ask*, is due to be published this fall.

Mr. Kaiser received his Master's degree in Management from M.I.T.'s Sloan School of Management and his Bachelor's degree in Economics *magna cum laude*, from Brandeis University. He has been an Adjunct Professor of Arts Administration at New York University, and a Lecturer at the University of the Witwatersrand in Johannesburg.

He has received the *Dance Magazine* Award in 2001, Capezio Award in 2002, Helen Hayes Washington Post Award for Innovative Leadership in the Theater Community in 2003, the St. Petersburg 300 Medal in 2004, Washingtonian of the Year in 2004, a U.S. Department of State Citation in 2005, the Blacks in Dance Award in 2005, and was the First American to receive China's "Award for Cultural Exchange" in 2005. He was awarded The Order of the Mexican Eagle in 2006 and was named Impresario of the Year in 2006 by Musical America. In 2009, Mr. Kaiser received the George Peabody Medal for Outstanding Contributions to Music in America and the Kahlil Gibran "Spirit of Humanity" Award from the Arab American Institute Foundation.

January 2010

Mr. MORAN. Good for you, Mr. Kaiser. Thank you very much.

The Kennedy Center is both a national treasure as well as a national resource. The situation that arts organizations have had to deal with during this deep recession, if not depression, has been very difficult. They have faced some severe adversities, particularly with regard to financing. Their attendance in many areas was way down. Since 2008, really the end of 2008, more than 28 arts organizations have folded including in Bend, Oregon, Waltham, Massachusetts, in St. Paul, and Orlando.

Most, of course, have been due to the economy and the inability to raise funds. Last year this subcommittee provided \$500,000 for the center's Art Management Initiative. The purpose of this was to provide practical strategies in fundraising, Board development, artistic planning, marketing, and strategic planning so that we could help them sustain themselves through these tough economic times.

This is not what you were hired on to have to do, but as we say, this is a national resource as well. You are personally a resource because of your entrepreneurial ability that you have shown throughout your career to get things started, to find the funding to get them marketed, and make them successful.

Please take a few minutes to share with us what you have done with that relatively smaller amount of money in terms of helping arts organizations throughout the country survive this recession.

ARTS MANAGEMENT INITIATIVE

Mr. KAISER. Thank you, Mr. Chairman. We have done two projects so far and have another two in mind. The first thing we did was last February we offered any performing arts organization in the United States that wanted free consulting help to help them with their challenges, we offered them a free consultant. Eighteen members of my staff, and myself included, are volunteer mentors. We then solicited volunteer mentors from throughout the United States, and we have 160 other mentors who are volunteering their time, and they are true public servants. To date 760 arts organizations have asked for our consulting help, and we have been working with those over the past year. They are all still solvent, which is very good news.

But what I noticed was that a lot of organizations did not feel they needed a consultant or wanted a consultant and so I started these series of public conversations. I have committed to visiting all 50 states, Puerto Rico, and the District of Columbia, for a total of 69 cities. I was the last two days in Phoenix, Tucson, and Santa Fe, and the week before in Bismarck and Billings, and I am doing sessions publicly for arts managers, for their Board members, for artists to talk about how to deal with this recession and how not to deal with this recession. These have been very well received, and I am estimating that when we finish in Boise on July 16 we will have talked to publicly at least 10,000 people across the United States.

I am talking about ways you do fundraising in this environment, ways to keep your programming vital, ways to keep Board members engaged. I started this initiative frankly because I was reading in the newspaper about so many organizations going away or cutting their programming and doing exactly the wrong things in

this environment, and so because my background is in helping troubled organizations, I felt it was time for the National Cultural Center to step in and do this work.

In the future we will be starting regional arts management training programs across the country. We hope these will be a mixture of private and public funds. We have raised private money to do this. We hope that even though it is not officially in our request, this committee might consider continuing their funding for this activity. In the parlance of the Bible we are not giving people fish. We are trying to teach them how to fish, and what we are finding is a tremendous response to this from arts organizations across the United States.

CURTAIN WALL

Mr. MORAN. Good for you. Thank you. I just have a budget question, and I am going to turn it to Mike, but last year, actually, back in fiscal year 2008, this subcommittee provided a very substantial amount of money for what was called the Curtain Wall.

Mr. KAISER. Yes.

Mr. MORAN. It is that wall of windows in the Grand Foyer that overlooks the river? I think we need to get an update on the status of that project, how the money has been obligated. You do not necessarily have to do it publicly here, but we need to—

Mr. KAISER. I am happy to give a brief update.

Mr. MORAN. Why don't you just give us a brief update?

Mr. KAISER. Certainly. The delay in this project, which really is not so much a delay, one was caused by a continuing resolution that made it hard for us to actually access the money the committee was kind enough to give us, but, secondly, and very importantly, these windows take about 10 months to fabricate, and thirdly, we did discover PCB in the gaskets and the seals of the windows, which had to be addressed. So it is a very extensive project which now is underway. If you come to the center now, you will see big scaffolding up, the windows are coming down, and going back up, and indeed, all the windows of the Kennedy Center, both ground floor and at the Terrace level, will be replaced over the course of this year. We expect the entire project to be completed by the end of December.

Mr. MORAN. Okay. That is what we wanted to hear. Lastly, can you give us a kind of sneak preview for what we can look forward to in this ensuing year?

UPCOMING EVENTS

Mr. KAISER. Well, there is so much coming up. There will be a big festival of India, on January 20th we are going to celebrate the 50th anniversary of the inauguration of President Kennedy and the contribution of that Administration to the arts; we are doing a new production of Stephen Sondheim's "Follies," and we are also going to celebrate the bicentennial of Mexico. There will be a great deal of programming, and starting this Sunday at the Kennedy Center we are doing our very first gospel festival. I have been trying every year to bring an art form to the Kennedy Center that does not typically get attention by cultural centers. We started with our country

music festival, a couple of years ago we did our a capella music festival, and this year we are going to do gospel music.

Mr. MORAN. Very good. My granddaughter has heard rumor that you are going to do Mary Poppins, too. Is that—

Mr. KAISER. We are doing Mary Poppins. Absolutely. This summer.

Mr. MORAN. Thank you. Very good.

Mr. Simpson.

ARTS MANAGEMENT INITIATIVE FUNDING

Mr. SIMPSON. Thank you. Again, thank you for being here today. The Arts Management Initiative that the Chairman was talking about, we broke with tradition last year and put \$500,000 into that. Again, as you mentioned, your budget does not request any funding for that this year. How do you plan on continuing that with no federal funding? Are you going to be able to raise the money, or is this an appropriate role for federal funding? Should a portion of it be federal funding should this committee take with light heart what the suggestion was?

Mr. KAISER. I hope you will take with light heart. We do believe this is a perfect place for public/private partnership. We have raised money for this endeavor and continue to. We would also appreciate it if this committee would consider continuing this funding.

Mr. SIMPSON. If we do not put any funding into it this year to continue it, will you be able to continue it?

Mr. KAISER. No. What will happen is we will be able to do a few cities around the country where we will do some more in-depth programming, but we would really like to go to some other cities, and this is going to sound, well, inappropriate, but I really do mean it, we really want to go to some rural areas. We focused the larger program so far on some of the bigger cities that have been very hard hit by the recession like Detroit and Seattle, but we really want to go to some of the more rural areas.

RURAL COMMUNITIES & ARTS

In my tour across the country yesterday was my 50th city of the 69. I have really been struck by the challenges of the arts but also the rigor of the arts in the rural communities.

Mr. SIMPSON. Yeah.

Mr. KAISER. And at this point we do not have the resources to go into those communities. We can actually, as you will understand, have an easier time raising private funds for the bigger cities—

Mr. SIMPSON. Sure.

Mr. KAISER [continuing]. Than for the rural cities. So to the extent that we could have some additional funding from this committee, we would truly appreciate it, and it would allow us to go in more depth and develop two year training programs for the arts leaders in some of the rural communities of the country.

Mr. SIMPSON. Sometimes the rural communities have a more difficult time because, just as you said it, larger communities can raise money, although it might be decreased amounts, but the rural

communities get shut out entirely and have a difficult time raising money during these kinds of economic times. So—

Mr. KAISER. Absolutely, and the marketing challenges in rural communities are very, very great because there is not the density of an audience base, and so we work a lot in the rural communities, and we have spent a lot of time with rural organizations, talking about the way to use internet particularly as a device for marketing that is very inexpensive and allows you to have a broad geographic reach without having to have a very expensive effort.

Mr. MORAN. Mike, would you yield for a moment?

Mr. SIMPSON. Sure.

DEMAND FOR ARTS MANAGEMENT INITIATIVE

Mr. MORAN. If the committee, for example, doubled that amount of money, are you suggesting that you still would not be able to meet the demand that is out there for consultation?

Mr. KAISER. That is absolutely true. The demand is astonishing. There are 100,000 private, not-for-profit arts organizations in this country, and we begin to scratch the surface but only scratch the surface, and our goal with this more in-depth program is it was great for me to go around and meet everybody and talk about some of these high-level approaches, but each organization has its own needs, and what I do then is I am doing a program in New York right now for 266 organizations that I will complete next week. I have been working for 2 years to get each one to really understand how they can implement my suggestions. To me this is a very critical time to be doing this for the arts of this country.

Mr. MORAN. It sounds like you may have some bipartisan support for that outreach.

RURAL COMMUNITIES & ARTS

Mr. SIMPSON. It is fascinating to watch. It is not just how to manage a local, rural art initiative that is going on or something. A lot of times these small communities do not know what is available out there, and I went up and met with the Paul Allen Foundation in Seattle several years ago, and I did not know at the time when I went up there I was looking at some of the research they were doing on brain tissue and things like that, they have a huge impact on the arts throughout the Pacific Northwest.

Mr. KAISER. Absolutely.

Mr. SIMPSON. And one of the ladies that worked for them came down and toured—one of my staff people is on the Idaho Commission for the Arts—and toured the arts programs throughout Southeastern Idaho and Northern Idaho, in fact, and they do a great job in helping these small, rural entities maintain their art programs.

Mr. KAISER. Absolutely. You know, I was just in Billings, Montana, two weeks ago, and 150 arts managers from around the state all drove in, some as far as six hours, because they do not have access to resources.

Mr. SIMPSON. That was just on the other side of the mountains.

Mr. KAISER. Exactly, and when they came in, meeting each other—not just hearing me speak—but meeting each other was really helpful in understanding what resources exist in that state, and we are finding that in every state to which I am touring.

NEA & KENNEDY CENTER COORDINATION

Mr. SIMPSON. Could you tell me what coordination there is between the Kennedy Center and the NEA?

Mr. KAISER. Certainly.

Mr. SIMPSON. Because the NEA does an awful lot with the arts obviously, and a lot of your testimony is similar to what the NEA does. What kind of coordination do you have?

Mr. KAISER. We have a lot of coordination with the National Endowment. I spend a lot of time with Rocco Landesman myself discussing these issues. The NEA really funds primarily arts education as opposed to arts management education, and so these activities that we are talking about here are activities that complement and we coordinate with the NEA, but they do not duplicate the activities of the NEA or the funding of the NEA.

Mr. SIMPSON. When we are trying to get arts out to rural America, as an example, Rocco was out to Idaho last week, and the Shakespeare Festival out there has a tour where they go to schools, seven actors go and they—

Mr. KAISER. Right.

Mr. SIMPSON [continuing]. Presented Othello down in a couple rural schools and stuff, and we went to that presentation. You do some performing arts and presentations around the country also.

Mr. KAISER. Absolutely.

Mr. SIMPSON. Do you guys work together to make sure that you are trying to make this as broad based as possible? If the NEA is doing something in Idaho, do you say, well, we need to do something in Montana?

Mr. KAISER. Absolutely.

Mr. SIMPSON. So that it is spread across the country?

Mr. KAISER. Most of this happens actually through the school systems themselves, that is, we work with the schools to make sure we are going to places where others are not going, because it is not just the NEA that is doing touring. It is also State Art Councils that are touring and individual arts organizations are touring, and what we do not want to do is have one school district have ten experiences and the next school district have none.

And so what we are trying to do through the school systems, which tend to have the best information, to make sure that we are not duplicating the work of the NEA but frankly of the other touring organizations as well.

EPA CITATION

Mr. SIMPSON. Okay. Lastly, let me say, you know, tight budget times and stuff, and we are always looking for resources. Tell me if this is true.

The center's cooling system draws Potomac River water to absorb the building's heat before it is pumped back into the river. Last year the EPA cited the center for pumping water into the river that was .2 degrees, not 2 degrees, .2 degrees Fahrenheit above the allowable temperature on one day of the year. Is that right?

Mr. KAISER. Yes.

Mr. SIMPSON. So what we are saying is if we are looking for money, there is an agency that has got some to spare.

Mr. KAISER. Certainly not ours.

Mr. SIMPSON. Thank you for being here, and I was going to say, not yours but if somebody is measuring the temperature at .2 degrees Fahrenheit, this is not even Centigrade.

Mr. KAISER. Right.

Mr. SIMPSON. This is .2 degrees Fahrenheit. One day a year. Somebody has got too much money.

I appreciate you being here today. Thank you.

Mr. KAISER. Thank you so much.

Mr. MORAN. Thank you very much, Mr. Kaiser.

Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
John F. Kennedy Center for the Performing Arts
Fiscal Year 2011 Budget Hearing
April 14, 2010

Questions for the Record from Chairman Moran

Fixed Costs

MoranQ1. Your budget request includes an increase of \$1 million in the Operations and Maintenance Account. This increase primarily funds increased personnel costs and utility expenses. Does your budget fully fund the fixed costs anticipated in Fiscal Year 2011?

Answer: Yes, the Operations and Maintenance request funds all appropriated fixed costs.

MoranQ2. Does the budget request fully fund the 52 FTEs funded through the Federal contribution or does it assume staff vacancies?

Answer: The budget request assumes two vacancies.

Arts Management Initiative

MoranQ3. Inexperienced leadership, coupled with a slow economy, has proven a fatal combination for many arts organizations. Since late 2008, this country has lost more than 28 arts organizations -- from Bend, Oregon to Waltham, Massachusetts, from St. Paul, Minnesota to Orlando, Florida. Most of these closures have been due to the economy, which has made it more difficult for institutions to raise funds.

In Fiscal Year 2010, this Committee provided \$500,000 as a Federal contribution to the Center's Arts Management Initiative. The mission of this initiative is to provide practical strategies in fundraising, board development, artistic planning, marketing, and strategic planning to assist organizations in building long-term capacity.

Now, I recognize that this work is not typical of what we fund through these appropriations accounts. However, we believe that the Center, as our National Center for Performing Arts, and you, Mr. Kaiser, with your management background, are uniquely positioned to provide this assistance.

What percent of the Initiative is funded through private contributions?

Answer: The Arts Management Program is funded through a combination of private and federal contributions. The appropriation provides no-year funding of \$500,000. In FY'10 the total budget for the Kennedy Center Arts Management Program is approximately \$3.4 million.

Why does it take 5 full time staff to manage this program and does 100% of their salaries come from appropriated funds?

Answer: The Kennedy Center Arts Management Institute staff is comprised of five full-time positions; three of these positions directly support the programs supported with the federal appropriation -- the Capacity Building and Community Conversations, as well as other programs in the Arts Management Institute. None of these positions are fully funded by the appropriated funds.

The Arts Management Institute staff is responsible for:

Community Conversations Tour:

Identify physical tour locations and co-presenters; coordinate tour logistics with local producing partners; prepare materials for conversation moderators; support public relations efforts at each tour locale; provide logistical and communications support for on-site staff; produce follow-up documentation for each visit.

National Capacity Building Program:

Work with local funding and community representatives to identify local participants; solicit applications for participation; collect and adjudicate applications; contract participants for each regional program; identify and contract with local vendors to support each seminar, including convention area, audio/visual support and lodging and transportation; prepare and disseminate

advance materials; arrange travel and logistics for participants and faculty; facilitate day of seminar; collect documentation and solicit participant evaluation; organize, administer, document, and disseminate the narrative from each web-chat; solicit, organize, facilitate and document each site visit.

National Tour/ Community Conversations

MoranQ4. The purpose of the Arts Management Initiative is to assist arts organizations nation-wide with tools to manage the challenges posed by the current economic situation. It is composed of two parts: a National Tour conducted by you and the National Capacity Building program. Roughly eight percent of the funds we provided will fund the tour component. How do you select the cities you visit?

Answer: As of July 20, 2010, the Community Conversations tour will have reached 69 cities in all 50 states, the District of Columbia, and Puerto Rico. In order to assure the most effective outreach to the affected constituency in each city, the Kennedy Center teamed with existing partners – among them, the National Assembly of State Arts Agencies and the Center’s Alliance for Arts Education Network and Partners in Education Program—to identify key organizational partners in each state. In the city selection process, an effort was made to reach as many participants as possible; consequently, the process favored areas with high concentrations of arts organizations. In several states, two stops were made to address needs in areas separated by significant distances (e.g. Louisville and Lexington, KY; St. Louis and Kansas City, MO; New York City and Albany, NY; etc.). While most events were held in densely-populated areas, the Kennedy Center is well aware of the diverse needs within each state and made a concerted effort to ensure that the tour reached not only major urban areas, but less-populated areas as well, such as Bismarck, ND; Kalamazoo, MI; Pierre, SD; Meridian, MS; Conway, AR; and Billings, MT.

MoranQ5. How many participants have attended your seminars and can you estimate how many come from either suburban or rural artistic organizations?

Answer: We estimate that by the end of the tour, between 10,000 and 11,000 arts managers, civic leaders, press, board members, and press will have attended a Community Conversation. Because the tour sought out areas with a high concentration of arts organizations, it is estimated that approximately 80% of all participants came from urban art organizations. However, as

mentioned above, an effort was made to reach populations in less densely-populated areas, both through visits to those areas, as well as through dissemination of learning from the tour, free of charge, via the initiative's websites, ArtsInCrisis.org and ArtsManager.org. For the latter, the Center produced six webinars on topics germane to the Community Conversations: fundraising, mission statements, programmatic marketing, institutional marketing, corporate donors, and budget cuts.

Additional efforts were made to partner with local media to carry the seminars live and in re-broadcast to surrounding markets (via the web, television and radio). Consequently, the reach of the Community Conversations certainly extends beyond the audience in attendance.

National Capacity Building Program

MoranQ6. This program includes more long-term assistance by sponsoring seminars over two years in a number of "hub cities". How many hub cities do you plan to include in FY 2010 and how were they selected?

Answer: The National Capacity Building Program attempts to address the impact of the recent economic downturn on arts organizations in five major American cities: Miami, FL; Detroit, MI; Seattle and Tacoma, WA; Los Angeles, CA; and a fifth city, to be determined, most likely in the southwest sector of the country.

As the first step in a multi-year effort to create "hub" programs throughout the United States, these cities were selected for geographic diversity, concentration of arts activity, need resulting from the economic downturn, and availability of private financial support to supplement the appropriated funds. Additionally, the Kennedy Center consulted with key arts partners nationwide to determine where outreach to local arts organizations would be most effective. Each of the selected areas has been meaningfully impacted by the recent economic situation; the arts in each of these areas were particularly hard hit. Research conducted as part of the Community Conversations tour -- to determine areas of greatest need and maximum potential impact -- contributed to the decision-making process.

MoranQ7. How many organizations do you expect to participate in each “hub city”?

Answer: The program is open to up to 50 arts organizations in each hub city. Three participants from each organization (Executive Director or CEO; Board Chairperson; and Artistic Director, or other relevant staff member) are permitted to attend each seminar and web-chat. An unlimited number of participants may attend each site visit--an on-site consultation at each organization performed by one or more members of the Kennedy Center’s senior staff.

MoranQ8. Have you conducted any of these seminars to date and if so, what has been the attendance?

Answer: The first hub city seminar is scheduled to launch in Detroit in October, 2010. Miami will launch in November, 2010, and Seattle/Tacoma will launch in January, 2011. Los Angeles is projected to launch in late Spring 2011, with the southwestern hub city following shortly thereafter.

FY10 activity has or will include:

Identification of key organizational partners in each city; development of private funding for each regional program; design of application process; development of a public relations strategy for each hub city program, including key media partners; identification of key networks to assist in the identification of participants for each program; logistical preparation for launch of each program, including the identification and contracting of key vendors (convention space; audio/visual support; lodging; catering, etc.); preparatory visits to Detroit, Miami, Seattle, and Los Angeles to meet with local arts leaders and civic officials.

The Center currently runs similar programs in Washington, D.C., New York City, and Chicago, in addition to a national program for 36 culturally-specific arts organizations and a program in support of ten “Next Generation Arts Spaces” in partnership with the Ford Foundation. Based on historical participation averages for these programs, the Center expects between 80 and 110 participants at each seminar. In total, across six seminars in five hub cities, the Center expects to reach between 620 and 750 arts managers, artistic directors, and board members, with at least 32 hours of free consultation each (approximately 19,840-24,000 total hours).

MoranQ9. How many seminars will you conduct in each hub city over the course of the two years?

Answer: Each “hub city” program entails: six, approximately 3-hour seminars (Introduction; Fundraising; Marketing; Strategic Planning; Artistic Planning; Board Development); twelve, approximately 1-hour web-chats; and site visits (approximately 1.5-2 hours and by participant request) to participating organizations.

Minor Repair and Replacement

MoranQ10. We note that within your request, there is a slight reduction to the minor repair and replacement program. Will this reduction adversely affect the operations of the Center?

Answer: The Center has budgeted \$500,000 annually in Operations and Maintenance to address minor repair projects and emergency repair and replacement. The actual amount spent may fluctuate slightly depending on factors affecting other budget lines in this account. The Fiscal Year 2010 projection is slightly higher than the \$500,000 initially allocated for the year due to some savings anticipated in other areas. The amount requested in Fiscal Year 2011 is adequate; we plan to address minor repair projects such as replacing garage light fixtures with more energy efficient lighting and re-caulking the weir of the reflecting pool.

MoranQ11. Given the age of the building, I would assume that the need for replacement of equipment is an ongoing challenge. How do you plan to address this through a decreased request?

Answer: Given the age of the building, there is always something that needs to be replaced, repaired or renovated. Until recently, the Center experienced a significant minor repair backlog. This backlog is now being addressed through projects under the capital repair program, such as the Mechanical Systems Modernization project and the Marble Restoration project. The Fiscal Year 2011 request is sufficient to continue addressing the building’s needs.

Capital Repair and Restoration

MoranQ12. Your Fiscal Year 2011 request for the Capital Repair and Restoration account is \$3.5 million less than provided last year. Please explain the reason for this reduction.

Answer: The Center's Capital Repair and Restoration request fluctuates from year to year depending on the project schedule and implementation plan developed in our Comprehensive Building Plan.

MoranQ13. Does the request fully fund the Centers needs as outlined in the Center's five-year capital plan, which you call the Comprehensive Building Plan?

Answer: The 2009 Comprehensive Building Plan included construction funding of \$3 million in Fiscal Year 2011 to implement renovations to the Service Tunnel. This project has been deferred to Fiscal Year 2012 for other priorities. The Center updates its Comprehensive Building Plan annually; the change in project timing has been reflected in this year's update.

MoranQ14. Despite the overall reduction to this account, the request for the Project Management Office is \$500,000 above Fiscal Year 2010. Please explain why this Office needs a large increase in a year when the total amount of work would decrease?

Answer: Approximately every five years, in keeping with typical industry practices and horizons for capital planning, the Center conducts a full survey of the facility by an outside architectural/engineering consulting firm to do a comprehensive review of the facility and its systems, assess progress against previous capital plans and identify efforts needed to maintain or renew the building. The additional \$500,000 requested is for the engagement of the consultant and a comprehensive update of the Comprehensive Building Plan, which will serve as the basis for the Center's next authorization request.

MoranQ15. How many FTEs are funded through the Project Management Office? Provide for the record a comparison of FTEs for FY 2009, 2010 and 2011.

Answer: Five FTEs are funded through the Project Management Office; this number has been consistent for all three fiscal years.

MoranQ16. In Fiscal Year 2008, the Committee provided a large increase for the replacement of the curtain wall, which is the large wall of windows in the Grand Foyer overlooking the Potomac River. Please provide the obligations by year for the Curtain Wall Project and a timeline for completion.

Answer: This appropriation allowed the project to proceed in 2008, rather than waiting until 2009. However, by the time the appropriation was finalized, there was not enough time in the remainder of the fiscal year to complete the design and bid and award the construction contract. The Fiscal Year 2008 appropriation of approximately half of the construction estimate provided the assurance to proceed with the project and allowed the Center to move directly from design to construction award. During the design process it was discovered the caulk and window sealant in the original construction contained polychlorinated biphenyl (PCB) and lead paint was present on the steel beams, both of which must be treated as a hazardous material. This required additional analysis and effort from the design team and construction manager prior to beginning construction. Additionally, the fabrication of the glass panels has a lead time of approximately 10 months. Monies were obligated as follows:

Fiscal Year 2008: \$259,835

Fiscal Year 2009: \$5,998,759

Fiscal Year 2010 (projected): \$329,406

The project is expected to be completed by January 2011.

Questions Submitted by Rep. Mike Simpson

Arts Management Initiative

SimpsonQ1. Since the Kennedy Center's inception in 1972, Congress has funded the capital improvement, maintenance, and operation of the presidential monument. Except for a Department of Education grant specifically for arts education, all of the Center's programs and performances have been funded through donations, ticket sales, and other sources. For FY10, Congress broke 38 years of precedent and added \$500,000 and authorizing bill language for the Center's new Arts Management Initiative. For FY11, the President's budget once again requests no federal funding for this initiative.

- Do you think that funding for the Arts Management Initiative is a federal responsibility and a priority?

Answer: The Kennedy Center believes that the Arts Management Institute addresses an important national need. There is no other national program of this scale that addresses the lack of training for business people who manage cultural organizations. This program is a high priority for the Kennedy Center in its role as the national center for the performing arts. Future funding for it could come from non-Federal sources which have traditionally supported such projects. As the recent closure of cultural institutions nationwide has shown, there is a significant need among small businesses for expert, timely and strategic guidance in core competency areas. The Arts Management Initiative offers this counsel, free of charge to participants, to address both short-term and long-term challenges in areas hard-hit by the economic downturn..

- What does the Center expect to achieve with the FY10 federal funding and how will it measure success?

Answer: The Center has committed its own resources to this initiative and can prioritize it with other projects in future years. The priority for the Kennedy Center is to ensure an arts management workforce that is effective, efficient and capable of leading cultural organizations in this time of economic instability. Now more than ever, the nation needs a lively cultural life, and we need highly trained individuals who can maintain and operate those programs.

By July 20, 2010, the Center's Community Conversations will provide approximately 10,000-11,000 arts managers, civic leaders, press, and board members with strategic, turn-key solutions on issues of critical importance to the health and survival of arts organizations in 69 cities in all 50 states, the District of Columbia, and Puerto Rico.

From Fall of 2010 through the Fall of 2012, the Center will provide approximately 620-750 arts managers, artistic directors, and board members, with at least 32 hours of free consultation (approximately 19,840-24,000 total hours) in the five key competencies of arts management (fundraising; marketing; strategic planning; artistic planning; and board development).

Simultaneously, two of the Arts Management Institute's websites--ArtsInCrisis.org and ArtsManager.org--will provide visitors with free tools, learning modules, and discussions to complement these activities. Since the inception of the Community Conversations tour, over 67,000 visitors have accessed these sites. These tools include six webinars on issues of critical importance: fundraising, mission statements, programmatic marketing, institutional marketing, corporate donors and budget cuts.

The intended outcome of these programs is to provide these leaders--both in the arts and in local and regional government--with the tools necessary to save these businesses from failure as a result of the economic downturn.

Like any other business, arts businesses are run by real people performing real jobs. In order to preserve these jobs and to encourage growth among these small businesses, arts managers must develop sufficient revenue to meet expenses and offer products that continue to meet the needs of their constituency.

In order to do so--and especially during a national economic downturn--these business people must operate using state-of-the-art learning, strategies and technologies. Because the context in which their businesses operate is quickly changing, access to ongoing professional consultation greatly affects their ability to address the complex issues facing their businesses. Additionally, they must continue to produce artistic programming of the highest standard--in order to assure that ticket buyers and donors continue to patronize their businesses.

But because our culture spends very little to train and cultivate talent in the management of the arts, and because professional development opportunities for arts managers are few and geographically disparate, an urgent need remains to educate and equip "accidental" arts administrators with the skills necessary to meet these challenges--difficult under any circumstances, but exacerbated to a point of crisis in the context of a national economic downturn. This initiative addresses these needs.

- How many jobs does the Center expect to create or save with the FY10 funding?

Answer: The combined outcome of these two programs is between 30,000 and 44,000 hours of free consultation for arts managers in over 70 cities in all 50 states. While the impact of these

“professional development” activities is long-term, based on the participation of no fewer than 150 organizations in the “hub city” program, and estimating that each participating organization employs, on average, 4 staff; and estimating that no more than 5% of these organizations will fail during the activity period; the Center can conservatively estimate that at least 570 jobs will be preserved, at least partially as a result of this program.

- Does the Center require federal funding in order to continue the initiative in FY11?

Answer: No. Federal funding is not required to sustain the program as it currently exists.

- How does the Arts Management Initiative dovetail with the NEA’s nationwide leadership efforts?

Answer: The National Endowment for the Arts provides the country’s primary support system for its cultural life. The NEA has impressive programs that support artists, arts organizations and audiences. The Kennedy Center works in close collaboration with the NEA on any number of issues to advance the arts in America. The NEA does not provide direct support for arts management training, but the NEA Chairmen and staff have been very supportive of the Center’s efforts to do so.

Capital Improvement

SimpsonQ2. During your tenure at the Kennedy Center, the GAO has published four reports with recommendations for improvements in the areas of capital improvement, fire safety, and financial management.

- Please take a moment to summarize for the Committee the improvements that the Center has made in response to GAO’s oversight, including any additional improvements that the Center plans to implement in the near future.

Answer: The Center has addressed all of GAO’s recommendations. The Kennedy Center has taken the following actions in response to the GAO’s recommendations to strengthen the Board of Trustees’ role in overseeing federally funded capital projects:

- The Center updates annually the Comprehensive Building Plan (CBP). The update includes the prioritization of projects, project status and updated budget information for planned and ongoing projects. The plan delineates any changes to projects, including

scope of work, budget and schedule, due to appropriations levels, economic conditions and/or needs of the organization. The overall impact of any of these factors is clearly identified. The CBP is presented to the Operations Committee for approval and is available for all Trustees.

- A description of the Operations Committee mission was developed and approved in 2007. This delineates the roles and responsibilities of the Committee. All new members receive a copy of the document when asked to join the Committee.
- The Operations Committee meets twice a year. As part of these meetings the status of all capital projects in planning, construction or close-out phase are reviewed in depth. In between meetings the Operations Committee Chair is kept abreast of the status of projects and any changes that occur.
- The Board of Trustees receive, at every Board meeting, timely and detailed information on how federal funds are spent for capital projects in the form of a written summary report of capital projects budgets and schedules, as well as an oral report from the Chairman of the Operations Committee on the status of the capital projects.

The Center is compliant with accessibility regulations, though some areas comply better than others. The Center has a full-time office of accessibility dedicated to all ADA issues and the disabled community is actively engaged in decision making for ADA issues. Last year we completed the renovation of restrooms not previously renovated for accessibility. Some additional projects will be implemented over the next few years, including:

- the door hardware project for which a comprehensive survey was conducted this year and construction will proceed next year, will ensure code compliant door hardware, such as latch devices, panic devices and power assisted devices, on every door;
- renovation of the Terrace Theater, planned for 2013, will provide dispersed accessible seating in the front of the theater, whereas it is currently only in the back of the theater, and heavy doors will be replaced to operate more easily.

The life safety issues raised in the reports have been addressed. Sprinkler installation is complete in all areas determined by life safety studies to require them; most recently the Eisenhower Theater and the Roof Terrace level received sprinklers. Renovation of the exit stairwells will be completed this summer. This project addresses elements that were not code

compliant, including installation of fire-rated drywall ceilings and correction of hand and guard rails, tread and riser size, lighting, and signage, as well as replacement of non-fire rated doors.

SimpsonQ3. The FY11 budget includes a \$3.5 million decrease for capital repair and restoration.

- Is this decrease an accurate reflection of where the Center is with its Comprehensive Building Plan?
- How much funding is estimated to be carried over from prior years?

Answer: The Center's Capital Repair and Restoration request fluctuates from year to year dependent on the project schedule and implementation plan developed in our Comprehensive Building Plan. The Comprehensive Building Plan included construction funding of \$3 million in Fiscal Year 2011 for renovations to the Service Tunnel to address infrastructure issues such as inadequate conditioning and ventilation in the generator room, transformer vaults and other office and storage locations in the service tunnel and to improve lighting. This project has been deferred for other priorities. The Center updates its Comprehensive Building Plan annually; the change in the Service Tunnel project timing has been reflected in this year's update.

We currently project a \$225,000 carryover to Fiscal Year 2011.

WEDNESDAY, APRIL 14, 2010.

**WOODROW WILSON INTERNATIONAL CENTER FOR
SCHOLARS****WITNESS****LEE HAMILTON, DIRECTOR**

WOODROW WILSON INTERNATIONAL CENTER FOR SCHOLARS

Mr. MORAN. We will now hear from Lee Hamilton, our former colleague, the Director of the Woodrow Wilson International Center for Scholars. It is awfully nice to see you, Lee.

Mr. HAMILTON. Thank you, sir.

OPENING STATEMENT OF MR. MORAN

Mr. MORAN. It is important for this subcommittee to have hearings for all of these agencies. This is one of those that sometimes gets neglected, but those that it has direct involvement with recognize this is one of the best agencies in the Federal Government. It is unique, the federal contribution is relatively small, but the quality of the work is enormous, and the outreach extent of the Center's is vital to provide policy-relevant research that enhances the capabilities of our leaders and citizens.

The request is for \$10 million. It is a 19 percent reduction from last year's level. That would have serious consequences. I do not know why there is a reduction when this committee has been consistently and appropriately supportive. So I hope that you will take a little time explaining that to us, Mr. Hamilton, the layout, what impacts might occur if we were to follow through with this near 20 percent reduction.

Mr. Simpson, do you have any opening remarks?

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Briefly. In this day and age of 24-hour news and increasing tensions in the world over limited resources, I believe we need more forums for non-partisan discussion if we are to reach more sustainable solutions to our Nation's and the world's problems. And I can think of a no more distinguished and honorable person to lead that effort than our esteemed former colleague, Mr. Lee Hamilton. Thank you for being here today. I am tempted to say I can remember being just a little child sitting on my mother's knee watching you on television in Congress, but that would be—

Mr. MORAN. He is not that old.

Mr. SIMPSON. It has not been that long. Thank you for being here today.

Mr. HAMILTON. I am not sure whether that is a good start or not.

Mr. MORAN. Director Hamilton, you can proceed, if you would like.

TESTIMONY OF MR. LEE HAMILTON

Mr. HAMILTON. Well, thank you very much. This subcommittee has been very important to us at the Wilson Center. We are deeply

grateful to you and your colleagues for the support that you have given the Center.

We are kind of a unique institution. We are a public, private institution created by statute by Congress in 1968, 42 years ago now, and you provide core support for the Center, which is hugely important. It is about one-third of our budget, but terribly important.

ROLE OF THE WILSON CENTER

We are not a think tank. We have two fundamental functions. We are a convener. President Wilson always believed that the scholar could learn from the politician, and the politician could learn from the scholar. That is basically what we are all about. We try to mix the two worlds. We try to link them. I think, we hope, to the benefit of both worlds, both academia and to the world of policy.

So we get a lot of people together. To give you a quick illustration of that, yesterday we had General Petraeus at the Center. This afternoon we have the World Bank President, Mr. Zoellick, speaking. Next week we have Jim McNerney, who is the present CEO of Boeing, and so we have this incredible list of dignitaries and exceptionally-talented people coming into the Center, talking to our audiences there.

We have over 800 meetings a year. Constant meetings. Most of them in this town but not all of them. Many of them around the country. Convening. That is the number one task. The number two task is we have scholars come from all over the world. We have about 150 scholars come in a year, maybe 70 or so at the present time are here, but we will have 150 throughout the year. These scholars are exceptional people. They are all doing very advanced research, very talented, very imaginative. They take their positions free of any constraint, no fundraising responsibilities, no tenure pressure, no faculty meetings, no university demands, no real obligations to the Center. It is an institution of advanced research. It is an academic institution.

Now, the Congress has said, this Committee has said over a period of time, we want you to do three things. First of all, we want you to raise more money in the private sector. When I took over the responsibilities about a decade ago, we had one-third of our budget from the private sector revenue side, two-thirds of the budget from the public sector, from your appropriations. We have just about flipped that ratio, so it is now two-thirds private, one-third public. Just a little short of that now. So we have made dramatic progress in increasing the private funding, even at a time, which you all appreciate, that is pretty tough to raise money now from foundations and other places. So we have done pretty well on the raising of private money.

Secondly, you said to us over a period of time, do a lot more with regard to outreach. You've got a lot of good activities going on down there at the Wilson Center, which is in the Reagan Building, but you are not getting it out enough. We have taken that seriously. I am not going to go into detail on that, but suffice it to say that we use a multiplicity of means to reach out, all kinds of print publications including award-winning books, brochures, speeches, websites, television, radio. You name the outreach mechanism, and

I think we do a pretty good job of it. We have put a lot of emphasis on that over a period of years.

The third thing you have said to us is we want the work down there to be relevant. Now, I have to say upfront that what is relevant to the scholar and what is relevant to the politician are two different things, however, we have taken that seriously, and we have tried to focus our work on several broad themes: governance, future challenges to the United States, and the United States' role in the world.

Okay. That is by way of background. Most recently we have begun to expand our work in science. Mr. Simpson, you come from a scientific background as I understand it. We have had at the Center I think the finest project I know of in nanotechnology and have become deeply respected in that field, not science of nanotechnology so much as the implications of it. And we are now engaging a new initiative on synthetic biology.

FY11 BUDGET REQUEST

Now, we've got a big problem. The big problem is the OMB has recommended what, in effect, is about a 20 percent, 19 percent cut. I do not know why, and they have to speak for themselves there. I talked just yesterday with the Director of the OMB, but they want to cut very sharply our programming. I will let them speak for themselves.

We are requesting level funding for fiscal year 2011 plus the addition mandated for staff salaries, federal salaries. So we are requesting a total amount of \$12.396 million. The OMB is recommending \$9.922 million, and that is quite a gap.

The Chairman asked what the impact of that would be. Obviously, we have looked at that very carefully, and I do not think I exaggerate when I say to you that it is a very dire situation if the OMB budget figure goes through, and I do not think I am exaggerating by saying to you it would call into doubt the viability of the institution.

Let me give you some specifics. A 40 percent decline in the budgeted operating expenses for program and administrative activities. The elimination of some public service and outreach activities. One of those new activities, incidentally, is a new initiative with regard to Asia, which was very much an interest of your predecessor as Chairman. I understand he still serves on the subcommittee, Mr. Dicks. Among other things there, we put together the Kissinger Institute headed by former Ambassador Stapleton Roy. I tell you, the programming and activity of the Kissinger Institute has just been terrific, and I think we are developing at the Wilson Center one of the finest research organizations on Asia that we have in this country and a lot of good programming. All of that Asia Initiative would be eliminated.

We would have a 59 percent, almost 60 percent reduction in public policy scholars. We have about 40 of these scholars in residence at some point this year. We would probably have to cut that to 12. We would have an 80 percent reduction in scholar support. When a scholar comes to the Center, they have all kinds of support, and we have a lot of recruitment expenses recruiting these people. We

have library research materials and access to data bases. All of this would be cut about 80 percent.

The proposed budget cuts would eviscerate the Center's library, almost completely wipe it out because the only thing that would be left would be the salaries of the librarian staff. We would not have any money for subscriptions, we would not have any money for publications, or all the rest of it.

And the outreach activities, which you folks have very strongly asked us to improve over a period of time, would be reduced we think by about 36 percent.

Now, I can furnish the staff with a great deal more detail and more importantly I want to say that your staff people have been exceedingly helpful and interested in what we are doing, and we have kept in close contact with them. I would be happy to furnish to the staff in detail the impact of these cuts.

Our Board is Presidentially appointed. The present Board was all appointed by President Bush, and I expect there are going to be some changes beginning this year. New members will be appointed by President Obama. That Board has unanimously instructed me to oppose the OMB reductions, and so I am carrying out the wishes of the Board.

The proposed budget that we suggest, which is the straight-line budget of \$12.396 million plus the increase for federal salaries, would enable us to continue the work that we had been doing. We would have 150 scholars a year, we would not be expanding any. We would continue the increased Asia programming, which was incidentally referenced in the statement of managers that accompanied the Appropriation Bill last year. We would sustain the programs that we now have.

We would be able to add, because of savings we have achieved, a preeminent scholar group. One of the things we have confronted here is the competition for scholars because of all of these think tanks around town which do terrific work. The competition for scholars is really tough across this country, and we—our institution—depends on attracting really high-quality scholars. Their reputation makes the reputation of the Center.

So we would be able to continue all of that. We would be able to continue some important initiatives in outreach, including a redesign of our website, which we will pay for with private funds, but which we will need the public funds for continuous, necessary updates and maintenance.

So the bottom line for me is that the cuts of the OMB, if they go through, will call into question the continued viability of the Wilson Center. Now, we know that we cannot become complacent. I will conclude with this. We are constantly reviewing, and the Board of Directors under Chairman Gildenhorn's direction, has said to us we want you to start a strategic review, which we are now doing. We are looking at our outreach activities. We are looking at our how we recruit scholars. We are looking at how we better use our space in the Reagan Building. We are looking at how we increase our private sources of funding. Incidentally, we have completely redesigned our development activities. At one time we were very dependent upon fundraising dinners, with which we had great success at over a period of time. That method of fundraising

has kind of reached a plateau, and we are now doing many, many other things in development to increase private sources of funding. We are looking at diversity at the Center, not just the people who work there but the scholars who come there, and we are thinking constantly about how we attract better scholars, better speakers to enhance and improve the work of the Center. So all of that will be taking place this year.

Thank you.

[The statement of Mr. Hamilton follows:]

Statement of the Honorable Lee H. Hamilton
Director, the Woodrow Wilson International Center for Scholars

before

The Subcommittee on Interior, Environment, and Related Agencies
Committee on Appropriations
United States House of Representatives

April 14, 2010

Mr. Chairman, Mr. Simpson, and distinguished Members of the Subcommittee: It is a pleasure and distinct honor for me to appear before you on behalf of the Woodrow Wilson Center as you consider budget requests for Fiscal Year 2011.

At the outset, I want to thank the Congress and the Subcommittee for its strong support of the Woodrow Wilson Center over the last decade. We are deeply appreciative of, and benefit enormously from, the dialogue we have with the Congress.

The Wilson Center is a public-private institution: we know we need to continue raising more funding from private sources, but since its founding 42 years ago, the Center has counted on its appropriation for core support to sustain the Center and as leverage to increase private funding. The appropriation remains vital for Center operations.

The President's Budget request for the Woodrow Wilson Center for FY 2011 is \$9.922 million which represents a \$2.303 million or a 19 percent reduction from the \$12.225 million appropriation received in Fiscal Year 2010.

The Fiscal Year 2010 appropriation provided funding for additional programming on Asia, including the work of the Kissinger Institute on China and the United States, as well as for outreach initiatives. In addition, the Fiscal Year 2010 budget provided increases for the Center's base for payroll adjustments related to the Federal pay increases and increases associated with stipend payments to fellows and scholars.

The President's Budget request for Fiscal Year 2011, provides support for 52 Federal employees while necessitating substantial reductions in nearly every aspect of the Center operations. The President's Budget does not provide funding for the Public Service and Outreach New Initiatives embarked on in FY2010, which supported Asia Initiatives and the Kissinger Institute on China and the United States, with the exception of providing staff funding for one Kissinger Institute assistant. The President's Budget provides: \$210 thousand in Public Policy Scholar support, a 59% reduction in public policy scholars; \$1.496 million for the Fellowship Program, a reduction of \$186 thousand from the Fiscal Year 2010 actual and an 80% reduction in scholar support, leaving \$54 thousand for limited fellowship recruitment/advertising efforts and

independent panel review of applications process; and \$200 thousand for conference support within the Outreach and Communications budget area, a 53% reduction.

The President's Budget provides funding for 3 library employees and reduces funding for library operations. Library reductions include, but are not limited to the cancellation of subscriptions to major research data base and inter-library loan relationships as well as reductions in publication purchases – all vital research tools for the 150 scholars visiting the Center annually.

The Center's visiting scholars, roughly one-third of whom are supported federally, are a large part of the lifeblood of this institution, and bringing pre-eminent scholars to Washington to learn from, and interact with, the public and private sectors here is a core reason this presidential memorial was created forty-two years ago. The Center raises funds for two-thirds of the scholars who are in residence and the funds are raised for restricted purposes: the one-third of the scholars supported federally enables a merit-based, unrestricted program, allowing for the rigorous international competition of the fellowship program. The President's FY2011 Budget will support 12 Public Policy Scholars versus 40 being supported currently with the FY2010 Appropriation.

Roughly one-third of the Wilson Center's staff positions are federally funded and are essential if the Center is to keep up with the added demands of vastly expanded programmatic activities and regulatory requirements, while focusing on other new and important outreach initiatives the Congress has urged the Center to emphasize. The President's Budget does not provide funding for these new initiatives.

With the move to the Ronald Reagan Building eleven years ago, the Wilson Center has significantly increased its visibility and become a vibrant institution. The level of activity at the Center is at an intense pace, and our meeting and conference rooms have been in nearly constant use; the output of the more than 150 scholars who visit and are in residence at the Center annually is substantially greater; and the Center's outreach – through enhanced branding, its website, the webcasting of hundreds of events, its monthly newsletter, *Centerpoint*, its journal, *The Wilson Quarterly*, television and radio broadcasting, and a variety of other publications – is reaching more people and new constituencies throughout the country and overseas.

In short, the Center is making the kind of mark on this town and the nation, and I might add – the world –, of which Woodrow Wilson would approve. In its work, the Center is constantly focused on its mission: to commemorate the ideals and concerns of Woodrow Wilson by providing an essential link between the worlds of ideas and policy and by addressing current and emerging challenges confronting the United States and the world. The Center promotes policy-relevant research and dialogue to increase understanding and enhance the capabilities and knowledge of leaders, citizens, and institutions worldwide. At its core, the Center remains a neutral forum for free, open, and informed dialogue.

The year 2009 was an extraordinarily active one at the Center, averaging 15-20 events a week most of the year. It is a great challenge and distinct honor for me to help lead this important institution and very lively presidential memorial.

The Center is continuing to review and challenge many of the assumptions of its past and current operations. These reviews involve outreach activities and mechanisms, fellow and scholar recruitment techniques, the best functional use of its limited space, organizational structure, an examination of alternatives for increasing private sources of funding, and a look at all aspects of diversity for the Center, including staff, speakers, scholars and audiences we seek to attract to the Center. The Center is currently involved in a bottom-up strategic planning exercise which is likely to extend through 2010. In all these efforts, our objective is to maximize our effectiveness, broaden our scope, produce higher quality work, and make a more efficient use of all our resources.

The Wilson Center's strengths include not only a talented staff of close to 150 people, many of whom produce significant scholarship, but also an engaged Board of Trustees under the able leadership of Ambassador Joseph Gildenhorn that plays a pivotal role in the Center's governance with other Presidentially-appointed private members in addition to those who serve *ex officio*. By statute, the Board of Trustees of the Wilson Center also includes the Secretary of State, the Secretary of Education, the Secretary of Health and Human Services, the Librarian of Congress, the Archivist of the United States, the Chair of the National Endowment for the Humanities, and the Secretary of the Smithsonian Institution.

The Wilson Council, now with more than 100 members, also plays a vital role in the life of the Wilson Center, and under its president, ABC Washington News Correspondent Sam Donaldson, we believe the Council will continue to provide essential leadership on many of the Center's crucial development initiatives and to maintain its commitment to excellence in the Center's work.

Congressional Priorities

The Center values greatly the advice and counsel it receives from the United States Congress. There are three key Congressional directives to which the Center continues to give highest priority.

First, the Congress has wanted the Wilson Center to raise more private money for its operations. I am pleased to say that over the last decade the percentage of the Center's budget coming from the appropriation has been reduced from about two-thirds of the Center's budget to roughly 35 percent, meaning that close to two-thirds of the Center's current budget now comes from non-appropriated sources.

It is clear that the future growth of the Center is conditional in large part on the Center's ability to raise the requisite private funding – from foundations, individuals, and the business community. The Center counts on an annual appropriation to help leverage that private support, while providing mission enhancing support to sustain the Center.

The Center is finding that donors often want to have their funds targeted for specific initiatives, and while traditional Washington-focused programming is still supported, many donors are increasingly interested in programming outside of Washington, and are often unwilling to cover the indirect costs or administrative costs associated with such funding. These activities are broadening the scope of the Center's work in many beneficial ways, but they also stretch to the maximum the Center's small, but highly effective, administrative infrastructure.

The Center will continue to depend on raising annually \$3-4 million in unrestricted trust money, the toughest money to raise, but absolutely essential for the effective operation of the Center. In the current tougher fund-raising environment, fund-raising dinners, the key to fund-raising for the Center in the recent past, have now been complemented with greater efforts to raise funding from individuals and corporations and maintain strong support from foundations. Whereas we used to have 20 fund-raising dinners a year, there are now closer to 15, including four of them for restricted purposes.

In addition to this unrestricted trust money raised annually, the Center's 23 Programs and Projects also secure funding, close to \$14 million last year, from a variety of sources to support non-federal staff, programmatic and outreach activities.

Second, the Congress continues to want the Center to give priority to its outreach. People are constantly asking me: "How can I connect with all the good work being done at the Center?" The Center is putting emphasis on all forms of outreach. The consolidation of the Center's databases, more effective and Center-wide branding, a user-friendly website, and more comprehensive webcasting of events, the production of more focused and better coordinated publications, new brochures, and a new format for the Annual Report are all designed to help the Center reach out to wider and more diversified audiences. And the Center's flagship journal, *The Wilson Quarterly*, which is now entering its 34th year with a new design and format, continues to maintain a strong readership with an overall circulation of well over 70,000, an audience composed overwhelmingly of lay readers, evenly distributed across the country, rather than academics. This is no small feat when many similar journals are experiencing marked reductions in readership and deficits more severe than that of the *Quarterly*. Another important project being completed in 2010 is the redesign of the *Quarterly's* web site, www.wilsonquarterly.com.

There are other outreach initiatives as well. The *Centerpoint* monthly newsletter – which reaches over 13,000 people here and abroad – is well-designed, well-edited, focused and pithy, and it provides a good, current snapshot of the Center's array of activities. The Center's website now receives an average of 125,000 unique visitors each month. There is an alumni section in which former fellows and scholars can keep in touch with the Center and with one another. More than 12,000 people subscribe to the Center's monthly e-newsletter, *Wilson Center Update*. With private funding raised, the Center is completing this summer the redesign of its website with the new www.wilsoncenter.org scheduled for launch in the fall of 2010.

The Woodrow Wilson Center Press continues to publish 15-18 new titles each year presenting important research done at the Center in a final polished form to a worldwide readership which includes scholars and other specialists, as well as the general reader. This brings the total number of annual publications to well over 100.

In 2009, the Wilson Center continued development of a multimedia portal on which the entire Center's audio and video files of meetings will be archived; again ensuring that Wilson Center programming will have a longer shelf-life and reach beyond the Beltway. Wilson Center On Demand, a tremendous value added addition to the Center's website, became a reality and was launched January 5, 2009 as the Center's new home for all of the Center's multimedia programming.

The Wilson Center has also recently entered into a video-sharing partnership with FORA.tv, a website that delivers "discourse, discussions and debates on the world's most interesting political, social and cultural issues, and enables viewers to join the conversation." This increasingly popular site offers video that it gathers from its content providers and partners which include many organizations around the world that host events.

In addition to all these outreach efforts, the Center produces both an award winning weekly television and radio program called *dialogue*. Over the years, more than 1,000 *dialogue* programs have aired. *dialogue* radio is broadcast on approximately 100 public and commercial radio stations in the United States and is available on CD in 36 college libraries across the country. Abroad, the radio program is available to 50 million listeners in Europe and Japan, through distribution on NPR Worldwide, with additional international distribution via the Armed Services Radio Network and 1 worldspace digital satellite service.

dialogue television is available throughout the Washington, D.C. metro area on MHz NETWORKS, and nationally via the MHz Worldview Channel in more than 30 cities via cable and broadcast affiliates. The program is, in addition, available nationally on Direct TV, and the GlobeCast World TV digital satellite. *dialogue* is also available to television stations nationally via the PBS plus satellite service. The program is broadcast internationally throughout Canada on the digital satellite and cable channel ichannel. Both programs are also available to the public as they are archived on the Wilson Center's website. And it is available as a free download on iTunes.

The Center opened the doors to a Woodrow Wilson Memorial Exhibit in the Ronald Reagan Building in the fall of 2008. The exhibit is permanently housed next to the Woodrow Wilson Center's Memorial Hallway. Memorabilia, historical information, and a short film are among the exhibit's main features. We have had an average of 500 people a month coming to the exhibit to learn about our 28th president and the Wilson Center. We're planning to invite the concierge association members and tour operators to visit the exhibit, encouraging them to add the Memorial Exhibit to their lists of those attractions one must see when visiting Washington.

Educational outreach is a key focus of the Center's communications work. The Center has reestablished a more active program with the Close Up Foundation and is bringing student groups to the Center for presentations from program directors. We've also featured students on our dialogue broadcasts. We are establishing a partnership with the Consortium of Washington Programs, an organization that represents 70 colleges and universities that conduct Washington semesters and coordinate internship programs. Additionally, we are working with other student and general public education groups such as The American Civics Center, The American Councils, and the American Bar Association Division for Public Education. One of the more interesting groups to visit the Center as a result of this initiative was a group of Eurasian students, participants in the FLEX (Future Leaders Exchange) program conducted by the State Department. As many of you recall, FLEX was established in 1992 under the FREEDOM Support Act.

Third, the Congress wants the work of the Center to be coordinated, focused, and relevant to the key public policy issues of the day. We are constantly asking the question: Does this activity help inform or elucidate an important public policy issue? And I think the answer is in the affirmative.

To bring greater coherence and focus to its work, the Center is devoting considerable attention to several broad thematic areas the Center considers central to adequate coverage of the key issues of the day. The Center seeks to advance research and the exchange of ideas in the following theme areas as well as examine issues relating to their appropriate historical context:

- a) governance, including issues related to the development of democratic institutions, civil society, and citizen participation;
- b) the United States' role in the world, including the issues of partnership and leadership; and
- c) fundamental and future challenges confronting the United States and the world, including the issues of environment, economic and financial stability, the impact of nanotechnologies, information technology, the proliferation of weapons of mass destruction, global terrorism, and the ability of international institutions to deal with ethnic and regional conflicts. The focus of some of the Center's work in these areas shifted in the last decade as a result of the events of September 11, 2001, but these themes remain crucial for the work the Center does.

Part of the work the Center is doing on future challenges is to find, encourage, and coordinate the work of groups within the federal government which seek to plan ahead. In this effort, the Center seeks to bring together people in government who work on future planning, to discuss experiences with planning in the federal system, and to explore ways it can be improved. In recognition of the leadership role the Center has played in bringing attention to current issues which have huge future implications, for example, the Pew Charitable Trusts awarded the Wilson Center several years ago two

multi-million dollar grants to develop a Project on Emerging Nanotechnologies, and in the last year, the Sloan Foundation started to support important work at the Center on synthetic biology.

Finally, the Center is focused on other broad interests of President Wilson, including government reform and an open trading system. In 2008, The Wilson Press published *Reconsidering Woodrow Wilson*, edited by John Milton Cooper, Jr. of the University of Wisconsin, the foremost historian of the 28th President today. This book emanated from an all-day conference held in 2006 with the leading scholars on Woodrow Wilson, an effort assessing his contributions and the relevance of his work for public policy issues we confront. The occasion for the conference and the book was the sesquicentennial of Woodrow Wilson's birth. As the recognized leading authority on Woodrow Wilson, John Milton Cooper continues to be a key source for the Center, and he speaks at the Center at least once a year.

Related Center Priorities

The Center is now close to entering its tenth year of Director's Forums, a series of one-hour meetings with leaders in a variety of areas. These sessions, averaging more than two a month, are fashioned to provide the speakers a memorable visit to the Center and positive interaction with the audience – good and fair, but tough, questions are raised and comments made. The Director's Forums have tended to fill our small auditorium to its capacity of about 120 people, and many times we have needed to use additional rooms at the Center for overflow crowds, or have held the Forum elsewhere in the Ronald Reagan Building. The Wilson Center webcasts almost all of the Director's Forums.

An extraordinarily diverse group of people have spoken at and for the Center. Among the speakers at the 2009 Director's Forums were: The CEOs of Exxon Mobil and Shell Oil; F.W. de Klerk, the former State President of South Africa and founder of the Global Leadership Foundation; Wangari Maathai, Nobel Prize Laureate and founder of the Green Belt Movement; the Prime Minister of Bosnia and Herzegovina; the President of Colombia and the President of El Salvador; and the new Secretary of the Smithsonian Institution. Speakers at Director's Forums also included cabinet secretaries, several Members of Congress, among them Committee Chairs, leading physicians, prominent business and Non-Governmental Organization CEOs, ministers and leading ambassadors as well as some Speakers of Parliaments.

Another priority for the Center has been to increase the number of pre-eminent fellows and public policy scholars brought to the Center's residential program annually. Last year's competition yielded some 300 applicants for the 24 annual Fellowships awarded, the majority of their appointments began in September 2009 and will culminate in May 2010. The Fellowship Program is the flagship scholar program at the Center and, together with the Public Policy Scholars, they constitute fully a third of the total of more than 150 scholars who come to the Center during a year. The FY2011 President's Budget will support 19 Fellows and 12 Public Policy Scholars, a reduction of approximately 4 Fellows and about 23 Public Policy Scholars when compared to FY2010.

Recent Developments

I would also like to mention five other important areas of new developments and refinements in the programming conducted at the Center – changes and revamping made possible largely through private fund-raising.

First, the Center has been able to continue to expand and strengthen theme-related, cross-regional, multi-discipline programming which brings the Center's various projects and programs into joint activities. A great deal of this activity has centered on issues of globalization, the United States role in the world, and future challenges. In the post-September 11th period, the opportunities for coordinated work have multiplied in such areas as post-conflict peace-building, Islam, preventive action, migration, disaster mitigation, and the war on terrorism. The real benefit of such programming is the added coherence, and greater focus and coordination among the parts of this institution for the benefit of a greater whole.

Second, the Center, with substantial outside individual and foundation support, added new work or ensured the longevity of some recent initiatives. Several examples to mention are: a Canada Institute; a Mexico Institute; a Brazil Institute; and a China Environment Forum that is working hard to strengthen the dialogue with China and reduce the friction on contentious environmental issues; a Wilson Center on the Hill program that brings roughly 25 programs a year to Capitol Hill for staff; a North Korean International Documentation Project emphasizing issues on the Korean Peninsula; and a Science and Technology Innovation Program doing extensive work on future challenges and long-term planning in the government, now buoyed by the national leadership role it is playing on nanotechnology and synthetic biology.

Third, the Center is continuing to engage in joint venturing with other institutions around the country and overseas – joint venturing that is mutually beneficial and that extends the reach and the effectiveness of the Center's work. Examples include: numerous Latin American Program conferences co-hosted with a variety of Latin America-based institutions on such topics as Haiti, Cuba, U.S.-Mexican relations, and peace building in Colombia; the Kennan Institute working with four major American foundations to hold an important conference in Russia on the importance of civil society and the key role civil institutions must play in pluralistic societies; the Middle East Program's conferences co-sponsored with several institutions on Islamism, gender issues, and transparency and accountability in Muslim countries; and the convening of a number of university groups, business groups, and non-governmental organization representatives with government officials from several agencies to assess the balance between access and security and to discuss a myriad of problems that can affect getting foreigners into the United States. Since 2004, the Center has also conducted a Terrorism and Homeland Security series of monthly meetings co-sponsored with the Rand Corporation as well as a bimonthly series on non-proliferation issues with the Los Alamos Laboratories.

In addition to and in conjunction with the fund-raising dinners mentioned earlier, the Wilson Center continues to bring its programming to diverse new audiences through a

series of joint venture seminars in the cities where dinners are held. Through partnerships with local organizations, including the University of Tulsa, the Saltman Center for Conflict Resolution at the University of Nevada Las Vegas, Belmont University in Nashville, Tennessee, the World Affairs Council in Dallas, the University of Wisconsin-Milwaukee, and Wits University in South Africa, the Wilson Center hosted topic-specific symposia in 2009, which ranged from developments in Iran to nuclear issues to environmental concerns. Such co-hosted activities help to highlight the Wilson Center's considerable convening powers and provide a marvelous opportunity for the Center to reach a wider spectrum of people in the United States and abroad

A **fourth** enhancement at the Center includes important new initiatives by the more established Programs and Projects. Many of the Center's 23 Programs and Projects, with remarkable reputations both in academia and in government circles, are deftly adjusting their programs to ensure that what they do stays at the cutting edge of the public policy issues that need a fuller dialogue. Examples abound:

- a Latin American Program that gives priority to citizen security, the rise of the new left in Latin America and what is happening in Mexico, Brazil, Argentina, Cuba, and Colombia, and what it means for the United States;
- a Kennan Institute that is enormously respected in Russia and had for a decade played a pivotal role in managing, advising, and implementing the collective multi-million dollar effort of three major American foundations to enhance the work and performance of Russian scholars and universities at a time when support for higher education in Russia is diminishing and when it is essential for Russian educational institutions to prepare adequately the next generation of leaders; and
- an Asia Program that focuses on Japan, the Koreas, Taiwan, Southeast Asia and South Asia, doing recently much useful programming on India and Pakistan. China is now covered by the Kissinger Institute on China and the United States.

Such initiatives enable the Center to play an expanding role on an array of key policy issues confronting the United States, while fostering a non-partisan haven for full, fair, and open debate.

Finally, the Center has used foundation support to expand significantly the work of the newer and smaller Middle East and Africa Programs. The Africa Program is designed to provide a sustained dialogue that informs and educates policymakers and the wider public about African issues and about United States policy toward Africa. In addition, the Africa Program has raised significant resources here and internationally to help with programmatic activities aimed at assisting with building leadership and state capacity and promoting peace and stability.

A vastly more active Middle East Program has organized numerous meetings on current issues in the Middle East, the Persian Gulf and Central Asia, including the aftermath of the September 11, 2001 attacks on the United States, the role of Islam efforts at democratization, the role of women, and key issues in the Middle East peace process.

Africa and the broad Middle East regions are of enormous importance to the United States and deserve commensurate attention of scholars and policymakers. Several private sector grants have been awarded to these two Programs, and several other proposals are pending. It is the Center's fervent hope that more private sector and foundation funding can be obtained for these two key regions, thereby ensuring the continued well-being of the Center's work in these areas, so fundamentally important to the national interests of the United States.

Conclusion

Organizations such as the Woodrow Wilson Center can't be complacent, can't stand still: they either move forward in their agenda, mission, and purpose or they quickly lose focus and become less effective. That is one reason why we are engaged in a lengthy strategic planning exercise.

The hardest challenges now are quite varied: continually revising our agenda to be sure that we focus on the most important public policy issues; obtaining the essential private and public funding to ensure our ability to undertake relevant activities without having foundations determine priorities; maintaining the Center's current level of staffing; being able to continue to attract pre-eminent scholars; and being able to retain excellent staff members when they have to operate at a feverish pace in all aspects of their work, including fund-raising, merely to keep up. The Center remains an extraordinarily popular venue for researching and writing books, and our space is in constant demand. For every writer who can come, there are several the Center cannot accommodate.

My commitment as Director is to ensure that we deal as effectively as we can with these tough challenges, and I am determined to do all I can to have adequate resources for the Woodrow Wilson Center to remain vibrant and relevant.

Mr. Chairman and members of the Subcommittee, this concludes my prepared statement. I and other members of the Center's staff here are available to answer your questions.

Thank you for this opportunity to testify.

LEE H. HAMILTON

Lee H. Hamilton is president and director of the Woodrow Wilson International Center for Scholars, and director of The Center on Congress at Indiana University. Hamilton represented Indiana's 9th congressional district for 34 years beginning January 1965. He served as chairman and ranking member of the House Committee on Foreign Affairs, chaired the Subcommittee on Europe and the Middle East, the Permanent Select Committee on Intelligence, the Select Committee to Investigate Covert Arms Transactions with Iran, the Joint Economic Committee, and the Joint Committee on the Organization of Congress. As a member of the House Standards of Official Conduct Committee Hamilton was a primary draftsman of several House ethics reforms.

Hamilton is co-chair of the National Security Preparedness Group with Tom Kean, co-chair of the National Advisory Committee to the Campaign for the Civic Mission of Schools with Justice Sandra Day O'Connor, co-chair of the Department of Energy Blue Ribbon Commission on America's Nuclear Future with Brent Scowcroft, and serves on the President's Intelligence Advisory Board, the FBI Director's Advisory Board, the US Department of Homeland Security Task Force on Preventing the Entry of Weapons of Mass Effect on American Soil, and the CIA External Advisory Board.

Hamilton served as co-chair of the Iraq Study Group, a forward looking, bi-partisan assessment of the situation in Iraq, created at the urging of Congress. He served as Vice-Chair of the 9/11 Commission and co-chaired the 9/11 Public Discourse Project, established to monitor implementation of the Commission's recommendations. Hamilton was appointed to the Congressional Commission on the Strategic Posture of the United States, the National War Powers Commission, a private, bipartisan panel led by former Secretaries of State James A. Baker III and Warren Christopher, to examine how the Constitution allocates the powers of beginning, conducting, and ending war, and was a member of the President Bush's (43) Foreign Intelligence Advisory Board.

Hamilton is a graduate of DePauw University and Indiana University school of law. Before his election to Congress Hamilton practiced law in Chicago, Illinois, and Columbus, Indiana. Hamilton is the author of *A Creative Tension - The Foreign Policy Roles of the President and Congress; How Congress Works and Why You Should Care; Strengthening Congress;* and co-author of *Without Precedent: The Inside Story of the 9/11 Commission and The Iraq Study Group Report.*

KISSINGER INSTITUTE ON CHINA AND THE U.S.

Mr. MORAN. Thank you, Mr. Hamilton. I am very well aware of Mr. Kissinger's initiative with regard to relations with China during the Nixon Administration, but why is it named after Henry Kissinger? Does he contribute a lot of his time, or did he make a major contribution to it?

Mr. HAMILTON. He does not contribute a lot of his time. It was named after him because he is especially identified, of course, with the opening to China. He was instrumental in that. He has been helpful to us in raising money, and he does participate in some of our programs. We had a program just a couple of weeks ago in Hong Kong. I did not attend. He was on his way there when he took ill in Korea, I believe, and could not make it, but he has come to the Center on several occasions to speak. He is personally very interested in the program, and he has been helpful to us.

CUTS IN BUDGET, EFFECT

Mr. MORAN. I have got a number of questions here. I do not want to take up too much time. I want to give Mr. Simpson an opportunity, but your outreach. You talked about the impact on the library and on the Kissinger Institute. Is that where the cut would be exclusively focused, or how would it affect your outreach ability?

Mr. HAMILTON. It affects us across the board. It is not just the Asia Initiative. I mentioned that because that was new. It has a dramatic impact on the number of public policy scholars we can have. It cuts them by 60 percent. It cuts by 80 percent the amount of money we can give to scholar support. It cuts very dramatically, as I suggested, the library, and outreach expenses. Printing is expensive. Radio and television are expensive, and so all of those programs would be cut back pretty sharply.

Now, I suppose the OMB would say to us they want us to raise more money privately. I think our record is pretty good there, but even if we were to accept the OMB figure and try to make it up in the private sector, it would take us years to do that. You just cannot jump rapidly and raise \$3 or \$4 million additional dollars today.

Mr. MORAN. Well, particularly at this time, particularly with all the competition for federal dollars.

Mr. HAMILTON. You have got all the competition, you have got the private sector drying up. Funding is drying up.

Mr. MORAN. Yes. About a third of your employees are federal employees.

Mr. HAMILTON. Correct.

Mr. MORAN. What would happen in terms of personnel cuts?

Mr. HAMILTON. This is a delicate matter because anything I say on this is going to have some impact. We would do all we could to avoid reductions in federal employees. One-third of them are federal at our institution, but I could not guarantee that there would not be some reductions down the line.

PARTNERING WITH ORGANIZATIONS

Mr. MORAN. I am interested in the joint venturing that you engage in with institutions here and abroad. Can you tell us a little

more about your activities, especially in Latin America and concerning transparency and accountability in Muslim countries?

Mr. HAMILTON. We have an extraordinary partnering capability. I think we are now partnering with some 70 different institutions. Some are universities but not just universities alone. The Latin American Program which you mentioned specifically, we have co-hosted with a variety of Latin American-based institutions on topics like Haiti, Cuba, U.S./Mexican relations, Colombia. We have the Kennan Institute which focuses on Russia and Ukraine. They have been working with the National Science Foundation, for example. We have Middle East programs that have spent a lot of time and effort on Islam and the U.S. relationship with the Islamic world, gender issues, and transparency issues, accountability issues in Muslim countries.

I think we have some of the finest programming on Islam that I know of in this city. One of our staff scholars has a particular interest in the status of women in the Islamic world, and we have had a large number of Islamic women leaders come to the Center for programming and the like.

We also have had very close relations with Korea, South Korean universities, Las Vegas Law School, it goes on and on and on. And we get so much enrichment in our own programming from collaboration. We participate with the National Laboratories on scientific endeavors and with the Hoover Institution, with Ohio State, and it just goes on and on. With the Miller Center at the University of Virginia.

Mr. MORAN. Yes. Very good. Mr. Simpson.

FUNDING, PRIVATE VERSUS PUBLIC

Mr. SIMPSON. Thank you, Mr. Chairman.

Last year in '09, the federal portion of the budget went from \$10 million to \$12,225,000.

Mr. HAMILTON. Correct.

Mr. SIMPSON. So there was about a 22 percent increase.

Mr. HAMILTON. Right.

Mr. SIMPSON. Now they are talking about a 19 percent reduction, and as I look at it it would be about \$78,000 below the '09, level, to \$9,922,000. Is that right?

Mr. HAMILTON. I think your arithmetic is about right.

Mr. SIMPSON. Yeah, so it would be back to roughly where we were in '09, before we had the 22 percent increase. Now, are you going to be able to maintain the private fundraising level that you have in the past? Do you think you are going to be able to maintain the two-thirds portion?

Mr. HAMILTON. It will be very difficult for us to do so, and the reason is that we have focused much of our fundraising capabilities on dinners, private dinners honoring different people. That has been very successful, but we have clearly hit a plateau on that, and it may even be going down. We have to make that up with other private sources. We have a new development director. She is putting into place a lot of new outreach and development efforts, but it is going to take some time to kick in.

So we will not be able to replace with private funding that gap.

Mr. SIMPSON. Not in this year at least.

Mr. HAMILTON. Yeah.

Mr. SIMPSON. What we are talking about, though, is if you look at your total funding, two-thirds of it coming from private funding, one-third of it coming from federal sources. If you can maintain the two-thirds, what we are talking about is about a 6½ percent reduction in overall funding because we are reducing by 20 percent, 19 percent, one-third of your budget. Right? So that would be about overall a 6½ percent reduction, which does not sound as bad, but I understand if you cannot maintain the private funding, then it is obviously more than that.

Mr. HAMILTON. No. We would have very great difficulty, and we would not be able to carry out any of the new initiatives which you asked us to do.

FUNDING, PRIVATE DONOR RESTRICTIONS

Mr. SIMPSON. Are there limitations on what you can use the private funding for when the private funds are given to your organization?

Mr. HAMILTON. Almost all private funding has restrictions and constraints, and that is one of the really big problems. Donors today, as you know, it is their money obviously, but they put strings on it.

Mr. SIMPSON. They put directions onto it?

Mr. HAMILTON. They do.

Mr. SIMPSON. Yeah.

Mr. HAMILTON. And a lot more than they did 10 years ago, for example. and the thing they do not like to pay for is administration.

Mr. SIMPSON. Yeah.

Mr. HAMILTON. They want programmatic activity, they want impact, which is fair enough, but it does create really big problems for us because the administrative side gets short changed.

Mr. SIMPSON. So is that why if this reduction were to stand, it would have such an impact on the administrative side, the library?

Mr. HAMILTON. Right.

Mr. SIMPSON. Those things that we consider the infrastructure of the program?

Mr. HAMILTON. That is correct.

Mr. SIMPSON. Donors will donate to, say, the China Initiative—

Mr. HAMILTON. That is right.

Mr. SIMPSON [continuing]. To do that kind of stuff but—

Mr. HAMILTON. I think you have got it figured exactly right. We have about 140 people, I think, on the staff now. We have a wonderful facility. It takes a lot of maintenance, of course, and all of that administrative side would be hurt badly.

NANOTECHNOLOGY AT THE CENTER

Mr. SIMPSON. Tell me a little bit about the nanotechnology. I kind of found that interesting. It is just something I never thought of.

Mr. HAMILTON. Well, I am no expert in it, but we had from a Pew Grant money given to us to begin to explore the implications of nanotechnology. That project has pretty much reached its conclusion now, and as a result of it the Center developed, I think, quite

a reputation for understanding the implications of nanotechnology. We have had a number of conferences on it, and today nanotechnology is much better understood, not just because of our work but because of the work of many others; the implications, the potential of it. Among other things they would discuss a lot of products at the Center that were developed by nanotechnology, and you saw the potential of the program.

Mr. SIMPSON. Yeah. It is a fascinating subject, and I suspect you will be issuing a report.

Mr. HAMILTON. I think reports already have been issued on this. What we did here, I think, was what we are pretty good at doing, if I may brag a little bit, and that is we convene people, not in large meetings, but you get the corporate people and the private sector people, the government people and the scholars to come together, and they discuss nanotechnology. Like any discipline, I guess, they tend to get very focused and very narrow, and what you want when you have a new science like nanotechnology suddenly explode on you, you want people from outside that science to begin to look at the implications of it, and that is what we have done. I will be happy to send to you the reports that we have.

Mr. SIMPSON. I would love to read it.

Mr. HAMILTON. You would understand them better than I.

Mr. SIMPSON. I do not know if I would or not, but I will tell you that one of the biggest challenges we face in society today is the rapid change of technology, so rapid that we do not have time to adapt to it. You know, I am still one of those guys who is not going to buy a computer until they get the final one made because I am tired of every six months having to have a new computer. No, I am just kidding, but it is one of the real challenges, and we are faced at this time where us human beings like to see stability, and people ask me all the time, you know, how are we going to defend ourselves if we do not have a steel industry in this country? How are we going to build ships?

I am not sure the next battleships will be built out of steel.

Mr. HAMILTON. That is right.

Mr. SIMPSON. And you cannot deny the advances in that technology that nanotechnology is having. They say that will be the next quantum leap like computers were, that nanotechnology will be the next quantum leap in materials and science.

Mr. HAMILTON. Our heavy emphasis at the Center has been on the social sciences as you would expect.

Mr. SIMPSON. Yeah.

Mr. HAMILTON. That is the Wilsonian tradition, but it is interesting. About five or six years ago we partnered very closely with the national laboratories on super-computing. We had all kinds of meetings with regard to the implications of super computers. Then we moved to nanotechnology. We really did kind of the same thing. What are the implications of nanotechnology? Now, the Center is doing synthetic biology.

One of the advantages of the Wilson Center is that it brings together a lot of disciplines to focus on a particular problem, and you get out of these kind of stovepipe disciplines that have been true not only of government but of academia as well. So many of our projects are cross-disciplinary.

Mr. SIMPSON. One of the hugest challenges we have got and you are still focused on the social aspect of it even though you are studying nanotechnology because, I mean, you are not into the science of it, but all of these rapid discoveries have huge implications on all of our social institutions, whether it is our political institutions, religious, psychological, educational, whatever. It has huge implications on how they are going to affect our society.

Mr. HAMILTON. That is correct.

Mr. SIMPSON. Yeah. Well, I appreciate the work you do and look forward to working with you, and I would like to see those reports just out of curiosity.

Mr. HAMILTON. We extend an invitation to all of you. Our next Board meeting will feature the Federal Reserve Chairman, Mr. Bernanke, who is speaking. I will plug the Center in this way, too, that people like to come to the Center to speak because they recognize it is a non-partisan and a neutral platform, and there are advantages oftentimes to a speaker to have that kind of a platform. We try very, very hard to protect that reputation, and I think we do a reasonably good job of it.

Mr. SIMPSON. I do, too. Thank you.

Mr. MORAN. Thank you, Mr. Simpson. This subcommittee is not going to force you to suffer that cut. It is just we are going to have to figure out where to get the money from someplace else. As you know, this is a zero-sum game. We find the money for you, we have to take it from somebody else, but we are impressed with your work, and we expect you to be able to carry forward with that very important work.

Thank you, Mr. Hamilton.

Mr. HAMILTON. Thank you.

[The information follows:]

House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies
Questions for the Record
Woodrow Wilson Center FY2011 Budget
Hearing Date: April 14, 2010

Questions Submitted from Mr. Simpson

Role of the Center

SimpsonQ1. In this day and age of 24-hour news and increasing tensions in the world over limited resources, I believe we need more forums for non-partisan discussion if we are to reach more sustainable solutions to our nation's and the world's problems. I can think of no more distinguished and honorable person to lead that effort than our esteemed colleague, Mr. Lee Hamilton. Thank you, sir, for being here with us today.

- Would you please take a moment to give us a few recent examples of how the Woodrow Wilson Center has made significant contributions in this area?
- Without asking you to divulge privileged information, can you describe for us how this and previous Administrations have turned to the Center for help?

Wilson Center Answer to Mr. Simpson Q1.

The mission of the Woodrow Wilson Center, as the official memorial to our 28th president, is to commemorate the ideals and concerns of Woodrow Wilson by 1) providing a link between the world of ideas and the world of policy; and 2) addressing current and emerging challenges confronting the United States and the world. It does so by promoting policy-relevant research and dialogue to increase understanding and enhance the capabilities and knowledge of leaders, citizens, and institutions worldwide. We accomplish this through an integrated combination of scholar appointments, public service activities, and a very active outreach program.

The Wilson Center, in its efforts to carry out that mission, promotes the interaction of scholars with the policy community and a free, open, non-partisan and informed dialogue on key public policy issues. That interaction depends on the presence of leading scholars and policy practitioners as well as convening forums on topical issues. But the Center is also focused on the dissemination of these interactions to a much larger audience than can be accommodated in its Washington, DC or at off-site convening facilities. As all three of the major areas listed above

(scholar appointments, public service, and outreach efforts) comprise the essence of the Center's core mission, it is imperative that the Center receive adequate funding to cover them all - scholar appointments, public service, and outreach efforts.

Some recent speakers at the Wilson Center illustrate how the dialogue that occurs at the Center can make important contributions to the discussion of public policy issues in Washington. In recent months we have heard from the CEOs of ExxonMobil, Royal Dutch Shell, and Chevron among others, in separate meetings, on the importance of alternate energy sources and the best ways to develop a diversified energy strategy. General Petraeus, the Commander of the Central Command, spoke at the Center in April about critical national security issues for the United States in Iraq and Afghanistan and beyond. Also in April President Robert Zoellick of the World Bank came across town to discuss a key economic reform agenda and the critical importance of addressing global poverty issues.

The Center has heard in the recent past from heads of state including Prime Minister Singh of India, President Uribe of Colombia, and President Lula of Brazil, three countries that are playing an increasingly important role in their regions and beyond. Former world leaders also play a critical role in the dialogue the Center tries to promote: The Center has recently heard from Romano Prodi, the former Prime Minister of Italy, and Fernando Cardoso, the former President of Brazil, as well as three former heads of state in Africa -- Festue Mogae the former President of Botswana, Amos Sawyer, the former Interim President of Liberia, and F.W. de Klerk, the former State President of South Africa. All these former leaders provided valuable wise counsel on today key policy issues.

The Wilson Center also often interacts with the United States Government. U.S. Government representatives frequently come to the Wilson Center: 1) to speak at, or participate in, events; 2) to engage scholars and experts outside government in workshops and discussion groups held at the Center on key public policy issues; and 3) to encourage the Center to undertake certain activities independent of the government.

Several departments of government have been interested in the work of the Center, including the State Department, the Agency for International Development, the Environmental Protection Agency, the Department of Transportation, the Department of Energy, the Department of Defense and, and the Department of Housing and Urban Development. There are several example of instances in which the government has urged certain activities to take place:

- The State Department, EPA, and the Department of Energy have been interested in the Center's work on environmental issues in China since the 1990s and successive administrations have supported Center efforts to engage the Chinese on environmental issues in an effort to try to reduce the gap between the United States and China on these issues. The Center's China Environment Forum is still thriving some 18 years later;
- State Department officials working on promoting democracy in Iraq and other parts of the Middle East have sought out the work of the Middle East Program and its workshops for Iraqi and other Arab groups, especially women, examining parliament or government options for the future. This effort started nearly a decade ago and have involved meetings and workshops both at the Center and in the region;
- The State Department has asked the Center over the last decade to help promote more effective public diplomacy by hosting key officials, both in meetings here and abroad, and by bringing diverse stakeholders together to discuss important public policy issues. Examples include: The Center has put together events for the State Department in places like Russia; the Environmental Change and Security Program is and has been working closely with the Agency for International Development (USAID) for nearly a decade on programming at the Center; and recently the Center hosted a meeting for State Department and Agency for International Development officials to meet with leaders in the non-governmental sector to discuss foreign aid reform.
- Over the last six years, the Science and Technology Innovation Program has collaborated with agencies in the government, as well as scholars and private industry, on its pioneering work on nanotechnology and synthetic biology. Program staff has also made presentations and provided testimony on Capitol Hill.
- On the last two years, the Mexico Institute has been working closely with several government departments on its work on US-Mexican border security and its foundation-funded, comprehensive bi-national study on the future of US-Mexican strategic and security relations. This work on border security issues has been of keen interest to Capitol Hill.

Two other aspects of cooperation and coordination with government are worth mentioning. Staff and scholars have been asked to testify or appear before Congressional Committees on Capitol Hill several times. In addition, through a foundation grant now in its second year, the Center has been able to organize over 20 panel discussions annually on Capitol Hill, bringing scholars and experts and programming from the Center to the Congress and its staff.

FY 2011 vs. 2010

SimpsonQ2. Last year the Congress added \$2 million on top of the President's request for the Center.

- Can you please take a moment to tell us how those funds are being spent, including the \$750,000 not otherwise designated by Congress for administrative costs and for the Kissinger Institute on China and the United States?
- Please tell us more about the Kissinger Institute, how it works, and what you hope to accomplish.

Wilson Center Answer to Mr. Simpson Q2.

The Center convened programmatic and administrative senior staff to formulate a budget for the additional \$2 million dollar of appropriated funding received for FY2010. The Center was guided by Conference Report 111-316 which provided \$650 thousand in support for the Kissinger Institute on China and the United States and other related Asia programs, as well as \$600 thousand in support for additional administrative costs leaving \$750 thousand in additional appropriation funding not specifically identified. Based on several discussions with senior staff and approval of the Wilson Center Board Chairman, Mr. Hamilton issued the FY2010 budget for the additional \$2 million appropriation (see chart below).

FY2010 Additional \$2 Million Appropriation Budget

<u>Initiative</u>	<u>Budget</u>
<i>Asia Related Initiatives:</i>	
Asia programming by the Kissinger Institute, the Asia Program, the China Environment Forum, the History and Public Policy Program, and associated Library needs	\$ 450,000
Cooperative Grant Agreement with the National Bureau of Asian Research (NBR)	<u>750,000</u>
Sub-total for Kissinger Institute and Other Related Asia Programs	\$ 1,200,000
<i>Other Initiatives:</i>	
Conference funds for other Programs at the Center	200,000
Special Initiative to bring few prominent preeminent scholars to the Center	200,000
Administrative needs of the Center	400,000
Total	<u><u>\$ 2,000,000</u></u>

Kissinger Institute on China and the United States

The Kissinger Institute on China and the United States is dedicated to promoting greater awareness of the U.S.-China relationship and its impact on both countries and the world. By exploring the political, economic, historical, and cultural factors that underlie the respective behavior patterns and world views of China and the United States, it also seeks to enhance understanding of each country in the other.

Through seminars, workshops, briefings, and conferences, the Kissinger Institute hopes to improve bilateral comprehension, communication, and cooperation. In April, 2009, the Institute hosted Harvard professors and Chinese Academy of Social Sciences scholars, featuring Gu Guoliang, Richard Rosecrance, and Senator John Kerry in a broad-ranging discussion of the future of U.S.-China relations. Indian author Prem Shankar Jha, in March, 2010, previewed his new book on the challenge to the United States of the rise of India and China. The Institute's Director joined a February, 2009, panel on Capitol Hill, U.S. Foreign Policy Challenges in the 111th Congress: Brazil, Russia, India and China. Jose Villarreal, U.S. Commissioner General for the Shanghai 2010 Expo and Ambassador Zhou Wenzhong spoke in September on the upcoming Expo and the United States pavilion. An October talk by Linda Jakobson from the Stockholm International Peace Research Institute addressed China and climate security.

In October, 2009, and January, 2010, a major symposium with sessions in each country examined and compared critical governance issues in China and the United States. Cosponsored with the Counselors' Office of the PRC State Council (Cabinet), the symposium, drawing on presentations by noted experts from both sides, contrasted approaches to key topics including economic, national security, and science policy formation, crisis management, corruption, and center-local governmental relations. The reports from the symposium will be published later this year, and we plan to continue the series with similar annual gatherings.

The Kissinger Institute also hosted several delegations of visiting Chinese scholars, officials, and students. Most recently, Dr. Yan Xuetong from Beijing's Tsinghua University discussed the relevance of ancient Chinese philosophy to China's modern rise. The Institute briefed a delegation of 23 representatives from provincial assemblies, municipal offices and other organizations in China on the U.S. federal system in November. A think tank delegation from Shanghai visited the Institute in December to discuss Tibet in U.S.-China relations. In April, 2009, a student group from the Shanghai International Studies University visited the

Institute to learn not only about U.S.-China relations, but also about non-government organizations in the United States.

Finally, the Kissinger Institute provides leading scholars with the opportunity to conduct research that enhances the understanding of U.S.-China relations. Wu Junhua, who heads the Japan Research Institute's Shanghai office, is studying the interaction of Chinese economic and political policies. Terry Lutz, formerly Luce Foundation Vice-President, is researching the history of U.S. missionaries in China during the early years of the Peoples' Republic.

National Bureau of Asian Research (NBR)

\$750,000 has been designated for costs associated with a new national program called the National Asia Research Program (NARP), jointly organized by the Wilson Center and the Seattle-based non-profit organization The National Bureau of Asian Research (NBR). The combination of Asia's openness, dynamic growth, relative stability, and huge population translates into growing global power. No major global problem—such as terrorism, restoring economic growth, proliferation, pandemic disease, or climate change—can be solved without cooperation with and support from major Asian actors. It is important for U.S. policymakers to grasp the full extent of Asia's global influence and the implications of the rise of China and India. The purpose of the NARP is to promote the policy-relevant study of Asia in the United States, and to help American scholars play a more effective role informing U.S. policymakers on critical policy issues in Asia that affect U.S. national interests.

In recent weeks the NARP has named 39 scholars as National Asia Research Associates and Fellows. These experts will be given publication and speaking opportunities with NBR and the Wilson Center that will directly engage policymakers. The NARP will hold its first national conference on June 17-18, 2010, in the Ronald Reagan Building in Washington, D.C. Most NARP Research Associates and Fellows will deliver papers at this conference. In addition, senior U.S. policymakers, foundation leaders, and numerous other scholars of Asia will participate in this June conference.

Of the \$750,000 designated for the NARP: \$183,000 will be used for research stipends for the National Asia Research Associates and Fellows to support their policy-relevant research work; \$420,000 will be used to support conference, publication, and outreach activities of the NARP (including conference venue and travel costs for the June 17-18 Asia Policy Assembly).

associated outreach and marketing costs, and editing and printing of NARP-related publications); and the remaining \$147,000 will be used for program management costs incurred by NBR, which serves as the secretariat of the NARP. NBR and the Wilson Center are building a consortium of private foundations and sponsors to supplement funding from Congress and help establish a public-private partnership that will support the NARP.

In addition to the \$750,000 for NARP discussed above, the Wilson Center's Asia Program plans to spend \$140,000 for additional Asia-related programming in FY 2010. This money will be used to support the following activities:

- Two public events looking at Burma's economic and political challenges, and their implications for U.S. policy;
- A series of three public events looking at various dimensions of India's security environment;
- A June 2010 conference on Pakistan's demographic time bomb;
- A July 2010 conference on Taiwan's energy conundrum;
- Support for two visiting Australian scholars;
- Support for a visiting Taiwanese scholar; and
- Funding for compilation and distribution of six Asia Program publications, on food insecurity in Pakistan; climate change issues in Northeast Asia; Burma's economic and political dilemmas; India's security challenges; patterns of Chinese migration; and Taiwan's energy conundrum.

Administrative

The Center has used the Fundware accounting software for over twenty years to manage the Trust funds financial activities. When Blackbaud bought Fundware it became apparent that Fundware would be phased out with limited Blackbaud resources being expended to provide updates and enhancements to the Fundware product. The Center has reviewed its choices for not-for-profit accounting software available and decided the Blackbaud Financial Edge and Raisers Edge software packages for accounting and fundraising would be the correct choice for the Center. The two programs will interact with each other requiring less data entry work and less potential for data entry errors. The Blackbaud conversion process allows many prior years

of financial data to be automatically converted to the new system. Prior year financial information is imperative for comparative reporting. The cost to the Center for implementing the new systems is extensive in both time and money. The purchase of the software, conversion services, and training for staff is estimated at \$260 thousand.

In addition to the software, conversion, and related training the Center also needed funding for a voice communication phone trunk, a few Federal position audit requests, temporary services for the administrative services regarding the annual Fellowship competition which was not included in original budget request, as well as additional funding for Library research materials given the increasing costs of database subscriptions which exceeds the planned for economic assumption increase.

**President's FY2011 Budget Reduction Impact and Budget Comparison to FY2010
Enacted Appropriation**

SimpsonQ3. From looking at the detailed FY11 President's budget, it would appear that the proposed cuts aren't necessarily in proportion to the FY10 increases. The FY11 cut to the library – the core of a center for scholars – is just one example.

- Can you please talk about the proposed cuts, where the President proposes to take them and their impact on programming at the Center?
- Do these cuts reflect a shift in priorities at the Center?

Wilson Center Answer to Mr. Simpson Q3.

The Woodrow Wilson Center has not changed its priorities or its mission, but if the President's Budget for Fiscal Year 2011 was enacted, drastic, negative changes in Wilson Center operations, activities, and priorities would result. As you observed, the budget reductions in the President's Budget are not proportionate to the prior year increases.

The President's FY2011 budget is \$2.303 million below the FY2010 enacted Appropriation. Table 1, "Total FY2011 President's Budget Compared to FY2010 Enacted Appropriation by Budget Lines," shows the budget line by line reductions set forth in the President's budget. The affected budget lines are Fellowship Program, Scholar Administration and Support, Public Service, General Administration, and Outreach and Communication.

Table 1 - Total FY2011 President's Budget Compared to FY2010 Enacted Appropriation by Budget Lines

Budget Lines	FY2011 President's Budget (in thousand of dollars)	FY2010 Enacted Appropriation (in thousand of dollars)	Reduction from FY2010 Enacted to President's Budget (in thousand of dollars)
Fellowships	1,496	1,582	(86)
Scholar Administration and Support	941	1,150	(209)
Public Service	2,600	3,281	(681)
General Administration	2,254	2,455	(201)
Smithsonian Fee	281	281	-
Outreach and Communication	2,150	3,316	(1,166)
Building Requirements	200	160	40
	<u>9,922</u>	<u>12,225</u>	<u>(2,303)</u>

The FY2011 President's Budget provided the Center with budgeted amounts in each of the eight lines of the Center's budget and specifically included a civilian pay increase of 1.4% for all Federal staff positions. In assembling the President's FY2011 Budget, the Wilson Center adhered to the budget directives it was given and implemented the President's Budget line by line reductions by first increasing personnel costs. The economic assumption of 1.4% increase was to be applied to all personnel costs. The FY2011 budget for personnel costs was likewise adjusted for mandated within grade increases and career-ladder promotions. The President's Budget for FY2011 fully funds all 52 Federal employees (including the new federally funded Kissinger Institute staff position).

The FY2011 President's Budget for personnel costs increased \$255,000 when compared to the enacted FY2010 Appropriation. Table 2, "FY2011 Budgeted Personnel Costs Compared to FY2010 Enacted Appropriation Personnel Costs," displays the personnel cost variance. The Center is comfortable with the FY2011 budget for salaries and benefits funding and believes it would be adequate for the Center provided the cost of living increase does not exceed the OMB-approved economic assumption of 1.4%.

Table 2 – FY2011 Budgeted Personnel Costs compared to FY2010 Enacted Appropriation Personnel Costs

Budget Lines	FY2011 President's Budget for Personnel Costs (in thousand of dollars)	FY2010 Enacted Appropriation for Personnel Costs (in thousand of dollars)	Budgeted FY2011 Increase for Personnel Costs from the FY2010 Enacted Appropriation (in thousand of dollars)
Fellowships	-	-	-
Scholar Administration and Support	887	875	12
Public Service	2,390	2,224	166
General Administration	1,549	1,452	97
Smithsonian Fee	-	-	-
Outreach and Communication	1,241	1,261	(20)
Building Requirements	-	-	-
	<u>6,067</u>	<u>5,812</u>	<u>255</u>

When the Center assigned \$6.067 million of the FY2011 President's Budget to fund fully personnel costs, there remained \$3.855 million to fund all non-personnel administrative and programmatic expenses. In comparing the FY2010 Enacted Appropriation for non-personnel costs of \$6.413 million to the President's Budget for non-personnel costs of \$3.855 million, the

result is a net Wilson Center operating budget decline of \$2.303 million or nearly 40% (see Table 3, "FY2011 Budgeted Non-Personnel Costs Compared to FY2010 Enacted Appropriation Personnel Costs").

Table 3 - FY2011 Budgeted Non-Personnel Costs Compared to FY2010 Enacted Appropriation Personnel Costs

<u>Budget Lines</u>	<u>FY2011 President's Budget for Non-Personnel Costs (in thousand of dollars)</u>	<u>FY2010 Enacted Appropriation for Non-Personnel Costs (in thousand of dollars)</u>	<u>FY2011 Budgeted Reduction for Non-Personnel Costs from FY2010 Enacted Appropriation (in thousand of dollars)</u>
Fellowships	1,496	1,582	(86)
Scholar Administration and Support	54	275	(221)
Public Service	210	1,057	(847)
General Administration	705	1,003	(298)
Smithsonian Fee	281	281	-
Outreach and Communication	909	2,055	(1,146)
Building Requirements	200	160	40
	<u>3,855</u>	<u>6,413</u>	<u>(2,558)</u>

The proposed Fiscal Year 2011 President's Budget, if enacted, would lead to a drastic reduction in the activities of the Wilson Center. These reductions would call into question its ability to carry out its mission as well as the mandates of the Congress contained in the Statement of Managers in the Fiscal Year 2010 Appropriations Bill. The adverse impact of the President's Budget can be seen in nearly all areas of operations.

Fellowship Program

The proposed reduction in the Fellowships line is \$86 thousand which equates to approximately one fellow. Moreover the affect of the reduction reduces the funding that may be used to entice preeminent fellows many of whom are in-demand by several institutions. The Center must be competitive in the stipends offered to attract preeminent fellows and engage one of the Center's several strategic goals to enhance the Center's reputation, thereby increasing outreach opportunities, and fundraising potential. The reduction does not even allow a small increase for cost of living to the stipend awards for fellows without reducing the Fellowship Program as a whole.

Scholar Administration and Support

The reduction in the proposed FY2011 Scholar Administration and Support of \$221 thousand or 80% from the FY2010 enacted Appropriation leaves \$54 thousand to manage the Fellowship Program. Expenses for recruitment of fellowship applications (travel, academic conference booth rentals, advertising) external review panel costs (travel and honorarium for panelists), application shipping fees (to ship the applications to the reviewers), temporary services (for organization, photo-copying applications, and arranging for shipments), and Library research materials (to include database subscriptions).

With only \$54 thousand allocated to the non-personnel costs of this budget line, the Center had no choice but to eliminate library expenses in the FY2011 budget. The reduction would also have a severe impact on the advertising and on-site academic conference outreach and recruitment. This is most unfortunate because the Center's Scholar Administration Office has determined that talking with possible candidates at academic conferences provides the greatest application return, ensures that the Center's better known by a wider spectrum of scholars, and enhances the ability to increase diversity.

The library provides vital research support for the entire Wilson Center community from fellows, scholars, and interns to Center staff; in so doing the Library supports a core mission requirement of the Center. Although the Center strives to raise more unrestricted private funding, it is not likely to achieve the additional amount needed to support library expenses in the foreseeable future. Unrestricted funding is the most difficult to raise: the \$3 to \$4 million dollars of unrestricted funding anticipated this fiscal year will go toward support for currently funded unrestricted trust fund staff and activities including a portion of outreach and administrative costs, as well as 100% of development activities and staff.

Public Service

The FY 2011 President's Budget reduces non-personnel costs by \$847,000 in the Public Service budget line.

This substantial reduction affects the Public Policy Scholars budget. Funding was reduced by nearly 60%, budgeted for \$517,000 in the enacted FY2010 budget and reduced to \$210,000 in the FY2011 President's Budget. In FY2010, the Center will likely award about 40 short-term Public Policy Scholarships. There would be closer to a dozen Public Policy Scholars in Fiscal Year 2011 under the President's proposed budget.

A portion of FY2010 \$2 million new initiatives totaling \$540,000 was funded in this budget line. The FY2011 President's Budget eliminated all new initiatives including the new Asia initiatives set forth by Congress in the FY2010 enacted Appropriation.

The FY2011 President's Budget also eliminates funding for the new initiative grant with the National Bureau of Asian Research (NBR). The Public Service line supports \$330,000 of the NBR grant in FY2010. This portion of the NBR grant provides funding to award and administer 35 Asia studies associates and fellows, in residence in several dozen institutions around the United States. These scholars will participate in the Asia Policy Assembly scheduled for June 17-18, 2010 in Washington, D.C. The convening of Asia studies scholars and policy makers at the Assembly will be the first major forum of its kind for Asia studies. Additionally, the NBR grant funds the Scalapino Prize, named after renowned Asia scholar Robert A. Scalapino, which will be awarded to one of the 35 scholars awarded scholarships.

The Center initiated the pre-eminent scholar program in FY2010 to bring one or two renowned pre-eminent scholar(s) to the Center annually funded in FY2010 at \$200,000. This new initiative has the potential to attract not only top-notch scholars, but will increase the Center's reputation, thereby strengthening its development efforts and augmenting outreach.

Outreach

The decline in budgeted Outreach funding from FY2010 enacted Appropriation to FY2011 President's Budget totals \$1.146 million. This budget line reflects reductions of \$225,000 for conference support, \$840,000 new initiative funding, and \$81,000 reduction for Public Affairs and Wilson Center Press.

Though the vast majority of the Center's convening of conferences, meetings, and workshops is privately funded, Federal Conference funds are essential for leveraging private support and encouraging prospective donors to participate in the financing of these events.

An \$840,000 reduction in new initiatives including outreach activities funded through the NBR grant and Asia Initiative activities at the Wilson Center are eliminated in the FY2011 President's

Budget. The FY2011 President's budget reductions would not be able to provide funding to renew the NBR grant agreement for a second year

The cost of outreach and specifically maintaining the Wilson Center website is expensive. The Center's website, which is now in the process of being redesigned with private funding, has visits exceeding 125,000 in one month. With the addition of Wilson Center OnDemand last year the Center's meetings and events may be viewed by rural America and every corner of the world. The affect of not receiving adequate funding in this area would result in stagnation in several of these information technology initiatives.

Nanotechnology

SimpsonQ4. I recently read a news article about how researchers at MIT are using nanotechnology to find a new way to use sunlight to split water into oxygen and hydrogen, a process that could eventually lead to new energy storage technologies. I was reminded that the Woodrow Wilson Center has an Emerging Nanotechnologies program.

- Will you please take a moment to help us understand the Center's nanotechnology program and how the Center plays a role between science and public policy?

Wilson Center Answer to Mr. Simpson Q4.

The Wilson Center has received two foundation grants to work on emerging technologies. The first, a \$6.5 million grant from the Pew Charitable Trusts, supported our Project on Emerging Nanotechnologies for the past five years. A two-year grant of \$575,000 from the Alfred P. Sloan Foundation is now helping build new capacity to address synthetic biology.

The Center's work on nanotechnologies and synthetic biology is designed to ensure that as the technologies advance, risks are identified and addressed early so that public and investor confidence remains high and broad benefits to our economy and society can be realized. Both projects use a similar approach built on activities in three interrelated areas:

1. Analysis of government funding for risk research to help ensure that there are adequate resources and a strategy to identify and manage emerging risks proactively.
2. Analysis and identification of any gaps in regulations and oversight mechanisms that could impact public health or environmental protection.
3. Research to understand better public perceptions of the emerging field to improve public outreach and engagement strategies by government and industry.

Over the last four years, the Project on Emerging Nanotechnologies has published over twenty reports and its website receives over one million visitors a year. The project's work is highly respected and sought after by leading policymaking institutions both in the U.S. and abroad.

Project staff and advisors have been called to testify six times before the Congress (House Science Committee, Senate Commerce Committee, and Senate Environment and Public Works Committee). Staff has worked closely with U.S. government agencies, including EPA, FDA, NSF, and NIH. The project has provided input to the President's Council of Advisors on Science and Technology (PCAST), the World Economic Forum, and the Organization for Economic Cooperation and Development (OECD), and has supplied background analysis to inform studies by the General Accountability Office (GAO), the National Academies, the UK House of Lords, the UK Royal Commission on Environmental Pollution, and the European Group on Ethics. The project's data and analyses have been incorporated into hundreds of other studies and research papers carried out by academics, NGOs, government agencies, and think tanks around the world.

The work of both the nanotechnology and synthetic biology projects has been covered widely by traditional press outlets such as the New York Times, Washington Post, Financial Times, New Yorker Magazine, and the Economist, as well as the popular science and tech press (Discover and Wired). Research by the project has also appeared in a wide range of peer-reviewed journals, including Nature, Environmental Health Perspectives, Journal of Clean Production, Journal of Industrial Ecology, and Environmental Science and Technology.

WEDNESDAY, APRIL 14, 2010.

THE PRESIDIO TRUST

WITNESS

CRAIG MIDDLETON, EXECUTIVE DIRECTOR

Mr. MORAN. Next we will hear from the Executive Director of the Presidio Trust, Mr. Craig Middleton. Thank you for waiting so long, Mr. Middleton. Welcome. Thank you. Do you want to introduce your colleague for the record? Is she going to sit here with you?

Mr. MIDDLETON. This is Dana Polk.

OPENING STATEMENT OF MR. MORAN

Mr. MORAN. Yes, Dana. It has been a number of years since the subcommittee has been able to hear from the Presidio Trust as well. Let me just mention for the record some of the background here. The Congress established the Presidio Trust in 1996, to govern what is a unique National Park site, one of the Nation's oldest military posts. The mission of the trust is to preserve the Presidio as an enduring resource for all the American people, to ensure its preservation by making it financially self-sustaining. Very important aspect of the authorization.

Appropriations were authorized for 15 years through fiscal year 2012, and then the trust is responsible for its own long-term operations and maintenance of the Presidio, and last year the committee provided \$23 million. Your request this year is for \$15 million, a reduction of \$8 million. Although your 2011 request is consistent with the authorized amount before this year, over the years the trust has received \$6.6 million less than was authorized. We are aware of that, and we do look forward to your testimony.

Mr. Simpson.

OPENING STATEMENT OF MR. SIMPSON

Mr. SIMPSON. Thank you, Mr. Chairman, and thank you, Mr. Middleton, for being here today to testify and more importantly for your longstanding leadership to make the Presidio Trust a model for a public/private partnership and a successful example of a green infrastructure. I enjoyed meeting with you yesterday to talk about this, and I will tell you what. If you look at that picture, Mr. Chairman, that is a valuable piece of property.

Mr. MORAN. I should say.

Mr. SIMPSON. We could—

Mr. MORAN. Do you want to put a real estate development there?

Mr. SIMPSON. Except for that part where the golf course is. We need to maintain that.

Mr. MORAN. Oh, yes. Priorities.

Mr. SIMPSON. Thank you for being here today.

Mr. MORAN. Go ahead. Proceed.

TESTIMONY OF EXECUTIVE DIRECTOR CRAIG MIDDLETON

Mr. MIDDLETON. Well, thank you, Mr. Chairman, and thank you, Mr. Simpson, and thank you, Delia, for all your work. It is wonder-

ful to be here, and I invite you all to come out and see the property and recognize just how important it is to keep it in federal hands.

I would like, Mr. Chairman, to submit my testimony and then summarize—

Mr. MORAN. Please summarize.

Mr. MIDDLETON [continuing]. In the interest of time.

Mr. MORAN. We do have things at noontime, but you have been waiting patiently, so we appreciate the acceleration.

Mr. MIDDLETON. What I would really like to leave you with is two messages. One is that the Presidio Trust experiment or model for sustaining a park independent of ongoing federal taxpayer support is working, and we will be financially self-sufficient in 2013, as we promised. We believe in keeping our promises, and we will do that.

The trust has leveraged public dollars, limited public dollars, to attract private investment. Over the past decade we have brought in about \$1 billion, \$200,000 in private investment, and that is about four times the level of the federal investment, so that we put great stock in leveraging, and it has been quite successful.

The second thing I would like to leave you with is the results, and the result on the ground has really been tremendous. We are now welcoming about four million visitors a year, 7,000 people either work or live in the park. We are putting the finishing touches on a campground which will be the only campground in San Francisco, and we have rehabilitated over 300 historic buildings, making the Presidio the largest historical preservation project in the country, while also giving tangible expression to the importance of the history of the Presidio that dates back to 1776, when the Spanish founded a small post up there that ended up becoming San Francisco.

PRESIDIO OVERVIEW

The Presidio is unique among national park sites. There are no other national park sites with six million square feet of buildings with the infrastructure of a small city and with a community that lives in the park. So to that end the Congress established a tailor-made organization, the Presidio Trust, to be specifically designed to handle that kind of a problem or challenge. And the place itself inspires us. The place is beautiful as you have seen from the pictures, and I know you have been there and seen it in person. It has beautiful scenic qualities, it has huge historic importance related to the development of the Western United States, it has a community, as I mentioned, once military, now civilian, and it has a tremendous 200-year legacy of service to our country.

So the place inspires us to think of what we do, not only in terms of the bottom line, which is, of course, very important, but also in terms of four pillars; environment, history, community, and service. So, for example, as we rehabilitate historic buildings, we are always looking for ways to make them more sustainable. Can we bring in more sustainable-type energy systems to put into the buildings? How do we use the Internet to help us regulate energy flows in buildings? And we have been quite successful working with the National Trust for Historic Preservation on figuring out how

best to marry these two things that do not often marry very well; sustainability and historic preservation.

As we remediate Army era landfills we are replacing them with native plant communities. So we are just trying to blend these different things that are inspired by the place. We are building a community of tenants and residents. They invest in the park. They help us with ongoing operations. They get out and get their hands dirty and help with the stewardship of the place. We now have over 200 organizations in the park, and they run the gamut. There is George Lucas's Industrial Light and Magic, which does the special effects for many of the movies, and there is the YMCA that handles programs for kids, and Outward Bound has just opened up an office out there.

EDUCATIONAL PROGRAMS

Twenty-seven hundred people live there in refurbished Army housing, everything from barracks to generals' homes, and they pay rent. The rent goes to help support the park. We also are really devoting more time and energy to programming. We recognize the historic importance of the place, and so we are trying to use programming to help educate people about it, not only about the Spanish settlement and the origins of Spanish California and the origins of San Francisco, but also things like the top-secret military intelligence school that was established where Japanese Americans were cracking codes, while at the same time in World War II, General DeWitt was issuing the order from the Presidio to intern many of their families.

So there is a lot of give and take and a lot of interesting stories to tell, not just about history but about history's relevance to what we are facing today.

Another program opportunity is our camping program. We have 2,400 hundred kids coming out from underserved communities in the city and beyond to camp under the stars for the first time in their lives, and this is a great learning experience for them. I know for me camping was always a big deal when I grew up and still is, and so, you know, we are really trying to let kids from the Tenderloin and Chinatown learn what that is like.

And as we celebrate our dedication to veterans and their dedication to the Presidio over the years and to the country, incidentally, the Speaker was with us on Veteran's Day to commemorate a beautiful overlook above the National Cemetery, which was established in the 1860s, is the oldest in the West, the overlook was dedicated to veterans. But as we focus and think about their dedication and sacrifice, we try to figure out how the Presidio can contribute to the legacy of service that they left us, and service in the park is at record levels. Forty-thousand hours of volunteer time were clocked last year, and we are looking to the theme of service to country and community to help us figure out and inform what we want to do at Fort Scott, which is the last remaining fort within the five-fort system that is the Presidio. This Fort overlooks the Golden Gate, the Pacific and the city of San Francisco. We think it should be dedicated to service, and we are trying to figure out what that can mean and would love your advice on it.

PARTNERSHIPS

There has never been any question that the Presidio Trust would need partners, financial and programmatic, to pull off this transformation of the oldest, continuously-operated military post in the country to a national park site. The money itself required that, and as I mentioned before, we put great stock in leveraging; I have a chart here and I think that you can see that the federal investment, while very substantial, has contributed to a much larger investment by the private and philanthropic sectors.

Appropriations are essential to this partnership strategy. They indicate government support, and certainly those other investors want to see the government support, and it has been very important. So thank you for your strong support over the years. This was clearly an experiment. In 1996, when we got this trust authorized, we were hoping we could get financially self-sufficient in 15 years, but, you know, projections are just projections. And I would like to say that it is working as a result of careful investment. We have gone from dependency on the federal dollar of 95 percent in 1998, to about 20 percent now. That percentage is obviously going down, and within two years will be 0 percent.

In closing, I would just like to make the observation, and it is a totally objective observation, that this is one of the most interesting base realignments in the country and could not have happened without the strong and longstanding support of this committee and the Congress. And so I express the appreciation of our Board and of our entire staff and the community out there for your continued support.

Thank you so much.

[The statement of Mr. Middleton follows:]

STATEMENT OF CRAIG MIDDLETON
EXECUTIVE DIRECTOR
PRESIDIO TRUST

SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES
COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVES

April 14, 2010

Thank you, Mr. Chairman, for the opportunity to address members of the Committee about the work of the Presidio Trust, the federal government corporation created in 1996 to preserve the Presidio of San Francisco as an enduring resource for the American people.

Today, I want to leave you with two key messages:

The Presidio Trust model for sustaining the park independent of taxpayer support is working. The Trust is on track to become financially self-sufficient by FY2013. The Trust has also worked effectively to leverage federal dollars to attract private dollars to the park; the current ratio of private investment to federal investment is greater than 4 to 1.

The Presidio is becoming a national park site of distinction. Its unique community of 7,000 people living and working within the park is thriving and helping to sustain the park; the challenges associated with the largest historic preservation project in the country are being met; opportunities to make connections with adjacent urban populations are being pursued. And the scenic beauty of the Presidio is being enhanced.

At the Presidio Trust, we take great stock in measuring success. While there is significant focus on accomplishing financial goals and meeting statutory requirements, we also measure progress against four "pillars" that define our work. These pillars – environment, history, community and service – are lenses through which we view and evaluate the totality of the work at the Presidio.

Environment: Our aim is to transform a centuries-old military post into a national park site of distinction, distinguished environmentally not only by its restored plant and animal habitats, but also by a track record of using sustainable practices in the redevelopment of historic buildings and infrastructure. To this end, we recently received the Presidio's first Leadership in Energy and Environmental Design (LEED) gold level certification for an historic rehabilitation project from the U.S. Green Building Council. This will be the first historic rehab in San Francisco to receive a gold certification in this category. Nine additional historic rehabs in the Presidio are expected to achieve LEED certification in the coming months.

A dedication to environment has also resulted in a partnership that will convert a group of long-empty historic buildings into a green campus for organizations working in the emerging “green” economy. The campus will produce all of its own energy and will result in a net carbon footprint of zero.

History: Standing sentinel over much of the development of the American West – from 1776 through to the present era – the Presidio has many stories to tell. Trust archeologists, partnering with educators from Stanford University and the University of California, are painstakingly uncovering the original foundations of *el Presidio*, the Spanish fort that preceded the American base. These excavations provide an opportunity to teach people – particularly 4th graders – about the history of California and the West. Last year, over 1,500 children participated in hands-on classroom activities that have been set up in temporary quarters near the *el Presidio* site.

This year, a new archeology learning center is under construction that will enable the Trust to house and expand our offerings to young people. Next door, the historic post Officers’ Club will become a Heritage Center, where the public will learn about the varied threads of Presidio history and their relationship to the development of the Western United States.

Community: Unique among national park sites, the Presidio houses a community of tenant organizations and residents who provide the park its financial sustenance and offer a nucleus of daily activity that has brought back much of the vibrancy of the earlier military community. Today, over 2,700 people live in the park’s former military housing, and more than 200 organizations have located in Presidio buildings, attracted by the Presidio’s beauty and historic significance. New and refurbished recreational amenities – 14 neighborhood playgrounds, 6 ball fields, running and biking trails, upgraded landscapes – have brought benefits to the surrounding community of San Francisco and have helped make the Presidio one of the most sought-after places to live in the area.

Proximity to urban populations has enabled the Presidio to serve a broad and diverse mix of people through programs in the park. A recent exhibition about America’s role in the Philippines during the Spanish American War provided an opportunity to work closely with local Philippine-Americans; the heroic Presidio story of Nisei patriotism through their involvement in a Military Intelligence School designed to crack Japanese codes during WWII has provided opportunities to connect with the local Japanese-American community. The Trust-funded “Camping at the Presidio” program, operated in partnership with the Golden Gate National Parks Conservancy, has served over 2,400 children from underserved neighborhoods, offering them the opportunity to camp under the stars and enjoy the camaraderie of a campfire.

Service: The Trust believes that the legacy of service is perhaps the Presidio’s most important quality. Last year, on Veterans’ Day, the Speaker of the House joined us to commemorate a new overlook perched atop a hill at the edge of the Presidio’s historic national cemetery, and to rededicate ourselves to the ethic of service to country and

community. Last month, we joined with our partners, Swords to Plowshares, a highly-effective organization assisting veterans, in a day of service working in the park. Volunteer programs offer opportunities for people to serve in the park and last year resulted in over 40,000 hours of stewardship work in the Presidio. We look to the theme of service as the inspiration for new uses in the visually-stunning campus at Fort Scott, a former station for coastal artillery troops, situated in the Presidio on a bluff overlooking the Pacific.

There has never been any question that the Trust would need partners – financial and programmatic – to accomplish the daunting task of transforming America’s longest continuously operating military post into a national park site. The Presidio, with its antiquated structures and infrastructure, and with its share of environmental contaminants, shares many of the challenges faced by communities all over this country who are dealing with the decommissioning of military bases. The National Park Service in 1994 estimated the capital needs of the Presidio as totaling over \$1 billion; we now know that this estimate understated the costs. We know that it is essential to leverage federal funds with investments of private and philanthropic dollars, and we accomplish this with partners.

Private revenue and tenant investment in the Presidio totals \$1.2 billion over the past decade, more than four times the federal investment made during the same period. Many have funded the rehabilitation of the historic buildings that they have leased; many are also offering public programming that supports the four pillars that I mentioned earlier. Some are philanthropic organizations or individual donors who have underwritten key park improvements, such as a trails program and campground. As we look ahead, we anticipate that the Presidio will continue to be distinguished by its ability to attract partners who provide talent and dollars for transformative work in the park.

Appropriations are essential to this partnership strategy, and to achieving the objective of financial self-sufficiency. Thanks to the strong support of this Committee, the strategy is working. As a result of careful investment, the Presidio Trust has reduced its reliance on federal dollars to fund park operations. Over the past 12 years, appropriations as a percentage of the overall budget have been reduced from over 95% in FY1998 to less than 20% in FY10.

Today, I am pleased to request *less* funding than the Trust requested last year. The President’s FY2011 Budget proposes \$15 million, 35% percent below the FY10 enacted level. As we continue to replace federal operating funding with earned revenue, we will continue to request less funding in each successive year.

The Presidio Trust prides itself on its ability to act responsively, to think entrepreneurially, and to deliver on its promises. With your support, we will continue to preserve the Presidio, open it to more public use, rekindle its legacy of service to our nation and community, and reduce our reliance on tax dollars to fund our work.

The Presidio's transformation into a national park site is one of the most interesting and remarkable base realignments in the country – one that is bringing together funding and expertise from government, the private and non-profit sectors, and the philanthropic community. Congress created the Presidio Trust to lead this effort. Thank you for standing with us over the past decade. We look forward to your continued support as the Presidio fulfills its role in the public life of the nation.

Again, I want to thank you, Mr. Chairman, and members of the Committee for inviting me to testify today, and for your continuing work on behalf of all of our national parklands. I would be pleased to address any questions that you may have.



CRAIG MIDDLETON

THE PRESIDIO TRUST
Executive Director

Craig Middleton leads preservation of the Presidio as an enduring resource for the American people. Middleton was the Presidio Trust's first employee and has served as executive director since 2002. Previously, he worked closely with the Presidio Council, a blue-ribbon panel established by the Golden Gate National Parks Association to plan for the Presidio's transition, and was a senior aide to Congresswoman Nancy Pelosi (D-San Francisco). Middleton holds a master's degree in public administration from the Monterey Institute of International Studies and a bachelor's degree in social science from the University of California at Santa Barbara.

DOYLE DRIVE

Mr. MORAN. Thank you, Mr. Middleton. You received a fairly substantial sum just recently because of the Doyle Drive going through the park, and it has allowed you to accelerate your building renovation plans, although you are losing rental income as a result. But the right-of-way payment that you received did enable you to begin a number of projects which had been planned to take place in later years. How many additional projects were you able to fund?

Mr. MIDDLETON. Well, I would say that, as you mentioned, all of the projects that we are funding were already on the list, we're moving them up because of the availability of this funding from Doyle Drive. I would say about five or six new projects, or not new projects but projects that will be accelerated.

Mr. MORAN. Good.

Mr. MIDDLETON. Incidentally, I would like to mention that when we established the trust and created the various financing mechanisms, one of which was appropriations, a key piece was treasury borrowing, \$150 million in treasury borrowing. That has not been forthcoming. Fifty million has been forthcoming, but the other 100 has not for various reasons. That would have allowed us to essentially jump start, move projects up, and generate the revenue from those projects to help support the ongoing operations later.

The \$63 million that we would get from Doyle Drive, as you mentioned, it will offset some losses that we will sustain because of Doyle Drive, but it also helps to make up for that 100 million that we have not been able to get.

Mr. MORAN. How much in total have you gotten out of the Defense Appropriations Bill over the years?

Mr. MIDDLETON. Over the years?

Mr. MORAN. Yes.

Mr. MIDDLETON. I think we have probably gotten about 10 million.

Mr. MORAN. Ten million dollars.

Mr. MIDDLETON. That is a guess. I could get it for you.

[The information follows:]

Special Appropriations Received by the Presidio Trust
(by FY in Thousands)

Appropriation/Project	2002	2003	2004	2005	2006	2007	2008	2009	2010
DOD (Main Post)	-	-	-	1,791,000	1,953,000	2,000,000	1,960,000	1,712,000	9,416,000
DOD (Heritage Center)	-	-	-	-	-	-	-	-	5,000,000
Total	-	-	-	1,791,000	1,953,000	2,000,000	1,960,000	1,712,000	14,416,000

Notes:

The 2010 \$5M from DOD for the Heritage Center has been passed but not yet received by the Trust.

Mr. MORAN. Mr. Simpson.

CLEANUP SITES

Mr. SIMPSON. I was going to ask that. Being a military base you would think the Defense Department would have done more, but I do not want to go there. Do you have other clean-up sites? Are there hazardous waste clean-up sites on the Presidio that need to be cleaned up like there are in most military bases when we BRAC them?

Mr. MIDDLETON. Yes. There are. Presidio is pretty hilly and you can be sure that generally wherever there is a ravine, there is a landfill. That is where they put the stuff that they needed to put somewhere. So we have ten landfills on the Presidio. We are cleaning them up. Some of them we take out, and some of them we cap. Early on in 1999, we made a deal with the Army in which we said, look, this is really not your business. You need to go take care of the country. We need to take care of the Presidio. Why don't you transfer the authority and the responsibility to us along with \$100 million, and we will do the clean up, and so they did. They gave us \$99 million, and then we bought an insurance policy, two insurance policies totaling another \$100 million to cover us for obvious overruns, and we are at about \$150 million now. So I think we are going to come in just about right.

Mr. SIMPSON. So you will have that cleaned up for——

Mr. MIDDLETON. Yes.

ROUTE 101 CONSTRUCTION

Mr. SIMPSON. Okay. Route 101 construction is going to add some cost. Is that right?

Mr. MIDDLETON. Route 101, which is the approach to the Golden Gate Bridge, it is going to be a wider road. This is an antiquated road that is, I think on a scale of one to 100, 100 being safe, it is a two, so it needs to be replaced. And in widening the road and changing the alignment somewhat, they are taking out a number of our buildings that would otherwise be generating revenue for us. So there is a cost to us.

And there is also a cost to us during the construction phase related to lower rents because people do not want to live near a construction site, so we have to give them some consideration for that.

REVENUE

Mr. SIMPSON. Is most of your revenue that you get from the private side from rents?

Mr. MIDDLETON. Yes. Almost all of it.

Mr. SIMPSON. Does the city of San Francisco contribute any money? Because you mentioned that it is a camping site, trails through it, all of that kind of stuff. It is essentially a city park or will be. Kind of like the Golden Gate Park, will not it?

Mr. MIDDLETON. Well, we consider it a national park. It has got national attributes, nationally-important aspects and it is like many of the national parks in urban areas, you know. It offers the National Park System a way of interfacing with urban populations,

which is really great for the system and great for the urban population.

Mr. SIMPSON. But the city of San Francisco does not give you anything?

Mr. MIDDLETON. Not really. The one thing that they do provide is bus service to and from the Presidio.

Mr. SIMPSON. Okay.

Mr. MIDDLETON. But we generate most of our own water and to the extent that we do not, we buy it from the city.

SELF-SUFFICIENCY BY 2013

Mr. SIMPSON. Self-sufficiency by 2013, going to be accomplished?

Mr. MIDDLETON. Yes, sir.

Mr. SIMPSON. The \$5 million increase last year was to kind of make up for the fact that on our scale of what Congress will be appropriating over those years, we had not met what we had said. We still have not met it. We are still, what, \$6.6 million down?

Mr. MIDDLETON. Correct.

Mr. SIMPSON. If Congress say does not come up with that \$6.6 million to get it back on the line, are you still going to be able to reach self-sufficiency, or do you need that \$6.6 million? Obviously, you would like the \$6.6 million.

Mr. MIDDLETON. Well, obviously, we would like the \$6.6 million, and clearly, you know, self-sufficiency is an important piece—

Mr. SINGLETON. Right.

Mr. MIDDLETON [continuing]. Once the appropriations stop, I would say that by definition we are self-sufficient. So that is really up to you, but we will make it, but we will not be able to do as much.

Mr. SIMPSON. Okay. Appreciate it. Thank you for being here today.

Mr. MIDDLETON. Thank you.

Mr. MORAN. Thanks very much, Mr. Middleton. We do appreciate you being here. I am glad we were able to have you testify this year, and we look forward to working with you at least through 2013. Good luck. It is a beautiful national resource.

Mr. SIMPSON. After that we will come and play golf.

Mr. MIDDLETON. Well, thank you.

Mr. MORAN. But we are not going to let them develop that Presidio.

Mr. SIMPSON. Just a golf course.

Mr. MORAN. Nice to see you, Mr. Middleton.

Mr. MIDDLETON. Nice to see you. Thank you.

Mr. MORAN. Thank you. All right. Concluded.

Subcommittee on Interior, Environment & Related Agencies

Presidio Trust

Fiscal Year 2011 Budget Hearing

Hearing Date: April 14, 2010

Questions for the Record from Chairman Moran

MoranQ1. The Trust will receive more than \$63 million between FY 2010 and 2011 as a right-of-way payment for the reconstruction of Doyle Drive. As I understand it, Doyle Drive is the main highway through San Francisco and between the counties to the south and north. Because it has reached the end of its useful life, it will be demolished and reconstructed. I also understand that this project has both benefitted the Trust and caused problems.

On the one hand, you have received a substantial sum (\$63 million) that has allowed you to accelerate your building renovation plans. At the same time, you are losing rental income. Please explain to us the financial impact of the Doyle Drive project to the Presidio Trust.

Answer: Work for the demolition and reconstruction of Doyle Drive began in 2009 and is expected to continue into 2014. This major construction project is already having major impacts on the Presidio and the Presidio Trust. These impacts will challenge the Trust both financially and operationally through the duration of the project. As project associated noise, activity, and detours have started to affect our tenants, the Trust has begun to experience a decline in rental revenues from properties closest to the project. It is anticipated that these impacts will affect even more properties as construction is ramped up. Beyond the impacts associated with the noise and chaos of major demolition and heavy construction, the project will also require, as agreed upon in a Right of Entry agreement with the project sponsors, the demolition of several Trust buildings and other infrastructure assets. Specifically, we project that the major revenue impacts due to the Doyle Drive projects will be:

595

Loss of Revenue (Dollars in Millions)

Buildings Taken (NPV of Rental Loss):

Building 204	6.2
Buildings 605/606	31.7
Building 1158	2.3
Subtotal	40.2

Loss of Operational Rent:

Residential (FY 2010 to TY 2012)	2.5	
Non-Residential (FY 2010 to FY 2013)	1.7	
Special Events	1.3	300k per year
Subtotal	5.5	

Out of Pocket Expenses

Project Management not reimbursed	2.0
Doyle Drive Capital Projects	12.3
Subtotal	14.3

Grand Total **60.0**

MoranQ2. The right-of-way payment has also allowed you to begin a number of projects which had been planned for later years. Please provide for the record a list and the cost of each project that has been accelerated.

Answer:

ADDITIONAL PROJECTS FUNDED BY RIGHT OF WAY PAYMENT

Additional Construction Projects

Rehabilitation of Bldg 50 (Officers' Club) as Heritage Center and Events Venue	\$ 15,402
Rehabilitation of Bldg 101 (Montgomery Street Barracks - MSB)	\$ 13,322
Rehabilitate Bldg 42 (Pershing Hall) as Bed and Breakfast	\$ 10,000
Main Parade Ground Greening	\$ 10,872
Reconfigure Bldg 93 (Bowling Alley) for public use	\$ 2,120
Subtotal	\$ 51,716

Doyle Drive Requirements

Expand parking at Main Post Bluff - 228 spaces	\$ 4,194
Relocate Arch/Ed Center to Bldgs 44, 47, 48, 49	\$ 2,809
Tenant Relocations/Misc	\$ 1,271
Compressed Natural Gas Station/Bus Yard Relocation	\$ 1,000
Doyle Drive Temporary Easement Restoration	\$ 3,000
Subtotal	\$ 12,274

GRAND TOTAL **\$ 63,990**

MoranQ3. The Presidio Trust Act of 1996 authorized \$270 million in federal payments over 15 years. We have provided \$264 million, which is a shortfall of more than \$6 million. Will this shortfall impact your ability to achieve financial self-sufficiency by 2013?

Answer: Thank you for your leadership in providing this level of funding over the years. Given the challenges of today's economy and the need to invest in projects that can produce revenue to sustain the Presidio in future years, we stand by our assertion that we need the funding that was identified in the Financial Management Program that we submitted to Congress in 1999 and that outlined the strategy for obtaining financial self-sufficiency by 2013.

MoranQ4. Our hope is that the Presidio Trust will function in perpetuity. Once you achieve financial self-sufficiency, what will be the focus of the Trust's operations?

Answer: With the funding that has been provided by Congress over the years, we have established a revenue engine that will support continued preservation of the Presidio even after annual appropriations cease. We will need to continue to pay close attention to costs, particularly as we move to develop programs that will offer the public increasing opportunities to interact with this relatively new national park site. Our ambition is to continue and complete the transformation of the Presidio from military post to national park site, to ensure that the park is well-maintained and safe, to develop meaningful programming for the public in conjunction with a number of programmatic partners and, in doing all of this, to have accomplished a unique success story of government innovation and public-private partnership.

MoranQ5: You have rehabilitated many of the buildings on the Presidio, but I understand that there are more to do. What is your next big rehabilitation project?

Answer: Our current focus is on completing the rehabilitation of the historic center of the Presidio – the Main Post. At present, the remains of the original Spanish settlement are buried beneath a parking lot; the adjacent historic Officer's Club needs attention, the historic Parade Ground is obscured by acres of pavement and the iconic Spanish-American War-era Montgomery Street barracks are only partially completed. In addition, the single-screen post theater where Bob Hope once performed needs renovation. The Doyle Drive funding will enable us to accomplish some of these projects; others will be funded by partners or through funds earned by the Trust. Following the Main Post, our attention will turn to Fort Scott, which is a picturesque historic former Coastal Artillery installation adjacent to the Golden Gate Bridge and is essentially empty. We are excited by the possibilities that Fort Scott offers, and challenged by the projected high costs of its rehabilitation.

MoranQ5. Your budget request assumes that you will have a slight reduction in FTEs. Can you achieve this reduction through attrition?

Answer: Yes, we expect to be able to reduce the current number of FTEs through attrition.

MoranQ6. Your request also assumes a 40% reduction in Park Projects, including Natural Resources, Forestry and Landscaping. Given the historical nature of the landscape, what impact will this reduction have?

Answer: The funding level of \$21.44 million for Park Projects in FY 2010 reflects a one-time expenditure of \$10 million for a project to convert the historic Presidio Main Parade Ground from an asphalt parking lot into a large green open space. The funding to complete this project in FY 2010 came from the Doyle Drive right of way payment. With the completion of the greening of the Main Post, funding for Park Projects will actually show a slight increase from previous budget years (from \$5.41 million in FY 09 to \$8.55 million in FY 11).

Questions for the Record from Mr. Simpson

Public Funding

SimpsonQ1. As you well know, a central tenet of the public-private partnership is that after 15 years of annually decreasing federal appropriations, the Trust is to become self-sustaining. Last year, Congress appropriated a \$5.9 million increase over the President's request.

- Would you share with us your perspective about what the federal commitment has been over time, and whether and why the FY10 increase was necessary?

Answer: The financial concept that provides the framework for the Presidio Trust is that wise investments of early appropriations, accompanied by investments of non-federal funds, would yield annual revenues that could ultimately support the operations of the Trust and the Presidio. The idea was that, assuming this early federal investment as well as some lending to the Trust from the federal Treasury, the Trust would be able to continue its preservation work at the Presidio and provide for annual appropriations through earned

revenue. To my knowledge, this type of experiment in creating a financially self-sufficient federal land management agency had never been tried before.

The 1996 law that established the Presidio Trust required that a plan be submitted that would indicate the level of appropriations needed to accomplish the Trust's mission of preserving and protecting the Presidio, while transforming it into a national park site that could operate without further annual appropriations after 15 years. This plan, the Financial Management Program (FMP) was submitted in 1999 and indicated annual appropriations levels for 15 years; assuming that these federal investments were made, the FMP projected that the Trust could then operate without further annual appropriations. Over the years, the Trust has not received the level of funding that was indicated in the FMP. Last year, in an effort to make up for this shortfall, Congress appropriated a sum in addition to the President's request. This was very helpful, and we are grateful to have received the needed funding. At present, the remaining discrepancy between FMP amounts and the level of actual appropriations is \$6.6 million.

SimpsonQ2. Self-sufficiency by FY13, as you noted, suggests that we're looking at only two more years of appropriations – the one we're considering today, and FY12.

- Is that correct?

Answer: Yes.

- Without asking you to divulge sensitive negotiations that may be in the works, can you give us a better sense of how you know you're on track to be self-sufficient by FY13?

Answer: Ever since the Trust was established, we have paid close attention to the financial impacts of decisions made and dollars spent. Early on, we developed a 30-year financial model, that has been refined over the years as we've gained experience in preserving and managing the Presidio. We've also developed an organizational culture that is attentive to the importance of containing cost growth and earning revenue to support the park.

This has resulted in painstaking but successful work to reduce reliance on federal appropriations in preparation for operational self-sufficiency. Over the past 12 years, appropriations as a percentage of the overall budget have been reduced from over 95% in FY1998 to less than 20% in FY10. This track record gives us confidence that we can achieve the unique self-sufficiency challenge that Congress put forth in our authorizing legislation.

- Would the Presidio Trust have been able to become self-sufficient by FY13 if Congress had not appropriated the FY10 increase?

Answer: To fully answer this question, I need to talk about sustained self-sufficiency, as it is not adequate to achieve self-sufficiency in a single year if such an achievement cannot be sustained. The increase that Congress provided in FY10 was important in enabling the Trust to achieve and maintain self-sufficiency while also accomplishing the underlying Trust mission of rehabilitating the Presidio's nationally-acclaimed historic and natural resources and repositioning the long-time military post as a national park site.

SimpsonQ3. The Presidio Trust seems to me to be a showcase urban park, open to all and enjoyed by many. I'm curious about partnerships between the City of San Francisco and the Presidio.

- Is the Presidio supported in part by local taxpayer dollars, such as for trails and related infrastructure?

Answer: The City provides transit services to the Presidio. Other services, such as waste treatment and the limited provision of water, through contracts with the City. The community of San Francisco has been very generous in providing philanthropic funding to support the development of trails, a campground, public programming and volunteer stewardship of the park.

U.S. Route 101 Construction

SimpsonQ4. You mention in your budget request that road construction of U.S. Route 101 is having a significant financial impact on the Presidio.

- Please take a moment to describe the situation.

Answer: (Same response as to MoranQ1 above) Work for the demolition and reconstruction of Doyle Drive began in 2009 and is expected to continue into 2013. This major construction project is already having major impacts on the Presidio and the Presidio Trust. These impacts will challenge the Trust both financially and operationally through the duration of the project. As project associated noise, activity, and detours have started to affect our tenants, the Trust has begun to experience a decline in rental revenues from properties closest to the project. It is anticipated that these impacts will affect even more properties as construction is ramped up. Beyond the impacts associated with the noise and chaos of major demolition and heavy construction, the project will also require, as agreed upon in a Right of Entry agreement with the project sponsors, the demolition of several Trust buildings and other infrastructure assets.

THURSDAY, APRIL 15, 2010.

**STRENGTHENING NATIVE AMERICAN COMMUNITIES:
INDIAN HEALTH SERVICE FY 2011 BUDGET REQUEST**

WITNESS

YVETTE ROUBIDEAUX, DIRECTOR, INDIAN HEALTH SERVICE

OPENING STATEMENT OF MR. MORAN

Mr. MORAN. Mr. Simpson will be here shortly, in time for questions. He has already seen your prepared statement, but perhaps in the interests of time, because once we have this series of votes, then there are going to be 5-minute votes, so we are going to have to cut the meeting to a shorter period of time than we would have liked. So maybe you could proceed now, Doctor.

The Administration has proposed a substantial increase in the Indian Health Service budget. It stands out because it is one of the very few domestic discretion increases there are in the entire federal budget. It is a testament to you and to the confidence we have in your stewardship of Indian Health Service programs, and we have heard from many witnesses who have underscored the need for more investment in Indian health, so we would like for you to share your statement with us now and then we will ask some questions. Thank you, Doctor.

TESTIMONY OF DR. ROUBIDEAUX

Dr. ROUBIDEAUX. Thank you, Chairman Moran, and to the members of the Committee, good afternoon. I am Dr. Yvette Roubideaux, the director of the Indian Health Service. I have with me Randy Grinnell, the deputy director. Also in the room from the Department of Health and Human Services is the deputy assistant secretary, Norris Cochran. I am pleased to have the opportunity to testify on the fiscal year 2011 budget request for the Indian Health Service.

While the President's budget for fiscal year 2011 for the entire Federal Government reflects the need to address fiscal discipline and federal debt reduction, the IHS budget request reflects and continues President Obama's promise to honor treaty commitments made in the United States. In addition, this budget request reflects Secretary Sebelius's priority to improve the IHS and represents the largest annual percent increase compared to other operating divisions in the Department of Health and Human Services.

IHS BUDGET REQUEST

The fiscal year 2011 President's budget request for the IHS is over \$4.4 billion, an increase of \$354 million, or an 8.7 percent increase over fiscal year 2010. The request includes increases for pay

costs, inflation and population growth that will cover the rising costs of providing health care to maintain the current level of services provided in IHS tribal and urban Indian health programs. This amount also includes funding to staff and operate newly constructed health facilities. The proposed budget also includes funding increases for a number of programs that will increase access to care, strengthen the capacity of the Indian health system to provide clinical and preventive care, and will help address longstanding unmet needs and inequities in funding levels in the Indian health system.

This budget request includes an increase for the Indian Health Care Improvement Fund and will allow some of our lowest funded hospitals and health centers to expand health care services and reduce backlogs for primary care. The budget request also includes an increase for contract health services program including an additional amount for the Catastrophic Health Emergency Fund. Additional funding is included for the shortfall in contract support costs for tribes that have assumed the management of health programs previously managed by the Federal Government. The increase for the health care facilities construction budget will allow for construction to continue on the replacement hospital in Barrow, Alaska, San Carlos Health Center in Arizona and the Kayenta Health Center on the Navajo Reservation.

PRIORITIES OF DR. ROUBIDEAUX

This budget also helps continue progress on my priorities for how we are changing and improving the IHS. The budget renews and strengthens our partnerships with tribes by aligning the agency's budget increases to reflect tribal priorities. I have carefully listened to tribal input over the past 11 months and their priorities include more funding for IHS in general as well as funding increases for current services, the Indian Health Care Improvement Fund, contract health services and contract support costs. Therefore, this budget request includes its greatest increases in those areas. In addition, this budget addresses top tribal priorities such as chronic disease and behavioral health conditions.

REFORM OF IHS

This budget helps us continue our work to bring reform to the IHS. Over the past 11 months, I have gathered extensive input from tribes and our staff on priorities for how to change and improve the IHS. Their input reinforced the need to change and improve the IHS and for us to focus more on how we conduct the business of health care. We are working on improvements in the hiring process, recruitment and retention, performance management and more effective financial management and accountability. We have also made significant progress in developing an effective accountable property management system. We are also working to enhance and make more secure our information technology systems to ensure the protection of patient care information and to improve our administrative options. All of these reforms are being conducted as we make all of our work more transparent, accountable, fair and inclusive.

In closing, the President's fiscal year 2011 budget request for the IHS is an investment and a commitment that will result in healthier American Indian and Alaska Native communities and will advance the IHS mission to raise the physical, mental, social and spiritual health of American Indians and Alaska Natives to the highest level.

Thank you for this opportunity to present the President's fiscal year 2011 budget request for the Indian Health Service.

[The statement of Dr. Yvette Roubideaux follows:]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

STATEMENT

OF

YVETTE ROUBIDEAUX, M.D., M.P.H.

DIRECTOR

INDIAN HEALTH SERVICE

BEFORE THE

**HOUSE SUBCOMMITTEE ON INTERIOR, ENVIRONMENT RELATED
AGENCIES**

APPROPRIATIONS HEARING

ON

THE PRESIDENT'S FY 2011 BUDGET REQUEST

FOR THE

INDIAN HEALTH SERVICE

April 15, 2010

STATEMENT OF THE INDIAN HEALTH SERVICE

Mr. Chairman and Members of the Committee:

Good afternoon. I am Dr. Yvette Roubideaux, Director of the Indian Health Service. I am accompanied today by Mr. Randy Grinnell, Deputy Director. I am pleased to have the opportunity to testify on the President's FY 2011 budget request for the Indian Health Service (IHS).

While the President's FY 2011 budget for the entire federal government reflects the need to address fiscal discipline and federal debt reduction, the IHS budget request reflects and continues President Obama's promise to honor treaty commitments made by the United States. In addition, the FY 2011 budget request reflects Secretary Sebelius' priority to improve the IHS, and represents the largest annual percent increase in discretionary budget authority, compared to other operating divisions within the Department of Health and Human Services.

BUDGET REQUEST**Current Services to Maintain Services**

The FY 2011 President's budget request in discretionary budget authority for the IHS is over \$4.4 billion, an increase of \$354 million, or 8.7 percent, over the final enacted FY 2010 Appropriation funding level. The request includes \$175.6 million in increases for pay costs, inflation and population growth that will cover the rising costs of providing health care to maintain the current level of services provided in IHS, Tribal, and urban Indian programs. This amount also includes \$38.8 million to staff and operate newly constructed health facilities, including some facilities completely constructed by Tribes as Joint Venture projects.

Program Funding Increases to Improve Quality of and Access to Care

The proposed budget also includes a \$178.5 million increase for a number of programs and initiatives that will increase access to care, and strengthen the capacity of the Indian health system to provide clinical and preventive care, and will help address longstanding unmet needs and inequities in funding levels within the Indian health system. The budget request includes \$44 million for the Indian Health Care Improvement Fund and will allow some of our lowest funded hospitals and health centers to expand health care services and reduce backlogs for primary care. The budget request also includes a \$46 million increase, in addition to a \$37.4 million increases for pay, population growth, and inflation, for the Contract Health Services program, of which an additional \$5 million will be targeted to the Catastrophic Health Emergency Fund (CHEF), for a

total funding level of \$53 million for the CHEF. An additional \$40 million are also included to fund the shortfall in Contract Support Costs (CSC) on top of increases for inflation for Tribes that have assumed the management of health programs previously managed by the Federal government, bringing the total increase for CSC to \$45.8 million from the FY 2010 enacted level. These increases represent some of the highest priorities for Tribes in the past several years.

For the Facilities appropriation, the overall request is \$445.2 million, which is an increase of \$55.5 million over the FY 2010 funding level. Within this increase, the total Health Care Facilities Construction budget is \$66.2 million, which will allow for construction to continue on the replacement hospital in Barrow, Alaska, the San Carlos Health Center in Arizona, and the Kayenta Health Center on the Navajo Reservation.

In addition to reflecting the President and Secretary's commitment to improve the quality of and access to care for American Indians and Alaska Natives served by the IHS, this budget will also help continue progress on my priorities for how we are changing and improving the IHS. My priorities are to renew and strengthen our partnership with Tribes; in the context of national health insurance reform, to bring reform to IHS; to improve the quality of and access to care; and to make all our work accountable, transparent, fair and inclusive.

Renew and Strengthen Tribal Partnership

This budget renews and strengthens our partnership with Tribes by aligning the Agency's budget increases to reflect Tribal priorities. I have carefully listened to Tribal input over the past nine months, and their priorities include more funding for IHS in general, as well as funding increases for current services, the Indian Health Care Improvement Fund, Contract Health Services, and Contract Support Costs. Therefore, this budget request includes its greatest increases in these areas. In addition, this budget helps to improve the quality of and access to care and addresses top Tribal priorities such as chronic disease and behavioral health conditions.

Internal Reform

This budget helps us continue our work to bring reform to the IHS. Over the past nine months, I have gathered extensive input from Tribes and our staff on priorities for how to change and improve the IHS. Tribal priorities for reform focus on broad issues such as the need for more funding, the distribution of resources, and improving how we consult with Tribes. Staff priorities focused on how we do business and how we lead and manage people. Their input reinforced the need for change and improvement in the IHS and for us to focus more on how we conduct the business of health care. We are working on improvements in the hiring process, recruitment and retention, performance management, and more effective financial management and accountability. We have

also made significant progress in developing an effective and accountable property management system. We are also working to enhance and make more secure our information technology systems to ensure the protection of patient care information and to improve our administrative operations. All of these reforms are being conducted as we make all our work more transparent, accountable, fair and inclusive.

The FY 2011 budget proposal will provide resources to help the IHS further meet its mission. The IHS provides high quality, comprehensive primary care and public health services through a system of IHS, Tribal, and Urban operated facilities and programs based on treaties, judicial determinations, and acts of Congress. This Indian health system provides services to nearly 1.9 million American Indians and Alaska Natives through hospitals, health centers, and clinics located in 35 states, often representing the only source of health care for many American Indian and Alaska Native individuals, especially for those who live in the most remote and poverty stricken areas of the United States. The purchase of health care from private providers is also an integral component of the health system for services unavailable in IHS and Tribal facilities or, in some cases, in lieu of IHS or Tribal health care programs. In addition, unlike many other health delivery systems, the IHS is involved in the construction of health facilities, including the construction of quarters necessary for recruitment and retention of health care providers, as well as being involved in the construction of water and sewer systems for Indian communities. I know of no other health care organization that accomplishes such a wide array of patient care, public and community services within a single system.

Health Disparities

For several years since its inception in 1955 the IHS made significant strides in reducing early and preventable deaths from infectious or communicable diseases. However, deaths due to chronic diseases and behavioral health conditions have been more challenging to address since they result primarily from lifestyle choices and individual behaviors. In light of these challenges, there have been some recent accomplishments to note. For example, in FY 2009, the proportion of eligible patients who had appropriate colorectal cancer screening was 33 percent, an increase of four percentage points above the FY 2008 rate of 29 percent. Colorectal cancers are the third most common cancer in the United States, and are the third leading cause of cancer deaths. Colorectal cancer rates among the Alaska Native population are well above the national average and rates among American Indians are rising. Improving timely detection and treatment of colorectal cancer screening will reduce undue morbidity and mortality associated with this disease. In FY 2009, the proportion of women who are screened for domestic violence (DV) was 48 percent, an increase of 6 percentage points above the FY 2008 rate of 42 percent. Screening has a significant impact because it helps identify women at risk for DV and refers these individuals for services aimed at reducing the prevalence and impact of domestic violence. The IHS achieved another notable accomplishment by exceeding the FY 2009 target for breastfeeding rates. The target was to maintain the

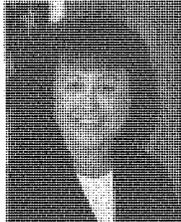
proportion of infants 2 months old (45-89 days old) that are exclusively or mostly breastfed at the FY 2008 baseline result of 28 percent. The FY 2009 result was 33 percent and exceeded the target. There is evidence that breastfeeding contributes to lower rates of infectious disease, asthma, and Sudden Infant Death Syndrome, and is associated with lower childhood obesity rates.

These results were achieved by our predominantly rural, highly decentralized federal, Tribal, and urban Indian health system, a system that provides health care services under a variety of challenges. With the budget proposed for FY 2011, as was the case with significant increases provided for in the FY 2010 budget, we anticipate seeing a positive impact in the daily lives of American Indian and Alaska Native people and progress towards improving the health status of the communities we serve.

Closing Remarks

In closing, the President's FY 2011 budget request for the IHS is an investment and a commitment that will result in healthier American Indian and Alaska Native communities and will advance the IHS mission to raise the physical, mental, social, and spiritual health status of American Indians and Alaska Natives to the highest level.

Thank you for this opportunity to present the President's FY 2011 budget request for the Indian Health Service.



Dr. Yvette Roubideaux
Director
Indian Health Service

Yvette Roubideaux, M.D., M.P.H., a member of the Rosebud Sioux Tribe, South Dakota, is the Director of the Indian Health Service (IHS). Dr. Roubideaux was confirmed by the U.S. Senate as IHS Director on May 6, 2009, and she was sworn in on May 12, 2009. The IHS, an agency within the Department of Health and Human Services, is the principal federal health care advocate and provider for American Indians and Alaska Natives.

As the IHS Director, Dr. Roubideaux administers a \$4 billion nationwide health care delivery program composed of 12 administrative Area (regional) Offices. The IHS is responsible for providing preventive, curative, and community health care to approximately 1.9 million of the nation's 3.3 million American Indians and Alaska Natives in hospitals, clinics, and other settings throughout the United States.

Dr. Roubideaux previously worked for IHS for three years as a clinical director and medical officer at the San Carlos Service Unit on the San Carlos Apache Indian reservation in Arizona, and she worked for one year as a medical officer at the Hu Hu Kam Memorial Indian Hospital on the Gila River Indian reservation in Arizona.

Dr. Roubideaux recently served as assistant professor of family and community medicine at the University of Arizona College of Medicine. Dr. Roubideaux has conducted extensive research on American Indian health issues, with a focus on diabetes in American Indians/Alaska Natives and American Indian health policy. Dr. Roubideaux served as the co-director of the Special Diabetes Program for Indians Demonstration Projects, in which 66 American Indian and Alaska Native communities are implementing diabetes prevention and cardiovascular disease prevention initiatives. She also served as director of two University of Arizona programs designed to recruit American Indian and Alaska Native students into health and research professions.

Dr. Roubideaux received her medical degree from Harvard Medical School in 1989 and completed a residency program in primary care internal medicine at Brigham and Women's Hospital in Boston in 1992. She completed her Master of Public Health degree at the Harvard School of Public Health in 1997. She also completed the Commonwealth Fund/Harvard University Fellowship in Minority Health Policy before transitioning to a career in academic medicine and public health.

She is a past president of the Association of American Indian Physicians and co-editor of the American Public Health Association's book "Promises to Keep: Public Health Policy for American Indians and Alaska Natives in the 21st Century." She has authored several monographs and peer-reviewed publications on American Indian/Alaska Native health issues, research, and policy.

May 2009

Mr. MORAN. Thank you very much, Dr. Roubideaux. We have a problem here in that our practice is to always have a member of the minority party in attendance. It is not only appropriate but it is practical, too. I wanted to get your statement on the record. The problem is that Mr. Simpson may not be able to make it. I am going to share some thoughts with you for 5 minutes while we wait for Mr. Cole and then we will begin the formal part of the questions and answers, and unfortunately, shortly after Mr. Cole gets here, we will probably have as much as 15 minutes and then we will have to turn around and vote again. All right. I am filibustering here, Mike. We are happy to see you, Mr. Simpson.

Dr. Roubideaux has shared her opening statement. Because we are so short of time, we wanted to get it on the record. I have not started asking any questions but I would be happy to defer to you if you would like.

Mr. SIMPSON. Just go ahead.
[The information follows:]

Opening Statement of
Interior Appropriations Ranking Member Mike Simpson
Indian Health Service
FY 2011 Budget Request
April 15, 2010

I want to join the Chairman in welcoming Dr. Roubideaux to today's hearing. We're grateful to you for your commitment and the critically important work you do.

Of all the challenges this subcommittee faces, addressing the health and well-being of our Native American brothers and sisters is among the most important to me personally. All of us have learned a great deal about the critical health needs in Indian Country from listening to tribal members testify before our subcommittee. We've also benefited greatly from listening to our colleague, Tom Cole, who is the most knowledgeable person in Congress on these issues. I want to assure you, Dr. Roubideaux, that this subcommittee takes seriously Congress' responsibility to meet the many health-related needs throughout Indian Country.

Congress also has an obligation to address the great disparities that exist between the American Indian/Alaska Native populations and other populations in the United States. Mortality rates for alcoholism, diabetes, and homicide are all substantially higher than the mortality rates of other Americans. This subcommittee has made a significant investment in recent years toward addressing these and other challenges and we look forward to hearing from you how this funding is being utilized.

Mr. Chairman, there are some meaningful words from Chief Joseph of the Nez Perce Tribe in Idaho that I hope can guide us as we work together to address these issues. He said:

"Good words do not last long unless they amount to something. Good words will not give my people good health and stop them from dying. Good words will not get my people a home where they can live in peace and take care of themselves.

"I am tired of talk that comes to nothing. It makes my heart sick when I remember all the good words and all the broken promises. It does not require many words to speak the truth.

“The earth is the mother of all people, and all people should have equal rights upon it. All men were made by the Great Spirit Chief. They are all brothers.”

Dr. Roubideaux, thank you for being here today. I look forward to working with you. Thank you, Mr. Chairman.

HEALTHCARE SERVICES AVAILABLE

Mr. MORAN. Well, take a few moments. I am going to ask some questions and then we will have Mr. Simpson and hopefully Mr. Cole will join us as well, and we thank Mr. Simpson very much because it is in the middle of votes, which meant he had to sprint over here and he is going to have to sprint back, although he is in good enough shape. He can do that.

The first thing I want to ask you about is the interconnection with the other programs that serve the rest of the American population. I am very pleased that there is an increase for Indian health services here in this budget and I would hope we would continue that increase, as I cannot imagine we would ever come close to meeting the need. But I also hope that the expansion of health services availability both in Medicaid and Medicare and particularly through this new health care bill is also going to complement what we are providing. Could you briefly tell us how Native Americans can have the choice to use the Indian Health Service or the other traditional services that are available for non-Native populations?

Dr. ROUBIDEAUX. Yes. American Indians and Alaska Natives are citizens of the United States and so they have all the options that every other American has, and so an individual American Indian, if they had access to a job could have employer-sponsored insurance, but as we know in many Indian reservations, there are very high rates of unemployment so access to health insurance is a challenge. The American Indians also can be eligible for Medicare or Medicaid based on their eligibility requirements, either being a senior or having income that is below the levels that the state requires. And so we are grateful that those sources of coverage are available for American Indians and Alaska Natives as is the Indian Health Service. The Indian Health Service, of course, is available for American Indians and Alaska Natives on or near Indian reservations who can demonstrate eligibility, the eligibility being a member of a federally recognized tribe or a descendent of that tribe.

There are, however, a number of American Indians who move away from reservations, who live in urban areas, who may not have access to Indian health programs, although we do have 34 urban Indian health programs as well. So the choices for health care for our first Americans are similar to the rest of the country but they also do have the Indian Health Service as well.

Mr. MORAN. Well, thank you. We have a vote, so we are going to start running out of time again, but we have got a good 10 minutes of questions.

Can you tell me about what percentage of Native Americans you think have health insurance policies? Do you have any idea?

Dr. ROUBIDEAUX. We would have to provide an exact number for you and—

Mr. MORAN. I do not want an exact number. Say on a reservation, are there many that have health insurance policies?

Dr. ROUBIDEAUX. Well, it varies greatly. For some reservations, there is a lot of unemployment and so there is not an opportunity to get employer-sponsored health insurance. There are some tribes

that do have their own businesses and do have employee-sponsored health plans.

Mr. MORAN. Or they benefit from gaming or whatever. They might have enough income.

Dr. ROUBIDEAUX. Yes, there are a small number of tribes who have enough gaming income, for example, to provide choices.

HEALTH REFORM AND INSURANCE POLICY

Mr. MORAN. Now, all that has changed to some extent because everybody will have to have a health insurance policy. Does that apply to every Native American?

Dr. ROUBIDEAUX. Do you mean with regard to—

Mr. MORAN. Every American will have to have a policy now or pay a penalty. Does that apply to every Native American?

Dr. ROUBIDEAUX. Well, we are grateful for the passage of the health reform legislation because what it does is increases access to quality and affordable health care. One of the provisions in health reform is that American Indians and Alaska Natives who use Indian Health Service tribal or urban Indian health programs do not have to pay the penalty if they do not purchase insurance.

Mr. MORAN. So they have a choice of whether or not to purchase insurance?

Dr. ROUBIDEAUX. Yes.

Mr. MORAN. Although if their income is under \$44,000, which is going to include about 95 percent of the Native American population, they are eligible for a very substantial subsidy and enrollment in Medicaid now.

Dr. ROUBIDEAUX. Yes, we are very grateful for the expansion of Medicaid coverage as well because so many American Indians are under the poverty level.

Mr. MORAN. Right. So now every Native American will have access to either the Indian Health Service and/or the traditional health care system that is available to non-Native populations in the same geographical area, correct? It does seem to me a fairly watershed event here in terms of the options that are available to Native Americans and the level of care.

Dr. ROUBIDEAUX. We are very grateful for passage of health reform because it does expand access to affordable health insurance and does expand access to Medicaid.

Mr. MORAN. So all will have an insurance policy option, right? And it will be almost entirely subsidized by the government. They can get an insurance policy. They can go into Medicaid. If their income is under \$44,000, which is almost all, they have the option of either Indian Health Service services or any other service that is available in their geographical vicinity, or anyplace.

Dr. ROUBIDEAUX. Well, I would say a large number of American Indians and Alaska Natives have greater access for insurance. There may be pockets of individuals who do not meet any of those qualifications, or now they have the choice to not purchase the insurance because they do not have to pay the penalty. So it does provide the opportunity for increased access to health insurance, which we are very grateful for.

Mr. MORAN. Well, it seems to me it does provide a fairly profound change in terms of the accessibility, the availability and the

cost and quality of health care available to the Native American population, and I want to pursue that further but I do not want to take up more time. Let me defer to Mr. Simpson and Mr. Cole.

Mr. SIMPSON. I appreciate your optimism about the passage of the health care bill. As a wise man once said, we will see. It still has a long ways to go and there are some downsides to it obviously, we will not debate now.

Mr. MORAN. Are you the wise man who made that quote?

EARLY CHILDHOOD CARIES INITIATIVE

Mr. SIMPSON. No, actually not.

The Early Childhood Caries Initiative, that the Indian Health Service initiative announced this year calls for a reduction in prevalence of early childhood caries among young American Indians and Alaska Natives by 25 percent and increasing their dental access by 50 percent by 2015. Are we at a point where dental caries in American Indians and Alaska Natives are at epidemic levels, and what is the annual budget for the initiative and what performance measures are you going to use to see if you achieve these goals of reduction by 25 percent by the year 2015?

Dr. ROUBIDEAUX. Well, we do recognize that the problem of dental caries, especially in American Indian and Alaska Native children, is quite significant, and it is an incredibly challenging problem, given the problems it can cause them in the future. We are grateful that our staff have been able to develop the Early Childhood Caries Initiative because it is very innovative in terms of the interdisciplinary nature. It is preventive and educational and has early identification-type activities, not just with IHS but with some of our community partners like Head Start, like the WIC program, CHRs and community nurses. We are evaluating this program and we can provide the amount of funding that we are spending on it to you in a follow-up question.

RECRUITMENT AND RETENTION OF HEALTHCARE PROFESSIONALS

Mr. SIMPSON. Historically, recruitment and retention of health care professionals has been one of the greatest challenges for providing consistent and proper health care in Indian Country, and I have heard that the hiring process for physicians and other health care professionals applying for jobs within IHS is inefficient and cumbersome. I am told that this causes delays that sometimes result in the loss of providers. Can you tell me, what are you doing to address that problem? Because obviously recruiting and retaining health care providers is one of the most important things we can do in making sure that we have available health care services regardless of the health care bill that passed.

Dr. ROUBIDEAUX. Yes, you are absolutely right. Recruitment and retention is critical. We need access to health care providers to provide critical care that we need in the system. We recognize that we have these challenges with the hiring process being too long because I did a round of input when I first became the director of the Indian Health Service, asked for top priorities for IHS reform, and the top priority was looking at human resources, our hiring process and improvements in recruitment and retention. So what we are doing right now is getting together our administrative leaders to

look at what are the places where we are seeing lags in the hiring process and try to improve those to shorten it. We also are looking at ways to standardize some processes to make them move quicker. We are also looking at trying to make the administrative part of how we are handling the hiring process differently, and then in terms of recruitment and retention, we are looking at position descriptions and how much we pay providers and see how we can be more competitive either through their salaries or through additional incentive pays or bonuses, and I have to say that has really helped us with the dental vacancy rate and the additional adding of incentive pays and improvements in salary along with increase in loan repayment awards to dentists has really improved our dental vacancy rate.

ELECTRONIC DENTAL RECORDS

Mr. SIMPSON. One last question. Last year the Committee directed the Indian Health Service to use a portion of the fiscal year 2010 health IT funding to make additional advances in electronic dental records. Where are we? What is the current status of that, and how much funding was directed to it in 2009 including the ARRA dollars and how much is being spent during the current fiscal year and what is budgeted for next year? You can respond to the last part of that in written response, if you would like, but where do we stand on the electronic dental records?

Dr. ROUBIDEAUX. We are making progress with the electronic dental record. It is critical for us to be able to provide good clinical care and track administratively our care. We used the ARRA funding for implementation, about \$4 million of the ARRA funding, and also \$1 million of our recurring dental budget, and this funding will get us up to about 80 of our sites potentially implementing the electronic dental record, and we realize that we still have another 145 sites to go but we want to continue trying to make progress to implement it because we understand it is so important for us to provide better quality dental care.

Mr. SIMPSON. Thanks for being here, Doc. I apologize, as I am sure the Chairman does, for this screwy schedule that we always keep around here but we are certain that 4:30 is the appropriate time to hold a hearing because nothing ever happens at 4:30 until you schedule a hearing.

Mr. MORAN. Mr. Simpson, thank you very much, and thank you for your extraordinary efforts to get here so that we could proceed with this hearing. It is very thoughtful of you. I mean that sincerely.

Mr. Cole, I think we have a good 5 minutes.

JOINT VENTURES AND HEALTH CARE FACILITIES

Mr. COLE. You are very kind. I will try and be quick. Again, I join my colleagues in apologizing for this going back and forth. It is unavoidable.

Two or three questions. One, I have to tell you first, just thank you. Thank you for taking the position. Thank you honestly for what the Administration did last year and is proposed again this year with a very significant increase, and I know this Committee is appreciative of that too. It gives us all something to work on be-

cause I think it is going to take sustained commitment over time to deal with the challenges that we have got in Indian Country.

You mentioned this briefly and I want to get you to elaborate on the possibility of joint ventures. They have come up a couple of times. My tribe is the Chickasaw Nation. We have a joint venture arrangement with you, and that has been very good. We are very happy to have built, or be in the process of building, a new \$170 million hospital with tribal funds. Obviously we count on the Indian Health Service to be able to work with us to staff the hospital. I think there are other tribes that might look on this as a model, and I would like your thoughts on whether or not we can, obviously only in certain cases, but use this as a way to cut into our backlog on construction of facilities.

Dr. ROUBIDEAUX. Yes. The health care facility needs are significant in Indian health and we are really grateful that we have this process of joint venture where we can partner with tribes to have health facilities built in communities by tribes as a partnership with the Indian Health Service. We have a regular application process for the joint venture and tribes will submit applications. We review and do a priority ranking of those applications and then based on available resources we approve some of those applications to move forward. We think it is an innovative way for us to deal with the needs for health care facilities construction and I am so grateful that the tribe in your area has benefited from that.

Mr. COLE. It certainly has, Director. Whatever the merits and demerits of the current health care bill, we are talking about something that happens years from now really before it is fully implemented, and we have got a very diverse population in very different conditions. This does not really help you if you are on a reservation if the infrastructure is not there because it depends on the Indian Health Service. Having the coverage does not mean much if you cannot get the care. So it does not relieve us of the responsibility of continuing to make sure that you are adequately funded, particularly at the reservation level.

URBAN HEALTH FACILITIES

I would also like to ask you about another place where I see a lot of Native Americans fall through the cracks. These are people away from either their reservations or areas of historic jurisdiction. In Oklahoma, the Indian health care clinic in Oklahoma City, where no tribe has jurisdiction, and in Tulsa, where only some do, are absolutely critical because we have got so many Native Americans there. Frankly, even if you are under another health care system, the needs of this population really are unique, and having the concentration of expertise and people familiar with dealing with substantial numbers of Native Americans is really critical for us. So how do you see these community health facilities in non-tribal areas serving tribal people continuing to be funded? Is that something you are comfortable with where we need to be?

Dr. ROUBIDEAUX. Well, some of the American Indian individuals sometimes choose to move away from the reservations, and when they do that, for example, move in urban areas, they may lose their access to the Indian Health Service funding. We do have 34 urban Indian health programs that are nonprofit organizations that pro-

vide clinical services in communities across the country, and those are a great resource for these individuals that provide culturally appropriate services for them and those are supported in our budget.

Mr. COLE. Did that go up as well? I have looked at the overall increase in your budget but are those facilities getting a comparable increase in funding?

Dr. ROUBIDEAUX. Well, the urban Indian health program line continues to be in the IHS budget and will receive an increase for current services for increase in inflation and we also have a line item for increasing third-party revenues for the urban Indian health programs of \$1 million, and that is really significant because these programs are relatively less funded by the Indian Health Service and rely more on third-party reimbursements, so we hope that the proposed budget increase for third-party billing, and technical assistance will help the urban Indian programs get more third-party reimbursements, and what that will mean is, they can provide more services.

Mr. MORAN. This will conclude the hearing. Thank you very much, Dr. Roubideaux.

House Committee on Appropriations
Subcommittee on Interior, Environment and Related Agencies

Questions for the Record
Indian Health Service FY 2011 Budget
Hearing Date: April 15, 2010

DOMESTIC VIOLENCE PREVENTION GRANT PROGRAM

MoranQ1. Over the last several years, this Subcommittee has listened to testimony from several public witnesses on the problem of domestic violence and sexual assault in Native American communities. To address this, the Committee has provided a total of \$17.5 million for a grant program to provide necessary training and equipment to assist in the treatment of victims and the collection of evidence. How much of this money has been spent so far, and what has it been spent on?

Director Roubideaux: The Domestic Violence Prevention Initiative (DVPI) funding represents an opportunity for IHS to address the dual crises of domestic violence and sexual assault in Indian Country. Public Law 111-8, the Omnibus Appropriations Act of 2009, provided \$7,500,000 for the Domestic Violence Prevention Initiative (DVPI). Congress appropriated an additional \$2,500,000 for a total \$10,000,000 for FY 2010. Selected programs will receive annual funding for up to three years starting in FY 2010. Fiscal Year 2009 appropriations will fund a selected program's first year (August 1, 2010 – July 30, 2011). Funding for the program's second year (August 1, 2011 - July 30, 2012) will utilize FY 2010 appropriations. The third year (August 1, 2012 - July 30, 2013) is subject to appropriations and contingent on first year outcomes. Three major categories of funding were approved by the IHS Director and will be distributed as follows:

1. National Management (evaluation, epidemiology, and national coordination) at \$950,000;
2. Domestic Violence Prevention Initiative (Tribal and Urban Outreach) at \$2,521,750. Of this funding, \$262,000 will be used for urban Indian health programs, and;
3. Sexual Assault Projects Expansion (Sexual Assault Nurse Examiner (SANE) programs, Sexual Assault Forensic Examiner (SAFE) programs, Sexual Assault Response Teams (SART), and Area/Urban funding) at \$4,028,250. Of this funding, \$2,400,000 will be directed to SANE, SAFE, and SART program development while \$1,628,250 will be for community-developed models of collaboration and intervention. The \$2.4M directed to SANE, SAFE, and SART program development will not be a part of the Area distribution. This funding will be competed nationally and targeted to Tribal and IHS hospitals and clinics that provide 24/7 emergency care. Of the \$1,628,250 directed to community-developed models, \$262,000 will be used for urban Indian health programs.

MoranQ2. How many nurses and/or doctors have been trained to provide treatment and/or collect evidence?

Director Roubideaux: In FY 2008, the IHS Office of Women's Health provided SAFE training at three locations (Window Rock, AZ; Aberdeen, SD; and Oklahoma City, OK). There

were a total of 60 Advanced Practice Nurses, Registered Nurses, and Physicians trained as SAFE providers in 2008.

MoranQ3. What has the IHS done to ensure victims have a confidential way to report domestic violence?

Director Roubideaux: If patients disclose to an IHS medical, nursing, behavioral health, or social services provider, that medical information is protected as part of the medical record and through HIPPA.

MoranQ4. What are some measurable accomplishments of this program so far, and what specifically does the IHS expect to accomplish with continued funds in FY 2011?

Director Roubideaux: Accomplishments currently include Tribal engagement in the project which has been extensive and has resulted in the support of Tribal leaders. Before developing specific DVPI objectives and activities, IHS engaged in Tribal consultation sessions with the National Tribal Advisory Committee on Behavioral Health (NTAC). The NTAC is composed of elected Tribal leaders across all twelve IHS Service Areas. The NTAC met on four occasions over a 5-month period to develop and provide recommendations to the Director of IHS on DVPI fund distribution and application. Each of the 12 IHS Areas will consult with the Tribes in their Areas, solicit and evaluate proposals from Tribes, Tribal organizations, and Federally-operated programs, and submit to IHS Headquarters the programs they recommend for funding. It is expected that the DVPI funds will be distributed to all of the IHS Areas by May 31, 2010 and awarded by August 2010. Two grant announcements have been developed for urban Indian health programs to address domestic violence and sexual assault. The grant announcements are going through the review and approval process. It is anticipated that grants will be awarded by August 2010.

FY 2011 funds will be utilized to support DVPI award and grant recipients. Recipients will report on data and evidence-based outcome measures, currently under development, designed to help IHS determine the most effective means for combating these issues in Tribal communities. Draft measures will be available by mid-July, with final measures to be reported in the FY 2012 congressional justification. The completion of a national, independent evaluation of the DVPI will also allow IHS to identify successful evidence-based and practice-based programs that can be replicated across the Indian health system.

In addition, the IHS has a Domestic Violence/Intimate Partner Violence Government Performance Reports Act (GPRA) screening measure. The measure was designed to identify and assist American Indian and Alaska Native (AI/AN) women who experience domestic violence. Screening identifies women at risk for domestic violence and refers these individuals for services aimed at reducing the prevalence and impact of domestic violence.

MoranQ5. How does the IHS envision this program evolving in the long term? How many more patients/victims could benefit from the services this program provides? What will this program need to expand system-wide?

Director Roubideaux: DVPI funds will be used to expand and strengthen current Tribal and Urban responses to domestic violence and sexual assault crises and to establish new domestic violence and sexual assault prevention and treatment programs. This initiative supports individual programs and/or communities in their efforts to develop or enhance evidence-based or practice-based prevention, treatment, and educational services, allowing communities to develop their own focused programs. The first year of funding will collect baseline data on the number of patients and victims served.

In the long-term, the IHS plans to carefully collect and review performance data from outcome measures to monitor DVPI awardees' progress. Additionally, IHS will support an independent evaluation of the DVPI. IHS will use both of these means to identify successful evidence-based practices and determine the most effective ways to implement these practices and lessons learned across the IHS/Tribal/Urban system.

TESTIFYING IN DOMESTIC VIOLENCE AND SEXUAL ASSAULT CASES

MoranQ6. This Subcommittee held a hearing on law enforcement in Indian Country that highlighted significant jurisdictional challenges to prosecuting crimes of domestic violence and sexual assault. Among the concerns identified was the HHS policy that sometimes prevents IHS staff from bearing witness in these cases. We asked HHS to review this policy and suggest some useful changes. Who is working on that, what are those suggestions, and when can we expect to see this policy revised?

Director Roubideaux: The IHS strongly believes that it is in the best interest of the IHS, patient care, and Indian communities to have providers testify in court hearings on sexual assault and other criminal cases. As an agency we are very supportive of our staff testifying in these cases. The HHS Touhy regulations address IHS employee testimony in a well-established and functional manner. The IHS understands the Touhy requirements and is responsive to any cases that impact upon the health of eligible Indians. There may be an occasional request denied because of the lack of timeliness, e.g., an individual is subpoenaed to testify at the last moment before a hearing when the provider has a whole day of appointments scheduled and it is not possible to process the request.

In those cases prosecutors need to do a better job at notifying IHS of their need for one of our employees to testify. There is no national IHS policy on testifying in rape or sexual assault cases. There are laws, HHS regulations, and a process for responding to requests or subpoenas to testify. If Federal officials are subpoenaed to Federal court, they do not have a choice – they must appear. Many felonies in Indian Country are prosecuted in Federal court so the Federal government is a party to the litigation. If IHS employees are subpoenaed to Tribal or State court where the Federal government is not a party, then HHS regulations at 45 C.F.R. Part 2 address these instances. Briefly, a prosecutor must make a request to the IHS, and the IHS Director has the authority to approve or deny. The regulation states that all requests for testimony by an employee of the HHS in his or her official capacity must be addressed to the Agency head in writing. The request must state the nature of the requested testimony, why the information sought is unavailable by any other means, reasons why the testimony would be in the interest of the HHS or the Federal government.

Finally, no testimony will be authorized unless the Agency head, after consultation with the Office of the General Counsel (OGC), determines that compliance with the request would promote the objectives of the Department. The IHS Director, by delegation of authority, extends this authority to approve or deny requests for testimony to the Area Directors who usually receive requests directly from local prosecutors and must consult with their Regional OGC. IHS is not aware of any case where such requests were ignored or denied when compliance was possible under the regulations or within practical timeframes.

PROPERTY MISMANAGEMENT (GAO INVESTIGATION FINDINGS)

In 2008, GAO issued a report revealing gross mismanagement of property at the Indian Health Service (IHS). In 2009, the GAO evaluated IHS' progress and found that little to no progress had been made and that another \$3.5 million worth of property, including medical equipment, had been lost or stolen.

MoranQ7. Please explain what has been done to improve this problem and what progress has been made to implement the GAO's ten recommendations?

- Has IHS established a deadline to complete or completed an inventory of its items? If not, when will that be completed?
- Has IHS established policies for disposing of unused property in a timely manner? If so, please provide a copy of that policy.

Director Roubideaux: The IHS Headquarters (HQ) recently provided an update to GAO regarding their recommendations. IHS HQ continues to direct efforts in the area of national policy development and is currently in the process of revising its personal property management policy. Stakeholders in Area Offices and across functional areas are involved in the process to ensure that gaps are identified and effectively addressed. Additionally, HQ staff continues to be in close and frequent communications with senior leadership in Area Offices to ensure this subject area remains a top priority.

For Fiscal Year (FY) 2009, all locations in IHS conducted a physical inventory and 11 of 12 IHS Areas have completed all activities associated with reconciling the inventory shortages, making determinations of accountability, and initiation of collection action.

For FY 2009 and 2010, IHS HQ placed a performance requirement in all twelve Area Directors' Senior Executive Service performance plans to complete physical inventories and issue hand receipts to all employees thereby tasking responsibility to the highest level of management in the Areas. Current policy requires an annual inventory be conducted on a fiscal year basis. For FY 2010, the performance element requires the completion of the physical inventory no later than July 31, 2010, with HQ testing the accuracy of hand receipts, and all inventory reconciliation activities be completed by September 30, 2010.

As mentioned above, IHS is currently in the process of revising its personal property management policy, which includes disposing of property in a timely manner. It is anticipated that this policy will be finalized during this fiscal year. Additionally, IHS is in the process of renewing its Inter-Agency Agreement with the Defense Reutilization and Marketing Service to

turn-in property that is not required or is in scrap condition in the IHS Areas. Those Areas not participating in the agreement are utilizing other methods of disposal such as the Federal Prisons Industries – UNICOR Recycling program, U.S. General Services Administration's (GSA) E-Waste Recycling program, and other GSA disposal services. For IHS HQ, an Inter-Agency Agreement to turn-in unrequired property to the HHS Program Support Center (PSC) warehouse facility in Gaithersburg, MD is currently in place allowing for timely disposal of assets at HQ.

MoranQ8. What steps has IHS taken to hold staff accountable for property in their control or possession?

Director Roubideaux: The IHS has fully implemented a new personal accountability system of hand receipts for tracking personal property. IHS' new policy issued in November 2008 to use hand receipts for all accountable items of property has enabled IHS to assign responsibility in advance to individuals and hold employees accountable through the life cycle of an item of property. Each IHS property office has the responsibility to issue hand receipts directly to each employee and secure a signature from the employee accepting personal financial liability for accountable property assigned to them. The use of the hand receipt system will enable IHS to identify a user for each piece of accountable property and maintain a system of all receipts. The system will greatly diminish, if not eliminate, shortages in future annual inventories and any missing items will be charged to the individual user and values collected if the employee is found liable for the loss. All Area Reports of Survey are required to be reviewed by the respective Area Directors and provided to IHS HQ for additional assurance that they are being completed. Moreover, hand receipts are expected to greatly improve tracking, reduce property losses, and facilitate enforcement of personal accountability. IHS also uses a clearance form under Indian Health Service Circular 2002-06 for separating employees which will be enforced prior to an employee's last day of work. IHS continues to address this topic as it finds ways to improve the system of accountability.

ALCOHAL/SUBSTANCE ABUSE GRANTS

MoranQ9. Methamphetamine abuse has been identified as a growing epidemic across the country, but particularly in Indian Country. Since its creation, the meth abuse prevention and treatment program has received more than \$46 million in funds from the Committee. What is the status of these funds and are they awarded on a competitive basis? How many grants have been awarded?

- What criteria did IHS use to choose projects? What kinds of projects have received funding?
- How (and on what time frame) will IHS measure the success of this program?

Director Roubideaux: The Methamphetamine and Suicide Prevention Initiative (MSPI) funds are currently being utilized to expand and strengthen Tribal and Urban responses to the methamphetamine and suicide crises. The programs that received funding are also establishing or enhancing methamphetamine and suicide prevention programs. MSPI is currently a three year demonstration pilot project which supports individual programs and/or communities in their efforts to develop their own community-focused programs. All twelve IHS Areas received funds to support MSPI programs by August 10, 2009. After an Area level review and evaluation process for MSPI-Tribal proposals, all MSPI-Tribal awardees received their awards by

September 30, 2009. The grant application for the MSPI-Urban and MSPI-Youth were solicited, reviewed, and all grantees were awarded by February 2010.

The funds were awarded on a competitive basis. In June 2009, IHS began the distribution of MSPI funds through program awards to Tribes and Tribal organizations, using a 3-tiered competitive application process for Tribes, Tribal organizations, and Federally-operated programs. During this initial phase, (Tier-#1) each of the 12 IHS Areas accepted and evaluated proposals from Tribes, Tribal organizations, and Federally-operated programs. Once Area-level evaluations were completed, (Tier-#2) each Area submitted copies of the recommended project(s) to IHS Headquarters Division of Behavioral Health (DBH), who reviewed the information and recommendations submitted by the Area. If in agreement with the Area decision, the DBH would then submit a summary of findings, including a recommendation to fund to the IHS Director. The IHS Director reviewed the information (Tier #3) and made the final decision to fund the proposal.

The MSPI consists of a combination of IHS awards and grants for a total of 127 projects. Currently there are:

- One hundred and twelve (MSPI-T) Tribal pilot sites;
- Eleven (MSPI-U) Urban grantee sites, and;
- Four (MSPI-Y) Youth services grantees (one of which is an IHS program award to a federally-operated program);

IHS developed a review and evaluation process which was used by all of the 12 Areas. Criteria and weighing was the same. Each Area reviewed all of the proposals on several criteria including the following:

- Project Plan;
- Statement of Need;
- Organizational Capacity;
- Local Evaluation Capacity, and;
- National Evaluation Capacity.

The majority of the programs funded by MSPI are targeting both methamphetamine and suicide. There appears to be an equal distribution among programs between providing prevention and treatment services.

To a large degree, IHS considers the MSPI successful in many areas. Funding has been placed in communities with greatest need and currently services are being provided to combat methamphetamine abuse and suicide. The evaluation process has begun a shift in expectations for many programs. The question is no longer, "Should we evaluate our program?" it is now, "How do we evaluate our program?" IHS is awaiting the second reporting period in November 2010 to review the programs' first year of implementation.

MoranQ10. The FY 2011 budget request maintains the meth grant program at the FY 2010 level of \$16.4 million. What are the plans for these funds in FY 2011, and how will this program develop in the long-term?

- How many grants does IHS envision awarding with the proposed 2011 funds?

- IHS has requested \$4 million for a new competitive grant program to treat substance abuse and continue the existing meth grant program at \$16.4 million. How is IHS integrating this new program with what you are already doing to address other substance abuse problems? How will this program complement the meth prevention and treatment grant program started in FY 2008? Why is a separate, new grant program needed?

Director Roubideaux: The National Tribal Advisory Committee on Behavioral Health (NTAC) will provide recommendations to the Director on FY 2011 implementation decisions. Funds will continue to strengthen and enhance the evaluation process. It is expected that approximately the same number of grants and awards will be funded in FY 2011.

IHS fully expects the MSPI to continue meeting established guidelines and continue demonstrated adherence to reporting requirements established by the Agency. It is our expectation that as award recipients continue to report on data and outcome measures, the information will assist leadership in the AI/AN community in their efforts to determine the most effective means for combating these issues in Tribal communities. Also, over time, MSPI will allow IHS to identify successful evidence-based and practice-based models that can be replicated across the Indian health system.

The \$4,000,000 increase is for a new competitive IHS grant program to expand access to and improve the quality of treatment for substance abuse treatment services. Like the MSPI, the program will target sites with the greatest need for substance abuse services. The main goal of the grant program will be to enable IHS, Tribal and urban facilities to hire additional staff to provide evidence-based and practice-based culturally competent treatment services. All grant recipients will be required to report on appropriate performance measures, including mandatory reporting of the number of addicted patients that received services. This program will enhance existing services such as the Alcohol Screening and Brief Intervention and integration of behavioral health services in primary care which are being promoted throughout the Indian health system.

“CAVITY-FREE IN 2-0-1-3”

I read recently that the Sisseton-Wahpeton Oyate tribe of the Lake Traverse Reservation in South Dakota has initiated a three-year initiative—called “Cavity-Free in 2-0-1-3”—to achieve a very specific public health goal set by the Tribal Council. The goal is for all children of the tribe beginning Kindergarten in the year 2013 to be free of tooth decay through innovative oral health strategies. Clearly, this is an admirable and ambitious goal.

SimpsonQ1. What resources would the Indian Health Service need to have all children throughout Indian Country be cavity free when they enter school?

Director Roubideaux: According to the 1999 Indian Health Service (IHS) Oral Health Survey, American Indian and Alaska Native (AI/AN) children ages 2-5 experience dental caries at a prevalence rate far higher than that of the general U.S. population. Traditional dental treatment

of early childhood caries (ECC) is expensive and largely ineffective at reducing the bacteria that cause the disease. More importantly, these children often experience pain and infection.

In response to this ongoing issue, the IHS launched its ECC Initiative (<http://www.doh.ihs.gov/index.cfm?fuseaction=ecc.display>) in March 2010 to increase access for AI/AN children and their families to both preventive and early intervention services by implementing a comprehensive and collaborative approach to decreasing ECC. The goal of the ECC Initiative is to reduce the prevalence of early childhood caries by 25 percent over the next five years.

HEALTH VACANCIES

In recent years, the subcommittee has placed a great deal of emphasis on addressing the high number of vacancies among health professionals within Indian Country. I am very pleased to see that the dentist vacancy rate for IHS has gone from 147 to 55 in one year. Even with that progress, the IHS budget justification notes that the IHS still has 927 vacancies for all health professions including 513 nurses and 280 physicians. As a doctor, you're uniquely qualified to address this challenge.

SimpsonQ2. What is the greatest challenge to reducing these vacancies and what can be done to fill these critical health professional positions? Is it an issue of funding, recruitment, loan repayment?

Director Roubideaux: The greatest challenges in recruiting critical healthcare professionals is the coordination of recruitment activities, market pay system for nurses and other healthcare disciplines, and guaranteed loan repayment for recruitment of healthcare professionals.

The majority of sites in the IHS are in remote rural areas in the U.S.; this presents an challenge for IHS to address our critical vacancies. Struggling local economies, poor school systems, lack of job opportunities for spouses, and inadequate housing in and surrounding these sites make them hard sells to potential health care professionals and their families.

Recruitment coordination has also been impacted by the various competing factors within the recruitment program, such as compacting and contracting of tribes. Vacancy rates for all health care professionals in the IHS exceed those of national vacancy rates. However, our most immediate and pressing need is for physicians and nurses. Our current vacancy rate for physicians is 21%, while the national average 11%. IHS current nursing vacancy rate is 16%, compared with the current national average of 6%.

Therefore, having funding dedicated to the recruitment of physicians and nurses, especially in rural areas, is critical in overcoming the shortage that currently exists. Additionally, the support of the loan repayment program has been an extremely effective tool, allowing the recruitment of 53 new physicians, 115 new nurses, and 258 other new health care professionals in FY 2009.

DOMESTIC VIOLENCE AND SEXUAL ASSAULT PREVENTION AND TREATMENT

Last year's Interior Appropriations Conference Report included \$10 million for domestic violence and sexual assault prevention and treatment. The Indian Health Service was directed by the Committee to implement a nationally coordinated Sexual Assault Forensic Examiner/Sexual Assault Response Team (SAFE/SART) program to fund IHS and tribally managed hospitals, clinics, and facilities. In addition, the IHS was directed to expand its national domestic violence grant program to address the growing needs for these services.

SimpsonQ3. Can you provide the Committee with an update of these efforts to date? What criteria are you using to target these funds to have the biggest impact?

Director Roubideaux: The DVPI program will expand its national domestic violence grant program with a portion of the funds allocated as recommended by the National Tribal Advisory Committee on Behavioral Health. The Director decided to allocate the funding via a competitive process to ensure funds will be targeted to communities with the greatest need. All of these year one (FY 2009) funds will be awarded by August 2010 to programs which reflect Congressional intent, utilizing either self-determination contracts, self-governance compacts, and related funding agreements; projects awards to Federally operated programs; or grants to Urban Indian health programs. The awarded projects will meet established guidelines and will demonstrate intent to adhere to reporting requirements established by the Agency. Several criteria have been established to evaluate proposals including but not limited to demonstrating need, organizational capacity, and a willingness to report data and outcome measures.

DOMESTIC VIOLENCE AND LAW ENFORCEMENT

Last year, the Committee also addressed the issue of cases of domestic violence being dropped or dismissed because of a Department of Health and Human Services policy on witness subpoenas that impedes the ability of Indian Health Service personnel to present evidence or testimony in these cases. In last year's Interior Appropriations Conference Report, the Committee directed the Department of Health and Human Services and the IHS to reevaluate and revise this policy to ensure that IHS personnel are able to testify and present evidence in domestic violence cases.

SimpsonQ4. What steps have been taken to evaluate and revise this policy to date to ensure more effective prosecution in cases of domestic violence?

Director Roubideaux: The IHS strongly believes that it is in the best interest of the IHS, patient care, and Indian communities to have providers testify in court hearings on sexual assault and other criminal cases. As an agency we are very supportive of our staff testifying in these cases and believe the current process carried out under the HHS Touhy regulations address IHS employee testimony in a well-established and functional manner. The IHS understands the Touhy requirements and is responsive to any cases that impact upon the health of eligible Indians. There may be an occasional request denied because of the lack of timeliness, e.g., an individual is subpoenaed to testify at the last moment before a hearing when the provider has a whole day of appointments scheduled and it is not possible to process the request. In those cases prosecutors need to do a better job at notifying IHS of their need for one of our employees to

testify. There is no national IHS policy on testifying in rape or sexual assault cases. There are laws, HHS regulations, and a process for responding to requests or subpoenas to testify. If Federal officials are subpoenaed to Federal court, they do not have a choice – they must appear. Many felonies in Indian Country are prosecuted in Federal court so the Federal government is a party to the litigation. If IHS employees are subpoenaed to Tribal or State court where the Federal government is not a party, then HHS regulations at 45 C.F.R. Part 2 address these instances. Briefly, a prosecutor must make a request to the IHS, and the IHS Director has the authority to approve or deny. The regulation states that all requests for testimony by an employee of the IHS in his or her official capacity must be addressed to the Agency head in writing. The request must state the nature of the requested testimony, why the information sought is unavailable by any other means, reasons why the testimony would be in the interest of the HHS or the Federal government. Finally, no testimony will be authorized unless the Agency head, after consultation with the Office of the General Counsel (OGC), determines that compliance with the request would promote the objectives of the Department. The IHS Director, by delegation of authority, extends this authority to approve or deny requests for testimony to the Area Directors who usually receive requests directly from local prosecutors and must consult with their Regional OGC. IHS is not aware of any case where such requests were ignored or denied when compliance was possible under the regulations or within practical timeframes.

IHS RESEARCH STUDIES

It is my understanding that the IHS has not conducted any surveillance research studies in several years. These studies are critical to understanding many of the critical health challenges and emerging diseases within Indian Country, as well as targeting needed funds to address them. I believe the most recent IHS optometric study was done in 1994, OB-GYN study in 1996, and the last oral health survey was done in 1999.

Simpson Q5. How critical are these studies to targeting resources to specific diseases and other health challenges? Does the Indian Health Service have any plans to conduct updated surveillance research studies in these and other areas?

Director Roubideaux: Although the IHS has not repeated the specific surveillance studies mention above, multiple forms of surveillance remain essential to understanding and planning for the health of American Indian/Alaska Native people, a Tribe or a local community and can be useful as population measures of multi-agency/community-based efforts. Below are five examples of current surveillance activities that support these functions.

Diabetes

The IHS conducts annual surveillance activities to monitor the trends in diabetes prevalence, diabetes care, intermediate outcomes, and selected diabetes complications in the AI/AN population. Unfortunately large national surveys that examine rates of diabetes and diabetes risk factors in other US populations frequently do not include enough AI/AN to provide meaningful rates. IHS attempts to collect similar types of information when possible through program surveys and progress reports of the Special Diabetes Program for Indians grantees. There is an urgent need to collect accurate incidence data on diabetes in AI/AN children and youth in order to better plan and target prevention and aggressive treatment programs. The IHS' Division of

Diabetes Treatment and Prevention is in discussions with the Centers of Disease Control and Prevention (CDC) exploring implementing the SEARCH protocol within IHS in order to develop an accurate registry of AI/AN children and youth with diabetes.

Oral Health

The IHS' Division of Oral Health (DOH) does plan on implementing the Basic Screening Survey (BSS) that has been developed by the Association of State and Territorial Dental Directors. The BSS will commence in the fall of 2010 and can be implemented within the current level of resources available. It has been shown to provide reliable and accurate data on the oral health status of communities. In addition, utilization of the BSS will allow comparison of the oral health status data of AI/AN communities with that of non-AI/AN communities in each State that utilizes the BSS. The training of IHS staff to implement the BSS and the comparison of data collected will be done with the assistance of the CDC and the National Institutes of Health.

H1N1

IHS used its electronic medical record (EMR) data in an unprecedented manner to generate actionable epidemiological information related to the H1N1 influenza pandemic. In April 2009, during the first week of the pandemic, IHS developed a new, secure system for the daily export of anonymous clinical data on influenza-like illness (ILI), temperature, and risk factors for H1N1 influenza such as asthma, pregnancy, obesity, and diabetes from the IHS EMR. The export was designed, tested, and released to the field over an eight day period and immediately began returning important epidemiologic data to the IHS' Division of Epidemiology and Disease Prevention (DEDP). Since that time, the IHS Influenza Awareness System (IIAS) has added information on vaccine delivery (both seasonal influenza and H1N1), on possible adverse events to influenza vaccination, and on hospitalizations. DEDP then publicly distributed on <http://www.ihs.gov/h1n1> weekly reports on H1N1 epidemiology in IHS, including reports on regional and national trends, vaccine distribution results, and hospitalization surveillance trends. Results have been used on a week-by-week basis to make difficult employee vaccine distribution decisions based on where activity is highest in IHS.

Behavioral Health

Staff in the IHS' Division of Behavioral Health have initiated discussions with both CDC and the Substance Abuse and Mental Health Services Administration (SAMHSA) to build on their current data collection activities, including the CDC's Youth Risk Behavior Surveillance System and Behavioral Risk Factor Surveillance System (BRFSS), and SAMHSA's National Outcomes Measures, Treatment Episode Data Set, and National Survey on Drug Use and Health surveys. IHS would benefit from oversampling our communities as is being done in some regional efforts (Navajo is working with New Mexico for example on BRFSS activities).

Community Health Assessments

The IHS has developed an inventory of community health assessments and placed them on our website, facilitating the ability of Tribes to conduct health assessments in coordination with Tribal Epidemiology Centers. One option includes the Indian Community Health Profile which was developed in the Portland Area, IHS for Tribes with a population between 1,000 and 5,000 to provide an overview of health of a local community. It looks at 15 indicators in the domains of physical, mental, environmental, and social health which are repeated every 3 – 5 years to

assess changes in health status in the community. It differs from other surveillance systems as it is a broad indicator of health and can allow use at a local level.

It is encouraging that the unique needs for health surveillance of the AI/AN population will be more fully integrated into future national efforts across agencies based on the provisions of Section 4302. (Understanding Health Disparities: Data Collection and Analysis) of the recently enacted Patient Protection and Affordable Care Act (H.R. 3590). The data collection requirements of this section specify that the process assure: "sufficient data to generate statistically reliable estimates by racial, ethnic, sex, primary language, and disability status subgroups for applicants, recipients or participants using, if needed, statistical oversampling of these subpopulations." Furthermore it is noted in this section that: "For each federally conducted or supported health care or public health program or activity, the Secretary shall analyze data collected under paragraph (a) to detect and monitor trends in health disparities". Finally, it is specified that analyses shall be made available to: "the Indian Health Service and the epidemiology centers funded under the Indian Health Care Improvement Act." This surveillance data will be extremely helpful to the IHS and Tribes in planning and implementing health programs and tracking progress in addressing health disparities.

SEXUAL ASSAULT

ColeQ1. As we all know, the incidence of rape is extremely high in Indian Country. In fact, a Native American woman is three times more likely to be raped in her lifetime. The exact causes of leading to this startling statistic are many and complex. However, in the meantime, IHS can provide resources and recovery for women dealing with this tragedy. What sort of services does IHS provide for Indian women who have been sexually assaulted besides basic physical care?

Director Roubideaux: IHS provides a range of services, in some locations including adult and pediatric Sexual Assault Nurse Examiner (SANE) services and Sexual Assault Response Teams (SARTs). Facilities that do not have access to these resources use emergency medical personnel to perform examinations and responses.

ColeQ2. How regularly does IHS coordinate with tribal law enforcement or DOJ when talking about systemic problems of rape? How can IHS work to engage native communities in prevention?

Director Roubideaux: Law enforcement engagement can best occur through a SART which is formed after a SANE program is created. The SANE director coordinates the SANE services and facilitates the development of a SART. In 2008, the IHS Office of Women's Health provided SANE training to 60 IHS medical and nursing providers. Many of these providers returned to their facilities and launched SANE services. As a part of their work they work more closely with law enforcement. A real collaboration between health care and law enforcement around sexual assault occurs through a SART.

ColeQ3. Perhaps even more alarming than the amount of women in Indian Country who are raped is the amount of cases that go unprosecuted. Last year, this committee heard

testimony that when an IHS doctor is asked to testify in court in order to prosecute a sexual assault case, the subpoenas must be approved by the IHS Washington, DC office. However, these subpoenas often languish in administrative limbo once coming to the central office. Please speak to this problem, and let us know how we can combat this problem?

Director Roubideaux: The Touhy regulations state that all requests for testimony by an employee of the HHS in his or her official capacity must be addressed to the Agency head in writing. The request must state the nature of the requested testimony, why the information sought is unavailable by any other means, reasons why the testimony would be in the interest of the HHS or the Federal government. Finally, no testimony will be authorized unless the Agency head, after consultation with the Office of the General Counsel (OGC), determines that compliance with the request would promote the objectives of the Department. The IHS Director, by delegation of authority, extended the authority to approve or deny requests for testimony to the Area Directors who generally receive requests directly from local prosecutors and must consult with their Regional OGC. IHS is not aware of any specific case where such requests were ignored or denied when compliance was possible under the regulations or within practical timeframes. The IHS completely agrees that IHS employees will comply with appropriate subpoenas in these cases; it is our obligation to both the victim and to Indian communities.

YOUTH SUICIDE

ColeQ4. In many Native American communities, youth suicide rates are three times higher than the U.S. national average. Throughout Indian Country there are endless waiting lists for patients needing mental health services and thousands of individuals go untreated. The overwhelmed physicians and therapists often 'burn out' quickly, leaving Indian Country with even fewer mental health services. What do you think is causing this unprecedented concentration of suicides in Indian Country?

Director Roubideaux: The view of many of our tribal partners is that high suicide rates reflect the cultural dislocation and stress that inundate many of our communities. This has been described through various terms including historical trauma which describes how losses and stressors experienced by earlier tribal ancestors reverberate through communities today. For example, many of our middle-aged and older parents were forced to participate in boarding school systems often focused on acculturation over honoring and respecting tribal culture. This experience translates into a disruption of normal parenting patterns because many were parented, if at all, by dorm aides rather than their own parents. The resultant loss of language, culture, and life wisdom has been catastrophic. The direct results are children reared without knowledge of their language and culture, and who often find themselves caught between modern and traditional worlds. Research suggests that acculturation stressors of this kind are significant and reflected in specific tribal suicide rates (May et al, 1994).¹ At the same time, many of our communities are located in rural and often remote western America, much of which is facing

¹ May, P. A., & VanWinkle, N. W. (1994). Durkheim's suicide theory and its applicability to contemporary American Indians and Alaska Natives. In D. Lester (Ed.), *Emile Durkheim: Le suicide 100 years later* (pp. 296-318). Philadelphia: The Charles Press. Also Olson, L.M. & Wahab, S., American Indians and Suicide: A Neglected Area of Research, *Trauma Violence Abuse* 2006:7:19.

similar concerns with suicide among their populations. Our communities are often resource poor, experience high rates of unemployment, complete less education, have more limited support services and access to general amenities and opportunities, and lack full access to behavioral health services capable of addressing emotional crises adequately. Finally, as an ethnic minority many of our community members continue to experience discrimination, oppression, and stigma.

All of these issues in large and small ways lead to higher levels of emotional distress, reduce the ability of communities to support community members in distress, and increase risk for both suicide and suicide-related behaviors as well as other high-risk behaviors. The result is not only high rates of suicide in many communities but also other related consequences including unintentional injuries, motor vehicle accidents, domestic violence, and general trauma.

ColeQ5. What specifically is IHS doing to bring down the suicide rate? How can an individual get help quickly when there are long waits at many of these clinics?

Director Roubideaux: Since 2003, IHS has sponsored a national Suicide Prevention Committee. The Committee has been central to a broad range of efforts to address suicide including the following:

- establishing and supporting IHS Area task forces on suicide prevention;
- convening a national conference on suicide in 2006 bringing researchers, clinicians, traditional healers, and community members together;
- developing a national suicide strategic plan modeled on the National Strategic Plan for the Prevention of Suicide which is currently under review by the National Tribal Advisory Committee on Behavioral Health;
- supporting the dissemination of suicide prevention strategies including trainings and materials on Applied Suicide Intervention Skills Training (ASIST), Question/Persuade/Refer (QPR) and other activities;
- establishing a national database to collect information on suicide-related events and using the database for IHS' GPRA reporting;
- incorporating suicide reporting into its development of the widely disseminated IHS electronic health record (EHR) and developing community level suicide event warning reminders that can be incorporated into the EHR if desired by sites;
- promoting screening for depression (another IHS GPRA indicator) and recently broadening that screening to include adolescents as recommended by the U.S. Preventive Services Task Force;
- sponsoring suicide-specific training and education at a variety of events including most prominently every year at the annual national IHS Behavioral Health Conference which is attended by over 500 participants;
- working collaboratively with staff in the Improving Patient Care Initiative and the Behavioral Health Initiative to begin moving behavioral health supports into primary care settings for earlier intervention and identification of depression and emotional distress; and
- collaborating with a broad range of other agencies and divisions including SAMHSA, CDC, DOJ, BIA, VA, numerous States, local communities, and Health Canada.

We believe high levels of trauma, whether through direct physical injury, loss, or abandonment, in communities directly affect the ability of community members to manage life

challenges successfully. This is confirmed in studies such as the Adverse Childhood Experiences (ACE) studies. IHS has thus been active in exploring ways of reducing overall levels of trauma. This includes the development and promotion of the Alcohol Screening Brief Intervention program, done in collaboration between the IHS Emergency Services program and Behavioral Health, with the intent of reducing repeated injuries by intervening early in individuals with high risk drinking. IHS would also like to highlight the very successful Commissioned Corps deployments program for stabilizing communities experiencing suicide clusters. We now have an effective model that predictably reduces suicide and suicide-related events acutely for communities in crisis and provides a bridge to longer term reductions in suicide levels.

Early childhood interventions that reduce the risk of trauma and loss through improved parenting support are also actively being supported and explored. Several Indian Country sites have participated in collaborative projects (Family Spirit Project) with Johns Hopkins developing early childhood interventions for new parents that also include prominent components to address reducing suicide. We believe programs similar to the nurse family partnership programs also hold promise for protecting youth and young families and maximizing their resilience in the face of their significant community stressors.

The Methamphetamine and Suicide Prevention Initiative (MSPI) has added much needed support to developing effective interventions. We currently have 127 sites implementing a broad range of evidence-based or practice-based suicide prevention and intervention programming. We anticipate the work of these communities and programs will guide our efforts in the future due to the MSPI's strong evaluative component.

In summary, working to reduce suicide in our communities has meant bringing to bear a broad range of interventions working with multiple partners. Suicide reduction is a generational effort and not only means addressing current distress in our communities but supporting environments that build resilience and wellness as the best long-term protection against suicidal behavior. Clinic access depending on the site is partly a resource and partly a structural issue. Many tribes augment the funding received from IHS with funding from a variety of other sources including grants and other contracts. Rural areas in general have difficulty recruiting and retaining providers reducing the available pool of potential providers for programs, in part due to the difficulty compensating for rural communities' lack of amenities and supports.

Access on the other hand can be a structural issue for several reasons. Some sites have separated general medical service from behavioral health services which, at times, makes access difficult; many behavioral health programs operate on models based on extensive and time-consuming intake processes due to requirements from accrediting organizations reducing the overall capacity to support new patients; and many programs have yet to adopt models of care that allow immediate support to be delivered in the primary care setting where it can be delivered in smaller doses earlier in the course of distress or illness. IHS is working to address these structural issues through promotion of the Medical Home Model and Primary Care Behavioral Health integration. Many clinics acknowledge the need for adopting these types of approaches but as they represent increasing access to services and increased use of services find themselves challenged by insufficient resources to meet the needs. These types of services are not yet

routinely billable though they are likely to be so in the future, supporting further expansion of the models and improved access.

ColeQ6. The increase for mental health services in the budget is \$4.2 million for FY 2011. What will this increase actually provide for Indian Country? How much funding would you actually need from Congress to ensure all Native Americans get the mental health services they need?

Director Roubideaux: The increase covers pay cost increases, inflation, population growth, and staffing and operating costs for new or expanded facilities. The President's FY 2011 budget for mental health services requests a \$4.3 million increase in funds over FY 2010 for a total budget of \$77 million. This includes services for suicide surveillance, depression screening, tele-behavioral health management information system (MIS).

HEALTH EDUCATION

ColeQ7. The IHS Health Education program has been in existence since 1955. The program focuses on the importance of educating our American Indian and Alaska Native citizens in order to empower them to make better choices in their lifestyles and how they utilize health services. This program received an additional \$807,000 in the President's budget request for a total funding amount of \$17.4 million in FY 2011. Despite the existence of this program for over fifty years, Native Americans have some of the highest rate of cardiovascular disease, obesity, diabetes, alcoholism, and drug abuse in the country. What, then, can we do to make this program more effective?

Director Roubideaux: Taking full advantage of self-determination since the early 1990s, most Tribes have contracted or compacted the local/Area IHS Health Education Programs; Tribes administer 75% of these program dollars. The IHS component of the Health Education Program now consists of 22 Federal health educator positions located at approximately 13 of the more than 500 Tribal sites.

The strategy the IHS employs is that health education is the responsibility of all clinical provider staff – physicians, nurses, pharmacists, nutritionists, physical therapists, etc as well as health educators. The Health Education program has spent the past 20 years helping all providers better meet the educational needs of the AI/AN population. Since 1995, those health/patient education services have been tracked in the IHS' electronic health record, the Resource Patient Management System (RPMS). The IHS Health Education Program strives to ensure a 5% growth in the amount of education provided each year. October 2009 data showed a 7.8% increase in the number of clients that received some type of health education that year. There were over 2 million visits with an educational encounter. In addition, IHS partners with other Departmental agencies and programs to leverage resources and also assure consistent messaging to patients.

To make health education more effective, every IHS facility, every Tribal and urban health program needs to also provide health education activities and services in the communities, Head Start programs, schools, jails, detention centers, and youth regional substance abuse

treatment centers. The need for AI/AN health education functions and activities is great as evidenced by the high disparities in the rates of chronic diseases such as cardiovascular disease, obesity, diabetes, alcoholism, and drug abuse. The cornerstone of chronic disease self-management is patient understanding of their chronic disease through education. Education is a constant and on-going process so that each provider and every discipline within our IHS, Tribal and Urban programs strives to educate patients.

INDIAN HEALTHCARE REAUTHORIZATION

ColeQ8. Indian Healthcare Reauthorization: Though I am not supportive of the way it was brought to a vote, I am very pleased that the Indian Healthcare Reauthorization Act was finally enacted into law. This was a long time coming and both Republican and Democratic Congresses missed a unique opportunity to get this bill passed. It is my sincerest hope that IHS will be able to enact the new changes quickly and thoroughly. Which items of the bill will have the most dramatic effect on the health of Indian Country?

Director Roubideaux: The reauthorization Act contains many good provisions that will have a positive effect on the health of Indian Communities. For example, authorization for long-term care can have positive effects on Indian communities. With the new behavioral health authorities in the Act, Indian communities will be able to address serious behavioral health problems such as youth suicide, violence against women, and alcohol and substance abuse. We will consult with tribes as the IHS and the Department develops the fiscal year budgets.

ColeQ9. Given the new passage of this bill should Congress consider additional appropriations beyond the budget request to implement and support the new authorities in the newly enacted Indian Health Care Improvement Act? In other words, what does IHS need from Congress to meet its newly enhanced responsibilities?

Director Roubideaux: IHS is working closely with the administration as well as Tribal and urban programs to carefully plan for implementation of the IHCIA. IHS is already consulting with Tribes on fiscal year 2012 and beyond to determine their budget priorities. The IHS and the Department will consider these priorities in the formulation of the 2012 budget request.

ColeQ10. Will IHS be revising its budget request to accommodate the changes that were made by the Patient Protection and Affordable Care Act (PL 111-148)?

Director Roubideaux: IHS is consulting with Tribes and will work with the Department and the administration to incorporate priorities related to the IHCIA into the FY 2012 budget request.

GENERAL BUDGTARY ISSUES

ColeQ11. Obviously the need for increased funding for IHS programs is growing every year. While this committee has made great strides in recent years, the funding for programs provided by IHS is still woefully inadequate for Indian Country. How do you see IHS

moving to fill these budgetary gaps over the long term (especially given the Administration's discretionary spending freeze)?

Director Roubideaux: President Obama has promised to honor treaty commitments made by the United States and Secretary Sebelius has placed a priority on Indian health care as well. IHS will continue to work with them to carry out these commitments, within the overall context of the Administration's fiscal policy and national priorities.

ColeQ12. What can we do to ensure long term funding of these programs in Congress?

Director Roubideaux: The continued support of Congress in funding the President's budget request for IHS will help to ensure the long term funding of these programs.

ColeQ13. Is this an attainable goal? In other words, will full funding of IHS truly eliminate some of the increased health problems experienced in Indian Country today?

Director Roubideaux: The President's budget request will go a long way toward eliminating health disparities between Indian people and the U.S. all races. His FY 2011 budget request would provide increased access to care which is essential in improving on health disparities. A major advantage that the IHS has over the larger U.S. healthcare system in improving on health disparities is that we are a system of care and can focus on community and population health, not just on the health of individuals. In partnership with Tribes, IHS can make great strides in improving the health of Indian people.

**Subcommittee on Interior, Environment & Related Agencies
Questions for the Record
Bureau of Indian Affairs FY11 Budget Hearing
Hearing Date: March 4, 2010**

Questions for the Record from the Chairman

MANAGEMENT/LEADERSHIP CHALLENGES

Moran Q1. In its 2009 report on DOI's top management problems, the Office of Inspector General stated that 30 percent of IG investigations involve Indian Country issues. For example, there were several instances of criminal misconduct by former tribal officials, contractors and employees. Indictments included theft from an Indian tribal organization, illegal disposal of petroleum products, and improperly reporting income on a BIA application for assistance.

The IG stated that a major problem is the "leadership vacuum" that has existed for almost a decade within Indian Affairs. The IG noted that Assistant Secretaries have typically served for only 6 to 18 months, which has resulted in shifting priorities, messages, and implementation activities. Did the IG accurately define the problem as one of leadership? What are you doing to address this issue?

ANSWER: For the past decade, there have been five (5) confirmed Assistant Secretaries for Indian Affairs and four (4) acting Assistant Secretaries for Indian Affairs. The following timeline identifies each Assistant Secretary's tenure:

1997–2001 Kevin Gover;
2001–2001 James H. McDivitt (acting);
2001–2003 Neal A. McCaleb;
2003–2004 Aurene M. Martin (acting);
2004–2005 Dave Anderson;
2005–2007 Jim Cason (acting);
2007–2008 Carl J. Artman;
2008–2009 George Skibine (acting);
2009–present Larry EchoHawk.

It is clear that there is a need for consistent leadership. There is now a leader in Larry Echo Hawk who, since being confirmed as the Assistant Secretary for Indian Affairs in June 2009, has stated his intent to remain the Assistant Secretary for Indian Affairs through the duration of this Administration's term in office. We believe that consistency will provide the basis for positive management changes.

Moran Q2. In response to a meeting with the Tribes and a Presidential Memorandum, on February 22nd, your office announced the Department's plan to establish a department-wide policy on tribal consultation and coordination. Could this department-wide plan help you address some of the management and leadership issues identified by the IG?

ANSWER: The Department's plan to establish a department-wide policy on tribal consultation and coordination will address a longstanding issue between the United States government and the federally recognized Indian tribes in the United States directly related to communication and coordination between the parties on a nation to nation basis. The consultation policy will help the Department better provide increased transparency, accountability, trust, and strengthen the leadership capability. Specifically, the consultation policy will help this Department's management team to better understand the direct beneficiaries' needs and how to address these needs. As a result, Indian Affairs leadership will be able to make effective management decisions.

Moran Q3. You are proposing to absorb \$19.4 million in fixed costs. What impact will this have on your staffing?

- How will this affect your ability to properly serve the tribes and individual Indians?
- Will this compound the leadership issue identified by the IG in its management report?

ANSWER: Indian Affairs estimates this will affect approximately 80 Full Time Equivalent positions. Indian Affairs intends to address the issue via the use of lapsed salaries due to vacant positions.

VIOLENT CRIMES

Moran Q4. Last year, we heard from numerous witnesses about the violent crime rate in Indian Country, which is twice the national average for other communities. In previous years this Subcommittee has added additional funding to combat these law enforcement issues, including a \$58 million increase over the 2009 enacted level for fiscal year 2010. How are the funds being used to put more officers on the ground in the areas of Indian Country that have the highest crime rates?

ANSWER: The BIA's Office of Justice Services implemented an aggressive recruitment campaign to fill funded vacant positions, many of which are located in hard to fill duty stations. Typically hard to fill duty stations also have higher crime rates. The reservations determined to have crime rates higher than the national average, based upon the monthly crime reports submitted by the Tribes, will be targeted to receive an increase to their base funding to hire additional officers. The funding will assist Tribes with reducing the staffing gap, based upon the national average of 3.5 officers per 1,000 residents. Additional police officers will help curtail crime and provide better response time to calls for service.

The BIA recently implemented a change in the recruitment methodology used in previous years. In the past, BIA advertised positions at a specific duty station. As such, applicants not selected on one advertisement could not be offered a position at a different location. This process limited the number of qualified Indian applicants who wanted to work in the identified location. If there were no Indian applicants suitable for hiring, the only recourse was to re-announce the position. This process led to positions being re-announced several times as the position remained vacant for months or years.

To address these vacancies, BIA began an aggressive recruitment initiative on December 1, 2009. This initiative includes an open continuous announcement to fill vacancies bureau wide, specifically targeting individuals with previous law enforcement experience. Since this new initiative began, BIA has increased the number of applicants from 10 in October and November of 2009, to over 2,600 in December 2009 thru January 2010.

In the first phase of candidate selections, BIA selected 65 police officer and 37 correction officer applicants. Some of the selected applicants have already obtained basic police training to satisfy the training requirements. These selectees must now successfully complete the background investigation before being allowed to perform police duties.

The BIA is also utilizing recruitment bonuses, retention and relocation bonuses, and service agreements to attract qualified candidates. The BIA has also begun a multimedia recruitment strategy using various media and advertisement sources to promote employment opportunities.

Moran Q5. Department of Justice statistics generally reveal that 34% of Native American women will be sexually assaulted in their lifetime and 39% of Native American women will suffer from domestic violence. Last year, this Subcommittee provided funding and direction to assist with better reporting these crimes and better coordination with the Department of Justice.

- What progress have you made with increased funding and specific direction from this Subcommittee to better coordinate, report and prosecute these crimes?

ANSWER: The BIA is participating in meetings with the Department of Justice to strengthen its partnership and to better coordinate, report and prosecute all crimes with a focus on crimes against women. The BIA is also coordinating training to field staff in efforts to educate officers on successful investigative techniques that will enhance criminal prosecutions of violence against women.

- How does this year's budget reflect continued attention to this issue?

ANSWER: The BIA has hired victim/witness coordinators to assist victims of crimes by locating adequate temporary shelter, food, clothing and counseling services. These services help with the current void in many Indian Country communities where adequate victim services are not available. Funds will also be utilized to educate and train officers and the communities on recognition and prevention of domestic violence.

Moran Q6. Your budget also outlines a proposal to reduce criminal offenses by 5% on four reservations with excessive crime problems.

- Can you explain how the pilot will work?

ANSWER: The BIA will implement a general crime reduction plan at four (4) specific Indian Country law enforcement programs in support of a comprehensive Indian Country crime reduction strategy which has been designated as a "High Priority Performance Goal" by the Department of the Interior. The goal and objective is to achieve significant reduction in crime,

with an emphasis on violent (part 1) crime, within 24 months on targeted Indian reservations. BIA will implement a crime reduction plan to utilize proven, sound policing methods.

This plan's multi-faceted approach to crime reduction will utilize proper leadership/management principles, adequate staffing and resources, accurate analysis of current and historic criminal activity/trends, community assessments, intelligence-based law enforcement assignments and proactive operations, crime prevention programs, and most importantly, accountability at all levels of the operation. Properly applying these fundamental principles of law enforcement have always been necessary to effectively reduce criminal activity. Base funding will also be distributed to increase the number of law enforcement officers on the street. The milestones will be measured at the mid-term and the end of the 24 month period.

- What has been the Tribes' response to this effort?

ANSWER: Tribal leaders are very excited about the prospect of crime reduction and the approach BIA is taking to include their tribal members in the community assessment process. The tribal leaders have been an important part of this initial process and will continue to be involved in the development and implementation process.

- Please provide, for the record, a detailed spending plan for this initiative.

ANSWER: A detailed spending plan is in the final stages of preparation. Funding allocations are currently being identified at each location. Funding will be utilized for functions such as planning, facilitation and coordination, capacity building, crime trend analysis, trend mapping and data analysis, crime reduction plan development and implementation, implementation of crime reduction strategies, officer housing, and community meetings. Other functions may be identified as the initiative progresses.

- What is DOJ's contribution to this initiative?

ANSWER: The BIA has attended meetings with DOJ officials to discuss the availability of COPS Grant Officer funding for additional police and school resource officers. DOJ staff assisted BIA with the development and review of the community assessment tool, which will be used to measure the community's perception of law enforcement, crime, social and community services.

DRUGS IN INDIAN COUNTRY

Moran Q7. Can you explain what resources the BIA is putting towards investigating drug crimes in Indian Country and how the BIA is coordinating these investigative efforts with tribal and other federal agencies in order to avoid duplication of effort?

ANSWER: The BIA Division of Drug Enforcement has 30 Special Agent positions assigned to a combination of DEA, FBI Safe Trails and local Task Forces throughout the nation. Utilizing existing task force resources as a force multiplier enables an increased focus on drug investigations within Indian country. The BIA agents will liaise with tribal law enforcement

personnel to ensure that drug related issues are addressed and that tribal law enforcement is involved. Tribal law enforcement managers are encouraged to assign officers as members of the task forces. The BIA agents work closely with other Federal and State agencies to ensure duplicate efforts are not occurring and to maximize manpower when needed. The BIA also provides high priority funds to southwest border Tribes to assist in the interdiction of illegal narcotics coming onto Indian Country. The BIA is in the process of hiring six specialized police officers to assist the Tohono O'odham Nation and Federal agencies with the high volume drug trafficking problem on the reservation, which straddles 75 miles of border with Mexico. This specialized unit will focus on interdiction of illegal narcotics traffickers in Indian Country.

Moran Q8. What are the total resources you are requesting to address this issue? What could you do with more funding?

ANSWER: The FY 2011 budget includes \$8.0 million specifically for Drug Enforcement. In addition, the request includes funding for activities closely tied to drug-related crime enforcement, such as \$1.0 million for intelligence sharing, \$1.0 million for victim/witness coordination, and \$1.0 million to address the unique challenges faced by Tribes located along the southwest border.

The school resource officer program has become an important part of the BIA drug initiative allowing interaction between officers and students in the student's environment. The SRO's provide instruction in drug awareness and gang resistance using a structured curriculum. The BIA has 18 SRO positions. The SRO positions serve as the initial contact with students and educate them on the negative aspects of illegal drug use and gang activity. These positions play a key role in providing a visual deterrent and identifying potential threats of school violence.

The BIA implemented a canine program to enable illegal drug interdiction activities on the reservation roadways and perform illegal narcotic detection in schools. These teams are a valuable tool to drug agents during the course of illegal narcotics investigations.

Victim/witness coordinators assist victims of crimes by locating adequate temporary shelter, food, clothing and counseling services. These services help with the current void in many Indian Country communities where adequate victim services are not available. These positions also provide support for drug investigations and victims of violence throughout Indian Country. Cooperating witnesses, victims of drug crimes, and tribal court systems are major challenges when investigations are conducted.

Intelligence analysts are placed in regional centers which share information and intelligence between state, local, and Federal agencies throughout Indian Country. These individuals provide regional and national threat assessments and investigation support for local law enforcement.

Moran Q9. What contributions are other agencies making to combat this problem?

ANSWER: Task Force partners DEA/FBI are working side by side with BIA drug agents to combat illegal drug activity within Indian Country. With the additional resources already received as a force multiplier, BIA agents are able to concentrate on complex illegal drug

distribution cases. Partnerships with schools allow SRO's to present drug awareness and gang resistance programs to students.

LAW ENFORCEMENT

Moran Q10. This year's budget includes a \$19 million increase to fund 81 positions within the FBI that would be solely dedicated to investigating crimes on Indian Reservations. Only 45 of these positions would be for actual agents. Why is BIA paying for these positions and not the Department of Justice?

ANSWER: The funding was placed in the BIA budget to promote coordination between BIA and FBI law enforcement efforts. The FBI has primary jurisdiction over major crimes on more than 200 reservations. The additional staff will be solely focused on Indian Country where drug use is a significant factor in a large percentage of violent crime.

Moran Q11. Did BIA consider splitting the cost of these positions with DOJ? Why or why not?

ANSWER: The agencies do effectively split the cost, as there are already a number of agents funded by DOJ who serve in Indian Country that would continue to do so. It was determined that the best way to expand this effort was using the method proposed in the Budget.

FIREARMS

Moran Q12. The IG recently conducted an assessment and review of firearms inventory and control at the Department. The report found that some bureaus did not have a designated firearms coordinator to inventory and manage law enforcement weapons. The report mentioned that BIA does not have a firearms coordinator. Do you agree with the IG that such a position is necessary? Why or why not?

ANSWER: The BIA property custodians are responsible for all property within their respective regions. The BIA works closely with the regional property officers to ensure all weapons and vehicles are listed on the BIA inventory of property. Establishing a national BIA firearm coordinator may be helpful, and BIA is considering possible ways to implement the IG's recommendations.

DETENTION FACILITIES

Moran Q13. The dire state of the BIA detention facilities has been discussed many times in this Subcommittee and was recently highlighted in an Inspector General's report. Last year we provided an additional \$10 million to help address the severe problems with detention center repair and replacement. This year your budget includes a \$53 million dollar reduction. Why are you reducing funding for detention centers in light of the recent IG findings, the increased attention to deterring crime in Indian Country, and the deplorable conditions in these centers?

ANSWER: The BIA continues to explore ideas for a viable Justice Program in all aspects including detention, law enforcement, courts and housing. However, the largest investment for detention centers in Indian Country is managed by DOJ. The American Recovery and Reinvestment Act contained \$225.0 million for Department of Justice grants to construct new detention facilities.

Moran Q14. Has funding from the Recovery Act made any impact on the deferred maintenance and construction of detention centers?

ANSWER: Yes, The Recovery Act has reduced the BIA deferred maintenance backlog by approximately \$5.5 million but does not include funds for construction of new or replacement detention centers which were provided through the Department of Justice competitive grant program.

Moran Q15. Could the increased law enforcement presence in Indian Country lead to more arrests and require additional detention center capacity?

ANSWER: An increased law enforcement presence needs to be part of a larger strategy for reducing crime and addressing the demand for detention center capacity. If the offenders are awaiting the determination of Federal cases or face strictly tribal charges, they must be held in Indian Country jails or contracted bed space. In some cases, offenders will be housed on a fee per day basis at county jails when the reservation jail is over capacity.

Moran Q16. Do you still have a backlog of needs for detention center repair and replacement? What types of resources are needed to adequately repair current centers and what are the needs for replacement?

ANSWER: The need for justice centers includes detention, law enforcement operations centers, tribal courts and housing for staff. Construction of justice centers may be a more effective and appropriate use of funds rather than repairing and improving buildings that are not functionally adequate detention facilities. However, planning for these types of projects is still in the early stages and must be undertaken in the context of an overall strategy for reducing crime.

Moran Q17. We have encouraged the BIA to consider establishing regional detention centers at new or existing facilities. What efforts have you made in this regard?

ANSWER: Indian Affairs supports the concept of regional detention centers and has worked with the Department of Justice in formulating the criteria for selection of successful applicants for new detention centers funded through the Recovery Act within their competitive grant process. The criteria established by the Department of Justice include heightened selection opportunity at locations which proposed construction of regional detention centers.

TERMINATED SCHOOLS

Moran Q18. We know of at least one school that was terminated. It was located at the Choctaw Reservation in Oklahoma. Were there others?

ANSWER: Review of past legislation, United States Code and BIA reports concludes that of those Tribes specifically terminated by an act of Congress during 1951-72, only one Tribe had schools funded by the Bureau. The two schools were operated by the Choctaw Nation of Oklahoma.

1. Jones Academy – The academic program (Grades 1-12) at Jones Academy was closed in 1952. The boarding school remained open and the students were enrolled in the local public schools.
2. Wheelock Academy – The academic and residential programs were closed in 1955. The residential students were relocated to Jones Academy and were enrolled in the local public schools.

Moran Q19. What is the approximate annual cost for Bureau of Indian Education (BIE) to restore Jones Academy to the BIE school system and fund the operation and maintenance of the school at its current operational levels?

ANSWER: If the academic program for grades 1-6 were added to the system, the additional annual cost to the Bureau in ISEP formula funds is estimated to be at least \$370,000 and not more than \$560,000 based on the current per student funding rate. However, based on the ISEP regulations, funding is based on the weighted student units generated by the average of the student count for the previous three years. Hence, the academic funding would be phased in over a four year period. Therefore, it would be year four before the school received one hundred percent of the funds generated by the count for years one, two, and three.

These funding requirements are based on the current regulations, which did not contemplate adding schools to the system.

Another increased cost to the bureau would include facility operation and maintenance funds at approximately \$250,000 for the Jones Academy academic program grades 1-6 only. The school may also be eligible for additional funding within BIE's annual budget. This would include funds for Education Program Enhancements, Student Transportation, Early Childhood Development and Administrative Cost Grants. However, estimates of the increased cost to the Bureau for these programs cannot be derived until the school actually complete an application for the funds and provides a further breakdown of the eligible students for each program. As noted, these potential increased costs to the BIE system have only been estimated for grades 1-6 in this particular situation.

- What would prohibit BIE from allocating funding for the operation and maintenance of this school?

ANSWER: The current moratorium in the Interior Appropriations act limits the distribution of school operation and related funds only to the schools in the Bureau school system as of September 1, 1995.

Moran Q20. What action would be required to restore Jones Academy to the BIE school system?

ANSWER: In this case, Congress could specifically exempt Jones Academy from the moratorium on new school starts/expansions that appears in the Interior Appropriations act, and the Choctaw tribe would need to work with BIE to apply for limited funding.

Moran Q21. Is BIE reviewing options to restore this school to the BIE system?

ANSWER: The BIE has examined the options. With the current moratorium on new school starts/expansions in the Interior Appropriations act, BIE is not able to reinstate the school the system.

EDUCATION

Moran Q22. An IG review of 17 of the BIE residential programs and off-reservation boarding schools reported significant safety and security issues. In addition, a survey by the Department of Health and Human Services revealed that Indian youth reported the second highest percentage of any racial group in the incidence of high risk behaviors; including carrying a hand gun, gang fighting, intent to harm others and engaging in serious fights at school.

- How will the \$4 million increase in the Individual Student Education Program for the “Safe and Secure Schools Initiative” address the issues raised by the IG and the HHS reports?

ANSWER: The IG report addresses findings on both facilities and safe school operations. Funding requested by BIE is targeted specifically for safe and secure school systems that include behavioral components that address the inherent high risk student populations, professional development, student counseling and extracurricular activities, policy, and ancillary security systems such as cameras, security systems, and lighting.

Moran Q23. How many schools will be involved?

ANSWER: Twelve facilities will be involved including, eight schools (six of which have an academic and residential component, and two of which are day schools) and four peripheral dormitories. These schools/dorms were selected based on Native American Student Information System (NASIS) student behavioral data, student incident data, and incident reports.

Moran Q24. What do you hope to accomplish in fiscal year 2011?

ANSWER: The BIE has an overall goal of reducing high risk behaviors by more than two percent. Schools are assessing their current needs and are in the process of developing safe school plans that indicate specific measureable goals related to safe school practices to be conducted in FY 2011. The first draft of these plans that align to 2011 funding were due to the BIE on April 8th. The plans are being reviewed and feedback will be provided. In addition technical experts in safe school operations provided feedback on the implementation of the fiscal year 2011 plan on May 5-6 in Seattle, Washington.

The intent is to closely monitor each school through an external evaluator and BIE Safe and Secure School Program Specialists to ensure program fidelity for the duration of the plan.

Moran Q25. Will this initiative extend to work within the tribal communities themselves?

ANSWER: An intended outcome would be to improve relationships and strengthen partnerships with tribal communities to ensure safe and drug free communities.

Moran Q26. There is a \$9 million reduction to the Education Construction account. Reports by the IG have stated that there are immediate and dangerous conditions at Bureau schools. Can you assure us right now that Bureau schools are safe?

ANSWER: Through a comprehensive facility inspection program and day to day management of facilities, Indian Affairs can assure you that there are no facilities, education or otherwise, that are not safe for occupancy.

Moran Q27. How can you adequately address the issue of school conditions if you are reducing the amount of funding for repair and replacement of schools in Indian Country? How do you justify the decrease in light of your Safe and Secure Schools initiative?

ANSWER: The American Recovery and Reinvestment Act provided the single largest appropriation for the correction of education facilities deficiencies ever enacted. The work includes repair, improvements and replacement of school facilities in the worst condition. In addition, annual appropriations provide funds for the maintenance of existing schools.

Moran Q28. What is the current backlog of school repair and replacement needs? Is there a long-term plan to address these needs?

ANSWER: The estimated cost to bring the 63 schools remaining in poor condition (after all currently available funding is used) to an acceptable level is approximately \$1.3 billion when costs for planning and design, environmental studies, construction, building fixtures, contingency funding, project administration, and overhead are factored into the total. The long term plan is included in the five year plan for construction programs within the Department of Interior budget requests. In some instances, this figure includes more than simply fixing the deferred maintenance items. For example, if a school has a number of leaks in the roof, in the long run it will be more economical to replace the entire roof rather than continue to fix leaks year after year. Therefore, the cost to replace the entire roof is included in the figure above, rather than the cost to repair all the separate leaks. Likewise, it might also be more economical to replace an entire building or school rather than to repair a number of deferred maintenance projects. If this is the case, the cost to replace the building is included above. It is important to note that the cost to simply repair the deferred maintenance at each of these schools on a project by project basis is much less than \$1.3 billion. However, we cannot simply use the estimated deferred maintenance cost as a basis for what the true cost will be to bring these schools into an acceptable condition.

Since 2002, the condition of federally funded Indian schools has improved dramatically. Over \$2.2 billion in construction and repair and maintenance funds have been devoted to reducing the

number of schools in poor condition as determined by the Facilities Condition Index (FCI) by 50 percent. Note that a school is defined as being in poor condition if it has an FCI of over 0.10; however, being in "poor condition" does not necessarily imply that critical health and safety issues are present. Yet we recognize that more must be done.

Moran Q29. Has funding from the Recovery Act assisted with the education construction backlog?

ANSWER: Yes, funding from the Recovery Act will reduce the backlog by an estimated \$240 million.

Moran Q30. This Subcommittee has recognized the substantial problems associated with the transportation of school children to and from Bureau schools in Indian Country, particularly on large reservations where road conditions are not always optimum and long distances are involved. Despite rising fuel prices, your budget provides for no increase in FY 2011. In fact, there is a slight reduction due to internal transfers. Who makes up the shortfall if fuel prices surge? How will you address this issue?

ANSWER: Some schools will elect to reduce their transportation costs by reducing or eliminating the transport of students to extra-curricular activities, electing to only participate in athletic events within a limited geographic area, for instance. Alternatively, schools may cover funding shortfalls from Indian Student Equalization Program (ISEP) funds. In addition, there has been a slight decline in the number of students attending BIE schools, which means fewer miles driven to transport students.

Moran Q31. How have the past increases we provided for student transportation been used?

ANSWER: In FY 2009, the BIE received an increase of \$2.66 million, or 5.5 percent. These funds were distributed to the schools on a pro-rata basis using reported mileage, and increased the per mile (funding) rate available to cover the costs of student transportation.

Moran Q32. Last year, the Subcommittee provided a one-time increase to transition the tribal colleges to "forward-funding" to allow them to better manage their funding for the academic year. Was this transition successful and how is it helping these schools better educate students?

ANSWER: Tribal colleges will begin using the one-time increase for forward funding in July 2010, for the school year beginning in the fall of 2010. Although the schools have not yet had a full year of forward funding there was broad support for this initiative.

JOBS

Moran Q33. How are you coordinating your efforts across federal agencies to combat the high unemployment rate in Indian Country?

ANSWER: Indian Affairs is coordinating these efforts through employment, training, education, welfare reform, job creation and work supportive services. This initiative allows

Tribes to combine programs from the Department of Labor, Department of Health and Human Services, and Department of the Interior into a single comprehensive resource based upon local community designed programs.

Many new training and education opportunities have been initiated with Federal partners and with a Tribal Work Group. BIA has expanded its partnerships to 14 skilled trade unions. For example, BIA recently initiated an on-reservation hybrid welding training program on the Lummi Reservation. This partnership includes the Lummi Tribe, the United Association of Plumbers and Pipefitters (UA) skilled trades union, the Tribal Work Group and the Office of Indian Energy and Economic Development (IEED). The first class will graduate in May. Jobs have already been identified for all graduates.

The BIA's partnership with the Tribal Work Group, the United Tribes Technical College, the Spirit Lake Sioux Tribe, the UA, and the IEED office has developed a state of the art Energy Auditor Level II class. Jobs have already been identified for all 22 graduates. This training is one of the first in the nation and addresses a skilled shortage nationwide. The BIA currently has developed a draft cooperative agreement with the Association of Union Contractors, representing 2,500 contractors who provide career opportunities. We expect the Tribal Work Group and the Department of Labor to join the Department of the Interior to support this exciting new initiative.

These programs provide training and job opportunities in Indian country build careers and develop tribal communities. The BIA looks forward to expanding its successful efforts and developing new program opportunities as they are funded through annual appropriations.

Moran Q34. Last year, we provided a \$1 million increase for community and economic development programs to support training and apprenticeship programs. How are these program structured and what types of success are you experiencing in addressing unemployment rates in Indian Country?

ANSWER: The BIA's most recent estimates indicate that an individual can be trained in a career skill that will provide life-changing opportunities for them and their families for a cost of \$7,500 to \$15,000, depending on the particular training.

A number of new initiatives have been funded with the \$1.0 million increase for community and economic development programs in conjunction with available Recovery Act funds. The additional \$1.0 million has allowed BIA to continue and expand its successful construction trade training programs. By September 30, 2010, 90 students will have graduated, or will soon graduate, from the hybrid welding training programs funded by the community and economic development program. These graduates are now working in good-paying jobs with health and retirement benefits.

On May 7, 2010, the first class of 22 highly trained energy auditors graduated from at the United Tribes Technical College. The additional funds will allow BIA to start a second class by September 30, 2010. In addition, the increased funding will allow BIA to start a training project with the roofing trades in May in cooperation with the Oregon tradeswomen organization, the Grand Ronde Tribe, and the Native American Youth and Families organization.

The BIA is also currently negotiating with the Masonry Union and the Northwest Community college in Green Bay Wisconsin to start a class of 10 students, using the Community and Economic Development funds. Funds for training and employment on reservations through the Office of Indian Energy and Economic Development are making a major impact in Indian Country and providing graduates with jobs serving as role models for other unemployed individuals on reservations.

CONTRACT SUPPORT COSTS

Moran Q35. There have been some successful efforts in the past several years to increase funding for direct contract costs, including the \$18.7 million increase from fiscal year 2010 and the proposed \$19.5 million increase for fiscal year 2011. What percentage of the total direct and indirect costs does this represent?

ANSWER: The increase of \$18.7 million in FY 2010 and the proposed increase of \$19.5 million in FY 2011 will address both the indirect and direct contract support cost requirements of American Indian Tribes and Alaska Native Villages that have a P.L. 93-638 agreement eligible for contract support costs. The total proposed contract support funding request for FY 2011 will address approximately 94 percent of the total contract support cost requirement, including indirect and direct contract support costs, for that fiscal year. This is an estimate which was based on the latest information (FY 2008) available at the time of the budget justification.

Moran Q36. What additional funding would be needed to fully fund contract support costs?

ANSWER: A total increase of approximately \$12 million would address the estimated total contract support cost requirement and fully fund contract support costs for American Indian Tribes and Alaska Native Villages that have P.L. 93-638 agreements eligible for contract support costs based on FY 2008 actual need. This need, however, could increase significantly as Tribes contract more programs.

CLIMATE CHANGE

Moran Q37. Tribal lands comprise approximately four percent of the United States' land base. The Department of the Interior's fiscal year 2011 budget for climate change is \$171 million, an increase of \$35 million over 2010. However, the Bureau's request is only \$200 thousand. Is this adequate in light of your trust responsibilities?

ANSWER: While BIA is not a major funding participant in the climate change effort in FY 2011, Tribes will benefit from the Department's efforts as a whole. The BIA will continue to assess its role in these efforts.

Moran Q38. What do you hope to accomplish with that amount of funding for climate change?

ANSWER: The \$200,000 will be used to help stand up the North Pacific Landscape Conservation Cooperative. Tribal people in this region of the country are experiencing coastal

erosion and many other effects attributed to climate change. This funding will allow them to have a stronger voice in the Cooperative as adaptation strategies are developed and implemented.

Moran Q39. Is the BIA coordinating with other federal agencies in climate change activities? How?

ANSWER: Yes, the BIA coordinates on a regular and ongoing basis with the other Federal agencies regarding climate change activities. Since the Secretary announced the Climate Change Initiative in the late winter of 2009, the BIA has been an active participant in the communication of tribal needs during the development of climate change policy. The Secretarial Order on climate change has a dedicated section, Section 5, to the needs of Indian Tribes and Alaska Natives, thanks to the BIA participants.

In June 2009, the BIA gave a presentation to the Department's Climate Change Response Council regarding the impact of climate change on Indian Tribes. Also, in March 2010, BIA gave a presentation to about 200 USGS climate change scientists communicating the scientific and adaptation information needs of Tribes and Alaska Natives.

Currently, BIA fully participates in the Department's Climate Change policy and leadership groups.

MUSEUM COLLECTIONS

Moran Q40. The BIA is responsible for about 4 percent of the Department's museum collections. In January the IG issued a report finding serious and "widespread" issues with the preservation practices within the BIA regarding these collections. The IG noted that collections at several sites had been neglected and that countless artwork, artifacts and other objects are in jeopardy. What are you doing to address the IG's concerns and recommendation to develop a plan to correct or mitigate the identified deficiencies?

ANSWER: The Indian Affairs response to the IG's report includes developing a new Indian Affairs Manual Chapter which clarifies the roles and responsibilities for oversight and day-to-day management of the museum collection and outlines standard museum practices and procedures. Indian Affairs notified BIA Regional Directors of the deficiencies within their Regions, requested that regional directors develop corrective action plans, and be provided confirmation of the corrective actions taken. In addition, one-time funding from the Department at the end of FY 2009 allowed Indian Affairs to correct and mitigate storage and environment deficiencies at the Washington, D.C. Main Interior Building location.

Indian Affairs completed site inspections of the facilities housing museum property in the Washington D.C. metropolitan area in the first and second quarter of FY 2010. Remaining inspections continue at other BIA facilities and will be completed by the fourth quarter of FY 2011. Inspections will continue on a three-year cycle. The actions necessary to correct and/or mitigate the findings are identified at the conclusion of the inspection and to the extent possible are managed through the Indian Affairs Facilities Management Information System (FMIS).

BIA also agreed with and will participate in an integrated Interior program that includes revised policies, development of inventory plans, and other actions.

RECOVERY ACT

Moran Q41. Indian Affairs received \$497.5 million under the Recovery Act. The majority of that funding was for construction of schools and road maintenance. So far, BIA has only spent about 13 percent of those funds? Why is it taking so long?

ANSWER: The overall obligation rate for this Recovery Act funding has risen to 58 percent. In the past month alone, over \$30 million has been obligated toward projects that will invest in schools and road maintenance projects, creating jobs across Indian Country. The initial pace of project awards reflected the need to put several administrative controls in place to ensure the accountability and timeframe goals envisioned in the Act were met. These involved establishing a risk mitigation plan, standard 638 contract and self-governance compact addendum language to clarify recipient reporting requirements, and necessary waivers to Federal regulations pursuant to the existing Housing Improvement Program.

Moran Q42. How will BIA ensure that the bureau obligates all funding by September 30th of this year?

ANSWER: Each Recovery Act program within Indian Affairs has implemented weekly, and sometimes bi-weekly, meetings between central office and regional managers. These meetings include all administrative disciplines and represent the organization's cross-functional commitment to ensuring potential bottlenecks are promptly identified, and necessary plans to mitigate are crafted and implemented in days, rather than weeks. With the initial administrative controls completed, and the lessons learned in the first nine months of Recovery Act execution, obligation targets are now being exceeded on a monthly basis.

Moran Q43. The Recovery Act provided \$142 million to Indian Affairs for road maintenance. The Inspector General has been critical of BIA's Alaska road maintenance program. Last year they issued a report stating that the Alaska region's internal management controls had "completely broken down" and caused millions to be wasted or unaccounted for. What have you done to address this problem?

ANSWER: The OIG Flash Report ("*BIA Alaska Regional Indian Reservation Roads Program Rife with Mismanagement and Lacking Program Oversight*", *WR-IV-BIA-0001-2009*) specifically addressed the Indian Reservation Roads (IRR) Program and not the DOI road maintenance program. Nevertheless, under the Recovery Act, both the BIA road maintenance function and the IRR construction program received funding. The implementation procedures for the Recovery Act require that project agreements must contain special provisions that were jointly developed by the Department of the Interior and the Office of Management and Budget (OMB). These special provisions in the contracts consider the administrative capacity of the tribal contractors as well as any commercial contractors performing work under the Recovery Act. A risk mitigation plan was developed which considered past performance of tribal contractors and projects are awarded and monitored in accordance with this data. The Federal

Highway Administration (FHWA), in addition, required that only projects that are “shovel ready” be considered for funding with the inclusion of project-specific data before the project could be approved.

Moran Q44. The Inspector General also expressed concern that the road maintenance problems in Alaska might be more pervasive across BIA. Is that true?

ANSWER: The report specifically addressed the Indian Reservation Roads Program and not the BIA road maintenance program. The problems identified in the joint DOT-BIA review report which generated the OIG Flash Report specifically addressed the Alaska Region and briefly referenced internal control weaknesses in the Northwest BIA region that could lead to similar problems. A similar joint program review was performed by BIA and FHWA in August 2009. The review report has not been completed, but the preliminary results are not similar to the Alaska Region.

Moran Q45. What is the BIA doing to ensure that Recovery Act funding for road maintenance is accounted for?

ANSWER: All Recovery Act funds are subject to contract requirements consistent with Office of Management and Budget criteria for all construction agreements and contracts. In addition, all projects required an approved work plan before contracts are awarded. Projects are tracked separately in the BIA finance system and biweekly project status teleconferences are held with the field offices.

Moran Q46. How did the BIA select projects for Recovery Act funding?

ANSWER: Existing selection criteria were used to identify the universe of projects to fund under the Recovery Act. For school replacement construction projects, Indian Affairs selected the next three replacement schools on the priority list published in the Federal Register in 2004, as well as two components of prior projects that were not completed due to insufficient funding. Selection criteria for School Improvement and Repair projects utilized the existing 5-year construction plan, which prioritizes based on the Facility Condition Index and emphasizes correction of critical health and safety deficiencies first. For the Roads Restoration and Repair program, the distribution was first based on historical percentages by region for 50 percent of the funds, with the other 50 percent allocated to the regions based on the percentage of road miles in fair condition with the goal of extending their useful life. The remaining programs selected Recovery Act projects based on identified need, and existing selection protocols, and local unemployment rates across Indian Country. In addition, the capability for projects to be completed within the aggressive time frame envisioned in the Recovery Act was an overarching component of project selection.

Moran Q47. How many Tribes are receiving funding from BIA under the Recovery Act?

ANSWER: To date, 209 Tribes have received funding under the Recovery Act. The BIA expects that up to 300 tribes will have received funding by the end of year.

Moran Q48. How has Recovery Act funding impacted BIA construction and maintenance backlog?

ANSWER: The American Recovery Act funding will reduce the backlog by approximately \$240 million.

Moran Q49. How many jobs were created with BIA Recovery Act funding, particularly on Reservations?

ANSWER: To determine the number of jobs created or retained, Interior leverages the quarterly recipient reporting process where recipients report on the actual number of jobs created or retained. During the period of October 1 to December 31, 2009, BIA recipients reported 554.36 full-time equivalents were employed. It is important to note that this is a quarterly snapshot of jobs created or retained as opposed to the cumulative number of jobs created. With the change in the OMB recipient reporting job creation guidance that was issued on December 18, 2009, job creation/retention is now reported on a quarterly as opposed to cumulative basis.

The BIA expect the number of jobs created or retained to significantly increase in the coming quarters as all of the projects are awarded and as we enter into the heavier construction and summer working seasons. Also, the number of jobs created or retained does not account for jobs created or retained by subcontractors since job reporting is not required for these entities. It also does not consider the downstream job creation by suppliers or other vendors.

Questions for the Record from Mr. Simpson

CRIME

SimpsonQ1. Last year's conference report included language encouraging BIA to consider establishing regional detention centers at new or existing facilities. Can you describe for us some of the pros and cons of taking this approach?

ANSWER: The BIA does not normally receive funding for the construction of detention centers. DOJ has received minimal grant appropriations for construction of detention centers in recent years – with the exception that it received \$225 million via the Recovery Act to be distributed through a competitive grant process. (The one BIA exception to this is when Congress added funding in FY 2009 and FY 2010 for new and replacement detention facilities.) The BIA has one existing facility in Towaoc, Colorado, that is used as a regional detention facility for both adults and juveniles. The BIA uses existing contract facilities as regional facilities as described above. We believe regional detention facilities are a valuable tool for Indian Country and will, if developed, provide effective services. On the positive side, larger facilities are easier to site, staff, operate and provide programming for they are closer to larger geographic centers. On the negative side, it is difficult to determine if Indian Country prisoner populations can support the size of the facility and if Tribes will be amenable to a mixed Tribal population.

- Is this a policy that the BIA is working on?

ANSWER: While BIA encourages Tribes to consider regional facilities when planning for detention facilities, there is no formal policy to establish regional detention facilities other than to consider the option when determining contract facilities.

SimpsonQ2. The budget proposes a reduction of \$41.5 million for public safety & justice construction because the funding “overlapped” that in the Department of Justice budget. However, the Justice budget says very little about its plans for tribal construction in FY11, let alone any five-year construction plan as is required by this subcommittee. I'm concerned that we're perpetuating a problem of Tribes receiving funding for facility construction but not for operations. I don't see any safeguards in the budget proposal that prevents jurisdictional stovepipes from forming again 3-4 years from now.

- Please explain why the approach taken in this budget proposal is an improvement over the way we've funded safety & justice construction in previous years.
- Will you please provide the Subcommittee with a five-year construction plan, listing facilities and funding sources by Department?

ANSWER: Indian Affairs is working in cooperation with DOJ to identify the functional and operational costs in order to include sufficient funds to sustain the operation of the facilities in future budget requests.

Indian Affairs' five-year construction plan is contained in the BIA budget justification (Greenbook).

SimpsonQ3. The budget proposes an increase of \$19 million for 81 FBI employees dedicated to investigating crime on reservations.

- That works out to about \$235,000 per FTE, which seems high. Is DOJ charging overhead on its reimbursable agreement? How do you explain the high per-FTE funding level?

ANSWER: The amount proposed by the FBI is approximately \$287,000 per agent for a total of 43 field agents, \$327,000 for two headquarters agents, \$165,000 for each of the seven intelligence analysts, and 29 support staff at an average cost of \$105,000. These proposed personnel costs include basic training, travel, investigative and law enforcement equipment, and other necessary equipment such as computers and mobile telecommunications devices for each of the Agent positions being supported. In addition, each position would require approximately 30-35 percent for benefits in addition to salary. FBI Agent positions are also a higher grade position than BIA Special Agents. FBI Agents are journeyman GS 13 level positions, whereas BIA Agents are journeyman GS 12 positions. In addition, within the \$19.0 million there is \$1.7 million in non-personnel funds which will be used to ensure forensic evidence collected during Indian Country investigations will be processed in a timely fashion. Due to the speed that Indian Country cases move through the court system, delays in receiving the forensic results impacts how quickly cases are brought to justice.

- If this proposal is funded, what becomes of the 105 FBI agents currently working Indian Country as collateral duty?

ANSWER: According to the Department of Justice's testimony before the Senate Committee on Indian Affairs on February 25, 2010, the proposed funding (\$19 million) will go toward the hiring of approximately 45 new Federal Bureau of Investigations (FBI) agents to serve in Indian Country. The Department of the Interior's understanding is that the current 105 FBI agents will remain working in Indian Country as collateral duty. The 45 new FBI agents will be in addition to the 105 FBI agents for a total of 150 FBI agents in Indian Country.

SimpsonQ4. Last year this subcommittee included considerable report language directing the Department to engage the Department of Justice, Tribes, States, and the Inspector General to better address the epidemic levels of sexual and domestic violence, substance abuse, and related criminal problems.

- Please update the committee on progress made to date on that effort.

ANSWER: The BIA, the Department of Justice and Tribes continue to actively pursue answers to the problems mentioned. The BIA is successfully hiring police officers, drug agents and victim/witness coordinators. The police officers will be the first responders to take action on reports of sexual and domestic violence. Victim/Witness coordinators will work with victims of violent crime to ensure appropriate shelter, food, clothing and counseling services are offered. The V/W coordinators will also assist the victim through the court process. Currently thirty drug agents have been hired and stationed at DEA, FBI, or local task forces located in or near Indian

Country. The agents are working with the partners at the task forces to reduce trafficking of illegal drugs on reservations in turn reducing the incidents of illegal drug use/abuse and related criminal problems.

- What are some of the major obstacles you've encountered, and how have you overcome them?

ANSWER: The main obstacle was BIA's past hiring practices that have now been changed. Since this change, BIA has successfully hired a large number of police officers to begin working in Indian Country after completing the personnel process and attending mandatory basic training. Putting more officers on the street will assist the communities with combating the epidemic levels of sexual and domestic violence, substance abuse, and related criminal problems occurring on the reservations.

SimpsonQ5. Earlier this month the BIA completed an action plan to improve BIA's ability to recruit, hire, and train new officers. Despite budget increases of more than \$78 million from FY08 to FY10 for law enforcement and corrections operations, the BIA has been unable to translate those funds into increased numbers of trained staff.

- Please tell us about what the problems have been, how the action plan addresses those problems, and how you intend to measure progress.

ANSWER: Many of the criminal problems can be attributed to the inadequate staffing levels at reservations throughout the Nation. The BIA recently implemented a change in the recruitment methodology used in previous years. In the past BIA advertised positions at a specific duty station. As such, applicants not selected on one advertisement could not be offered a position at a different location. This process limited the number of qualified Indian applicants who wanted to work in the identified location. If there were no qualified Indian applicants, the only recourse was to re-announce the position. This process led to positions being re-announced several times as the position remained vacant for months or years.

To address these vacancies, BIA began an aggressive recruitment initiative on December 1, 2009. This initiative includes an open continuous announcement to fill vacancies bureau wide, specifically targeting individuals with previous law enforcement experience. Since this new initiative began, BIA has increased the number of applicants from 10 in October and November of 2009, to over 2,600 in December 2009 through January 2010.

In the first phase of candidate selections, BIA selected 65 police officer and 37 corrections officer applicants. Some of the selected applicants have already obtained basic police training to satisfy the training requirements. These selectees must now successfully complete the background investigation before being allowed to perform police duties.

The BIA is also utilizing recruitment bonuses, retention and relocation bonuses, and service agreements to attract qualified candidates. BIA has also begun a multimedia recruitment strategy using various media and advertisement sources to promote employment opportunities.

Another recruitment problem addressed has been the way Indian Preference was used. Previously, only Indians were listed on the Merit Promotion Certificate; qualified non-Indians applying for the position were not seen by the selecting official. This process was changed to allow non-Indians to be listed in a Delegated Examining Unit (DEU) Certificate. Now, if no qualified Indians apply for a position, it can be filled by a qualified non-Indian. BIA has received resolutions from several Tribes authorizing the hiring of non-Indians for vacant positions on their reservations.

- Given that the FY11 President's Budget was released prior to completion of the action plan, which, if any, of the recommendations in the action plan can't be implemented in FY11 because they didn't make it into the President's Budget in time?

ANSWER: Many of the proposals can be implemented immediately with current funding. Those recommendations are already being coordinated and implemented in some areas. The BIA will continue to assess ongoing resource needs.

EDUCATION

SimpsonQ6. The budget indicates a steady improvement in the physical condition of BIE schools, from FY06 through FY10, with a long-term target in FY12 of having 70 percent of schools in "acceptable" condition. While I fully support setting goals and measuring progress, in this case, 70 percent is barely a passing grade, and the term "acceptable" sounds worse than "good" but better than "poor". In fact, I have a list of 64 Indian Affairs funded schools in "poor" condition, with an estimated total project cost of \$1.3 billion.

- If we cut education replacement facility construction by almost \$9 million – as the FY11 budget proposes to do – can we expect the list of schools in poor condition to grow?

ANSWER: In FY 2001, 74 percent of BIE schools were in poor condition. With funding appropriated between 2001 and 2010, including the Recovery Act funding, the BIE is on track to have 70 percent of schools in good or fair condition two years ahead of schedule. The FY 2011 President's Budget includes operations and maintenance funding to maintain these schools in good or fair condition.

SimpsonQ7. I note with curiosity that, while education replacement facility construction is cut by \$8.9 million in the FY11 budget, education programs are increased by \$8.9 million for environmental and safety concerns, and grant support for tribally-operated BIE schools. To me that looks more like putting a finger in a dyke than "Advancing Indian Education" as the President's budget would have us to believe.

- Is this budget proposal a reflection of your education priorities, a reflection of broader cuts to the Construction account as a consequence of stimulus spending, or something else?

ANSWER: The FY 2011 President's budget includes a careful integration of the administration's priorities across multiple agencies to accomplish broad objectives related to

Indian self-determination. The Indian Affairs budget incorporates priorities expressed by Tribes on a nationwide basis as well, to further shape its role in serving Indian people. While specific budget changes may be compared by amount, they were determined within a larger framework of government-wide resource levels designed to address the most pressing short-term and long-term needs of Indian and Alaska Native communities in FY 2011.

SimpsonQ8. Earlier this month an Inspector General report on School Violence Prevention revealed “many indicators of potential violence, deficiencies in school policies aimed at preventing violence, and substantial deficiencies in preventative and emergency safety procedures resulting in schools being dangerously unprepared to prevent violence and ensure the safety of students and staff.” The report further noted that 37 percent of BIE school students reported carrying a weapon on-campus, compared to only 6 percent of public school students.

- Please describe steps you’re taking to address the problem.

ANSWER: The BIA questions the validity of the 2000 Youth Risk Behavioral data referred to in the IG report that refers to “37 percent of mid school students carried a gun to school in the past month.” It would be an incredible task to substantiate the reliability of the responses collected from the YRBS survey and what actually takes place at a school. To clarify, the survey asked students if they had “ever carried a weapon” which would not lead to the same conclusions made by the OIG. This is a perfect example of how data can be misinterpreted and misused.

The BIA recognizes the high risk behaviors of the students it serves. The BIA is also familiar with the unhealthy high risk behaviors that exist within some native communities. Currently BIA is in the process of implementing a system wide assessment that includes conducting reviews at 20 high-risk schools.

SimpsonQ9. The report seems to say that most of the deficiencies are related to policies.

- Can you give us a sense of what, if any, of the problems cited in the report are a consequence of education budget shortfalls?

ANSWER: The BIE budget does not have a specific line item to support safe and secure school practices. Funding provided through ISEP Program Adjustments is used for special targeted projects. In recent years, this funding has been used to support the school safety needs of Chemawa Indian School, an off-reservation boarding school in Salem, Oregon.

The ISEP formula funding that goes directly to schools is primarily focused on the academic needs of the students.

- What do you expect to achieve with the \$4 million increase in FY11?

ANSWER: The funding increases ISEP Program Adjustments by \$3.9 million and is targeted for 12 schools / residential school programs.

Each school will assess, develop, and implement a highly articulated safe and secure school plan in FY 2011. The intent of the BIE is to use the current safe and secure school monitoring tool to evaluate the effectiveness and efficiency of the 2011 plan.

School Safety Specialists, in coordination with an external evaluator, will provide technical assistance and on-going monitoring to achieve a reduction of 2 percent of high risk behaviors.

SimpsonQ10. The larger issue is the inter-relatedness of problems at school with problems at home and outside of the home. I'm not an expert in that area, but one thing is patently clear to me: From a budget perspective, we currently do not have the right balance of funding for education, law enforcement, housing, social services, and healthcare in order to begin to address the inter-relatedness of these problems that ultimately manifest into dangerously unsafe conditions at school.

- I'm not convinced that the budget is structured with that level of coordination in mind. Frankly, it looks much more reactive than proactive and strategic. What would it take to turn that budget formulation process around?

ANSWER: The budget formulation process within Indian Affairs incorporates coordinated efforts among its component organizations with thoughtful consideration given to the impact of additional resources to related programs. Recognizing the complex nature of problems facing Indian communities, proposed solutions within this organization are seldom one-dimensional. Though programmatic initiatives and improvements tend to have less visibility than budget initiatives, they are continuously occurring and their importance is no less critical to meeting the changing needs of Indian communities. During budget deliberations, BIA addresses needs across programs and addresses the interrelatedness of the problems, but due to budget constraints, not all areas can be funded at once. The BIA therefore determines the highest priority and focuses efforts while trying to gradually fund the corresponding needs in other areas.

ENERGY

SimpsonQ11. Last week the Associated Press reported an oil boom on the Fort Berthold Indian Reservation in North Dakota, which lies atop a portion of the oil-rich Bakken shale formation. "Since the boom began, lease payments of more than \$179 million have been paid to the tribe and its members on about half of the reservation land. Millions of dollars more in royalties and tax revenue are also rolling in," the AP reports. The FY11 budget for the BIA includes increases of \$1 million for "conventional energy development" on the Fort Berthold Reservation, and \$500,000 to create a "virtual one-stop shop" to further expedite energy development on the Reservation. While I fully support tribal efforts to develop energy, I question whether limited BIA resources should be redirected in this instance. To the layperson it wouldn't appear that this Reservation needs any additional help from BIA to develop energy.

- Will you please explain the situation at Fort Berthold and why the \$1.5 million is a necessary investment?
- Are there similar situations on other Reservations that could benefit in FY11 from a virtual one-stop shop?

ANSWER: Of this requested amount, \$1.0 million will be used by the Bureau of Indian Affairs to provide staff support at the BIA regional and agency offices for processing oil and gas leases and preparing environmental documents needed for approving oil and gas activities in the Great

Plains Region. Because of the ownership status of Federal trust lands and the government's trust responsibility in managing that land, BIA has a unique role that Tribes or other agencies cannot fill.

The Office of Indian Energy Development (OIED) – the “virtual one-stop shop”- was created to help facilitate energy resource development for Tribes and allottees in North Dakota and surrounding areas. The focus of the OIED for the last year has been on the Three Affiliated Tribes (TAT) and allottees on the Fort Berthold reservation because of the recent, and rapid, spike in oil and gas development of the Bakken shale formation in the area. The remaining \$500,000 will be specifically used to staff OIED.

On a broader scale, the OIED serves a coordinating role among the Federal agencies that are involved in the administration of energy development on Indian lands. In addition, the OIED plays a critical role in providing information not only to the TAT about tribally owned properties but also to individual allottees that may not have the resources to contact several Federal agencies to determine many of the technical aspects of energy resource development on their lands including the pace and scale of drilling operations, any associated monitoring or mitigation of environmental impacts, and the myriad details of revenue collection and disbursement.

This support is especially needed at Fort Berthold in the next few years as private industry moves from its initial phase of exploration and some development on the eastern side of the reservation, which is what we have seen from 2006 to 2009, into full scale production across the entire reservation over the next decade. This development will effectuate not only increased drilling operations but also intense installation of associated infrastructure. To maintain the ability of the TAT and the Fort Berthold reservation allottees to develop these resources and associated infrastructure efficiently and to monitor and mitigate any associated impacts, increased support from BIA and the coordination and outreach services provided by the OIED are essential.

In addition, the experience of the OIED at the Fort Berthold reservation will be especially helpful to other Tribes in the Dakotas and eastern Montana as they pursue the economic opportunity from development of their energy resources whether it is from traditional or renewable resources.

SimpsonQ12. Last September, the Senate Indian Affairs Committee circulated an energy development concept paper to tribal leaders. In it they stated that, “[M]ore changes are needed to overcome a century of bureaucratic federal policies that have created uncertainty and an unlevel playing field for tribal energy development. Current law creates disincentives for investment in Indian country, and discourages tribes from initiating their own development efforts.”

- Would you give us your perspective on some of the largest barriers to overcoming energy development on tribal lands?
- In addition to the increases in FY11 for the Fort Berthold Reservation, what activities do you have planned for FY11 to address some of these barriers?

ANSWER: The barriers to energy resource development in Indian Country are threefold – information, infrastructure and investment.

First, accurate and detailed information about the location, extent, and magnitude of energy resources is essential for development of those resources and associated industries. On many reservations, there is a critical need for additional data gathering and analysis with regard to the type of energy resources available and the potential impact to the economy, cultural, and environmental resources of the surrounding communities that could result from development of those resources.

Second, there is a lack of physical infrastructure to support energy resource development in Indian Country, including roads, water supply, pipelines, and electrical transmission. Any infrastructure development also needs to fit into a framework of community planning so that development is consistent with the long-term sustainability of tribal communities. Infrastructure needs also extend to the legal and regulatory administrative functions needed to ensure development proceeds in an orderly manner consistent with tribal and Federal law. This support will also enable tribally affiliated economic entities to develop resources in competition with private industry, and maintain the economic viability of development projects.

Finally, Indian Country needs access to financial resources that can support the considerable amounts of investment capital needed for both community scale and large scale development efforts. Indian Affairs exploring ways to improve that access.

To overcome these barriers, the Department operates a technical assistance program for Tribes pursuing development of energy resources that includes a limited number of direct grants as well as on-site assistance from Department energy development specialists. The BIA has and will continue to conduct workshops for tribal planners and business owners on topics as varied as planning for energy transmission corridors, developing wind energy resources, and strategic planning for business development.

The BIA established and will continue to increase collaboration with academia that enables Tribes to obtain feasibility studies for all types of economic development projects. The Office of Indian Energy Development (the virtual one-stop shop) is one example of a collaborative approach among Federal agencies to enhance the ability of Tribes and allottees to develop their energy resources.

SimpsonQ13. I do not envy the position you're in with the Cape Wind project. I understand that the Secretary this week sent the proposal to the Advisory Council on Historic Preservation, and that a final decision is expected in April.

- Will you explain to us the arguments being made by the two Tribes involved in the issue, how you reconcile their supposedly conflicting arguments, and how you balance their arguments with the Secretary's commitment to renewable energy development?

ANSWER: On April 28, 2010, Secretary of the Interior Ken Salazar approved the Cape Wind renewable energy project on Federal submerged lands in Nantucket Sound, but will require the developer of the \$1 billion wind farm to agree to additional binding measures to minimize the potential adverse impacts of construction and operation of the facility.

The Cape Wind project would be the first wind farm on the U.S. Outer Continental Shelf, generating enough power to meet 75 percent of the electricity demand for Cape Cod, Martha's Vineyard and Nantucket Island combined. The project would create several hundred construction jobs and be one of the largest greenhouse gas reduction initiatives in the nation, cutting carbon dioxide emissions from conventional power plants by 700,000 tons annually. That is equivalent to removing 175,000 cars from the road for a year.

Secretary Salazar emphasized that the Department has taken extraordinary steps to fully evaluate Cape Wind's potential impacts on traditional cultural resources and historic properties, including government-to-government consultations with the Wampanoag Tribe of Gay Head (Aquinnah) and the Mashpee Wampanoag Tribe and that he was "mindful of our unique relationship with the Tribes and carefully considered their views and concerns."

Because of concerns expressed during the consultations, Interior has required the developer to change the design and configuration of the wind turbine farm to diminish the visual effects of the project and to conduct additional seabed surveys to ensure that any submerged archaeological resources are protected prior to bottom disturbing activities. Under these revisions, the number of turbines has been reduced from 170 to 130, which will reduce the visual impacts from the Kennedy Compound National Historic Landmark; move it farther away from Nantucket Island; and mitigate visibility from the Nantucket Historic District. Regarding possible seabed cultural and historic resources, a Chance Finds Clause in the lease requires the developer to halt operations and notify Interior of any unanticipated archaeological find.

Secretary Salazar understands and respects the views of the Tribes and the Advisory Council on Historic Preservation, but must balance broad, national public interest priorities, such as preserving the environmental resources and rich cultural heritage of Nantucket Sound while developing new renewable energy sources, strengthening our Nation's energy security, battling climate change, and creating jobs.

Nantucket Sound and its environs are a working landscape with many historical and modern uses and changing technologies. These include significant commercial, recreational and other resource-intensive activities, such as fishing, aviation, marine transport and boating, which have daily visual and physical impacts, and have long coexisted with the cultural and historic attributes of the area and its people. The Secretary believes this undertaking can be developed responsibly, impacts to the historic properties can be minimized and mitigated, and the Department will ensure that cultural resources will not be harmed or destroyed during the construction, maintenance and decommissioning of the project.

RIGHTS PROTECTION

SimpsonQ14. Last year we appropriated a \$12 million increase for Rights Protection programs, and we included language directing the BIA to distribute the increase provided for rights protection using a merit-based process, in accordance with language included in the President's FY10 budget. This is an area of the budget that both Chairman Dicks and I feel strongly about, and I think we were looking forward to the development and rationale of such a merit-based

process. To date we have not seen it, and the FY10 allocation appears to have been largely pro rata with a few minor changes.

- Is a merit-based process in place? Please explain to the committee the approach taken in FY10 and the rationale.

ANSWER: The Rights Protection Implementation (RPI) Program has to comply with U.S. Federal Trust Obligations pursuant to affirmed Federal Court Case Law on Indian Fish and Wildlife Treaty Rights, United States Treaty and statute law. The Tribes receive RPI funds for their respective areas through several Indian Commission/Organizations.

With the increase provided, BIA felt that the best approach was to distribute funds to each of the Indian Fish and Wildlife organizations, who in turn would distribute project funds to their member tribes based on resource merit and trust obligation factors. If BIA were to have distributed funding on an overall merit based process, the funding applied to specific program elements in the budget activity account would have cast a value assessment on distinctive Indian Treaty Rights to the exclusion of others. The approach taken by BIA allowed for the uniform support of all Indian treaty rights considering historical allocation and gap in coverage while still allowing implementation of the merit obligation factors.

CLIMATE CHANGE

SimpsonQ15. For all of its complicated past and present, Native American policy in this country has never really accounted for major long-term climate-driven changes to the nearly 55 million acres that the federal government holds in trust – and the impacts of those changes on people’s lives. Now our nation is mobilizing for “climate change”, but only one-tenth of one percent of your FY11 climate change budget is for the BIA.

- Are we doing enough to help the nearly one million Native Americans living on reservations of some of the most climate-vulnerable lands in the country?

ANSWER: The BIA agrees that more could be done to help Native Americans living on reservations in climate-vulnerable lands in Indian Country, and they will benefit from the Department’s efforts as a whole. Along with consideration of the highest tribal priorities, BIA will continue to take climate change into consideration in future planning.

PERFORMANCE MEASUREMENT

SimpsonQ16. I’m a firm believer that part of our role on this Subcommittee is to demand that agencies under our jurisdiction set clear objectives, present budgets designed to achieve those objectives, measure performance, and report back on progress. Working in this way with our agencies, I think we’ve been successful in many areas. But there is always room for improvement. As I read the sobering statistics about conditions in Indian Country as compared to the U.S. as a whole – in terms of crime, poverty, education, and health – I believe this is one area within our jurisdiction where we should be taking a hard look at our measurements of success. Serious problems in Indian Country are not being solved, and we’re not going to solve them simply by spending more. There has to be more to it than that.

Every agency prepares an annual Performance and Accountability Report, and every one of them is so long and complex that it is a wonder how any agency can use it to manage their programs. I'm aware that Interior is working hard to continually improve its performance measurement.

- I applaud that effort; I would like to work with you; and I would like to start by focusing on Indian Country.

ANSWER: Interior and Indian Affairs are currently updating the strategic plan to focus on goals that reflect priorities in Indian Country and incorporating tribal input. The Department will be consulting with the Congress on the revised plan.

Questions for the Record from Mr. Calvert**PUBLIC PRIVATE PARTNERSHIPS**

Calvert Q1. Has the BIE explored the possibility of allowing its individual schools to enter into public/private partnerships that could provide additional sources of revenue for the schools, access to additional instructional resources or vocational training in exchange for access to or lease agreements on some of the BIE schools' land or facilities for the private partner? Is this sort of partnering either expressly allowed or prohibited by law or regulation? Are there other barriers may prevent BIE and its schools from forming public/private partnerships?

ANSWER: The BIE funds 59 bureau-operated schools, two postsecondary schools and 124 tribally operated schools. The latter are operated under P.L. 100-297 grants or P.L. 93-638 funding agreements. School boards and boards of regents that are not Federal entities are free to enter into partnerships for the benefit of their schools. While bureau-operated schools may enter into public/private partnerships, as Federal entities, the character of such partnerships are subject to certain requirements by Federal statute, as referenced below. As a Federal agency, BIE is required to act only pursuant to statutory authority. A review of applicable authority for BIE reveals that, while BIE has authority to charge for certain goods and services as well as authority to accept donations, it lacks specific authority to retain revenue and to enter into access or lease agreements in exchange for a partner providing additional revenue, resources, or training.

Several statutes authorize BIE to charge for goods, services, and leases. For example, pursuant to 25 U.S.C. 14b, bureau-operated schools may charge for goods and services provided to the public. It is not clear that BIE can credit the collections to the appropriation account against which obligations were incurred in providing the goods and services. Bureau-operated schools may only recover their costs but they are not authorized to make a profit.

Furthermore, pursuant to 40 U.S.C. 586(c), schools may charge for classroom leasing, at rates approved by the General Services Administrator. The rent must be credited to the appropriation that was charged for providing the space or service. Rent received in excess of actual operating and maintenance costs must be deposited into the Treasury as miscellaneous receipts. Finally, bureau-operated schools have the authority pursuant to 25 U.S.C. 17 to permit tribal governments and organizations and student organizations to use equipment, land, buildings and other structures. Bureau-operated schools have discretion whether or not to charge for the cost of utilities and other expenses incurred for the use. The amounts collected shall be credited to the appropriation from which the expenses were paid. None of the authorities listed above allow BIE to enter into an agreement to "exchange" the use of lands or facilities in return for additional revenue, resources, or training.

BIE is authorized to accept donations under the statutory authority of the Bureau of Indian Affairs to receive gifts ("gift authority"). Specifically, 25 U.S.C. 451 allows the Secretary to accept donations of funds or property for the benefit of Indians and to use the property in accordance with the terms of the donation. The BIE Director has been statutorily directed to "promulgate guidelines for the establishment and administration of mechanisms for the acceptance of gifts and bequests for the use and benefit of particular schools or designated

Bureau-operated education programs" under 25 U.S.C. 2006(f). BIE's policy is in the process of final review at this time.

Thus, although BIE is authorized to separately engage in the related activities of providing BIE facilities and resources and accepting donations, BIE does not have authority to exchange such facilities and resources for something of value. Simply put, BIE believes that an item of value received in exchange for the use of facilities and/or resources falls outside of the scope of its authority to accept donations, because mutual consideration would be exchanged.

Calvert Q2. Does the BIE already allow this sort of public private partnership? Could such a public/private partnership be structured to impact and benefit a particular BIE facility? What specific federal rules or regulations govern the structure and content of such an arrangement? If these partnerships are not already utilized by BIE, is this a funding mechanism for individual schools that the BIE could support?

ANSWER: The BIE does not allow this type of partnership for BIE operated schools based on an exchange of values because it is not authorized to engage in such transactions. BIE is open to considering such arrangements should appropriate authority be enacted or identified.

Calvert Q3. If this sort of Public/Private Partnership is allowed by law, what is the process for initiating consideration of a public/private venture? Which individuals within the bureau would have to approve partnerships that a BIE school may wish to enter into? Would any other federal agencies be required to sign off on such an agreement? If so, which ones and which individuals within the agencies would need to approve?

ANSWER: The BIE does not have the statutory authority to enter into this type of public/private partnership.

CHARITABLE GIVING TO BIE SCHOOLS

Calvert Q4. With funding shortfalls occurring at almost every level of government, many public schools have long relied on fund raising and solicitation of charitable giving to support their programs. May a BIE school secure funds for itself outside of the BIE through either applications for competitive grants or through private donations?

ANSWER: Bureau-operated schools can take advantage of the statutory authority that the Bureau of Indian Affairs has to receive gifts ("gift authority"). Under 25 U.S.C. 451, the Secretary may accept donations of funds or property for the benefit of Indians and to use the property in accordance with the terms of the donation. The BIE Director has been statutorily directed to "promulgate guidelines for the establishment and administration of mechanisms for the acceptance of gifts and bequests for the use and benefit of particular schools or designated bureau-operated education programs" under 25 U.S.C. 2006(f). The BIE's policy is in the process of final review at this time.

At this time, Bureau policy does not allow solicitation for donations, except that it allows applying for competitive grant programs. Although bureau-operated schools cannot solicit

donations, they may accept unsolicited private donations, subject to review. School boards and foundations that are non-Federal entities can encourage donations to schools. Non-Federal school boards and foundations can cultivate donor relationships (e.g., by hosting events where potential donors can learn about schools, or by publishing materials to inform potential donors about schools). The Departmental Manual requires bureau-operated schools to enter into donation agreements with non-Federal entities that want to encourage donations to bureau-operated schools.

Calvert Q5. How are private donations handled? Would a donation intended to support a specific school site be set aside for that particular school's use or are donations directed to the general fund for use across all the schools?

ANSWER: Proffered donations to bureau-operated schools are reviewed per Departmental policy prior to acceptance. When a donor's gift to the BIA or BIE includes instructions regarding a specific school site, and or use, those wishes are honored.

Calvert Q6. May the school apply for competitive grants and solicit donations directly? May the school or those associated with the school establish a foundation or other charity to apply for grants and raise funds on behalf of the school?

ANSWER: Bureau-operated elementary and secondary schools may not solicit donations directly and they may not establish a foundation or charity for this purpose. However, the BIE recognizes the value of working with non-Federal partners in furthering its mission. Appointed members of the senior management team for non-Federal partnerships are authorized to work with partners with whom the BIE has a written agreement, in the oversight and coordination and solicitation of donations. Schools may, however, apply for Federal and State competitive grants providing the grantee is authorized to award such grants to a Federal entity, and that the schools are authorized by Federal statute to accept the grants.

Calvert Q7. At many public schools, administration and faculty may actively participate in fundraising for the school site, including approaching potential donors. To what extent may BIE faculty and staff solicit donations directly to their school sites or participate in fundraisers? To what extent may they become involved with any foundations or other organizations established to support the school through fundraising activities?

ANSWER: BIE faculty at bureau-operated schools are Federal employees. Bureau-operated elementary and secondary schools may not solicit donations directly and they may not establish a foundation or charity for this purpose. However, the BIE recognizes the value of working with non-Federal partners in furthering its mission. Appointed members of the senior management team for non-Federal partnerships are authorized to work with partners with whom the BIE has a written agreement, in the oversight and coordination and solicitation of donations. Schools may, however, apply for Federal and State competitive grants providing the grantee is authorized to award such grants to a Federal entity, and that the schools are authorized by Federal statute to accept the grants.

INDIAN SCHOOL HEALTH AND SAFETY

Calvert Q8. The February 2010 OIG report on BIE School Violence Prevention makes some startling discoveries related to drugs, violence and other safety issues within BIE operated schools. Among the recommendations made by the OIG is that the BIA should establish a uniform set of safety policies across all of their schools. This seems to suggest that to this point there has not been a system wide set of safety policies. Prior to this report, did the BIE have a uniform set of minimum safety policies to be followed by all BIE operated schools? What were they? If not, why were there no minimum safety standards?

ANSWER: The BIE schools are subject to various Federal directives, orders, and regulations that require emergency planning. Many of these directives are detailed in the Federal Continuity Directive 1 (FCD 1), *Federal Executive Branch National Continuity Program and Requirements*, February 2008, and Federal Continuity Directive 2 (FCD 2), *Federal Executive Branch Mission Essential Function and Primary Mission Essential Function Identification and Submission Process*. A key mandate is the implementation of the National Incident Management System (NIMS) required by Homeland Security Presidential Directive 5, *Management of Domestic Incidents*. It provides a unified approach to managing emergency incidents.

In 2006, the Bureau of Indian Education provided all schools with a list of these governing authorities in a 112-page document entitled *Safe Schools Planning: A Guide for Educators*. Updated versions of the manual have been posted on the BIE web site, made available at national conferences, and made available to schools upon request. A slightly modified version of the original list was updated in 2009 for distribution this year.

To assist schools in compliance with these various mandates, BIE in 2006 provided all schools, including contract and grant schools, with a series of templates for:

- Emergency planning and response, both a long version and a short version for quick use;
- Safe Schools Planning Guide;
- Student Codes of Conduct;
- Security procedures;
- Job descriptions for security personnel;
- Sample memoranda of agreements with local emergency responders, health officials and other local authorities;
- A parent guide for addressing drug abuse; and
- Protocols for addressing students under the influence of illegal substances in school.

In addition to providing all schools guidance on how to develop emergency preparedness plans, BIE also provided schools with a 113-page resource guide; a guide on developing school policy and procedures; and a guide to investigating incidents and other materials.

Recognizing that ensuring compliance among 183 schools with extensive needs is a monumental task, BIE nevertheless has undertaken a limited security assessment program. Specifically, in

2007, BIE visited and conducted safety and security assessments at 66 residential programs. This year, BIE is undertaking an additional 40 school visits, as described below.

The BIE recognizes the importance of strengthening all of these initiatives, particularly in an environment in which principal and staff turnover is high; some schools' technological capabilities are limited; and schools are spread out over two dozen states.

The BIE has developed a framework for a comprehensive five-year Safe Schools Plan and is now building into that framework specific tasks, timelines, and responsible entities and individuals. To ensure that plan and the initiatives governed by it are meaningful and appropriate given the realities of Indian schools, BIE has created the *Operation Safe and Secure Schools Committee*, a group of advisors with front-line experience from a variety of viewpoints, ranging from school principals and line officers to school nurses.

Other current initiatives include:

- A. **Intranet.** BIE has developed a Safe Schools Intranet as an information-sharing platform for the various governing authorities, training modules, templates, and internal and external resources.
- B. **Inter-Agency Safe Schools Summit.** On December 8, 2009, BIE hosted an inter-agency Summit in Washington D.C. with the objective of enhancing inter-agency coordination on Indian school issues and leveraging existing resources to address Safe Schools issues.
- C. **School Visits.** BIE is undertaking 40 school visits with the objective of analyzing Safe and Drug-Free school issues using an assessment tool with more than 800 questions to be posed to school administrators, staff, and students. A key part of this effort is strengthening the NASIS data collection program.
- D. **Ongoing Training.** On an annual basis, BIE will continue to hold its Summer Institute providing training on Safe School Issues. A comprehensive system-wide online training program will be deployed shortly and will be available to every staff member of BIE schools.
- E. **Technical Support.** As part of its school visits, BIE is offering technical support to schools in need of assistance in developing their plans. This is done through three school safety specialists.
- F. **Funding Mechanisms.** BIE plans to develop a grant-writing support unit to train schools on how to apply for government, corporate, and non-profit funds to support their efforts in ensuring Safe and Secure schools. While awaiting funding, BIE is providing technical assistance to schools who wish to apply for grants.
- G. **School Safety Specialists.** Three school safety specialists have been hired to provide technical assistance, training and advisement.

- H. Resource Guide.** BIE is updating its 2006 list of resources.
- I. NASIS.** BIE has undertaken a comprehensive initiative to strengthen the Native American Student Information System (NASIS) data collection efforts.
- J. Accountability.** Through its five-year Safe Schools plan, BIE is strengthening directives to line officers and refining lines of authorities in holding schools accountable for compliance with applicable directives.
- K. Review of Safe Schools Plans.** All schools will be required to upload their Safe School Plans online so that their plans can be reviewed and assessed by both Education Line Officers and BIE leadership.
- L. School Resource Officers.** Nineteen school resource officers are being hired and placed in schools.

Calvert Q9. How does the BIE enforce health and safety policies to ensure compliance across the school sites? How does the BIE ensure uniform enforcement of safety policies, knowledge of safety procedures and continuity of health and safety initiatives at school sites through faculty and staff overturn?

ANSWER: The prior answer addressed this issue. The BIE hosted the First Annual BIE School Health Conference on November 4-5, 2009, as well as the Safe Schools Summit in Washington, DC, on December 8, 2009. The BIE has also sponsored week long safe school forums at its national conferences. A cooperative school health team made up of BIE, IHS, and the New Mexico Department of Health is working collaboratively on a monthly basis to address and improve current school health practices.

It is also important to note that BIE, through the recently hired School Safety Specialists has been able to participate in national safe school practice events that include participating in the Emergency Management Council, Tribal Assistance Coordination Group, Indian Affairs Emergency Management, New Mexico Federal Executive Board, Emergency Preparedness Committee, and the DOI Incident Support Team. The Safety Specialists are involved with writing the Suspected Child Abuse and Neglect protocol for BIE schools. In addition, the Specialists have been intimately engaged in the Department's Emergency Management Council and Incident Command training.

Anti-Bullying, Suicide Prevention, School Health, and Emergency Preparedness are major policies currently under review by the BIE policy review committee. These are anticipated to be ready for implementation in the 2011 school year. Policies that are currently being updated include: student parent permission slips for school activities, student check-in and check-out procedures, and student search and seizure procedures.

The BIE has direct supervisory authority over 59 BIE operated schools/dorms and therefore it has the opportunity to provide direct supervision, monitoring, and evaluation. The BIE will

provide resources, recommendations, and technical assistance to the remaining 124 schools/dorms that are either tribally operated or exist under a Public Law 93-638 contract.

Calvert Q10. The budget justification notes that ISEP funds were increased absent another funding mechanism for implementation of safety and security programs in FY11. Do you feel this is the best method for funding these programs? Could a better funding mechanism be created? If so, what would that be?

ANSWER: The funding request for Safe and Secure schools is carried in the ISEP Program Adjustments line, and not in the ISEP formula program. ISEP Program Adjustments are intended to provide schools with resources for targeted projects, such as Safe and Secure Schools. The request was included in BIE's programs, rather than the Office of Justice Services, because a major component of this effort involves training staff in both school specific procedures for emergencies and intervention training focused on students, such as identification of gang activity, bullying, and suicide prevention.

Calvert Q11. In May of 2007 the Office of Inspector General issued a report on BIE schools in need of immediate action. This report described health and safety concerns related to the maintenance of BIE operated school facilities. Among the schools named in that report is Sherman Indian High School in Riverside California, which suffered from an old electrical system that is a fire hazard and an antiquated phone system that can cause the fire alarm to short-circuit.

- Why did the BIE allow its facilities to reach the state of disrepair outlined in the OIG reports?

ANSWER: Indian Affairs has been addressing school facility issues in a prioritized fashion in order to remediate the most important problems first. The nature of deficiencies at all facilities is measured by the Risk Assessment Code (RAC) that determines the criticality of the work. The RAC is then used to determine ways to mitigate risk for the immediate situation until necessary repairs can be completed. For example, should a fire alarm system go out which is a serious deficiency, the school can conduct a fire watch immediately to mitigate the risk until the fire alarm system is repaired. Projects that are not an immediate threat to health and safety are then addressed through the annual construction budget. Sherman Indian School is currently funded by the Recovery Act for Improvement and Repairs.

Calvert Q12. What has been done since this report was published to address the serious health and safety issues at BIE facilities? How has the BIE adjusted its budgeting for facilities maintenance to reflect these real and immediate needs for repair and replacement of school facilities?

ANSWER: Indian Affairs has enhanced its facility deficiency program through the adoption of a Risk Assessment Program which evaluates each deficiency in two dimensions, likelihood of occurrence of failure and level of consequence of that occurrence. Within that program, deficiencies that represent immediate and imminent danger to facility occupants are corrected or mitigated within eight hours, lesser threats are given more time for correction.

Calvert Q13. What accountability is there to ensure site administrators properly deal with health and safety concerns in a speedy fashion before they become a threat to student wellbeing?

ANSWER: Indian Affairs conducts annual health and safety inspections as well as triennial facility condition assessments which routinely identify deficiencies. In addition, the on-site facilities' staffs are responsible for day to day maintenance activities to ensure healthy and safe environments. Through this inspection process, should any facility deficiency be identified as a potential threat to students, teachers or visitors, immediate action is taken to correct or mitigate the risk. The identification, reporting and response are well documented and the history of facilities management reflects actions that include temporarily or permanently closing facilities, or correcting the deficiency immediately.

ISEP FORMULA

Calvert Q14. Beginning in the 05/06 school year, the process for calculating the Average Daily Membership as part of the ISEP formula was changed from a single week count in September to a three year rolling average. Why was this change made?

ANSWER: The No Child Left Behind Act of 2001 required the Secretary of the Interior to review the Indian School Equalization Program formula no later than January 1, 2003. The perception by many schools was that the existing formula based on the one week student count unfairly funded schools because:

- a. Schools could recruit students for academic, residential and supplemental programs during the count week, and then send students home after their eligibility for funding was established.
- b. Students who transferred between Bureau of Indian Education funded schools, transferred to other school systems, or dropped out of school could be counted during count week, and the schools would receive funds for students to whom they no longer provided services.
- c. On-reservation schools had concerns that the off-reservation boarding schools were receiving funds for students counted during the count week, but by the end of the school year were serving fewer than 50 percent of the students counted. It was perceived that the on-reservation schools had to provide services to the students returning from the off-reservation boarding schools, but received no funds for those students.

The Negotiated Rulemaking Committee established to re-write the Indian School Equalization Program regulations addressed the above concerns by changing the residential student count period from one week to three weeks, and by changing the academic count period from one week to the full academic year. This was an attempt to encourage schools to maintain their student count for the complete school year; and if a student did transfer to another Bureau school during the school year, the receiving school would receive funding for that student for the number of days the school provided academic services. The school losing the student would only receive academic funding for the days the school provided academic services.

The Committee included a three year rolling average provision to calculate the funding a school receives each year to prevent drastic fluctuations in funding due to major increases or decreases in student enrollment.

Calvert Q15. It is my understanding that this change in methodology caused ADM counts especially drop at BIE Boarding Schools. In my district, Sherman Indian High School's ADM dropped by 1/3 from SY04/05 to SY 05/06 even though their Student Record Count remained the same for both school years. This drop has remained consistent over the period since the new methodology was implemented. I've been told this ADM drop resulted in decreased funding for the school. Is the ADM fall off experienced by Sherman IHS consistent with the fall off experienced by other BIE boarding schools?

ANSWER: Yes. If a school has a decrease in enrollment or is unable to maintain their student count for the three week residential count period, or for the academic school year for the instruction program, then their average daily membership (ADM) will decline which results in a decline in funding.

For academic programs before the change in the methodology in counting students, if a student was enrolled and present for one day in the academic program, the school was able to count that student for one full ADM. With the change in methodology, to calculate the ADM for an academic student, the school divides the number of days the student was enrolled by the number of days on the school's academic calendar. Because many students transfer to other schools during the school year or return home before the school year ends, a school receives a prorated ADM for those students, not one full ADM each.

For academic programs before the change in methodology, if a student was enrolled and present one night during the residential program count week, the school was able to count that student for one ADM. With the change in methodology, a student had to be enrolled and present one night each of three weeks to be counted as one ADM for a residential program. The school received no ADM if the student was not present one night each of the three weeks.

Because of the implementation of the three year average for School Year (SY) 2005-2006, the impact on Sherman Indian School's funding was not as severe as the decrease in the student count from SY 2004-2005 to SY 2005-2006. The change in methodology from a one week count to a three week count for residential students and a one week count to the average daily membership count for the academic year had a greater impact because Sherman was unable to retain or replace students who left Sherman before the end of the three week resident count, or before the end of the academic school year.

- Did non-residential BIE schools experience a similar and equally as pronounced fall off in ADM following the count change?

ANSWER: Some schools experienced a decrease in funding because of their decline in student enrollment during the academic year. Other schools experienced an increase in funding because they were able to maintain or enroll new students during the year to increase their student count during the academic year.

- Were BIE boarding schools negatively impacted by this change in methodology?

ANSWER: Some residential schools are experiencing a decrease in funding due to their decline in student enrollment because students are not enrolling, or the schools are unable to retain the students for the three week residential student count period, and the academic year. Other residential schools are experiencing an increase in funding because they are able to maintain or increase their student count.

- Was this negative impact disproportionate to any negative impact felt by non-boarding schools?

ANSWER: The change in student count had a negative impact on some schools and a positive impact on others. The three year average negatively impacted schools unable to maintain their enrollment for the complete academic year.

Calvert Q16. Before the new methodology was implemented, what studies or inquiries were undertaken to ensure that BIE boarding schools were not disproportionately impacted by the change in ADM methodology?

ANSWER: No formal studies were done, however, several years of student count and supplemental program data were reviewed by the Negotiated Rulemaking Committee and the Committee's resource staff. The Negotiated Rulemaking Committee consisted of 25 bureau and tribal representatives, school staff and program advocates for instructional only, instructional and residential, and residential only schools; as well as program specialists for language development, gifted and talented, special education and residential supplemental programs.

The bureau also allowed for public testimony at each of the Committee work sessions, and written comments from the public for the consultation sessions before the Negotiated Rule making Committee met, during the Committee work sessions, and to the draft regulations published for public comment. The public comments were reviewed by the Committee before the final regulations were published. The public comments were received from tribal, community, school and program representatives and staff who advocated for their schools and programs. The public comments were incorporated into the draft and final regulations if they were accepted by the Committee.

- How did the BIE ensure that the new methodology was equitable to all types of BIE operated schools?

ANSWER: The Negotiated Rulemaking Committee consisted of 25 bureau and tribal representatives, school staff and program advocates for instructional only, instructional and residential, and residential only schools; as well as program specialists for language development, gifted and talented, special education and residential supplemental programs. One committee member was a school supervisor from an off-reservation boarding school, another was a supervisor from a peripheral dormitory, and others were from boarding and day schools.

Calvert Q17. Now that the 3 year rolling count has been fully phased in, has the BIE initiated any follow-up studies to ensure the new ISEP methodology is working equitably for all schools? If so, what were the findings, if not does the BIE expect to implement such a study?

ANSWER: The BIE has reviewed the annual and multi-year student count data but has conducted no formal studies. The BIE recognizes that the three year average had a negative impact on the count and funding of some schools with decreased enrollments or retention problems; however, other schools have been able to increase their enrollment and retain their students during the school year under the three year rolling average.

Currently BIE has no plans to implement such a study because of the cost and the need to complete Negotiated Rulemaking sessions for other BIE regulations.

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