

**PROPOSED BUDGET FOR THE DEPARTMENT OF
THE INTERIOR**

HEARING
BEFORE THE
COMMITTEE ON
ENERGY AND NATURAL RESOURCES
UNITED STATES SENATE
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION
TO
CONSIDER THE PRESIDENT'S PROPOSED BUDGET FOR
FISCAL YEAR 2011 FOR THE DEPARTMENT OF THE INTERIOR

MARCH 3, 2010



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PROPOSED BUDGET FOR THE DEPARTMENT OF THE INTERIOR

WEDNESDAY, MARCH 3, 2010

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

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

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

The CHAIRMAN. OK, why don't we get started here. This morning we're reviewing the President's proposed budget for the Department of the Interior. We welcome Secretary Salazar back to the committee and look forward to hearing from him in just a few minutes.

It appears to me that the administration's proposal for the Department of the Interior is reasonable. For the 2011 fiscal year, the President is requesting discretionary spending of \$12.2 billion for the Department of the Interior. This is slightly less than the amount appropriated during the current year. However, the President's proposal is almost 14 percent higher than what was proposed for the department 2 years ago. In my view, this reflects well on the priorities of the administration.

The proposed budget includes funding increases for the Land and Water Conservation Fund, for renewable energy projects, and for climate change adaptation. I am also glad the budget seeks to address the issue of obtaining a fair return to the taxpayer for the development of publicly held energy resources.

In my view, the budget for water programs at the Bureau of Reclamation and the USGS, the Geological Survey, reflects a renewed commitment to addressing our water resource challenges and establishing water management as a priority.

The administration's WaterSMART program will help address water supply shortages and minimize water use conflicts while implementing many of the goals of the Secure Water Act which Congress enacted last year.

I am glad that there is an increased recognition of the connection between energy conservation and water conservation, and I encourage the administration to continue to recognize that sound energy policies must take into account water supply realities.

One issue I focus on almost each year at this budget hearing is the Land and Water Conservation Fund, which is credited with

\$900 million each year from Outer Continental Shelf oil and gas leasing revenues. There are 2 authorized uses for the Land and Water Conservation Fund—Federal land acquisition projects and a State grant program.

While I appreciate the increased funding proposed for Federal land acquisition, it appears a significant portion of the increased amount is proposed for BLM acquisition of wild horse holding facilities. I am concerned the budget continues to fund other programs out of the Land and Water Conservation Fund, however meritorious they may be—such as the Forest Legacy program and the Cooperative Endangered Species Conservation Fund—these are not authorized uses of the Fund. So, I'd like to explore some of these issues in more detail after the Secretary makes his statement. However, of course, before we hear from the Secretary, let me defer to recognize Senator Murkowski for her comments.

[The prepared statement of Senator Landrieu follows:]

PREPARED STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

WILD HORSE AND BURRO PROGRAM

As most of us are aware, the 1971 Wild Free Roaming Horses and Burro Act set aside 53 million acres in 10 Western states to protect wild horses and burros from capture, harassment or death. At the time of the Act, the wild horse population was about 25,000, down from over 1 million wild horses at the turn of the century. The decline in population is attributed to profiteers who would capture wild horses and sell them for commercial purposes, most notably, dog food.

To stop this cruel process, a woman named Velma Johnson, or Wild Horse Annie, started a grassroots campaign to protect these historic animals. She wrote a book, "The Last of the Mustangs" to tell the important tale of wild horses and their contribution to this country.

She succeeded in getting two laws passed, the first in 1959 and the second in 1971. Many believed the 1971 Act would save and protect the wild horse population, but I think most would agree that the program has been mismanaged over the past 29 years, which is why the program currently finds itself in such dire straits.

I. Program is Broken—We both Agree on that

Mr. Secretary, you have acknowledged that the Wild Horse and Burro Program is broken and needs repair. In fact in many of your statements you have said, "the current path of the program is not sustainable for the animals, the environment, or the taxpayer."

The current BLM management of the program does not include on-range management of the horses. The prevailing management tool of the BLM is to wait until the populations become too numerous and then round-up and remove excess horses and put them in short-term and long-term holding facilities that cost the taxpayer millions of dollars—over \$29 million in FY09. The BLM currently has 32,000 horses in off-range facilities, which is almost as many as the 37,000 they estimate are on the ranges.

Furthermore, 19 million acres have been removed from the Wild Horse and Burro Program, which only exacerbates the problem of overcrowding on public lands. Why these acres have been removed when they were specifically set aside for these animals is a question Congress has asked several times, yet, still does not have an official response from the BLM.

II. Need overhaul of program to avoid breaking taxpayers piggybank

With the sustained mismanagement—or should I say non-existent on-range management—of the program, it is time for a major overhaul or it will continue to break the taxpayers' piggybank.

The program in FY07 cost \$36.4 million. In FY09 it cost \$51.6 million. In FY10 it is estimated that the program will cost \$66.1 million. The increases in the program's costs are solely to pay for the short-term and long-term holding facilities that the BLM contracts out to individuals who hold the animals for the Federal government. In FY08, the cost of these facilities exceeded \$27 million, or three-fourths of the program's budget!

And it will only get worse. Recently the BLM rounded up over 1,922 horses at the Calico range in Nevada. The round-up cost over \$1 million dollars and at either \$5.75 per day at short-term holding or \$1.30 a day at long-term holding, removal of these horses alone will cost the American taxpayer this year alone between \$2 and \$5 million. This is unsustainable!

However, a recent economic study by the Humane Society estimates that we can save \$9.4 million over 12 years if the BLM would use fertility treatments on the mares and return them to the Calico complex. If BLM adopted this policy program-wide, it would save \$204 million over 12 years. Managing the wild horses on the range, instead of continuing the status quo with this round-up and removal mentality, will save the taxpayers millions of dollars.

III. Don't agree with proposed plan

While I appreciate the Secretary's acknowledgement that the program is broken and his willingness to develop an initiative to fix it, I have to politely disagree on the fundamentals of his proposal.

Mr. Secretary, you want to spend \$42 million of taxpayers' money to purchase lands in the Midwest or East to establish a sanctuary where excess wild horses can be removed and relocated. Why would we waste \$42 million of taxpayers' money when the BLM manages over 253 million acres in the West and has removed 22 million acres from the program?

And if public acres in the West cannot accommodate the wild horses that have been removed, then private individuals have offered to purchase private lands to establish a wild horse sanctuary where these horses can relocate. This would save the taxpayer over \$42 million alone by avoiding the land purchase cost.

I am supportive of the Secretary's proposal to create special designations for treasured herds, such as the Pryor Mountain herd, but I need to know more information about how these designations will occur and what impact, if any, it will have on the other herds that are not designated as "treasured herds."

There is a lot of work necessary to fix this broken program. I sincerely believe the BLM's management of the program has led to the program's current state and unless the BLM overhauls the program and begins to manage horses on the range, in a more efficient, cost-effective manner, the BLM will continue to ask for millions of dollars to hold wild horses at off-range facilities. This is not in the true spirit of the Act and I know we can do better to protect not only the wild horses and burros, but also the environment and the taxpayer.

OIL AND GAS TAXES

Once again, the Administration has proposed to eliminate several oil and gas tax incentives expected to generate \$31.5 billion over 5 years. I know Secretary Salazar that you do not set the tax code, but if the President's tax proposal becomes law, it would undermine the ability of the Department of Interior to run an effective minerals program using domestic resources.

We have been advised by highly credible energy producers that elimination of these tax provisions targeted by the Administration would dramatically reduce domestic drilling activity. This would have the effect of costing thousands of U.S. jobs, increasing imports of oil and gas from unstable portions of the world and possibly raising prices paid by American consumers should our foreign suppliers use their increased market share to drive up prices.

The impact on jobs would be disastrous. For example, an independent producer working out of the Haynesville Shale area told me yesterday that if this proposal goes through, it will immediately cause 25-40 percent of his operations to cease. Put another way, there were 48,000 wells that were drilled last year. The President's tax proposal would eliminate the ability to drill 12,000 wells, or eliminate one-fourth of the industry. That's jobs, from geologists to derrick hands, that will add to the current 9.7 percent unemployment rate.

Additionally, by eliminating these tax provisions, we would essentially drive up the cost of clean-burning natural gas—which is a critical "bridge fuel" as we transition to a clean energy future.

It could also create volatility in the natural gas market, which during this very cold winter, is not something that would help reduce our constituents' heating bills.

Again, Secretary Salazar, I know you are not charged with setting the tax code, but the President's proposal runs counter to promoting domestic oil and gas production and does not achieve our domestic energy security goals. I urge the Administration to reconsider its oil and gas tax proposal.

That concluded my remarks, thank you.

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR
FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman.

Secretary Salazar, welcome back to the committee, always good to have you here. I have long appreciated the opportunity to serve with you when you were here and truly regard you as a friend and one that I know has the best interests of America at heart as you define your policy on our public lands.

But I do have to be candid, and we had an opportunity to discuss some of these issues, but there have been some recent actions by the Department of the Interior in this past year that have not been good for the State of Alaska, or for Alaskans who depend on natural resources to make their living, and I would like to take a moment this morning to mention some of those recent decisions.

On February 5, the Army Corps of Engineers denied Conoco-Phillips a permit to construct a bridge across a river to gain access to what would have been the first oil and gas well in Alaska's National Petroleum Reserve, the NPRA, insisting that the company instead use aircraft to fly in all of the heavy equipment, the building blocks, and construct the pipelines underneath the river to transport oil and gas back outside the petroleum reserve. This was done based on the findings of the Department's Fish and Wildlife Service and the EPA.

Mr. Secretary, we talked about this. For decades, those who have opposed us on developing ANWAR or Alaska's offshore fields have continuously cited the 23-million acre NPRA as the area where development should occur, instead. But if a producer can't get across the Colville River, NPRA's resources are effectively off limits.

I remain very disappointed, I'm actually amazed by what I consider to be a short-sighted decision. It ignores that economics of future energy development in all of Northern Alaska.

I know that this kind of compromised development could work in ANWAR because the soil—when I talk about the compromised development, I'm talking about the directional drilling—because in ANWAR that oil is concentrated in the northwest corner. But the same can't be said for the smaller and widely distributed deposits in the NPRA. It's 23 million acres of Federal oil and gas lands, and developing that expanse is going to require at least some minimal infrastructure.

So, I would like to understand the thought process behind this decision to deny these bridges and why that decision was made.

Mr. Secretary, the Department's budget proposal also includes a number of fees or royalty increases on the very people who are trying to develop domestic oil and gas fields, to say nothing of the administration's litany of new taxes proposed on the industry. This country needs to retain an oil industry to keep us from being 100 percent dependent on foreign oil, but by all indications, this budget is seeking to make that industry uneconomical.

Now, I know that some think that you can force America to go green by shutting down domestic oil and gas exploration and operations. Some think that by cutting off funding to the programs that facilitate coal mining, that somehow is going to help. Just because America produces less energy goes not mean that we are going to necessarily consume less. In fact, we're probably going to consume

significant quantities of oil, natural gas, and coal for a long time to come. I think it's in our best interest in terms of our economy, our security, and the environment to produce as much of those resources as possible here at home.

I would like to reiterate what I stated last week, America is dangerously reliant on foreign oil, and restricting access to even more of our domestic resources is simply unacceptable, and it won't solve the problem.

I would also like to mention that the level of funding for the Land and Water Conservation Trust Fund that is included in the budget. The current maintenance backlog remains above \$8 billion despite the Stimulus funds and last year's appropriations. The budget recommends \$106 million increase in Land and Water Conservation Funding this year, and that follows a 30-percent increase from last year.

Rather than increasing the Land and Water Conservation Funding in order to obtain more Federal property, DOI should focus on the lands and the property currently in its possession. I think we need to ask the question, how can we afford to purchase new Federal lands when we can't seem to maintain the lands that we currently have entrusted in the Department to manage?

Third, the Chairman has mentioned the budget for the Bureau of Land Management's wild horse and burro program. In this budget, it is now larger than the combined budgets for BLM's wildlife, fisheries, and endangered species programs. The proposal is suggesting shifting more wild horse herds to preserves in the east and the upper Midwest, while failing to control the population growth in the existing wild horse and burro herds. I'm concerned about where this plan is taking us.

Finally, Mr. Secretary, I would hope that this morning you describe your treasured landscapes proposal, perhaps, more completely than the budget documents. I'm unclear as to what these treasured landscapes are, where they're going to be located, why they need further protection and when you'll be making the legislative proposal for the Authority to protect them and how they are protected.

I think the actions of the Department of the Interior over the last year have raised some concerns with the Western Senators. I hope you will understand why we oppose many of the budget proposals that are before us, but I do look forward to working with you on some of these aspects.

With that, Mr. Chairman, I conclude my remarks.

The CHAIRMAN. Thank you very much.

Secretary Salazar, why don't you go right ahead with your statement? We're glad to have you here.

**STATEMENT OF HON. KEN SALAZAR, SECRETARY,
DEPARTMENT OF THE INTERIOR**

Secretary SALAZAR. Thank you very much, Chairman Bingaman and Ranking Member Murkowski and thank you to my good friends, as well, Senator Bennett, Senator Wyden, and Senator Johnson.

With me today here at the witness table are Deputy Secretary of the Interior, David Hayes, and the Budget Director for the De-

partment, Pam Haze. Behind me is Rhea Suh, who is the Assistant Director of Policy and management.

Senator Shaheen, it's good to see you this morning, as well.

So, thank you all for being here.

Let me first say that I want to, at the outset, just acknowledge that we are working on some tough issues, but we have a great team of people at the Department of the Interior that we've recruited. One of those people passed away just about a week ago, the Director of the U.S. Fish and Wildlife Service, Sam Hamilton, a 30-year employee who was actually introduced here for his confirmation proceedings by Senator Thad Cochran.

I never asked Sam whether he was a Democrat or a Republican. All I knew is that he was beloved by a lot of people because of his work in helping move forward the conservation agenda and trying to bring together people to develop consensus on how we move forward.

Sam was 54 and he will be missed as we move forward in trying to deal with what are some very, very difficult issues in the endangered species arena and we delve forward—and we move forward with making sure that we're protecting our wildlife for hunters and anglers as well as for the non-consumptive uses of wildlife.

But the work goes on. The budget that we are presenting to you today—the budget that is being presented, the President's budget to the Congress—is a budget of tough choices in tough times. You all are very much a part of the dialog going on in this country about trying to get an economy that had gotten to the point of a near depression back on track, and that obviously is reflected in the real tough choices in budget which the President and the Department have presented, here, to the Congress.

The budget, overall, has \$750 million in cuts and efficiencies, and it includes cuts in travel, where we are going line by line and making sure that when people travel, they're traveling because it's necessary to travel. Cuts in information technology and cuts where we are essentially absorbing the fixed costs for the Department of the Interior.

Those cuts, in essence, just the fixed costs part of what we are absorbing within the Department would have a staff equivalency of about 1,300 FTE. So, in that context, I just want you to know that this is a tough budget, but one that we believe will continue if supported by this Congress to allow us to move forward of achieving the mission of the Department of the Interior.

The mission of the Department of the Interior is—in my mind today and in the mind of people who I cherish in this chamber, people like Senator Inouye—a very important, but a very profound mission for this country. That mission is to protect the natural resources of America and to protect the heritage of this country. We work on that mission every day with the 70,000 employees and with the different agencies of my Department.

That mission is also a very important one for the economy of the United States. We support about 1.4 million jobs a year that are created through the Department of the Interior through programs and everything from our national parks, to our wildlife refuges to oil and gas activity. We generate activity here in this country that equates to about \$367 billion in economic activity. We have over—

hello, Senator Stabenow—we have over 400 million visitors that come to visit the historic sites and the national parks and the wildlife refuges and the BLM landscapes across our country. All of that is a very significant contribution to the economy of America. So, we're proud of the work that we do at Interior to help our economy move forward.

I want to briefly review a few of the major initiatives and work of the Department. First, with respect to energy, we're moving forward with both a conventional energy program, both on the onshore as well as on the offshore. We needed to have a robust program in the development of oil and gas for 2010 and—2009–2010 and we expect that we'll continue to do the same thing in 2011.

We also have chartered a new way forward with respect to renewable energy on our public lands and are looking, in the budget that is before you, to stand up some 9,000 megawatts of renewable energy power on our public lands. At the same time, we hope that in the year ahead you will see significant progress in the standing up of offshore wind in the—especially in the Atlantic area for there is significant interest on the part of those States to move forward with a new generation of energy from the wind that blows in the Atlantic. So, we will continue to move forward with both conventional energy as well as with renewable energy as part of the mission of our Department.

We also, as reflected in this budget, have tried to put a spotlight on the issues of climate change, as you know, Senator Murkowski, being in the place that is really ground zero of the effects that we see from climate change. Those are the effects that I see as the Nation's land manager on the ground all the time. When I'm at Glacier with people like Senator Baucus and Senator Tester, and the experts there are telling us that the glaciers will no longer be there at Glacier National Park by the time that we get to 2020. It is of concern to me.

Or when I am at the Apostle Islands in the Great Lakes in Wisconsin, and I am told that the temperatures at the Apostle Islands are now 5 degrees warmer than they were 5 years ago.

Or in the great Southwest, which is so important to you, Chairman Bingaman. We know the water wars have been fought for the last 100 years on the Colorado River Basin. The water managers and the scientists are telling us—and Senator Bennett, in your State, as well, since you're one of the members of the Colorado River Basin—we are looking at a 20 percent reduction in the water supply for the Colorado River. When you have that kind of a reduction in water supply because of changes in precipitation patterns, compounded upon the fact that when these compounds were entered into back in the 1920s, there was a miscalculation in the amount of water available for division among the different States. We're looking at some major problems ahead of us because of the challenges of climate change.

So, we do move forward with initiatives on climate change, which include the creation of climate change science centers. The first one we will be announcing which hopefully will be in Alaska, at the University of Alaska later on this week, and we'll move forward and try to develop these climate change centers so we can get on top of these issues around the country.

We also, under Sam Hamilton's leadership, had unfolded an initiative to create landscape conservation cooperatives to see how, on the ground, we could adapt to the changes in climate in a cooperative way if we're working with local governments, State governments and private landowners so that everybody can have available to them the best science and information on land management issues.

Water issues, Chairman Bingaman, I appreciate the support that you and this committee have given us with respect to Title XVI and other water conservation initiatives and the support that you're giving us for the WaterSMART strategy. We know that especially in the west and now more—even more pronounced, I think, around the entire country people are recognizing that water really is the lifeblood of our communities and that we need to do a lot more with respect to how we protect that very precious resource.

On the Treasured Landscapes agenda, Senator Murkowski raised a question about that. We need to do work, in my view, to do what President Roosevelt did now over 100 years ago where he did move forward to develop a conservation agenda, which has become a legacy of the United States of America which makes us a singular Nation in terms of what we have done with conservation. So, it is our view that it is important for us, as a Department, to work with people like Governor Gary Herbert from Utah to come up with places where we can, in fact, working together in partnership with the State and local governments, find places that we can, in fact, conserve given the realities of the challenges that we face here in the 21st century, including the following.

The fact is, we lose about 2 million acres of land every year to development in the United States of America. The fact is that we are seeing declines in many of the species which have been part of our wildlife. We have sportsmen and anglers who are concerned about what is happening with conservation around the world, so our Treasured Landscapes agenda is responsive to that great need that I think the American citizen we have seen since the days of President Roosevelt over 100 years ago.

So, the increases in the Land and Water Conservation Fund are intended to be a part of moving that conservation agenda forward.

Finally, with respect to 2 sets of very important initiatives—the first is Native Americans—we, in the Department of the Interior and each of your states, I think, including Senator Lincoln's State—good morning—we oversee and have a trust relationship on behalf of the United States of America which is a Nation-to-Nation relationship with 564 tribes across this country. We also have a special relationship with Alaska natives. It's important that we do everything that we can to help honor that relationship.

We are aware of the fact that in Native American country across the United States we have huge, and very difficult issues. We have crime rates which are absolutely horrendous, and law enforcement issues that we need to deal with. We have economic development issues where we are trying to respond to Depression-era kinds of statistics where you have 50 percent unemployment rates on many reservations around this country and we're trying to be responsive to that. We have other issues, such as healthcare issues, which we're working on with our colleagues in HHS and others have tried

to be responsive to, and we have issues in education because the Department of the Interior in—part of the job that I didn't understand was going to be given to me is I'm the superintendent of a school system that has 42,000 young Native Americans who get their first education in our schools.

So, working with—under the leadership of Assistant Secretary Larry Eckhart and his team, we are attempting to do a number of different things in the Native American world.

Finally, we hope that through the support of the Congress, we'll continue to build on our programs that reach out to young people across the United States. There is, in fact, a reality that should concern us all, that people are spending so much more time in front of televisions, our young people, televisions and computers than they are in the outdoors. Six hours in front of televisions and computers every day, while they spend 4 minutes a day in the outdoors, on average. So we're trying to be responsive to connect young people to the outdoors. We bring in millions of people into our National Parks and our wildlife refuge, our BLM land, and we want to continue to do that as we provide education to these young people. But we also want to provide job opportunities for young people to come and get their first jobs, very similar to the Youth Conservation Corps, the Public Land Corp and other things which all of you have supported. It is our goal under this budget to double the number of young people who are working with us and getting a paycheck, that will take us—which will more than double the number of young people who have been employed at the Department of the Interior. In my view, it is a creation of the next generation of people who will work at the Department, and people who will be the conservation leaders in the next generation.

So, with that, Mr. Chairman, I'd be happy to take questions.

[The prepared statement of Secretary Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, SECRETARY, DEPARTMENT OF THE INTERIOR

Mr. Chairman and members of the Committee, 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 and the Members of this Committee 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.

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. This is enough energy to power nearly 2 million homes each year.

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.

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 partner-

ships 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

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 released 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 Sections 344 and 345 of the Energy Policy Act of 2005. Section 344 extended existing deep gas incentives and Section 345 provided additional mandatory royalty relief for certain deepwater oil and gas pro-

duction. These changes will help 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 week. 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 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.

The CHAIRMAN. Thank you very much for that statement. I'll start with a few questions. I see we have quite a few members here to ask questions.

There have been a number of stories in the press recently about a leaked departmental memo describing possible new national monument designations under the Antiquities Act. Could you clarify the purpose of that memo and any statements you could give us as to the meaning of the lists of sites attached to the memo and your intentions with regard to that?

Secretary SALAZAR. Thank you, Chairman Bingaman for asking that question and I appreciate the letters, as well, that I have received from several members of this committee, as well as others, expressing some concern.

Let me, first and foremost, say that I think that the work that this committee did last year in pushing forward for what became, what I considered to be the American Great Outdoors Act of 2009 was known here in some quarters as the Omnibus Land Bill, was a wonderful effort on behalf of conservation for America. It was the kind of approach in many of the pieces of legislation that were included in that major bill, which was the same approach that we intend to take with respect to the management and the protection of our public lands.

In that legislation, working with Senator Bennett, dealing with issues in Utah where you had local community support and strong support for moving forward with some additional wilderness areas, and almost every single member of this committee, I think, had projects that were included in that legislation. That's the kind of approach that we intend to take. So, we will listen to the people of this country, State by State, as we develop the initiatives. Some of them will come from you as, in fact, many of them are already coming from you.

Chairman Bingaman, for example, has the possibility of a new national park in the great State of New Mexico in Valles Caldera. Those are the kinds of things that we're looking for. So, there's no hidden agenda on the part of my Department. As Secretary of the Department, I am interested in finding out what my employees are thinking, about what some of their ideas are. Just as I am interested in what employees within the Department of the Interior think about these issues, I too think that there are lots of other people out there who have their ideas. So, no one should be too worried that there is any kind of Federal hidden agenda, because there is not.

The CHAIRMAN. Let me ask about an issue that is particular to my State. The budget that has been submitted by the administration includes a proposal to eliminate the ability of so-called non-certified States and tribes to use abandoned mine land funds under the Surface Mining Control and Reclamation Act for high priority, non-coal projects. This is, despite the fact that Section 409 of SMCRA has allowed non-coal reclamation to be undertaken with these funds since the enactment of that statute in 1977.

The proposal would hit States like New Mexico very hard, effectively requiring that reclamation of lower priority coal sites be pursued while leaving high-risk, abandoned hard rock sites untouched. I wondered if you had any thoughts on this, if you could tell us what the budget savings would be expected to be from this kind of a change as proposed in the budget?

Secretary SALAZAR. The proposed budget cut results in a reduction of approximately \$164 million. This is one of those issues which, frankly, I wish it were the other way. Because I think that States of New Mexico and Montana, the tribes that are involved, other States that are involved, put these moneys to good use. We know the problems that we have with the Bannan mines in the west, we have tens of thousands of sites that, frankly, need money in order to be able to reclaim those abandoned mine sites.

So, the balancing that took place in putting together this budget was a balancing exercise of coming—trying to come up with—places where tough choices had to be made. In the case of the funds for abandoned mines which come from the Coal Fee Certification money that is at issue, here, that—those moneys are going to States where the reclamation for those coal mines had already taken place, and the money was already there.

So, it's not something that, frankly, I'm excited about. It's a painful cut, but it's something that OMB and the administration and Interior felt was appropriate to move forward with to try to balance the budget.

The CHAIRMAN. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Secretary Salazar, I would like to follow up with the CD5 issue. This is the denial of the permit to advance in the National Petroleum Reserve, we had an opportunity to speak about this.

What I am seeking this morning is some assurance that Interior is committed to developing NPRA's oil and gas resources. In seeking that assurance, I would like greater understanding or clarification. Within the decision, the administration designated the Colville River Delta as an "Aquatic Resource of National Importance." There was no public comment or information as to what this term actually means; it's one that I was not familiar with, Aquatic Resource of National Importance. Not only did we not understand what the term was, but there was no Congressional influence on what seems, in my opinion, to be a pretty effective withdrawal of this land with this designation. Can you give me a level of assurance that we can advance work in the National Petroleum Reserve Alaska? Again, help me understand this designation of Aquatic Resource of National Importance, what impact this might have on any future efforts to try to develop NPRA?

Secretary SALAZAR. Senator Murkowski, you raise a very good question, we've had conversations with you and your staff about this.

First, let me say it is our intention to continue forward with oil and gas leasing on NPRA and perhaps it's those actions that you all ought to look to in terms of where the administration is heading with the NPRA. We have a lease schedule—a lease sale scheduled for this summer at NPRA—and vast acreages have already been leased under the Department of the Interior at NPRA.

We have no intention, Senator Murkowski, of pulling back from those rights that have already been granted. So, I would say that that's what you should look to in terms of where we are and where we are headed.

Second, with respect to this specific issue concerning the 404 permit that was denied by the Corps of Engineers—it was denied by the Corps of Engineers, not denied by the Department of the Interior—

Senator MURKOWSKI. But there was input from Fish and Wildlife.

Secretary SALAZAR. It came to my attention, Senator Murkowski, with our meeting. So the Chief of Staff and the Assistant Secretary for Fish and Wildlife and Parks, Tom Strickland, is looking at exactly what happened and trying to figure out how it is that we can bring about a solution that works if, at the end of the day, you can not access the resource, if you can't get to it. So that's what the bridge was attempting to do, is my understanding.

So, I have asked Tom Strickland to look into that issue and we'd be happy to get back to you. You know, at the end of the day, you all—some of you worked with an executive side of government. There are lots of other players that are involved in this. We don't control the Corps of Engineers, nor do we control EPA. So, one of the things that I've asked Tom to do is to reach out across to other—the other agencies—to see if there's a way forward.

Senator MURKOWSKI. I appreciate that, and I appreciate your statement that you will continue to make leases available. But, as we all know, it's not just making it available. That's the first step, but then we have to ensure that we allow for meaningful opportunities to pursue it and that our agencies don't shut down once the permits are issued.

We had a discussion about offshore and the frustration that we've seen for the past 3 years in getting a level of permits.

I wanted to ask you about the 5-year plan, as you know, that decision is due to come out and we're hopeful that we'll see that soon, because once again, timing is everything and you have a very, very short window for operation up north.

There was an article in the Wall Street Journal that reported on an email that came out of MMS under the Freedom of Information Act and it appears that the MMS administrator attempted to coordinate a delay and to spin the release of the public comments on the 5-year plan—which the administrator indicated shows a two-to-one split in favor of expanded OCS development. I'm not saying that I necessarily believe everything that I read in the paper, but the email did cause concerns. I'm wondering whether any of the comments or the apparent activities described in that warrant concern, either by members of this committee, or any kind of action, whether it be disciplinary action within the Interior.

As you and I have discussed, this 5-year plan that we have been awaiting is incredibly important for development of activities up north. To read of this spin, if you will, or an effort to delay, causes some concern.

The CHAIRMAN. Mr. Secretary, before you answer that question, we've advised folks that we might, if we got 12 members here, we would go ahead and do a business portion of this meeting.

[Whereupon, at 10:33 a.m., the hearing was recessed.]

[Whereupon at 10:34 a.m., the hearing was reconvened.]

The CHAIRMAN. You can go ahead and respond, if you would, Mr. Secretary, to the last question and then we'll go on to Senator Wyden.

Secretary SALAZAR. Mr. Chairman, with your indulgence, I know Senator Murkowski's time was up, but can I take 5 minutes? Because I think the OCS question is probably something that everyone is probably concerned about.

The CHAIRMAN. Go right ahead and take whatever time you need to respond to her question, please.

Secretary SALAZAR. Let me first of all say that the outer continental shelf and how we move forward with the outer continental shelf has been one of the huge issues of work on behalf of the Department of the Interior for a very long time. We are hopeful that we will be able to make the announcements on where we are moving forward on the outer continental shelf yet this month, and are trying to move on that as quickly as we possibly can. I want to amplify on that in just a little bit.

But I want to come back, Senator Murkowski, to the first question that you alluded to and that's with respect to the rights that are granted and the honoring of rights that have been granted. Because I think in your earlier question you said something to the extent about, it's one thing to give out the rights, it's another thing to then continue to support the development.

You know, we have moved forward, we've taken a number of actions, including major lease sales that have been conducted in the Gulf Coast. We also have moved forward with the issuance of—and approval of—the exploration plans in both the Bofort and the Chocchi Seas in Alaska, and are supporting those efforts in moving forward. You are correct in making the statement that it is one thing to issue the lease, it's another thing to come in and to be supportive, then, of the development.

I think that though we are not yet at the point where we have the finalized record and decision with respect to the OCS, what we are attempting to do is to pull together a plan for the outer continental shelf that will cover both the existing current plan which you are concerned about—the 2007–2012 plan—as well as looking into the future and moving forward with a future plan for the outer continental shelf.

Now, in doing that, it has been difficult to do, in large part, because of the failure—and I say this with all due respect—of the earlier plan, the 2007–2012 plan, in conducting the necessary environmental analysis that the court required it to conduct.

I had no intention as Secretary of the Interior to revisit the 2005–2007–2012 plan, but the second highest court in the land essentially said that the Department of the Interior had simply not followed the law. That the Department of the Interior had not done the environmental sensitivity analysis that was required before making decisions concerning the entire outer continental shelf at first. We had to back into court and get it clarified that the scope of the court's decision did not affect the Gulf, but affected only the Alaskan waters. But then because of the legal decision, we still had

to go through and we had to rebalance the entire outer continental shelf.

So we are at a point—getting very close—where we will be issuing a decision that this time, hopefully, will not suffer from the inadequacies of the past plan, and will be able to survive the challenges that are certain to come with respect to the finalization of that plan and challenges from people who will not like where we ultimately land on that plan.

With respect to the future 5-year plan, we held hearings—including 2 in Alaska, one in Dillingham, Alaska and one in Anchorage, one on the Pacific in San Francisco and New Orleans on the Gulf and also in Atlantic City—to look at the Atlantic waters. The OCSLA statute is one that gives the Secretary of the Interior guidance through the policy and the 8 factors to be considered in that analysis and we are now marching through each of those factors and getting very close—based on all of the information that has come in—on announcing where we are going to go.

So, I expect that in the month ahead, we will be getting to a decision that can be announced and perhaps it may happen even earlier, as soon as we can get all of the documentation together.

On your question concerning the emails, there's been nothing that has been done that, at all, is inappropriate. The fact is that we received some five hundred—I think it was 500,000 comments with respect to the new plan, the new 5-year plan. Those comments are out there and those comments will be analyzed and those comments are very much open to the public.

Our own effort—and this has been my effort as Secretary of the Interior—has been to try to pull together the old 5-year plan, which had been subject to litigation and which was being held up and who knows for how long it would have been held up, and also moving forward with the new 5-year plan.

It seems to me that you, as members of the U.S. Senate, members of this committee and your States and this country, are entitled to know with some certainty, relative to where we are going, on the entire OCS. I expect to be able to get that information to all of you within this month.

Senator MURKOWSKI. Thank you, Mr. Secretary, I appreciate the expanded explanation and for the indulgence by the Chairman in doing so.

I will just reiterate, as much as I appreciate the effort and the need to be very thorough with this, I've stressed before—and I know it has been received by you we will miss out on this season if decisions aren't made within this very short window. I appreciate your attention on expediting this very important process.

Secretary SALAZAR. Let me just, in conclusion to that point, say that I am very, very aware of that fact, and it is what is driving some very, very hard work that is underway, as we speak.

The CHAIRMAN. Senator Wyden.

Senator WYDEN. Thank you, Mr. Chairman.

Mr. Secretary, it is always good to be working with you and there are plenty of sensible ideas that you have in your budget—particularly renewable energy, the Land and Water Conservation Fund—there are plenty of sensible ideas in your budget.

My concern this morning is that forestry takes a real pounding in this budget. My home State of Oregon is all about forests. If this proposal goes through in its present form, we're going to lose mills, we're going to lose jobs, and some of the most hard-hit communities in our country are going to lose their futures—families are just not going to be able to get by.

Now, specifically, the one-two punch is the \$44 million reduction in hazardous fuels. This is the money that is so essential to go in there and thin out these overstocked stands and get the timber to the mills and prevent fires, get the forests, you know, healthy again.

Then in the ONC lands in Southern Oregon, there's a cut of \$5 million in their budget—this is for timber sales, for thinning, and responsible management. So, let me take both of those up, briefly, Mr. Secretary.

In the second area, in Southern Oregon, this proposal to cut \$5 million means we're going to starve mills in Roseburg and Medford where you have unemployment in these communities more than 14 percent. We are just not getting the volume up, and that's what we've got to turn around.

Now, as you know, we were ones who were very encouraged by the fact that you all said, "Look, we're not going with the Western Oregon Plan revision, but we're going to work with you and we're going to get some real sales in Southern Oregon so that these mills can get back on their feet." My concern is, if we don't get the timber sales up, there aren't going to be any mills, so then if you have timber sales later on, who's going to handle them?

So, my first question to you, Mr. Secretary, is what can you tell us this morning about what you'll do to turn this around, get the volume up, particularly in Roseburg and Medford and these communities that were told they would see the volume ramped up under your new proposal?

Secretary SALAZAR. Senator Wyden, I appreciate the question and as you know, Tom Strickland, the Chief of Staff and Assistant Secretary spent, I think, 3 or 4 days out on the ground in Oregon because of the importance of this issue to us.

What I can tell you is in 2010 we hope to be able to offer 230 million board feet and in 2011, 185 million board feet. Our goal is to balance harvest with the protection of species habitat.

We pulled together a task force that includes a number of interests in Oregon, as well as Federal agencies and we are waiting for the report from that task force as to how we move forward.

If I recall correctly, the last briefing that I had on that, the report was due here at the end of March. So, we're aware of the issue and we're hopeful that the report will shed some light on the best way forward.

I would like David Hayes to add a couple of sentences if that would be OK with you.

Senator WYDEN. Briefly.

Mr. HAYES. Very briefly.

I can confirm, Senator, that the task force that was set up after discussions with you last fall to help take a fresh look at how to deal with the conflicts in Southern Oregon is due to have a report to the Secretary by the end of March. There are specific sales mov-

ing forward in Southern Oregon totaling, in the next 2 months, five sales, close to 10 million board feet—since October, 14 million board feet in sales in Southern Oregon. We're very aware of the importance of continuing to push those forward, and we are—we will work to make sure that the budget cuts do not, in fact, hinder the ability to continue the projected sales that we are anticipating.

Senator WYDEN. Mr. Secretary, I don't see with these budget cuts how you're going to get close to the targets. My concern is that this is going to be too little, too late to keep the mills open. My question here is, we're going to have some of the folks from these communities and timber industry people in Washington very shortly, can you assign a staff person so that I and the folks from these communities and folks from the timber sector can come and meet with your people, see what we can do to turn this around?

Secretary SALAZAR. Absolutely. That would be—we'd be happy to have both Tom Strickland and David Hayes in that meeting, since they are very keenly aware of the issues in Oregon.

What we're doing is, we're trying to find a solution, here, and they are, as you know, difficult challenges. But if there are better ways of doing this, we're happy to listen and hopefully we can figure out a—

Senator WYDEN. One last point, very quickly, Mr. Chairman, I know my time is up. On the very significant cut in hazardous, you know, fuels reduction, our additional concern is that the focus, now, is on the wildland-urban interface. We support that. But there is a tremendous amount of work that's got to be done in the back country. So, I want to work with you, again, to change the budget in this area—not so we neglect the wildland-urban interface because we share similar views on that—but we've got such a backlog of work in the back country. These fires, Mr. Secretary, as you know, they are infernos out there. They are not natural fires. They're coming about because of years of neglect. We've got to go after the back country.

We are glad you're at your post, we enjoy working with you, we've got to turn some of these situations around in forestry.

Thank you, Mr. Secretary.

Mr. Chairman.

The CHAIRMAN. Mr. Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman, and Mr. Secretary, we appreciate your being here, and I appreciate your concern about Utah. The chairman raised the question in the memos on the National Monument, let me just share with you our experience. You weren't there, so we can be grateful for that. You don't have this in your memory but we, in Utah, do. So, let me share it with you and you can understand why we reacted as strongly as we did.

Your predecessor, Secretary Babbitt, same thing kind of happened. There were leaks in the paper, the Washington Post discovered that the Interior Department was talking about a new monument in Utah. When I contacted Secretary Babbitt and went down to the Department, spent some time with him and the top leaders of the Department there, in his office. He assured me—much as you have assured the committee here, that this was just preliminary, and that there was no decision having been made.

At the same time—and Secretary Babbitt knew how to send signals—he did let me know that the President was considering a trip to the Grand Canyon on the following Wednesday.

I then found out that the Vice President had changed his campaign schedule, and was going to be at the Grand Canyon on the following Wednesday. I know enough about political campaigns to know that the President and the Vice Presidential candidate do not change their travel schedules for a single appearance together unless a decision has been made, even though Secretary Babbitt said no decision has been made.

Then when we said, “We want to see maps, we want to know what you’re talking about, this is our State, at least tell us,” Katie McGinty told me, absolutely, on Monday of that week, there are no maps. No decision, “This is just conversation, Senator, there are no maps.” Forty-eight hours later, Leon Panetta, the Chief of Staff of the President of the United States, called me to say, “This afternoon at the Grand Canyon, with the Vice President there, the President is going to announce the creation of the Grand Staircase Escalante National Monument, and reveal the maps.” Of course, we found out that maps had been circulating in the environmental community for months. The Sierra Club had had maps months before this as Katie McGinty said, “There are no maps.” When you have that kind of experience, you get a little suspicious.

So, when the leak came out that there were discussions of National Monuments in Utah going on, those of us who had that experience had the alarm bells go off and that’s why we fired the strong letter off to you and took the position that we did.

You have said, very graciously, and I appreciate it, that the work that I did with Congressman Matheson and the County Commissioners in Washington County and then the Wilderness Society and the environmental groups to try to solve this problem of wilderness was the right thing to do. After we did it, other counties in Utah came and said, “Let’s do it, again.” By coincidence, San Juan County—which is one of the areas that’s being, according to the leaks, considered for an Antiquities Act action—is one of the counties we’ve been working with and we’ve just announced the public process of comment from San Juan County and all of the stakeholders to try to duplicate what we did in the Washington County land use bill in San Juan County. That’s already underway.

So, that’s why we feel so strongly about this, that the Department of the Interior will allow us to go forward with the process that you have acknowledged is the right process and resolved problem. You’re correct when you say, in San Juan County, some of the most magnificent wilderness in the country is there and needs to be protected. We agree that it needs to be protected, but let’s protect it in the way we protected the magnificent wilderness in Washington County, rather than have another sweeping down activity of the Federal Government with the Antiquities Act, and Washington knows best, and—I accept at face value, your assurance that this is just conversation. If, indeed, you’re under instructions from the White House to do something dramatic and keep it secret from us, I would ask you, give me the wink and nod that Bruce Babbitt did, and don’t be like Katie McGinty and just look at me and lie.

I know you don't look at people and lie and so I'm not suggesting that, but Secretary Babbitt was very, very careful of the words he chose so that he did not cross the line of a flat-out misstatement, and other members of the administration in the Clinton years, were not.

We had that kind of experience—we sent a request for documents, we got the documents, we were able to prove, absolutely, from the documents that we had been lied to and I share that with you so you can understand the angst that this announcement, or this leak, had—or created—in Utah, having had that previous experience.

Now, I want to talk about oil and gas, I'll wait for another round for that. But I wanted to get that clearly out for everybody to understand. Maybe you felt that we overreacted, but that's because you had not lived through this experience. You are an honorable man, I don't think you would participate in that kind of thing, but we had that experience with a previous administration, and we're just—we feel just a little bit burned.

Secretary SALAZAR. May I respond, Mr. Chairman.

The CHAIRMAN. If you'd like to respond, go ahead.

Secretary SALAZAR. Let me, first, Senator Bennett, let you know that I do, very much, appreciate that history and know what it's like to be on the side of the State where the—somebody from Washington is coming in and telling the State what it is that ought to happen with the Federal lands located in that State, so I understand it.

No. 2, let me assure you that there is no direction from the White House on any of this for the Department of the Interior—zero, nada, nothing, OK? It just isn't there.

No. 3—

Senator BENNETT. That's encouraging.

Secretary SALAZAR. OK. Let me also assure you of the following. That is that, the template that you used with the Washington County Wilderness legislation and the template that Senator Barasso and all of you, I think, had pieces of legislation in the 2009 Public Lands Act because I worked on most of that legislation, that's a template that we ought to be using and I look forward to working with you and the people of Utah to identify where those areas are or whatever the appropriate protection level might be.

I think you were a pioneer in doing what you were able to do in Washington County. It seems to me that we ought to figure out a way of replicating that. I have spoken with the chairman about the need for us, hopefully, to come together—Congress as well as the administration—in moving forward, perhaps, with a, you know, 2010 version of what you did in 2009. But it, as you know, that legislation was very much a bottom's up—it's what the American people wanted, it's what the States wanted, and that's our intention as we move forward in the formation of the conservation agenda for this country.

Senator BENNETT. Thank you very much, and I appreciate that enormously and, as I say, we are well along the way to having the San Juan County bill move in the same direction as the Washington County bill, and we'll be happy to keep you fully informed on that.

I anticipate that, by the end of this Congress, Mr. Chairman, we will have the San Juan County land use bill ready to go and ready to be signed by the President in the same way that Washington County was.

So, I appreciate that reassurance, Mr. Secretary, and I think the people of Utah will be grateful to have it here, on the record, as well.

Secretary SALAZAR. Senator Bennett, I would like to—I would commit to you that I will come to Utah to meet with the group that's working on San Juan wilderness as well as with the Governor's group on Bellam's Environmental Labs, I think he calls it. I will do that this summer.

Senator BENNETT. We'll always be happy to welcome you. Secretary Hayes came and they still remember that visit—I'm sure he does, as well. But we're working on those problems, too. Thank you very much.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

Mr. Secretary, I'm sure you're glad to get to the Northeast from all of those concerns that they have in the West, and I want to thank you for the work that you and everyone at the Department are doing and recognize the difficult challenge that you and everyone in government is facing right now as we look at the limited resources we have and the amount of work we have to do.

For anybody from New Hampshire who's watching, let me just reassure them that while I share Senator Wyden's concerns about the forests, I'm not going to raise those since the White Mountain National Forest is not under your jurisdiction, but do appreciate the importance of recognizing the need for conservation with the challenges of keeping our timber industry going.

But I do want to ask you, Mr. Secretary, about a program that's very popular in New Hampshire and across New England, the Rivers, Trails, and Conservation Assistance Program.

As you know, our CTA program supports community-led natural resource conservation and outdoor recreation projects. The Northeast—and many of our communities—have really been pioneers in these efforts.

I want to first thank National Park Service Director John Gervais who was very helpful in working with me and other members of the New England delegations in looking at the reorganization that was proposed for the Northeast and trying to address our concerns to make sure that this program continues to operate robustly in New England.

I appreciate the issue that raised and spoke very eloquently to about the need to get our young people more involved in the outdoors and away from the television sets. Looking at the recommendation from the National Park's Second Century Commission, they talk about the need to extend the benefits of the National Park idea in society by creating—not just new National Parks—but corridors of conservation and stewardship, cultural connectivity, increasing lifelong learning.

When Mr. Gervais testified before this committee, he talked about his interest in expanding the RTCA program and I noticed that the budget has a decrease—it's not a huge decrease, but it is

a decrease nonetheless—and as we think about how we do the kinds of things that you’re talking about, how we do what the 21st Century, or the 2nd Century Commission has talked about, how do you reconcile what we need to do in an area like rivers and trails and where the budget is going with respect to funding?

Secretary SALAZAR. Let me just say, my understanding from my fabulous Budget Director here to my left is that Pam Haze says that funding for rivers and trails in the 2011 budget is level with what we had in 2010, is that correct? There were those management efficiencies were, what, just a fixed cost?

Ms. HAZE. Travel—

Secretary SALAZAR. Travel.

Ms. HAZE. Consolidating information technology, trying to find ways to save money within existing Departments.

Secretary SALAZAR. Let me, if I may, though take it—the fact is, as I started out in this budget presentation, we are dealing with some very tough times, OK? It was not easy for me to basically say to our folks, “We’re going to have to eat our fixed costs.” So, any increases in cost of living, et cetera, we’re going to have to find a place in our budget to meet those needs. Same thing with travel, same thing with IT, and so those are the kinds of efficiencies here.

But let me come back to a larger question which, I think, you have put your fingers on, Senator Shaheen, and that is that there is something that is almost magical and wonderful about the river ways and trails of America. We have not, as a country, done enough in the recognition of what we have to do with those trails—whether they are urban trails and places marked, like in Denver on the South Platte—or the trails of New Hampshire.

So, that is part of what I hope to do in some of the listening sessions that we will be having in the year ahead. That we really have a conversation with America about how it is that we ought to be taking care of some of these places.

They can become the renaissance for economic development, as this happened with many river ways across this country—the become the renaissance of health for people as they have in the middle Rio Grande and the Bosque, right? In Albuquerque, Senator Bingaman? Or they can become, in any of the wildlife refuges or parks or places that aren’t even under the control of the Federal Government but which are under the control of the State or local government or even non-profit entities, but there is so much potential with respect to what we do with our rivers in this country that can still be consistent with recognizing the existing historic use rights.

I always—when I give speeches about rivers, Senator Shaheen—I speak about the fact that for so many years this country, essentially, turned its back to the rivers of America and used the rivers of this country essentially as our cesspools and dumping places. That’s true whether you’re from the east or the west or the south or the north, there was no difference. One of the transformations that I think we’ve seen in the last 25 years or so is that people are now turning their faces to the river and recognizing that rivers and streams are, in fact, major opportunities for jobs and economic development for healthy communities and recreation and a whole host of other amenities that make our communities great.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thank you very much, Mr. Chairman.

Mr. Secretary, good to see you again, I appreciate your time today. I remain concerned, and you and I have talked about this, by the administration's—what appears to be a war against American oil and natural gas production. I have great concerns about a war on western jobs. These are hardworking people. These are people in the oil and gas areas who wake up early, try to get the kids off to school, get them fed and then go and work very hard to work toward energy security in this country. They have invested blood and sweat in their jobs, in creating jobs and producing the energy that powers America.

Now, the administration likes to talk about the virtues of natural gas, but it seems to me, Mr. Secretary, that the administration is simultaneously imposing regulations and taxes to drive the industry into the ground. It seems that the right hand is not talking to the left hand, and there are new regulations that seem to me to be burdensome, duplicative, and my question to you is, does this administration believe that all of these regulations are actually going to help create jobs and foster increased production and the energy security that our country needs?

Secretary SALAZAR. The answer, Senator Barrasso, is we believe that we're going to do it the right way. We believe that we need to explore and develop in the right places, and with the right information. I think if we do it right, in the way that we are proposing and there are people who have better ideas, we're always open to those better ideas. But the reality of it is, that most of the oil and gas leasing and the rush to leasing that occurred in your State and other States in the last administration, essentially led to the kind of log jam where 50 percent of the leases that were being handed out essentially ended up in endless litigation. That's in contrast to the circumstance that we had 10 years ago, where less than 1 percent of leases would end up in protests and litigation. Yet, at the end of the last administration, almost half of them were ending up in litigation. That's because there was a failure to do thoughtful planning with respect to where oil and gas production should, in fact, be taking place on the public domain.

If you have an oil field—a natural gas field—that's already developed out there, the known resources are there, the infrastructure is there—those are the places that we ought to go, first. It doesn't mean we should shut the world off to other places, but we ought to be proactive, working with the industry to make sure that we are being supportive.

But let me, I want to make just a comment about the overall sentiment which you expressed which is a frustration with the administration. Let me first say that President Obama has made it clear from day one that what he wants to do is to have a comprehensive energy plan. That that comprehensive energy plan needs to create jobs here in America—to your point about job creation—No. 2, that we need to move forward with getting ourselves out of the great dependence that we have on foreign oil, and No. 3, that we need to address the issues of global warming, which are real.

So, those are the things that we have talked about. Now, in our Department, how we have taken that charge forward is, yes, we've moved forward with renewable energy, yes, we've moved forward with climate change initiatives, but we've also supported oil and gas development, I think, in what is a very robust way.

Just a few statistics. In 2009, we leased more acres in the offshore, Senator Landrieu, than any other year since 2000, OK? federally, onshore, oil production increased 14 percent in 2009, onshore bonus revenues in 2009—these are the bonuses, this is not for the production that is actually taking place—were at their highest level since 2001.

We had onshore acreage leased in 2009, I think, in each one of your States, with multiple leases that we issued, and so we continue to move forward with, I think being supportive of oil and gas development in this country.

We also have to be mindful that we need to get a fair return back to the American taxpayer, so we are not—as some people would claim—taxing the oil and gas industry to death; \$45 billion in profits were reported by Exxon Mobile and \$26 billion by Royal Dutch Shell, and yet, our Federal onshore royalty rate at 12.5 percent is essentially the same rate that was in place in 1920 when the 1920 Mineral Leasing Act was passed.

The reason that that number was chosen back then is because—coming out of the common law in England, it was seen as the King's share. The King's share was 12.5 percent. So the King's share at 12.5 percent chosen back in 1920 may not be what the share ought to be now in 2010. But when you compare States, for example, like Texas where, on average, the onshore royalty rate is 22.5 percent, I think that all of us have a responsibility to make sure that if a public domain is being used, that there's being a fair return back to the taxpayer.

So, I would just say, in sum, that we are supportive of oil and gas development, Senator Barrasso, including in your State, and we move forward with leasing in your State and we also are very adamant about making sure that at the end of the day the taxpayer gets a fair return for this property.

Senator BARRASSO. Thank you, and I think it looks like my time is expired. I just know revenues from oil and gas bids and rentals in Wyoming in 2008 was over \$93 million and last year it was dropped to \$10 million, so we need to make sure, maybe, that we're looking at the same numbers, because from a revenue standpoint there has been a significant reduction—it drops way below just what the price of natural gas seems to be, or the changes in the price of oil.

Perhaps I'll have more questions for a second round, Mr. Chairman. Thank you.

The CHAIRMAN. Very good.

Senator Udall.

Senator UDALL. Welcome, Mr. Secretary, it's wonderful to see you here. Congratulations on a very successful first year. You are known for not wasting an hour, much less a minute, and you've assumed the helm of this important part of our Federal Government's responsibilities, and I'm very, very proud of you as a fellow Coloradan.

You'll always be my senior Senator, it's great to have you back in that—

Secretary SALAZAR. I don't want you to ever forget that, you know.

[Laughter.]

Secretary SALAZAR. I notice you're higher up on the dais than I am down here on the table, you know?

[Laughter.]

Senator UDALL. That's only temporary, Mr. Secretary.

Let me just start and say thank you for the tough decisions you made when it comes to your budget. We all know we're going to have to tighten our belts, and this is the kind of conversation that we're going to have to have across the Federal list of responsibilities and the Federal Cabinet officials.

I don't agree with all of them, none of us do, but you've shown leadership in presenting us with your budget.

I did, though, want to acknowledge some of the key elements with which I do agree. The \$3 million for the Arkansas Valley Conduit—you know as well as I do, the importance of that project to get clean, safe and predictable drinking water to the people of Southeastern Colorado. I know you'll make it a priority because you know, firsthand, what small communities in poor economic situations face when it comes to the responsibility to meet the Federal Water Quality Standards. So, thank you for your leadership there.

Let me turn to LWCF, I know it's very important to Senator Landrieu and all of us. I like the idea that you've put resources under the LWCF category for purchasing land in the Canyon of the Ancient's National Monument with which you're very familiar.

On another note, let me associate myself with the Chairman's comments on abandoned mine land payment programs. You and I share a passion about cleaning up those abandoned mine land sites and I'm not quite sure what the intent of the cuts are in the change in the approach of coal lands, but we would welcome your comments there, Mr. Secretary.

Let me turn to the conversation you just had with Senator Barasso. I want to just acknowledge the balanced approach that you've taken. You've clearly immersed yourself in—as you just pointed out to us—the history of how we treat public lands, that the return is due to the taxpayers, and I believe that there's no better proponent than you of natural gas and the important role that it will play as a bridge fuel in our future. But we have to develop it in a responsible way, and the responsible leaders in the industry itself who know that you have to protect the health and the environment of surrounding communities.

I think, Mr. Secretary, and I would welcome your comments, you've created an environment of more certainty, predictability, which we hear the business community wants and needs, so I thank you for that.

I would welcome any comments you have on the proposed changes to the oil and gas fee policies, I don't—I didn't hear you speak specifically to that, but if you'd like to share with us your thinking there, I would appreciate it.

One final comment before I leave the rest of my time to your comments is, in your leadership on renewable energy, on public lands has been exemplary, and I know you've added some additional funding there. I would welcome your comments, as well, on your vision and your goals when it comes to renewable energy on public lands.

So, again, great to have my Senator here.

Secretary SALAZAR. Thank you very much, Senator Udall, and thank you for your long leadership in Colorado and for your friendship. The Udall name is synonymous of the great conservation legacy of America.

Let me just say in quick response that some of your questions—first, on the increased fees for oil and gas. This is a tough budget. When you think about the deficit situation which all of you are immersed in here in this Senate, we needed to come up with places where we could put together a budget that ultimately would work. So that these are in here for oil and gas permitting activities onshore as well as inspection fees—both offshore and onshore are all consistent with what we think is appropriate to be paid.

I do think that, frankly, any of these fees that we're talking about, here, are going to put anybody out of business. The fact of the matter is that there is huge oil and gas resource out there in the public domain and these fees will be part of doing business but it's not going to have a negative effect in terms of the economic incentive to moving forward with the development.

In terms of the natural gas, I would just say, you know, our position in the Department is that we are proud on the fact that it through the U.S. Geological Survey—which is probably the best earth science agency in the United States and maybe in the world—that we have part of the effort of developing the information on the availability of natural gas resources, and there is huge potential—based on the estimates that USGS has come up and based on estimates others have come up, on the development of natural gas here in the United States. So we agree that it is one of the keys to getting us to the new energy future and to the energy independence which, I know, strikes a cord in all of you across the table.

With respect to the Land and Water Conservation Fund, I think it was Stuart Udall who sat in the Office of the Secretary of the Interior with a number of people—including Henry Diamond and Gil Grossner and others to come up with the Land and Water Conservation Fund concept back in the 1960s. As Senator Landrieu and Senator Alexander have often talked about that concept, along with Senator Bingaman, there was a view, then, that if we were taking something from the earth that we ought to be returning, at least, a portion of it back to the earth in the name of conservation.

As Senator Bingaman, the chairman, in his opening comments to this hearing made the comment that \$900 billion, yes, were being credited to the Land and Water Conservation Fund but it never gets there. Because it has to be subject to appropriation. You know, I noticed Senator Bingaman and, I believe, Senator Baucus have legislation that would change that around.

I don't know where, ultimately, that all will end up, but it does seem to me, quite frankly, Senator Udall, that the way that the

United States of America—under both Republican and Democratic rule—have essentially dealt with the Land and Water Conservation Fund as essentially a 50-year broken promise to America. We're trying to restore that by getting the funding back into LWCF.

The CHAIRMAN. Senator Landrieu.

Senator LANDRIEU. Thank you, Mr. Chairman.

Thank you, Mr. Secretary, for your really extraordinary leadership and, I think, your exemplary environmental stewardship of a very important department in our country.

I want to start off on a very positive note and commend you for your work on your Rivers Initiative. I think the exchange that you had with Senator Shaheen is really quite special, and I want to commit to you to work with you.

There are thousands—hundreds, thousands—of rivers in America that bring life and joy to people, to families, to children that don't only live in rural areas with great expanses, but live in inner cities and they're shut out from their rivers and their waters. I've seen the transformation of a very special place happen right in my own city of New Orleans when the river was opened up. That city is going to celebrate its 300th birthday in 2018. So, it will be really an extraordinary promise, a very important port city of our Nation.

Which brings me to the first point. Of all of the rivers in America, the Mississippi River is its greatest. It opens the interior of our continent, it supports 25,000 miles of inland waterway, it drains 40 percent of the continent—not just the United States, but of the continent. The drainage base, in itself, is 1.3 million square miles. As you know, Mr. Secretary, because you and your team have flown over this great delta, it is unique in the United States and there are only about 9 such deltas in the whole world. It is—to bring to your attention—at great risk, the delta of the Mississippi, the coast of Louisiana. We're losing a football field equivalent of land every 30 minutes. So, when people think about Drew Brees being on the field, throwing that football for an hour, I hope they think about the land loss that's happening in this delta.

Which is why you and I have fought for years about how to find a way to fix it. One of the ways that we believe—with the science coming together—is a revenue stream that could be committed, over time, to restore this extraordinary marsh, to support the navigation and work that goes on in this delta and the tremendous economic vitality of this delta—much like we see in the drainage through the Netherlands of Europe—is the same sort of situation that we see in terms of drainage of the United States through Louisiana.

So, can I just have your, just brief 30 seconds on your commitment to helping us find a way forward? Your understanding that this is a very special place in the country, and your commitment to help us continue to find a reliable, robust stream of revenue to support its existence?

Secretary SALAZAR. The answer to that, Senator Landrieu, is absolutely yes. I'm committed to the restoration of the Mississippi and the Gulf Coast and frankly when you look at the great landscapes of America, whether it's the Great Lakes or the San Francisco Bay delta, or the Crown of the Rockies or the Chesapeake Bay, there's frankly a lot of work to do, as well as the kinds of riv-

ers that we have in my State, which nobody would recognize outside of the local community.

There is a reality that there has not been a coherent, coordinated national approach to these kinds of efforts and hopefully that's what we'll be able to find this year.

Senator LANDRIEU. I look forward to working with you on that.

On another subject, not as positive, is in this delta, as Senator Barrasso brought up, there is a tremendous amount of positive oil and gas development, both offshore, right onshore and then inshore—particularly with the discovery of the Haynesville Shale. Which, I was just given some information about the Haynesville Shale, which is one of the largest finds of natural gas recently in the country. They believe that we've found 251 trillion cubic feet of natural gas. That's 11 times more than the country used in its entirety last year. That's just one find in the Haynesville Shale.

The industry tells me that it's been game-changing in the last 24 months—even men and women who have been in the business for 40 years—are coming to talk to me about the fact that the discoveries of natural gas in this country are beyond what they even imagined—and you have to be optimistic to be in the oil and gas business.

So, my point as my time comes to an end, is it seems quite contrarian, the President—I know you're not in charge of the tax code—but the administration has put forward Draconian taxes on an oil and gas industry. It seems very contrary to our stated goals of being more energy sufficient in the United States. In other words, taxing a domestic industry that will cut jobs, increase our dependency on foreign oil, seems contrary to your stated opening statement about relying more on our own ability to produce.

So, I want you just to deliver that message, again, to the administration. We have bipartisan opposition to oil and gas—taxing of this oil and gas industry. While we move to alternatives, we need to continue to mine the natural gas that is in this country—and oil, as well—as we move to a greener grid. There's going to be fierce opposition to taxing this industry, because it is counter to creating jobs and counter to energy independence.

My final point—I know I've just got 30 seconds, Mr. Chairman, and I appreciate it—is your policy about wild horses. I want to thank you for your commitment to preserving what's special about America; the cultural treasures of our country. I would think that watching a herd of wild horses run free in the west is one of those scenes we don't ever want to shut out to our children. In my view we are on the verge of a disastrous policy if we don't work harder to change that.

I'm going to—my time is out—but I want to visit with you about what is in this budget about the millions of acres of land we have in the west that seem to be diminishing, in terms of their survival, and how we really need to come to terms with that in a way that the taxpayers can support, and we can preserve that great scene that—while people haven't seen it with their own eyes, they see it in the movies, they dream about it at night—and we never want it to go away.

Thank you, Mr. Secretary.

The CHAIRMAN. Senator Murkowski, did you have additional questions?

Senator MURKOWSKI. I do, Mr. Chairman, I have one more—maybe it's a combined package.

But it refers to the Treasured Landscapes and the question that I asked in my opening statement, just to gain a better understanding. I was not here for your discussion with Senator Bennett about, the withdrawals and the monuments. Of course, we're always with our antennas up in Alaska, after ANILCA and a designation in my State of some 47 million acres—32 million of which were wilderness—one-sixth the acreage of our State was put into withdrawal status on top of the other Federal lands that we already have. So we have held up as—the “no more” clause that is contained within that, we're saying, “OK, we have plenty of areas within the State that are preserved, and protected. When we see suggestions whether it's the Bristol Bay Region or Teshapuk Lake or the Iditarod Trail that maybe, on somebody's list somewhere it causes absolute anxiety.

I'm trying to understand, as you talk about the Treasured Landscapes, understand what the definition is of the Treasured Landscapes program, is this something that has been contained in prior budgets and was just named under a different category? Is this a brand-new initiative within the administration? How you came to be at this juncture with Treasured Landscapes? What will it mean to me in my State, for instance?

Secretary SALAZAR. Senator Murkowski, what we hope to do is to engage in the conversation with Alaskans, similar to the conversation we hope to engage in New Mexico, Utah, Louisiana and other places about what places are special and what kinds of things do we need to do to enhance those efforts. In Louisiana it may be the Mississippi, in Utah, it may be the San Juan Wilderness area.

It is a label, frankly, probably out of my head, put on the conservation agenda for this country. But I do think we do need to have a 21st century conservation agenda, and one of the principles of the development of that agenda is making sure that we have the local input as we move forward. It is something that will take shape over time.

I suppose the way that I would define the Great Outdoors America agenda is we took our first step when this U.S. Congress in its first session in this Congress passed the 2009 Omnibus Public Lands bill. That legislation created 2 million acres of wilderness, 1,200 acres of wild and scenic rivers, several national parks units, a number of water rights restoration and settlement efforts around the country, and I would say that's chapter one. Chapter 2 is still to be formed, and to be formed in consultation with all of you. So, that's the essence of it.

Senator MURKOWSKI. At that point in time, even though you have contained within the budget a little over \$50 million to, it says, “Enhance operations and maintain the Nation's Treasured Landscapes,” we really haven't defined where they are or what might be required to operate or maintain?

Secretary SALAZAR. Everything that is in this budget, essentially, has been defined as a project. For example, there is money in this budget under what I would call Treasured Landscapes that will

deal with Gulf Coast restoration. There's money in this budget for the Great Lakes restoration and the Chesapeake Bay restoration, and the San Francisco Bay Delta effort that we have underway there. Those would all fall under that rubric.

So the money that is included in here is tied in to specific initiatives that have come out of the bureaus and I'd be happy to sit down and go over each of those, you know, whatever it is that ties into Alaska, which I don't have off the top of my head right now, but I'd be happy to sit down with you—

Senator MURKOWSKI. The only 2 that have come to my attention are Teshapuk Lake and the Bristol Bay region. Do you know if those are being considered for Treasured Landscape designation or status?

Secretary SALAZAR. With respect to Alaska, I would imagine that we have Denali National Park, obviously, and trying to do some additional things there, as have done in investments from the Recovery Act—

Senator MURKOWSKI. Right, park expansion.

Secretary SALAZAR [continuing]. Some of the great resources that Alaska has, I think, Alaska—as you, I think, often refer to it as, sort of, America's Last Frontier and has huge ecological resources up there that I think require us to make sure that we're doing right by the Nation as we move forward in Alaska, but knowing, as well, that when you're dealing with Alaska, it's important to work with you and with Senator Begich—we will be working closely with you on that.

We have no—we have no direction from the White House to move forward with any monument designation, and that's true for Alaska, as it is for Utah, as it is for any of the States represented on this committee.

Senator MURKOWSKI. OK. I'd like to work with you to better understand that. As I mentioned, there's a little bit of anxiousness or anxiety that something may be going on.

I appreciate your statement, initially, to the chairman about, you know, there's no hidden agenda, here, and I think the opportunities that we will have to be engaged in discussion about this, so that we can let folks know back up in the State clearly what's going on, I think that that helps.

Secretary SALAZAR. Can I spend just a minute on this Treasured Landscapes issue?

Senator MURKOWSKI. Please.

Secretary SALAZAR. It's labeled Treasured Landscapes and I thought it was a pretty good label when I took over the Secretary of the Interior, and I'll tell you where it came from: the conversation with what I think are the 3 founders, along with Bobby Kennedy and President Kennedy and Stuart Udall on the Land and Water Conservation Fund. It was early on, I think I had been—I still was, maybe a U.S. Senator when I met with Stuart Udall, probably in this room, back, like, right there. We had a conversation about the Land and Water Conservation Fund and what that might mean in the 21st century.

So, I thought about it and I thought, "Why don't we put it under this rubric of Treasured Landscapes? What ought we be doing in this 21st century when we look at the rivers and the lakes that

Senator Shaheen and Senator Landrieu were talking about? What ought we be doing with respect to these areas, such as the San Juan Wilderness Area which Senator Bennett has been working on? We haven't really had a coherent, coordinated approach to working on these things." So, I put the rubric on them as Treasured Landscapes.

Now, how ultimately that will be defined will be something that we'll work on together as we move forward in this year. I have said publicly—and this is a Ken Salazar position—that I do believe that the Land and Water Conservation Fund essentially has been robbed, because the original intention of President Kennedy and those five people who suggested the Land and Water Conservation Fund was that there would be a trust fund that would be created that would essentially help us deal with these conservation issues as our Nation continued to grow. If you think about the population growth in the United States of America from where it was in 1960 to where it is now in 2010, and you look at the other kinds of issues that we are facing, it seems to me that it is an important conversation and an important national dialog that we ought to have.

We will have that dialog as the year moves on and there will be more specifics that we will be sharing with all of you, but I can guarantee you this—that it will happen with all of you, OK? There will not be surprises, there, in terms of where we move.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman.

I really wanted to just stay around this morning to, again, recognize and appreciate your support that you've indicated on a number of occasions this morning for the Land and Water Conservation Fund. As so many people who have talked about it have indicated, this is a critical program for all of our States and it makes a huge difference. You know, I've really appreciated the funding that you've put in this budget for the Silvio O. Conte Reserve, that's a project that involves 4 States, it's very important to New Hampshire.

Unfortunately, because the Land and Water Conservation Fund is not fully funded you were not able to fund a project up at Lake Umbagog, which is in Northern New Hampshire, it's the headwaters for the Androscoggin River that flows through New Hampshire and Maine and to the Atlantic; it's a very important—preserving the land around Lake Umbagog is going to be very important for future generations and for the wildlife in that area.

If we are able to better fund LWCF, it will make a huge difference. I certainly support the Chairman's legislation to help do that.

I wanted to add a final point that you may want to comment on. We've talked a lot this morning about the economic impacts of this budget and the programs and conservation efforts that you do at the Department of the Interior and, in some cases, there are trade-offs to that. But, I just want to point out that, according to the Outdoor Industry Foundation in New Hampshire, that outdoor recreation—so the kinds of projects that are supported by the programs through the Department of the Interior—supports 53,000 jobs in New Hampshire, generates \$260 million in annual State tax rev-

enue, produces about \$4 billion in retail sales and services across New Hampshire which is about 8 percent of our Gross State Product.

So, these conservation efforts are just about protecting, as we all know, about protecting the landscape for us to gaze at. They're about protecting it so that we can use it. There's huge economic benefits to that.

So, I just wanted to, again, thank you for your efforts and say, hopefully, we can stop robbing LWCF so that we can support more of these projects in the future.

Secretary SALAZAR. If I may, Senator Bingaman, just a quick comment on that. I think one of the realities is that not enough members in Washington, DC, get what you get. That is that what we do with respect to conservation of these outdoor resources are a huge economic generator.

I know the West better than I do New Hampshire, but I would imagine that the tourism that comes into Zion National Park, the 11 million people who come to Montana in any 1 year. The State of Montana has a population of only a million. So, the economic impact in all of these States of what we do with respect to the outdoor resources is one that ultimately is not looked at a lot. So that was one of the reasons why I had the economists at the Department of the Interior produce the first economic analysis of the Department, because there's a direct nexus to jobs and I think the outdoor recreation industry has it right when they say 6-point-some million jobs are directly attributed to what we do in the outdoors.

Senator SHAHEEN. Thank you.

The CHAIRMAN. Senator Bennett.

Senator BENNETT. Thank you very much, Mr. Chairman.

I appreciate the figures you gave us, Mr. Secretary, about the increases in oil and gas leases. Senator Barrasso said that hadn't happened in Wyoming, and I have to point out, it hasn't happened in Utah. Let me give you some numbers and get some reaction.

For—between 2006 and 2009, the average quarterly lease sale netted \$8 million, half of that goes to the—in royalties. Half of that goes to the State and half of that goes to the Federal Government. In a State where they're having very tough budget problems right now, that's money that we can use.

Just a week ago, on the 23rd of February, BLM held an oil and gas lease sale, and only 4 parcels were offered. Only one sold. The total revenue from the sale was \$6,300. You split \$6,300 between the State and the Feds and compare that to \$8 million, which was the average before you put in place these new regulations about reviewing these things.

My State legislature and Governor get very concerned about the amount of revenue that is lost that they have been used to getting with respect to this. You made a comment—or I guess it was Senator Udall made a comment about bringing certainty to this whole thing, and that businesses thrive on certainty.

Just this last week, I had people who do the drilling in Utah in my office talking about the uncertainty that has come about, and contrasting it to drilling on Federal lands and drilling on State lands.

Of course, you know, being a Senator from Western States all about State trust lands, and how State lands have been different.

I was told that the period of time to get a lease approved on State land is 60 days. The period of time to get a lease approved on Federal land—I don't know where they got this figure but I'm sure they could get back at—550 days. When you see this dramatic drop off in the number of leases offered and the dramatic drop off in revenue available to the State—let alone the Federal Government—and the dramatic increase in time necessary to get to a lease, you have to ask the question, which I'm asking you now, have you done any studies about the economic impact of the new rules you've put in place to slow everything down?

Secretary SALAZAR. Senator Bennett, I appreciate the question very much. I will tell you, even as recently as late yesterday afternoon, I was meeting with county Commissioners from Utah, as well as IPAMS—not exactly a friendly crowd, if you will, in terms of some of these initiatives that you're alluding to—but having a conversation with them about how can we do things better. We will have Director Bob Abbey, at BLM, go out and have additional meetings to see how we can do things better.

To respond, overall, to what I think is the thrust of your question that, essentially, it's our doing things differently in this administration, I think you would assert is having a decline in all of this economic activity in terms of revenue generation. I, with all due respect, Senator Bennett, would beg to differ. I think it's the economic times that we have been through and the low price of natural gas that has created the lack of interest in additional lease lands, and that's why we end up having, not only thousands, but literally millions upon millions of acres that are out there, that have already been leased, both on the onshore as well as the offshore, that aren't being developed. Part of the reason they're not being developed is where the price of oil and natural gas have been.

So, it's the overall economics that have driven down the revenue numbers that you were alluding to, in my view, and not the changes that we brought about—bring about—to create a more streamlined and certain process with respect to oil and gas leasing.

But as I said in an earlier part of the testimony here this morning, I don't pretend to know that we are the holders of total wisdom relative to how we ought to be regulating our public lands and oil and gas. So, if there are better ways in which we ought to be doing what we're doing, we are listening. That's why Assistant Secretary Wilma Lewis and Director Bob Abbey, as well as myself and Deputy Secretary David Hayes, will be having additional meetings to understand what the real impact is of our new rules on the ground.

Senator BENNETT. I accept your comment about the price of natural gas. I think that's a legitimate comment and a legitimate reason why things will be down from where they were.

But I would just have you—as you go through the process you've just described, and I'm grateful to you for describing your willingness to do that—compare the willingness and the ability of the State to produce a lease in 60 days, and get it through and the bu-

reaucracy, or whatever it might be, that goes on with respect to doing the same thing on Federal lands.

The people who are involved in these leases tell me the folks on the ground in Utah in the BLM office in Utah, are terrific. That it is other things that slow everything down. You're meeting with people—County Commissioners and IPAMs and others—to talk about what those other things might be, is very much welcome.

Thank you.

The CHAIRMAN. I see Senator Menendez has arrived and has not had a chance to ask any questions. Why don't I call on him, and then Senator Landrieu, and then if we still want to have a third round, we could, I guess, after that.

But go ahead, Senator Menendez.

Senator MENENDEZ. Thank you, Mr. Chairman.

I thank my colleague from Louisiana for her courtesy.

Mr. Secretary, always good to see you—I'm glad you're smiling. I see good things in the budget proposal—the new Energy Frontier, the climate change adaptation, the Treasured Landscapes—I think those are all great initiatives and I want to salute you, I look forward to trying to be helpful in the process.

But I do have a couple of questions of things I'm concerned about. We have a drilling contractor working in the U.S. waters that worked on the rig that blew off the coast of Australia last year, which worries me, and that's why I wrote you in November to ask you to launch an investigation into the safety of Sea Drill Limited's operations off our shorelines. I received a letter stating that MMS is going to undertake such a review, but I have not heard the results.

So, one is, I'd like to know when we can expect those answers?

Secretary SALAZAR. As a result of your request, Senator Menendez, MMS was asked to provide technical expertise to review the cause of the oil spill, according to the note Pam just handed me. The MMS has engineers and other technical experts involved in the investigation, and the investigation is not yet complete.

But, if I may, I think that—

Senator MENENDEZ. Do we have a sense of timeframe?

Secretary SALAZAR. I can get that—I will get that for you, Senator Menendez, on the completion date.

Senator MENENDEZ. I'd appreciate that.

Now we see reports from a whistle-blower that BP's enormous Atlantis platform in the Gulf of Mexico is lacking the proper engineering and safety documentation which MMS appears to be downplaying. You know, how—how, you know, if this advocacy for offshore drilling is going to continue, then it just seems to me the question is, what type of oversight are we going to have to make sure that all of the, you know, aspirations that are out there, that, "Oh, we have all of the greatest engineering, all of this is environmentally safe," and yet, you know, you have Sea Drill Limited's operation and what happened there, you have this information about Atlantis—what is MMS doing to ensure that, in fact, we have those safety precautions to make sure that, you know, we don't have risks?

Secretary SALAZAR. Let me, Senator Menendez, first let me say we take our job very seriously in terms of policing what happens

in the offshore—I have visited the rigs in the Gulf Coast, for example, to see what our employees are doing to monitor what exactly is going on and what our—what we would do if there was a spill response.

I think when you look at the record of what we have done with offshore oil and gas production, we have a very good record. That does not mean that it is a perfect record, but it is a very good record.

Over the last years, MMS has conducted over 34 research efforts into looking at how we respond to oil and gas spills that might occur, continuing to further our knowledge about how we manage these issues in the waters. There are huge differences, for example, there are huge differences between how you respond to an oil and gas leak or spill in the Gulf of Mexico than you would in some places in Alaska, in the Arctic. So, you have to look at issue such as the environment, issues such as the infrastructure and the availability to be able to respond if some catastrophe like that were to occur.

But I will just say that we are aware that there are environmental risks when you do oil and gas development in the ocean waters, and that we are doing everything we can to minimize the potential exposure.

Senator MENENDEZ. As you know, I have a real concerns about what is envisioned in the outer continental shelf, certainly along the East Coast shoreline. Those concerns—to both our environment and our economies in States like New Jersey for which our tourism industry is the second-largest driver of our economy—we can not put it at risk. You and I have talked about that when you were a Senator, you and I have talked about that in your confirmation hearing, and you and I have talked about that since you became the Secretary.

So, these instances drive me to be increasingly concerned about this drive for opening up the outer continental shelf and I just look forward to the answers on, from MMS.

Two final things. One is, I appreciate what you have done in both—in Ellis Island, opening up the crown of the Statue of Liberty. I'm pleased to see that the budget has \$25 million allocated for maintenance work on the Statue of Liberty and I want to applaud you for that tremendous work.

But I don't want us to forget about the other parts of Ellis Island that need to be preserved. You had an opportunity to see some of the old hospital buildings on the New Jersey side of the Island. Does the Department support funding to refurbish those important buildings? We are trying to work with all of the stakeholders to forge a plan that creates a public/private partnership, here, with institutions like Save Ellis Island. I hope—we've had a little challenge in moving forward, there—I'd hope we'd see greater progress, we haven't. It's tough to raise, you know, moneys to help preserve when we can't get the partnership that we are looking for.

So, I hope, based upon all of your commitments that you've already made that we could go to the final step and be able to achieve that. So, if you could answer that question for me.

Then, very finally, offshore wind. You know, I appreciate that you came down to New Jersey, there are some of the leases that

are extended—established—there. But from everything we hear from the private sector, there's a suggestion that this could take anywhere between 7 and 10 years in the process.

I've heard that you're one of those advocates of trying to consolidate, maybe one-stop shopping or some other efforts to truncate that time period somewhat so that there can be real investments made at the end of the day, and I'd just like to get your sense of that.

Secretary SALAZAR. On 2 of your points, Senator Menendez, first there would be nothing more important to me, personally, than frankly, getting Ellis Island totally restored and open it to tell America's story on immigration, and I think that's one of the jobs that I have as the Secretary of the Department is telling America's story, and you can't tell America's story completely unless you talk about immigration and Ellis Island, I think, is ground zero where most Americans can trace their roots back to their ancestors coming through Ellis Island.

So, we will continue to work on it, it is an expensive project, we have put in \$10 million into this budget by my decision to move forward with the partnership, and I hope that we could do something there similar to what we did on the Statue of Liberty, where we created a public/private partnerships that ultimately ended up putting in hundreds of millions of dollars into its restoration.

We have other projects like that that we'll be working on, for example, here at the National Mall. But, Ellis Island, for me, remains at the top of the list of priorities for that—for those kinds of initiatives.

With respect to Atlantic offshore wind, I have met with the Governors from all of the States on the Atlantic. I think, today, there is huge potential for us to stand up the offshore wind in the Atlantic. We have seen what the U.K. and Denmark and other places have already done with offshore wind and there is tremendous interest on the part of the private sector and the States for us to move forward, so therefore I am personally putting a significant amount of my time in.

One of the areas that we are looking at, in depth, is how we can shorten up the process. It is, in my mind, completely unacceptable to have a developer of an oil and gas wind farm having to wait 7 to 9 years to get to final permitting. That's not going to happen. We're going to do within—we are looking at existing authority, relative to how we can fast track offshore wind projects, and to the extent that we come up against barriers, we will come to this Congress and we will ask, Senator, for your support in getting some of those barriers out of the way.

It is interesting that in the onshore, we are currently—under our onshore authorities—fast tracking about 5,000 megawatts—5,000 megawatts—of renewable energy power from solar, wind and geothermal alone. Because of the fast tracking process that we have been able to put into place, those projects, we hope, will be permitted by December of this year. We need to move with the same kind of acceleration in the offshore.

Senator MENENDEZ. Thank you.

Thank you very much for your answers.

Senator LANDRIEU [presiding]. Thank you.

I was asked by the Chairman to wrap up this after my next line of questioning.

Mr. Secretary, you've been very generous with your time, thank you very much.

With all due respect to my colleague, the Senator from New Jersey who has not been a supporter of offshore oil and gas drilling, and we sit next to each other, as you can see, and I am—I want to call out that the West Atlas rig that blew and caused a terrible spill was not off of our coast, it wasn't anywhere near our coast, it was off the coast of Australia. It was a very isolated incident. While he's asked you to investigate whether those same individuals might be involved in some drilling off of our coast, my understanding is they wouldn't have ever got a permit to drill anywhere off of our coast under current rules and regulations.

So, I'm interested in the outcome of what your look into that is, Mr. Secretary, but as I've tried to explain to my colleague from New Jersey, that this industry has advanced so significantly since the 1960s. I think I demonstrated at our last meeting that, of all of the spills that have occurred in the entire oceans in the last 30 years, you could contain it in the Reflecting Pool between here and the Washington Monument. I mean, just the gallons are so miniscule compared to the benefits of U.S. strength and security, the benefits of job creation and energy security.

So, while there are risks associated with everything, I think you understand that they are quite, quite minimal.

I want to go back to the Wild Horse Program and this will be my last few minutes of questioning. Mr. Secretary, in your opening statement, you say that you are honored, of course, to serve as the 50th Secretary of the Interior and you manage over 500 million acres. One in 5 acres of land in the United States is actually managed by the Department of the Interior.

I don't know if you're aware that, in 1971, the Interior Department set aside a small percentage—53 million acres—for wild horses. I say "set aside," it's not for wild horses, only, the were one of many occupants of that land. Do you realize that we have lost 19 million of those 53 million? What is your plan to restore some of that acreage to these treasured herds? If you could comment on that?

Secretary SALAZAR. Senator Landrieu, first let me start by saying that I share with you the love of horses. They have been a part of my life almost since I was born. So—and I know your passion for protecting the horses.

We have a huge problem on our public lands because we have more horses than, frankly, the range can carry, about 30,000 too many horses and burrows. So what we have to do is come up with a solution. Because this is such a passionate and emotional issue, solutions have eluded the Department of the Interior and the Bureau of Land Management now for decades.

So, my hope is that we'll be able to find a solution so that we can have the number of horses and burrows that can carry the herds that are consistent with the following principles.

The first is the protection of the horses, because right now we have a circumstance where horses, in my view, end up sometimes starving to death and being in conditions that are very inhumane,

simply because of the fact that there isn't enough there for them to eat.

Second of all, we have to be also aware of the importance of protecting the taxpayer, here, and coming up with a long-term solution that addresses this issue so we're not just kicking the problem down the road for somebody else to be dealing with in 10 years.

Third, I'd like us to figure out a way of protecting the heritage that I think is symbolic of the wild horse. Senator Nelson reminded me yesterday in a meeting that we had where we were talking at St. Augustine and telling me that it was through Florida where horses were first introduced by the Spanish and so the fact that horses are not native to the United States and have inhabited lots of places in this county, is also something that we ought to keep in mind as we strive for a solution.

I'm not wedded to my proposal, Senator Landrieu, and if there are other people who have better ideas, we ought to figure out a way of moving forward with those ideas. I just don't think that this is a problem that we kick down the road, and ask for more money every year, to basically hold these horses in short-term holding facilities, which are very expensive.

Senator LANDRIEU. OK. I appreciate that, and to conclude, I want to work with you on a very cost-effective solution for this, because the current system that we have, I believe, is broken, it's expensive, and I don't think the taxpayers will sustain it.

No. 2, I realize that there are some that say there is not enough land for the horses. But we have 500 million acres, they're now down to a measly, you know, 31 million—what's, you know, what's happening in the other 470 million acres?

So, while, you know, that is one argument, looking at the number of acres that we have to manage and the small number that they are actually allowed to roam on, I have a real question about that.

Also the—the round-ups, the expense of the round-ups, the timing of the round-ups, in mid-winter, the cruelty of moving large herds down mountains in snow and ice at times of the year that—I've had this discussion with some of your staffers—is very troubling.

So, I look forward to working with you, and I thank you that you're not wedded. Because I think that the 2 of us, and others, can find a solution that's cost-effective, that's humane, that's exciting, and that gives opportunities like Senator Shaheen said, for tourism and recreation. These herds are great assets for the country, and if we work together we can find a solution that's much more cost-effective and much more humane.

So, thank you for your attention.

I believe, Senator Barrasso, if you have—the Senator—the Secretary has been very patient and it's 5 minutes after 12—

Senator BARRASSO. Just one—

Senator LANDRIEU. One more question and then I'm going to close the meeting.

Senator BARRASSO [continuing]. One quick question because it's something that—thank you very much.

Senator LANDRIEU. OK.

Senator BARRASSO. I appreciate that.

Senator LANDRIEU. Go ahead.

Senator BARRASSO [continuing]. Senator Landrieu.

Just, Mr. Secretary, if I could, because I was watching your comments and I think to Senator Bennett, you said that you were going to then go and kind of listen and travel around to see how these new regulations, what impact these are going to have—or these have had. I think this is just one of these examples of why people in the West are concerned, because the regulations are already in place—these regulations are impacting the red, white, and blue jobs that have powered our country and are such good jobs in our State.

So, it just seems that maybe we could have had this discussion before the regulations went in place, and I would encourage and invite you to Pinedale, Rock Springs, Casper, Wyoming—to see the specifics of the impacts of these and I'd be happy to go with you to those locations.

But, it just struck me that it might have been a better—listen first and then implement, rather than implement and then see what the impacts are going to be of the administration's positions. I don't know if you like to comment on that, Mr. Secretary.

Senator LANDRIEU. Can we give the Secretary the last word?

Senator BARRASSO. Yes.

Senator LANDRIEU. All right.

Mr. Secretary.

Secretary SALAZAR. You know, we frankly did make changes from the last administration because—and we've had this conversation before, Senator Barrasso—but it seemed to us that we could do a much better job in terms of managing our public lands by being proactive relative to giving direction to where we ought to be leasing for oil and gas and also providing certainty that avoids, then the litigation that now is coming with about 48 percent of the leases that were issues in the last year. So that's what we've been searching for. Have engaged many in—out in the West, our employees as well as the public on how we move forward. It may not be a perfect place where we landed and some of our efforts are still very much draft form, so we look forward to trying to get to a place where there can be agreement.

Interestingly, with the IPAMs organization yesterday, they had a number of different leases and acreages that they were concerned about. Some of them may not be problematical, some of them may be problematical, and there may be issues that we can't really resolve and can't move forward with.

What I've asked them to do is to put together specifics, because if I know what the specifics are in the Rocky Mountain West where they operate, I can have Assistant Secretary Wilma Lewis and Bob Abbey move forward and determine which ones we might be able to move on, and which ones we can't.

So, I always think there's good things that can come from dialog and I think your suggestion that we have these listening sessions is a very important one.

Senator BARRASSO. Thank you, Mr. Secretary.

Thank you, Madame Chairman.

Senator LANDRIEU. Thank you, Mr. Secretary.

This hearing is adjourned.

[Whereupon, the hearing was adjourned at 12:05 p.m.]

[The following statement was received for the record.]

STATEMENT OF JOYCE BLUMENSHINE, COMMITTEE CHAIR, ILLINOIS CHAPTER SIERRA CLUB MINING ISSUES, PEORIA, IL

Thank you for the opportunity to comment regarding budget concerns for the Office of Surface Mining within the Department of Interior Budget. The lack of adequate funding for the Office of Surface Mining (OSM) will particularly impair their ability to enforce the laws and regulations they are established to enforce and the state programs supported by the agency. The budget as cut will not allow OSM to maintain their essential role and mandate in the federal government enforcement of mine regulations. Congress must add more funding to the enforcement budget for OSM.

Lack of adequate funding for coal site inspections and oversight of regulatory programs will have serious consequences for Illinois. Our state is approximately \$13 billion in arrears; funding cuts for state agencies have been a regular pattern; more cuts are predicted. For the last several years, state governance here has made regular fund sweeps of departments that have fees for various programs. Even if our state mining division could add fees, it would take years to get new fees in place. In the current economic climate this would likely be an uphill battle. There is no immediate option for additional funding to maintain necessary oversight and enforcement programs. Congress must add more funding to the enforcement budget for OSM.

Adequate funding for oversight and enforcement of mining regulations is needed more than ever. Longwall coal mining is being expanded in the flat, highly productive Illinois prairie agricultural lands with zero to 4% slope and it is essential that oversight of these mines is done. At risk are hundreds of thousands of acres of our national resource farmlands, which, if not reclaimed as planned, will result in the impairment or loss of agricultural production for decades to come. A new longwall mine of over 4,000 acres is under construction in the heart of flat farm country. A closed longwall mine, with known concerns for delays in reclamation, has been reopened. As many as seven new coal mine applications may need to be monitored by the Illinois Department of Natural Resources Office of Mines and Minerals. These are huge demands on a department which has had large numbers of staff cuts do to years of state budget cuts. It is essential that OSM receive more funding for their enforcement budget, as the challenges and needs for oversight and enforcement, as seen from the states, has not diminished but has increased.

As a long-time resident of Illinois who has been adversely impacted by coal mine permit approvals, I respectfully state that far greater active oversight of state mining programs is needed. OSM should be effective in its authorized role and should be the leading federal agency in the enforcement of mining regulations. Federal authority must be exerted over state programs that are interpreting SMCRA regulations in lax and convoluted ways. Adequate funding for OSM oversight and enforcement programs must be restored.

The following examples are listed to show why Congress must increase OSM funding levels for oversight and enforcement for state programs. Each of these issues is related to aspects of the Surface Mining Control and Reclamation Act (SMCRA):

1) Concerns Regarding Approximate Original Contour (AOC)

In Illinois, citizen concerns for adequate oversight and regulation of longwall mining on flat farmland is increasing.

A) longwall mining reclamation delays and difficulties on flat, zero to five percent land. Longwall mining sinks or subsides the surface of the ground from four to six feet, after the coal seam is removed. In flat farmland, this creates a bathtub effect, as the room and pillar shafts used to reach the longwall area are not subsided and remain high when the ground between sinks from longwall mining. Longwall panels are often three miles long and 1200 or so feet wide. Highly productive farmland with less than a 5% slope languished years after longwall mining without reclamation, until the coal mine was purchased by a different company. Part of the highest and best technology used in Illinois for such reclamation is ditches and larger ditches to drain longwall subsided farm fields. No agency is monitoring how many acres of farmland are being taken out of production due to this ditching. No agency is monitoring topsoil erosion caused by this ditching. Over 200,000 acres are at risk from longwall mining in one county alone.

B) coal waste impoundments remaining on the landscape after mines are closed. It is difficult to understand how a hundreds-of-feet-high high coal waste impoundment standing above the flat or gently rolling Illinois lands can be considered to meet AOC. While citizens have attempted to point out that SMCRA clearly states that land is to be restored to a condition capable of supporting pre-mining uses, or higher and better uses, and that no permanent structures are to be left, coal waste impoundments are allowed to remain after mines are closed. A specific example is the Monterey #2 Mine, Clinton County, where the coal waste impoundment has contaminated the Pearl sand aquifer.

2) *Concerns for Cumulative Hydrological Impact Assessment (CHIA)*

The OSM Alton Field Division has listed improvements needed regarding how Illinois handles their CHIA reviews for mine permits. Concerns for this issue are already documented. Without adequate funding for oversight and enforcement, the future of any improvements in this issue could be doubtful. CHIA assessments are a key provision of mine permit approvals and protecting water resources.

3) *Concerns that the Stream Buffer Rule is Regularly Exempted*

OSM oversight of Stream Buffer Rule exemptions should require that Illinois reports all exemptions of the Stream Buffer rule to OSM. Loss of streams impacts area water supplies and future water resources for the nation. This is an issue that needs much more rigorous oversight by OSM, and it is questioned if Stream Buffer Rule exemptions should continue to be left up to state discretion.

4) *Cursory Treatment of Endangered and Threatened Species (E&TS)*

Federally endangered Indiana Bats and other species are not being given the extent of protections that should be required under existing regulations. For example, a surface coal mine with a buffer area containing an Indiana Bat roost tree and live captured bats using a major riparian corridor had hundreds of water permit violations over several years and still received a renewal of their mining permit.

5) *Failure to Follow Established Laws Regarding LUMP*

Illinois citizens have filed in court regarding multiple and flagrant state errors in a Lands Unsuitable to Mine Petition (LUMP) processing. Some of these issues were due to lack of state funding to follow through with the requirements within the law.

6) *Farmland Reclamation Exemptions Regularly Issued*

Mining permit applications in Illinois regularly have hundreds of acres of farmland lost to mine operations. No agency is tracking the numbers of acres of farmland lost to coal processing facilities, waste piles, impoundments, or other mining impacts. There are additional issues of concern to Illinois citizens regarding oversight and regulation.

While the examples supplied are issues of concern in Illinois to demonstrate the serious need for adequate funds for oversight and regulation, it is hoped the range of concerns will let Congress know that land and water issues are at stake affecting the long-term well being of the nation. Congress is asked to add more funding to the Office of Surface Mining budget for enforcement and oversight. These funds are greatly needed.

APPENDIX
RESPONSES TO ADDITIONAL QUESTIONS

[Responses to the following questions were not received at the time the hearing went to press:]

QUESTIONS FOR KEN SALAZAR FROM SENATOR BINGAMAN
MINERALS MANAGEMENT SERVICE

Question 1. How many acres of the OCS are under lease but not producing oil and gas? Please also provide any information available about the estimated oil and gas resources available in the unleased acres.

Question 2. Please state for each of the last five years the total number of acres on the Outer Continental Shelf under lease, and the total production of oil and gas from those leased acres. To the extent you have estimated similar information for future years, please include those estimates as well.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Question 3. The previous Administration interpreted the Surface Mining Control and Reclamation Act Amendments of 2006 as prohibiting the use of previously unappropriated state share balance payments for abandoned hardrock mine reclamation in non-certified states. I wrote to you last year regarding this problem and Assistant Secretary Wilma Lewis responded, committing to work with us on a legislative solution. I have introduced a bill (S. 2830) which has the bi-partisan support of the Senators from Colorado, Utah and New Mexico. Now it appears that the Administration may have embraced this policy which will impede hardrock mine reclamation in its Budget request.

Will you work with me for the passage of S. 2830 to address this problem?

Question 4. The Surface Mining Control and Reclamation Act Amendments of 2006 provide for the repayment of unappropriated state and tribal share balances over seven years. Please provide a chart showing the expected annual payments of unappropriated balances to each state and tribe under these provisions.

Question 5. The Budget proposes to eliminate payments to certified states and tribes. This will hit the Navajo Nation, which I understand uses the funds for public facilities and the reclamation of contaminated uranium mine sites, particularly hard. Have you engaged in a government-to-government consultation regarding the elimination of this funding with the Navajo Nation consistent with the trust responsibility?

Question 6. There has been concern over recent years regarding the level of funding for state regulatory grants. The Budget cuts federal funding for these grants and suggests that the state impose new fees on the coal industry. What level of user fee would be necessary to keep regulatory grants at the current level?

Please provide a chart showing on a state-by-state basis the funding for the regulatory program over the past 10 years.

Question 7. The SMCRA Amendments of 2006 provided that Indian Tribes can be granted primacy to administer the regulatory program under Title V on lands within their reservations. What is the status of implementation of this provision? Please describe your work with the Tribes with respect to regulatory primacy.

Question 8. OSM is in the process of revising permanent program regulations relating to excess spoil and stream buffer zones. Please provide your time table for this rulemaking.

Question 9. New Mexico and the Navajo Nation have serious needs with respect to the reclamation of abandoned uranium mines, many of which were developed initially to provide uranium for our Nation's weapons program.

Particularly given the proposal in the Budget to change the law to make Abandoned Mine Land funds unavailable for hardrock reclamation by certified and non-certified states and tribes, is there money in the budget to address these reclamation needs?

Will you work with me going forward to see what resources can be made available to address the reclamation of abandoned uranium mine sites?

Question 10. While much recent attention has been focused on EPA and the Corps of Engineers, the Surface Mining Control and Reclamation Act vests you with broad authority to regulate mountaintop removal mining and valley fills. I seriously question the use of these techniques, and have substantial concerns over the long-term impacts of this form of mining. In January, GAO released a report relating to mountaintop removal mining, addressing financial assurances and long-term oversight of these operations.

What are your views of mountaintop removal mining? What steps will you take to address the long-term impacts? What are your views of GAO's findings?

BUREAU OF LAND MANAGEMENT

Question 11. What is the total amount of funding for the oil and gas I&E program included in the request for FY11? Please provide a table showing the funding for this program (both requested and enacted) for the previous 10 fiscal years.

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

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

Question 12. What is the total amount of requested funding for oil and gas NEPA compliance for FY11? Please provide a table showing the funding for NEPA compliance (both requested and enacted) for the previous 10 years.

Question 13. What is the total backlog of APD's? Please provide a table showing the backlog over the last ten years and the number of APD's received, processed, and issued during each of the last ten years. Please display this information on a state-by-state basis.

Question 14. How many acres administered by the Forest Service and the BLM have been leased for oil and gas development during each of the past ten fiscal years? Please display this on a state-by-state basis and by agency.

Question 15. How many acres of lands administered by the Forest Service and the BLM in states west of the hundredth meridian have been under oil and gas lease in each of the past ten fiscal years? Please display by state and agency.

How much acreage is under lease but not producing?

Question 16. How many wells were started on federal lands (BLM and Forest Service) in each of the past 10 fiscal years? Please provide by state. Please also provide the number of completions per state per year on federal lands.

Question 17. Please list the total number of new federal oil and gas leases by state by year. Please list the total number of federal oil and gas leases by state by year.

Question 18. The Budget proposes an increase in Federal onshore royalties and also proposes various user fees for the oil and gas industry. GAO has concluded that "the U.S. federal government receives one of the lowest government takes in the world" for Federal oil and gas and gas resources owned by the public. GAO also found that "Interior could do more to encourage diligent development" of its oil and gas resources. Just last week GAO released a report that indicated that the bond amount for oil and gas leases (which have not been updated for decades) may be inadequate.

I am concerned that this work by GAO over the past few years may not have received the attention it deserved. Will you review these findings as you make decisions regarding the Federal Oil and Gas Leasing programs to ensure that the public gets a fair return on its resources and that we get timely oil and gas production from leased lands?

Will you keep us advised as to any changes in statute that may be necessary to meet these goals?

Question 19. What is the current level of funding and what level is proposed for fiscal year 2011 for the administration of renewable energy development on public lands? Please provide allocation by energy type.

Question 20. Please describe all geothermal leasing activity, including date and state for all lease sales, subsequent to the Geothermal Steam Act amendments contained in the Energy Policy Act of 2005. Please provide a table of lands showing acres under geothermal lease (and whether production is occurring) by state.

Question 21. How many applications for solar rights-of-way are pending? How many applications for wind rights-of-way are pending? Please provide listings by state and location.

Question 22. What is the time line for work on the Solar PEIS?

Question 23. How many new mining claims have been located over the past 10 years? Please provide number of claims located by year.

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

Question 24. ORVs-BLM Travel Management Process—Off-road vehicle use has consistently been identified by the BLM as one of its top management and law enforcement challenges. The Bureau estimates it will take at least 20 years to complete ORV management plans and a recent GAO report found that 79% of BLM field units believed they cannot sustainably manage the ORV areas that already exist.

How will the request to cut \$8.2 million from resource management planning impact the BLM's ability to complete ORV management plans?

How will the budget request for law enforcement operations impact the BLM's ability to enforce ORV regulations?

What additional appropriation would be required to plan, implement, monitor and enforce off-road vehicle use plans at all BLM field units within the next five years?

UNITED STATES GEOLOGICAL SURVEY

Question 25. What funds does the USGS propose to expend on each of the following ecosystem restoration efforts during FY 2011: California Bay-Delta; Everglades; Platte River; and Great Lakes?

Question 26. Please describe what has been accomplished with the funding received to date for the U.S.-Mexico Transboundary Aquifer Assessment and why continued funding for the assessment was not included in the FY 2011 budget?

Question 27. Please describe the plans for implementation of Section 11002 of P.L. 111-11 that requires a study of certain groundwater resources in New Mexico?

Question 28. Please summarize the work being done to implement the SECURE Water Act, authorized by Section 9501 et seq. of P.L. 111-11?

BUREAU OF RECLAMATION

Question 29. With the budget's inclusion of \$10 million in the Bureau of Reclamation's budget and \$6 million in the Bureau of Indian Affairs for the implementation of the Navajo Settlement and the construction of the Navajo-Gallup Project, will the Department be able to implement the settlement within the timeframe expected in the settlement legislation? Is the Department committed to continue to budget the amounts necessary to meet the existing deadlines?

Question 30. The FY 2011 budget does not include any funding for the Eastern New Mexico Rural Water Supply Project authorized by Section 9103 of P.L. 111-11. Please describe the criteria used for determining the budget allocations for the existing authorized rural water projects and how the lack of an existing water supply factors into the criteria.

Question 31. The FY 2011 budget does not include any specific allocation of funding for the Rio Grande Pueblos' irrigation infrastructure study required by Section 9106 of P.L. 111-11. Please describe what Reclamation has done to implement the requirements of Section 9106, what the next steps will be and how Reclamation intends to fund additional progress.

Question 32. What is the status of funding for the loan guarantee program authorized by the Rural Water Supply Act of 2006 (P.L. 109-451)?

Question 33. What is the status of Reclamation's efforts to develop rules or criteria for the Rural Water program?

Question 34. What is the status of Reclamation's efforts to develop rules or criteria for the Title XVI program?

BUREAU OF INDIAN AFFAIRS

Question 35. How much funding did the BIA provide to the Middle Rio Grande Conservancy District in FY 2009 and FY 2010 for operation, maintenance and betterment of irrigation facilities of the six Middle Rio Grande Pueblos? What specific work was performed with that funding? How much funding is recommended in the FY2011 budget?

OFFICE OF INSULAR AFFAIRS

Assistance to Territories

Question 36. On page 1 of the Office of Insular Affairs' "Green Book," the budget states that ". . . American Samoa and the CNMI, are facing economic and fiscal difficulties."

What is the Department's plan for dealing with these difficulties? For example, are any legislative or funding initiatives being developed?

Question 37. On page 11, the budget states that the Agency's goal is to "Increase Economic Self-Sufficiency of Insular Areas" and it then identifies improving financial management and increasing private sector employment as intermediate goals.

Do OIA and each of the seven island jurisdictions have financial management improvement plans which describe the strategy for achieving this goal and identify the priority projects and activities needed to achieve it? If so, where are these plans available?

Do OIA and the island jurisdictions maintain economic development plans which describe the islands' infrastructure needs and identify priority projects and the anticipated sources of funding? If so, where are these plans available?

Do OIA and the island jurisdictions maintain economic development plans which describe the strategy for increasing private sector investment (employment) and identify the actions needed to achieve this goal such as macro-economic reforms (regulatory reform, tax reform, land reform, etc)? If so, where are these funds available?

Question 38. On page 2, the budget states that OIA "will pursue strategies that . . . lead to the adoption of renewable energy technologies. . ." However, the budget does not describe a strategy or identify any funding for promoting renewable energy.

What is the FY2011 budget request, and the source of funding, for this activity?

Is there a Plan for this initiative, and if so, could you provide a copy?

Does OIA have any formal agreements with the Department of Energy to tap into their technical expertise for developing and implementing a plan to reduce the islands' fossil fuel dependence?

Question 39. The budget proposes a new program, "Empowering Insular Communities" (EIC) at \$5 million. It is designed to: 1) "strengthen the foundations for economic development in the islands by addressing challenges preventing reliable delivery of critical services needed to attract investment", and 2) "pursue economic development initiatives that encourage private sector investment. . ." Under this program, islands could apply for EIC funding, but it appears that this program does not rely on any long-term planning.

Can the islands apply for funding to meet these same infrastructure and economic development objectives through OIA's existing application-based Infrastructure and General Technical Assistance programs?

Applications for funding under the new program do not appear to be required to follow any existing infrastructure or economic development plans. Why not?

Wouldn't it be more efficient and effective to improve infrastructure and promote economic development by implementing existing plans by funding the highest priority projects and activities in these plans?

Question 40. The FY11 Budget proposes a substantial, 20 percent, reduction in funding for General Technical Assistance.

Does this reflect a belief that there is a reduced need for the program?

Question 41. On page 54, the breakout chart for General Technical Assistance shows that funding for 10 activities is "TBD." One of these activities is the CNMI Initiative on Immigration, Labor and Law Enforcement.

Given the need for OIA to continue to responding to concerns regarding the welfare and status of over 20,000 aliens in the CNMI, will you assure the Committee that FY10 and FY11 funding for the Initiative will not be reduced below the FY09 level?

Question 42. In table format, please provide OIA's best estimates for the standard socio-economic metrics for each of the territories: population, unemployment, per capita income, government revenues and expenditures, and U.S. assistance as a percent of revenue.

Question 43. P.L. 110-229 requires the U.S. Dept of Labor (DOL) to report on the CNMI's labor needs.

Does OIA have an agreement with DOL to provide this information?

What is the current estimated size of the CNMI private sector work force, how many of these jobs are held by alien workers, and what is the CNMI's projected workforce need for the end of the 5 year transition period?

COMPACTS OF FREE ASSOCIATION

Question 44. The Compacts with the FSM and RMI call for 5-year reviews on the use of U.S. assistance and progress toward Compact program objectives.

When do you expect these 5-year Reviews to be transmitted to the FSM and RMI for their consideration and comment?

Question 45. Last year, several Members of Congress wrote to the Secretary urging a prompt and successful conclusion to the Rongelap Resettlement program.

What actions have been taken in response to that letter?

Would the Department support the use of RMI Compact health care and education sector grant funding to construct a school and dispensary on Rongelap?

Question 46. Last year, several Members of Congress wrote to the Secretary requesting the development of policy options to respond to the impact of Compact migrants on health care and other public services in U.S. communities, particularly in Hawaii and Guam where migrants are concentrated.

What actions have been taken in response to that letter, and what options have been developed?

Question 47. On page 88, the budget includes “a placeholder of \$20.8 million” for future financial assistance to Palau.

When do you expect that the legislation extending financial assistance to Palau will be transmitted to Congress?

Question 48. It is unlikely that Congress will be able to enact legislation to extend Palau’s financial assistance in the short period of time between the transmittal of such legislation, and the end of FY2010.

Does the Administration have a backup plan for providing financial assistance to Palau in the event this legislation is not enacted before Oct. 1 2010, and if so, what is the plan?

Question 49. On page 93, the description of FSM health sector funding states that “Despite the FSM’s Strategic Development Plan’s stated emphasis on primary healthcare, funding continued to follow the path of curative care.” P.L. 108-188 also provides that U.S. health care assistance is to emphasize primary care.

Why does DOI not use its authority for directing and withholding Compact funding to assure that funding is focused on primary care, as required by law and as agreed to by the parties under the Compact?

Question 50. What are the current OIA FTE vacancies in the Honolulu Compact Office and in the U.S. Embassies in the FSM and RMI, and when will these vacancies be filled?

Question 51. On page 95, the budget states that, after 5 years, the FSM still lacks adequate plans and goals for the use of U.S. assistance for the Public Sector, Environment, and Private Sector Development Grants.

Why has DOI not used its authority to direct and withhold grant funds until adequate plans and goals are in place before more funds are expended?

Question 52. P.L. 108-188 requires that reasonable progress should be made toward the sector goals for each of the six sector grants under the FSM and RMI Compacts.

Please summarize what the goal of each grant is, what the performance metric is, and whether reasonable progress has been made?

For those sectors for which there is no performance metric, or no reasonable progress toward the sector goal, please describe the strategy and timing that OIA plans to use to achieve measurable progress in the future?

GENERAL DEPARTMENT-WIDE

Question 53. In 2006, I wrote to former Secretary Norton with other senators (including then Senator Salazar) indicating our concern with her policies concerning the 1866 law known as R.S.2477, which authorized rights-of-way across public land. Specifically, we were concerned that those policies undermined protection for public lands by allowing States to make unsubstantiated claims through some of our most treasured public lands. As Secretary of the Interior, do you believe it is time to revisit former Secretary Norton’s policies?

QUESTIONS FOR KEN SALAZAR FROM SENATOR WYDEN

Question 1. I appreciated the information provided on pending timber sales by the Bureau of Land Management on pending sales and also discussed in the Interior budget hearing. However, the bottom line is that the volume of timber being offered in the near term in the Medford and Roseburg Districts are still way too low to keep the mills operating. My understanding is that Endangered Species Act consultations for the spotted owl remain the primary sticking point for a number of sales. I appre-

ciate your effort to create interagency teams to work together to move through these issues, but it seems this is what is still tying up sales and those that are announced are producing very little volume because only the easiest sales in young even-aged plantations are able to get through consultation.

What is being done to get the BLM and USFWS to work together to get more projects in the Medford and Roseburg Districts through the consultation process?

Question 2. In the confirmation hearing of National Parks Director Jarvis I raised my concern with potential helicopter tours occurring over Crater Lake National Park. On December 15, 2009 my colleague Senator Lamar Alexander and I sent a letter to the National Park Service and the Federal Aviation Administration regarding the fact that no required national park air tour plans have been completed since the National Park Air Tour Management Act was passed in 2000. My understanding is that these plans are required before the Park Service can deny helicopter tours.

What is the status of the Park Service's response?

As Secretary, what steps are you taking to ensure that the law is judiciously executed so that American public can have the opportunity to enjoy natural sounds in the parks?

Question 3. I'm pleased with the proposed increase in Land and Water Conservation Fund (LWCF). I am a cosponsor of legislation to fully fund this program. The lands acquired with these funds are important for better land management and protection of the very conservation areas that this Committee considers. These areas more effectively protect the values for which Congress designates them if inholdings and other priority land parcels can be acquired by the managing agency instead of sold to developers. Recreational access can be improved, clean water is maintained, and wildlife habitat remains intact. At the same time, the economic opportunities associated with that recreation can be enhanced. According to a report by the Outdoor Industry Foundation, active outdoor recreation contributes \$730 billion annually to the U.S. economy and supports 6.5 million jobs across the country. In Oregon, the recreating public can better access places like the Crooked National Wild and Scenic River because LWCF provides the funding to ensure this public access, and the economy benefits as a result.

Mr. Secretary, what can you tell us about the Agency's plans to continue investing in programs like the LWCF, which are critical to our economy, job growth, and strengthening local communities?

Question 4. Last year, Congress passed, and the President signed into law, legislation reauthorizing the Fisheries Restoration and Irrigation Mitigation Act (FRIMA) as part of the Omnibus Public Lands Act, P.L. 111—11. FRIMA was established in 2000 and has been an important tool for addressing fish screening and fish passage needs in the four Pacific Northwest states. This cost-shared program, which has been carried out by the U.S. Fish and Wildlife Service, has wide support by a broad range of interests, ranging from farmers and irrigation districts to commercial fishermen to wildlife preservation groups to the Bonneville Power Administration, who are often at odds when it comes to water management issues. Yet despite Congressional action reauthorizing the Act and repeated requests by members of the Northwest Congressional Delegation for the Department within the past year to include funding for FRIMA, no funds were included in the FY 2011 budget.

Please explain why no funding was provided for FRIMA.

QUESTIONS FOR KEN SALAZAR FROM SENATOR JOHNSON

Question 1. Mr. Secretary, first I am pleased to see \$8.557 million in your budget for Wind Cave National Park. As you know, visitation, tourism, and jobs related to nearby public lands annually contribute billions to regional economies while creating hundreds of thousands of private sector jobs. Beyond tourism, the protection of ecosystems enhances habitat for wildlife and contributes to clean air and clean water, providing much longer term and lasting economic growth. The Outdoor Industry Foundation estimates that outdoor recreation—hunting, fishing, hiking, skiing, and similar activities—contributes \$730 billion annually to the U.S. economy and supports 6.5 million jobs across the country. The Land and Water Conservation Fund (LWCF) helps foster these economic opportunities, helping ensure protection for places like Wind Cave National Park, the Missouri National Recreation River and many close-to-home parks in South Dakota.

How do you plan to continue investing in programs like the LWCF, which are critical to our economy, job growth, and strengthening local communities?

QUESTIONS FOR KEN SALAZAR FROM SENATOR LANDRIEU

WILD HORSE AND BURRO PROGRAM

Acres

Question 1. More than 22 million acres have been removed from the Wild Horse and Burro Program's designated territory as authorized in the 1971 Wild Free Roaming Horse and Burro Act. Congress, through the GAO, has repeatedly asked for the BLM to account for these acres, yet, Congress still does not have answers. BLM is currently spending over \$29 million a year to hold horses in short-term and long-term facilities once they have been removed from the designated ranges.

When will BLM provide Congress with a detailed explanation on why 22 million acres have been removed from the program? Why should Congress authorize BLM to spend \$42 million to acquire new land in the Midwest or East as a sanctuary for excess wild horses when there are 22 million acres originally set aside for the program that have not been accounted for?

Sanctuaries

Question 2. The BLM wants to spend \$42.5 million or 11 percent of the Land and Water Conservation Fund's budget to purchase new land in the Midwest or East as a sanctuary for Wild Horses and Burros that must be removed from the public ranges due to populations being over the Appropriate Management Level (AML). The BLM manages over 253 million acres of public Federal land. The 1971 Wild Horse and Burro Program set aside 53 million acres for the management of wild horses and burros. Currently, there are 31 million acres remaining in the program.

With over 253 million acres available, it is not possible for the BLM to find 22 million acres (9 percent) suitable for wild horses and burros? Why not save the American taxpayer \$42 million by using the lands already available instead of purchasing new lands?

I know of at least one private individual who is trying to work with BLM to purchase private land to establish a wild horse sanctuary. Considering the current budget deficits are country is facing, why should Congress appropriate \$42 million for a wild horse sanctuary when private individuals are willing and ready to work with BLM to establish a wild horse sanctuary?

Secretary Salazar, you have stated that lands in the West are not suitable for a Wild Horse and Burro sanctuary, which is why your \$42 million sanctuary proposal looks to find lands in the Midwest or East. If lands in the West are unsuitable for wild horses, then are they also not unsuitable for livestock grazing? Will BLM reduce the number of grazing permits available on Western lands?

Treasured Herds

Question 3. In your proposal released last fall, you propose establishing a few "treasured herds" to showcase as part of the new Wild Horse and Burro Program.

What would this entail and how would they be managed differently from other herds throughout the West?

Are there additional projected costs associated with a "treasured herd" versus a normal Herd Management Area?

What kind of process would be used to designate a "treasured herd"?

How does the Secretary plan to incorporate the values of the local communities associated with these herds?

Management

Question 4a. The BLM intends to strictly limit reproduction of the remaining free-roaming herds to approximately 3,500 foals annually to equal current adoption demand.

How would limiting reproduction rates be implemented on free-roaming animals?

What is the projected annual cost of implementing this fertility control program?

Is the 3,500 foals limited strictly to wild horses? What about burros?

There is currently no known active fertility program for wild burros. How does BLM intend to limit reproduction in wild burro populations?

How will it be decided what herds or animals will be allowed to reproduce?

Question 4b. Reproduction rates are known to vary greatly, both by area and annual climactic conditions. Some concerns about this known variation include:

How can BLM provide assurances that implementing a large-scale fertility control program will not "crash" multiple populations in the long-run?

What methods does BLM use to determine if management plans such as the application of fertility control will not cause population declines?

Have these methods been peer-reviewed and/or are supported by the scientific community?

Can the BLM provide documentation, studies and/or research papers from independent sources of federal and/or state agencies as to the reliability and accuracy of these methods?

Round-up contractor

Question 5. The BLM has conducted unprecedented roundups over the past year citing the fact that the program's population is way over the AML. It should be noted that according to the BLM's own document, the program has never operated at AML and has always exceeded the AML. The BLM uses taxpayer dollars to hire a contractor to conduct the round-up removals. Congress wrote specific penalties in the 1971 Wild Horse and Burro Act to protect these magnificent animals from being harassed, chased and exploited for slaughter. Yet, the BLM continues to use contractor, Dave Cattoor, who was convicted of hunting wild horses, to round up wild horses by helicopter.

Why does the BLM use taxpayer dollars to contract with a person that was convicted of the very penalties Congress wrote in the Act and charged the BLM to enforce?

Humane Observers

Question 6. The BLM Wild Horse and Burro Program Director explained to media that independent humane observers were not necessary because the public was welcome to observe roundups at any time. However, during the Calico round up, systematic steps were taken to prevent independent humane observers from viewing the activities and horses in holding. Taxpayers paid approximately \$63.7 million towards the Wild Horse and Burro Program in FY10, and DOI is asking for a \$12 million increase for the program in FY11, which will include further round-ups and removals.

Do humane observers increase the cost of round-ups?

Is there any reason why humane observers should not be entitled to see the totality of a round-up from start to finish?

OCS DEVELOPMENT

Question 7a. MMS 5 year leasing program: In February 2009, you extended by six months the already extensive comment period on the upcoming five-year plan (2010-2015) for oil and natural gas development on the Outer Continental Shelf. The extended comment period has now been closed for over 4 months. So far no additional action has been taken.

Can you provide the Committee with a firm timeline for action on the proposed leasing program? Can you provide any details on areas that will be available for leasing under this program?

Question 7b. Also, in February 2009, when you delayed the Five-Year Plan process, you said it was essential to allow the American people to give input on the plan, and set out to convene four regional meetings on the issue. The Interior Department STILL has not released the number of Americans commenting for and against developing new areas offshore. Last week, however, the Wall Street Journal reported on communication from MMS Director Liz Birnbaum, verifying the indications that Americans submitted comments overwhelmingly in favor of expanded oil and gas development.

Will you confirm that this is correct? How can your Department continue to drag its heels on an issue this important to the public, particularly given the potential for significant job creation by leasing new offshore areas?

PROGRAMMATIC ENVIRONMENTAL IMPACT STUDY (PEIS)

Question 8. Mr. Secretary, you have suggested that one of the reasons NOT to develop in federal waters offshore the Atlantic is a lack of good estimate on resources. Resource estimates have been based on old technology. However, despite companies' expressed interest in conducting three-dimensional seismic at their own expense, the federal government has failed to complete the Programmatic Environmental Impact Study (PEIS) necessary before seismic activity can commence.

Can you explain why the Department of Interior has not moved forward on a Programmatic EIS for the Atlantic?

QUESTIONS FOR KEN SALAZAR FROM SENATOR SANDERS

Question 1. White-Nose Syndrome is a wildlife health crisis of grave concern to Vermont, the larger Northeast, and the nation. Vermont has lost at least 95 percent of its bats since White-Nose Syndrome was first observed within its borders, according to a recent article ("Bad news for bats: Deadly white-nose syndrome still spread-

ing”, *Scientific American*, February 20, 2010). Since the first known case occurred in 2006 in New York, confirmed cases of White-Nose Syndrome have shown up in ten states: Connecticut, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Tennessee, Vermont, Virginia, and West Virginia. Based upon what has happened to date, this is a serious problem.

Can you provide us an update on the Department’s efforts to date to research and combat White-Nose Syndrome in bats?

Question 2. I, along with 12 other Senators and 12 Members of the House of Representatives, sent a letter to the Department seeking fiscal year (FY) 2010 funding for researching and eliminating the White-Nose Syndrome which is afflicting bats in the Northeast, Mid-Atlantic, most recently the South, and possibly elsewhere in the country. Congress did provide \$1.9 million dollars for this for FY 2010.

What discrete FY 2011 funding will the Department dedicate to research and control of White-Nose Syndrome?

QUESTION FOR KEN SALAZAR FROM SENATOR SHAHEEN

Question 1. Mr. Secretary, I am pleased to see your enthusiasm for programs like the Land and Water Conservation Fund (LWCF). As you know, visitation, tourism, and jobs related to nearby public lands annually contribute billions to regional economies while creating hundreds of thousands of private sector jobs. In New Hampshire, our tourism economy is closely tied to protected public recreation lands for hunting, fishing, camping, and boating. Beyond tourism, the protection of ecosystems enhances habitat for wildlife and contributes to clean air and clean water, providing much longer term and lasting economic growth. The Outdoor Industry Foundation estimates that outdoor recreation—hunting, fishing, hiking, skiing, and similar activities—contributes \$730 billion annually to the U.S. economy and supports 6.5 million jobs across the country. LWCF helps foster these economic opportunities, helping ensure protection for places like Lake Umbagog that attract visitors to my state.

As you may recall from a letter I sent you earlier this year, we have exciting landscape level protection projects in New Hampshire this year that need LWCF funding, including one at Umbagog National Wildlife Refuge. Despite overall increases for the US Fish and Wildlife Service budget for refuge land protection, the budget proposal for this important refuge falls short of the urgent need there. This demonstrates yet again the need for higher and more consistent levels of LWCF, and why I support the Chairman’s efforts to increase funding for the LWCF overall.

I hope you will work with me this year and next to make sure that LWCF is available to meet our needs at Umbagog and elsewhere in New Hampshire, where we are pursuing just the type of conservation partnerships—federal, state, local and private—that you support.

Can you indicate what you think the future holds for landscape projects like the Umbagog refuge?

QUESTIONS FOR KEN SALAZAR FROM SENATOR MURKOWSKI

OIL AND GAS LEASING PROGRAMS

Question 1. Secretary Salazar, the President made clear in his state of the Union address that we were going to have to make tough choices about new areas to drill offshore. I and many others took that to mean that, while most agree that oil should be a declining percentage of our overall energy consumption, for the sake of the national economy, for the sake of national security, and for the sake of the world’s environment, the United States should produce a larger percentage of the oil that it consumes.

Do you agree with this assessment?

Question 2. Secretary Salazar, you have made a commitment to making sure that American taxpayers, who own the federal oil and gas resources in this nation, will always get a good return on their property. I applaud you for that general goal. In 2009, however, fewer acres drew leases onshore than any year in BLM’s recorded history. The total receipts to Treasury were less than a billion dollars, versus ten billion dollars in the last year of the Bush administration.

I know we can explain part of this tenfold plummet in federal revenue by taking the economic downturn into consideration and the corresponding drop in the price of oil. But that cannot come close to explaining a tenfold drop entirely. Is it possible that actions by the Department of Interior made some producers reluctant to bid very high, or reluctant to bid at all in some situations?

Question 3. Secretary Salazar, the Administration’s budget contains literally dozens of ways in which the domestic oil and natural gas industry is slated to be im-

pected. Most of them are tax increases, including a repeal of the credits for intangible drilling costs (the IDC) and percentage depletion, which I know several of my colleagues on the other side of the dais support preserving as necessary for upstream oil and natural gas to work in terms of risk and investment. DOE also proposes to zero out its oil and gas research budget.

My question is whether Interior was aware that you were not going to be the only ones with plans to claim additional revenues from the oil and natural gas sector?

Question 4. Was there coordination among the departments to assess the new fees, royalties, and taxes on the industry?

Question 5. If not, are you surprised to see the long list, and is it worth revising?

Question 6. Secretary Salazar, Interior's budget proposal seeks to impose a \$4.00 per acre fee on non-producing oil and gas leases—only new leases—and expects to generate 8 million dollars by doing so. The rationale behind this is to “provide financial incentive” to produce oil and gas.

Could you describe for me the formula for predicting that Interior is going to lease 2 million acres of non-producing lands next year?

Question 7. Who would bid on them if they're not going to produce?

Question 8. What additional financial incentive is necessary when oil is trading for \$70 to \$80 a barrel or more—in other words, will a \$4.00 fee make a difference?

Question 9. Is it possible to know whether a lease could be producing prior to exploratory drilling?

Question 10. Is there any evidence that leaseholders are somehow deliberately hoarding and stockpiling oil underground and withholding revenues for their investors rather than producing?

Question 11. Will this fee apply to leases from the second they are auctioned until they are producing, even if the producer is waiting for your department—or another agency—to issue a necessary permit?

Question 12. If the leased tract is under litigation, will the producer be punished for obeying a court injunction to hold off on operations?

Question 13. Secretary Salazar, Interior proposes to raise royalty rates on oil and natural gas companies from 12.5% to anywhere from 20% to 30%, the rationale being that certain states like Texas claim larger royalties than does the federal government and, therefore, why not bring federal policy in line with state policy.

By this rationale, should the laws governing federal leases more closely resemble state laws in areas additional to royalty rates?

Question 14. For instance, should the Texas Railroad Commission be put in charge of implementing Interior's leasing program, including its commitment to view all its decisions through the lens of climate change?

Question 15. For instance, should Alaska's Department of Natural Resources' policies be duplicated in Interior's new onshore leasing reforms regulations for viewshed?

Question 16. DOI recently reported back to Congress, as required by the FY2011 Appropriations bill, on their expected timeline for completing a PEIS for Atlantic seismic, with a final document not expected until April 2012. What is the process after this and when do you expect that seismic vessels will actually be in the Atlantic Ocean?

a. Before seismic companies can conduct their work, do they need to first obtain a permit from MMS that cannot be issued until a separate environmental analysis is completed on each individual application?

b. Is modern seismic data necessary in order to have a meaningful Lease Sale 220 scheduled for next year offshore Virginia?

c. Given the EIS for seismic not being completed until 2012, and the subsequent environmental work needed after that to issue permits, and the time needed for companies to analyze the data, is it possible to have a viable lease sale offshore Virginia during the current Five Year Plan?

Question 17. Does MMS plan on conducting the Virginia lease sale EIS concurrently with the Atlantic seismic EIS?

a. Does your budget request sufficient dollars to conduct this environmental work, or is there a need for members of the Interior/Environment Appropriations Subcommittee to direct additional funds?

ALASKA LAND CONVEYANCE

Question 18. Mr. Secretary I was terribly disappointed by the 38% cut in funding for Alaska land conveyance efforts proposed in your BLM budget. That is a drop from \$34 million this year to just \$20 million for FY 11.

Back in 2004, Congress approved the Alaska land conveyance acceleration act that was supposed to have completed the conveyance of the lands that Alaska won at Statehood 51 years ago and that Alaska Natives won when they gave up their aboriginal land claims 39 years ago by last year. While the pace of conveyances have speeded up, we still have about 6 million acres of state lands, and about 4.8 million acres of Native lands pending initial conveyance and a much larger percentage of lands pending final survey and complete conveyance.

This cut will probably add not just years, but decades, to how long it will take for final transfer of lands to Alaska and Alaska Natives.

I understand the budgetary pressures the Department is facing, but the U.S. Government promised Alaska its lands when it became a state 51 years ago, it simply is not fair to add decades to how long it is going to take to complete conveyance and cadastral surveys on those lands.

Can you explain your reasoning for the reduction and if there is anything the Department was planning to do to offset the effects of the budget reduction?

IZEMBEK REFUGE-ROAD EIS

Question 19. Congress in last year's Omnibus Lands bill approved a land exchange that will add more than 60,000 acres to the Izembek National wildlife Refuge on the Alaska Peninsula, provided that 206 acres are given up to permit a one-lane emergency road to run from King Cove to Cold Bay, largely for medical evacuation purposes. The law required that an environmental impact statement be conducted to prove that the road could be built without damage to the environment. Your Department has indicated you would like up to \$2 million to conduct the EIS, \$400,000 was approved in the FY 10 budget to start it.

I was disappointed that the Department's budget seemingly contains no funding to finish the EIS. The law requires the EIS to permit an informed decision on whether to complete the land trade.

How do you plan to finish the EIS and meet the terms of Sect. 6402 of PL 111-11 given this budget proposal?

TREASURED LANDSCAPES

Question 20. The FY 2011 budget notes \$50.9 million program increase to enhance operations and maintain the Nation's treasured landscapes.

What was this program referred to in past budgets?

Question 21. Can you please provide a comprehensive definition of the Treasured Landscapes Initiative?

Question 22. What role did outside groups, such as the NPCA, have in selecting the name of Treasured Landscapes?

NATIONAL MONUMENTS

Question 23. Secretary Salazar, Fox News has reported that the Department of the Interior was again considering a number of areas for potential designation as National Monuments, or for alternative protection, or for purchase. That report included a list of some 13 million acres of land in the Western States.

Did you or any of your Deputies request that this report to be developed?

Question 24. Can you tell me why anyone in your Department would think the Department should purchase all the land along the Iditarod Trail or why that trail and therefore the Iditarod Race should be entrusted to the Department of the Interior?

Question 25. Can you tell me if the Department considers the lands in Bristol Bay region or Teshekpuk Lake area of Alaska to be "Treasured Landscapes"?

Question 26. Given that the list provided by Fox News was shown to be attachment 4, 5 and 6 to some unnamed document; would you have your staff provide the Committee with a copy of the report (in draft and final form) with all attachments as well as all communications with outside groups, including e-mails, that went into the development the report and its attachment?

PARK SERVICE CONSTRUCTION

Question 27. The construction portion of the budget has decreased by \$45 million from the FY 2010 appropriation.

Will this decrease come solely from new construction project funds or will it also eliminate some maintenance projects required to reduce the backlog?

NATIONAL PARK SERVICE LAND AND WATER CONSERVATION TRUST FUND

Question 28. The 2011 budget proposes \$106.3 million for NPS land acquisition, an increase of \$20 million above the 2010 enacted level. Additionally the State Conservation Assistance Grant program includes \$50 million for State grants, an increase of \$10 million above the 2010 enacted level.

With such an enormous maintenance backlog, shouldn't we work to decrease the maintenance backlog rather than increasing funding for land acquisition programs?

Question 29. Won't this only exacerbate the backlog problem?

NORTH SLOPE SCIENCE INITIATIVE

Question 30. Your budget talks in many places about the importance of using better science upon which to base decisions. I assume that is a basis for the \$171 million in the budget for climate change adaptation.

A number of years ago all of the Interior agencies that operate in Alaska joined with the State of Alaska, its Fish and Game Department and Alaska's North Slope Borough to create the North Slope Science Initiative to coordinate, prioritize and better fund scientific studies to underlie resource management decisions on Alaska's North Slope. Unfortunately the federal funding for NSSI, which was always donated by BLM, is falling, making it impossible for the initiative to do much meaningful research.

When the initiative was created six years ago it was hoped to be funded at least \$3 million with a hope for \$7 million a year to go for a nearly dozen areas of scientific study from wildlife to hydrology, from permafrost and ice to climate. Last year it received less than a million dollars in funds scraped together from your agencies. In your FY 11 budget there again is not a single dedicated dollar for such Arctic science.

Can you explain why the Initiative is not being funded by the Department, since it was a creation of DOI in the first place?

ALASKA WATER RESOURCES ACT

Question 31. Back in 2007 Congress approved the Alaska Water Resources Act that requires the U.S. Geological Survey to conduct an assessment of groundwater supplies and the aquifers that supply water, at least to the populated Railbelt section of Alaska. The Department, I know, hasn't proposed any funding the past three years to implement the law, but I notice that your WaterSMART proposal for which you are seeking a \$36.4 million increase, seems to focus on the exact same activities as required in the Alaska Water Resources Act.

Would the Department consider using some of the funds for WaterSMART grants to fund the existing Alaska water studies, which need about \$2 million to start and a total of about \$8 million to fully complete?

WILD HORSES AND BURROS

Question 32. The budget includes a significant increase in funding for the Wild Horse and Burro management line item combined with a \$42.5 million LWCF request to purchase a preserve in the upper mid-west or the east. The program budget has more than doubled since the FY 2009 appropriations and the proposal will only move a large number of horses to the east. During a briefing your staff suggested the Department would like to acquire an additional five or six preserves in the upper Midwest. Basic wildlife management suggests that when you reduce herd numbers without change habitat dynamics or the fertility rates of the herd that the herd populations will rapidly grow back to fully utilize the range.

What does your proposal do to change the fertility rates of the herds (both in the west and within the new preserves)?

Question 33. Isn't it true that your biologists have not been able to reduce the number of wild ponies out at Chincoteague National Wildlife Refuge and believe the best they can do is maintain herd numbers through their efforts to remove mares to limit population growth?

Question 34. If what I said above is correct, what specific steps will the BLM take to actually reduce the fertility rates of the wild horses and burros that currently populate our western states?

Question 35. If I did my math correctly and in the end the Department does end up trying to purchase 7 new preserves for these horses, where do you expect to get the nearly \$300 million it will take to purchase these refuges?

Question 36. Can you tell me how much funding it will take to maintain and operate these 7 preserves to maintain the horses that are sentenced to them for the remaining years of their natural life?

Question 37. Can you help me understand how many more preserves will be needed, in say 10 years, to provide these old-horse preserves to allow the animals live out their natural lives?

BUREAU OF RECLAMATION AND WATER

Question 38. The current Administration budget shows a slight decrease in water related project funding. However, there is currently a huge backlog in the funding of authorized water projects and projects that require investments to rehabilitate them.

Please describe how you will prioritize the funding for the aging water infrastructure, as well as prioritize your limited funding for currently authorized projects.

Question 39. What role has the Administration played in the NAS study addressing the biological opinions that have had an impact on water deliveries south of the delta in the central valley of California?

Question 40. Please describe the actions you are undertaking to ensure that federal water contractors will have a reliable water supply this year?

Question 41. Please describe the flexibility you have to deliver water south of the delta.

Question 42. Are you aware of any impacts that decreased water supplies have had on employment within the central valley?

Question 43. Are the high levels of unemployment directly related to decreased water deliveries south of the delta?

Question 44. During your nomination hearing we discussed options that could be incorporated within Reclamation to improve your operational, maintenance and rehabilitation obligations due to decreasing budgets. At that time, you indicated you would look at new and creative approaches to this problem.

What are some of these new alternative financing mechanisms and approaches you have initiated this last year to approach these challenges?

Question 45. Last year we had asked the Administration for a listing of all the un-adjudicated Indian water rights claims in the western United States that you will be addressing over the next few years. However, we have not received a listing of these claims.

Will you provide the Committee a complete listing of all these un-adjudicated Indian water right claims within the next 60 days?

Question 46. Also, how have you worked with OMB to secure a commitment for a reasonable Federal contribution to be made available for Indian water rights settlements?

UNITED STATES DEPENDENCE OF FOREIGN MINERAL RESOURCES

Question 47. Secretary Salazar the United States Geological Service released a report last week that our country is becoming increasingly dependent on foreign minerals.

Does that report concern you?

Question 48. When a country such as ours, with our vast mineral reserves, becomes beholden to other countries for the rare minerals we need to manufacture goods needed by our citizens, are we not going down the same path that is causing us such trouble with foreign oil and gas?

Question 49. What are you going to do to make DOI federal lands more open and available to the extraction of the mineral wealth that our country needs to become more prosperous?

CAPE WIND

Question 50. I've been frustrated by the lack of progress on the nation's first offshore wind development, commonly referred to as the "Cape Wind" project. This project, which has been under development since 2001, has already undergone extensive environmental review and is now awaiting final approval. In the meantime, Europe has installed 39 offshore wind projects in nine different countries with over 2,000 megawatts of capacity. I was pleased then to see you commit the Department of the Interior to reaching a final decision on Cape Wind by this April.

Will you be able to develop a mitigation agreement on this project to allow Cape Wind to proceed?

Question 51. If not, in your opinion, how will a negative decision on the first offshore wind project in the country impact the development and financing of other, future offshore wind projects?

Question 52. The National Park Service recently announced that the 500 square mile Nantucket Sound is eligible for listing on the National Register of Historic Places.

Question 53. What would a National Register of Historic Places listing have on development, as well as ongoing commercial activities, within Nantucket Sound?

Question 54. What kind of national precedent would such a federal designation set?

Question 55. Given the extensive regulatory process and the potential litigation that will likely follow any federal approval of an offshore wind project, do you have any suggestions for streamlining, consolidating or expediting both the approval process and the judicial review process so that worthy and needed projects can be licensed and constructed in a reasonable time frame?

OREGON AND CALIFORNIA LANDS TIMBER PROGRAM

Question 56. The budget proposal contains a proposed 7.2% reduction in timber budget for the O&C lands. But suggests at 17% reduction in outputs in terms of timber sales sold.

Can you explain why the have proposed to 7% budgets cut will result in a 17 percent reduction in outputs?

USGS MAGNETIC OBSERVATORY PROPOSAL

Question 57. U.S. Geological Survey has announced its intention to establish a new geomagnetism data collection center in northern Alaska.

Why the center is being proposed, what is the need for the additional data the center may produce and whether such data couldn't already be obtained from the private sector?

TRANSMISSION/NATIONAL MONUMENTS

Question 58. The Department of Interior is contemplating 14 monument designations or expansions affecting 9 Western states and millions of acres.

Has the Department analyzed the proposed designations as to whether they will interfere with the ability to site transmission and other energy facilities in the energy corridors designated pursuant to Section 368 of the Energy Policy Act of 2005?

Question 59. Would the monument designations override the land use plan amendments approved in the Record of Decisions associated with those energy corridor designations?

Question 60. Please provide the Committee with your analysis.

Question 61. The Western states have been engaged in a renewable energy zone initiative, which has sought to identify major areas of potential renewable resources and the transmission necessary to export that power.

Given the land areas that are already precluded from use in siting new transmission, new set asides further reduce the available options for siting transmission. What are the renewable and other fuel sources for generating electricity located within or in the vicinity of any of the areas being considered for designation?

Question 62. What, if any transmission or other linear energy facilities are located on rights-of-way (ROWs) within the boundaries of the areas being considered for designation or in neighboring areas that might be affected by the designation?

Question 63. Would these facilities have to be relocated?

Question 64. How will any facilities located within the boundaries be affected (vegetation management on the ROWs), and what requirements may be imposed for those located adjacent to the areas being considered for protection?

Question 65. Have you analyzed the potential impact on siting new transmission facilities, particularly those needed to export renewable resources between the various western states, including the costs of routing around any potential designations?

Question 66. Please provide the Committee with your analysis.

QUESTIONS FOR KEN SALAZAR FROM SENATOR BARRASSO

NON-PRODUCING LEASES FEE

Question 1. Your budget proposes a fee on non-producing oil and gas wells. The proposed non-producing fee ignores the fact that successfully bringing a lease to production takes years of research, investment, environmental analysis and bureaucratic-hoop jumping. In many cases, the federal government's restrictions and stipulations, along with environmental lawsuits, significantly delay bringing leases into production.

Will the proposed fee be imposed while the environmental analysis is being conducted?

Will the fee be imposed if the project is held up by environmental litigation?

APDS

Question 2. One of the biggest holdups for folks in Wyoming is the backlog on applications for permit to drill (APDs). The Buffalo field office in Wyoming has a backlog of over 2,000 permits. Businesses need certainty to create jobs and plan for the future. The BLM needs to make a decision on that application, not sit on it for 6 months, 9 months, or a year.

Do you have a plan to reduce the APD backlog?

IMPACT ON REVENUES FOR STATES

Question 3a. I'm deeply concerned about the impact the Department's policies and delayed decisions will have on lease sale revenues for state and local governments. The Department's new oil and natural gas leasing regulations, its inability to finalize Resource Management Plans and Environmental Impact Statements, and the decrease in acres offered for leasing threaten to drastically reduce revenues generated by lease sales.

States, counties, and towns in Wyoming depend on lease sale revenues as part of their budgets. It also helps bring in much-needed revenues for the federal government.

In Wyoming, revenues from oil and gas bonus bids and rental fees were down from \$93 million in 2008 to \$10 million in 2009. The revenues in Wyoming for 2009 are the lowest in over a decade, including in years when natural gas prices are lower than they are today.

Can we expect an equally disappointing numbers in 2010?

How can you demonstrate a commitment to continued access to public lands for oil and gas development?

How many RMPs and EISs were completed in 2009?

How does that compare to 2007 and 2008?

What ways can the Department streamline the process to ensure these documents are completed on schedule?

Question 3b. The Department's oil and gas leasing proposal calls for focusing leasing in areas that have already been developed.

How do you add domestic energy production and increase revenues if you are leasing places that have already been tapped?

ABANDONED MINE LAND

Question 4a. In 2006, Congress enacted changes to the Surface Mining Control and Reclamation Act. Secretary Salazar and President Obama supported the final compromise when you served in the Senate. This money is owed to Wyoming from taxes levied on coal production.

Wyoming has devoted \$93 million of AML funds to coal mine reclamation since enactment of the SMCRA Amendments in 2006. There is still work to be done.

Does Department recognize Wyoming's ongoing cleanup efforts?

Question 4b. The AML compromise was a bipartisan agreement achieved after more than a decade of negotiations. Everyone gave a little to reach a solution that worked for all parties.

Why is the Department walking away from an agreement supported by the President and Secretary during their tenure in the Senate?

Why should the people of Wyoming, Montana, Texas, Louisiana, the Crow Nation, the Hopi Nation, or the Navajo Nation ever trust the Administration if they break deals that they supported?

COAL PRODUCTION

Question 5. Coal production supports roughly 20,000 jobs in Wyoming. It generates hundreds of millions of dollars in revenues annually for the State. Wyoming supplies 40 percent of our nation's coal. Without it, people can't turn on the lights or heat their homes.

The Department recently imposed an excessively bureaucratic review structure for Federal Register notices. This policy threatens these jobs and coal production in Wyoming. The new approval process requires 14 separate stops within the Department of Interior before a notice can be published. It creates unnecessary and easily avoided delays.

Does a "Project Scoping Notice" really need to be seen by the Assistant Director, the Solicitor, the Division of Regulatory Affairs, the Public Affairs, the BLM Director, the Assistant Secretary, and the Executive Secretariat?

What's the justification?

GRAZING

Question 6. The BLM budget for Rangeland Management would only provide funds to renew 34% of grazing permits due this year. That does not begin to address the permits that are already backlogged from years past. This is not an acceptable proposal.

Please provide the number of permits expiring in FY2011 for each state nationwide. Please include estimation of how many of those permits will be fully processed within FY2011 under the President's request, and how many of those permits will be renewed under appropriations language allowing for delayed NEPA review.

Please provide the number of permits that expired in FY2009 and FY2010 along with the number of permits processed in each of those years. Please break out numbers based on how many permits were processed under appropriations language allowing delayed NEPA review and how many were renewed with complete documentation.

Please provide the number of permits overdue for renewal (those remaining unprocessed and beyond the permitted deadline for renewal) in each state nationwide.

Please provide the number of permits backlogged for NEPA review (those renewed under appropriations language with incomplete NEPA) for each state nationwide. Please include a projection of how many of these permits will be processed in FY2011 under the President's budget proposal.

Please explain why the President has chosen to prioritize \$83.7 million within BLM's budget for acquisition of private lands, rather than investing those funds in permit renewals for ranchers whose businesses and land ownership relies upon the agency's adequate management of grazing permits.

- a. Wouldn't the agency get much greater return on its dollar, in terms of acres of open space preserved, by investing in grazing permit administration rather than direct land acquisition?

BLM WILD HORSE AND BURRO PROGRAM

Question 7. What is the length of time the Department projects is necessary for the Secretary's proposal for wild horse and burro management to create enough cost savings to cover the total cost of implementation?

Please provide the projected operational funding needs for Wild Horse and Burro Management over the length of time necessary for the Secretary's proposal to create enough cost savings to cover the total cost of implementation.

Please provide the projected acquisitions budget for the creation of wild horse preserves as envisioned by the Secretary's proposal.

- a. Please include a projected acquisitions budget under a scenario in which land for all seven of the preserves envisioned in the Secretary's proposal are acquired by the United States government.

Please provide the annual operations budget for wild horse preserves created as envisioned by the Secretary's proposal.

- a. Please include a projected annual operations budget for wild horse preserves under a scenario in which all seven of the preserves envisioned in the Secretary's proposal are operated by the United States government.

- b. When providing operations budget information requested above, please omit any possible visitor fee or other sources of income that may be generated by the preserves in the future. These revenue sources can only be speculated at this time.

Please provide information on the acreage necessary for maintenance of seven horse preserves in the West, Midwest, South and West Coast and Northeast regions of the country. Please include acreage necessary for a single preserve in each region, and an aggregate figure for acreage required in each region under a scenario in which all seven preserves were established in a single region.

Please provide a detailed justification of the costs associated with the Secretary's proposal for wild horse and burro management. Please include increased operational costs necessary to reach AML on all western ranges, the cost of acquisition of preserves, and the management costs of those preserves. Please do not omit the costs of the adoption program or fertility control research and administration. Please include analysis of several scenarios of preserve management—one in which the Secretary's plan goes forward as envisioned with two federal horse preserves and five partner-owned and managed preserves; and one in which partners are not available and it becomes necessary for the United States to acquire and operate all seven proposed horse preserves. In conducting this analysis, please omit any possible consid-

eration for visitor fees or other streams of revenue to horse preserves that are not currently available.

Please provide documentation of the Department's assurances from partner groups, tribes and states that wish to acquire and manage wild horse and burro preserves. Please explain the Department's reason to believe that these groups, tribes or states are willing and able to establish five wild horse and burro preserves.

Please provide detailed justification of the aspects of the Secretary's plan that affect wild horse and burro populations on public lands.

- a. Under the plan, how, specifically, would wild horse and burro populations on the range be managed?
- b. What requirements will be placed on the program for population control?
- c. How will these operations be funded?
- d. How will the agency protect itself from legal challenge to these operations?

Please provide a comparison of the costs of preparing a programmatic NEPA analysis for the Wild Horse and Burro Program with the cost to the United States of the past three years of lawsuits against the program on the basis of NEPA compliance.

CLIMATE CHANGE

Question 8. A Secretarial Order was issued in October mandating all of the Department's bureaus to adapt and mitigate for climate change. The climate change initiative is allocated \$171 million in the President's budget. Based on these initiatives, the Department intends to set up science centers to oversee all research and policy that can be related to climate change.

How are these science centers held accountable for the implications of their decisions?

- a. How can the public comment?
- b. Who should stakeholders contact?

How are the science centers going to interact with land management?

- a. Does a science center's direction over-rule local land planning?
- b. How should a local land manager prioritize information from a science center versus local monitoring data and planning documents?

What Department of the Interior documents govern this process? Are there regulations? Policy? Directives?

- a. When will the public be allowed to comment on those documents?

The Department's new direction on climate change is a sweeping policy that could affect every action in every office of the Department of Interior. It could affect any future action. It could also affect every past decision. We have been told that existing management plans can be overturned if Department scientists feel it necessary to introduce new information about climate change. Even if the Department doesn't overturn existing plans, activists will undoubtedly challenge them in court.

How is the Department going to guarantee certainty for public land users and stakeholders?

What is the specific threshold that requires changes to existing plans and permits?

How is the Department going to shield existing plans from lawsuits based on the Secretarial Order?

LAND DESIGNATIONS

Question 9a. A memo was released a couple of weeks ago from the Department of the Interior. It lays out a strategy for Presidential monument designations and federal land acquisitions. I appreciated the Secretary's comments regarding this issue at Wednesday's hearing.

Based on the Department's position that there is no secret agenda and that the Department will work with states and legislators to make conservation decisions, will this Administration commit not to implement land designations or acquisition campaigns without the support of the affected State and its Congressional delegation?

Question 9b. One of the deeply troubling portions of the leaked land strategy was the suggestion that the federal government buy up land in the Green River Valley of Wyoming. That would be a grave mistake. The Green River Valley is a shining example of cooperative conservation. Ranch families have been caring for their lands for generations, and their success is evident in valley's pristine beauty and abun-

dant wildlife. There are ongoing local conservation efforts to preserve open space and migration corridors. These families have a proud tradition of conserving the place they call home. No federal agency could achieve the same results. The fact that acquisition was suggested by the Department shows a lack of understanding for these local Wyoming communities.

Will this Administration commit that these families will never be pressured by the government to sell their land.

QUESTIONS FOR KEN SALAZAR FROM SENATOR BROWBACK

Question 1. Secretary Salazar, do you believe employees at the Department of the Interior should be allowed to exclude Border Patrol from Wilderness areas or National Parks?

Question 2. Do you believe DOI lands along our southern border are serious national security threats?

Question 3. Secretary, could you please expand on your answer to Chairman Bingaman's question regarding the DOI's internal working document that identified multiple areas under the jurisdiction of the Bureau of Land Management as potential candidates to become new national monuments, meriting special conservation status, or targets of land rationalization. More specifically, how did you determine this list? Did you receive any help from outside groups? Do any of the sites listed have potential for energy development?

Question 4. Are there any ongoing efforts to open up more land under the jurisdiction of the DOI to allow for hunting or gun ranges?

Question 5. What stage is the National Park Service currently at in promulgating rules that would seek to prohibit lead in ammunition and fish tackle used in national parks?

QUESTIONS FOR KEN SALAZAR FROM SENATOR BENNETT

MINING PERMITTING DELAYS

Question 1. The uncertainties regarding approval of mining activities on public lands has contributed to decreased mineral exploration dollars being invested in the United States and to increased reliance on foreign supplies of minerals. According to Behre Dolbear, the U.S. ranks among the lowest of the top 25 mining nations in terms of time and expense for obtaining required permits for mineral exploration and development. As a consequence, U.S. projects face substantially longer lead times before generating a return on investment which discourages exploration and impairs the ability to attract the capital investment required for mine development.

One existing and unnecessary roadblock to obtaining mine permits is the time it takes the Department of Interior to process certain administrative notices under the National Environmental Policy Act (NEPA) for mining operations. This "clearance process" for NEPA Federal Register notices laid out in BLM Instruction Memoranda (IM) 2010-043 (dated Dec. 23, 2009) needlessly adds months to the permit process as it requires multiple layers of Departmental approval of notices developed by State Bureau of Land Management (BLM) offices. According to the IM, notices must undergo at least nine stages of review, none of which appear to be concurrent. (See attached chart.) The impacts of these delays can be significant—lost federal, state and local revenues, fewer jobs, and lost opportunities. One mining company indicated that for each month of delay the company loses over \$1 million in net present value.

How can such a review process be justified in this economy? It appears to be purely bureaucratic, does not frequently result in any changes to the underlying Federal Register documents, wastes agency resources and delays shovel ready jobs.

Why is this clearance process necessary? How have reviews by State BLM offices been inadequate?

How does the Department plan to streamline this clearance process?

At a minimum shouldn't the Department exempt more NEPA notices from the clearance review process, particularly those that are nonsubstantive and only announce availability of documents or initiation of scoping periods?

How many of these reviews (all reviews, not just those for mining) are pending in the Department. Does the Department plan to establish strict timeframes for clearance reviews? Why doesn't the Department allow and require concurrent review of NEPA notice by departmental offices involved in the clearance process?

RENEWABLE ENERGY PERMITTING

Question 2. Your budget request calls for a \$14.2 million increase over fiscal 2010 levels for renewable energy as part of your “New Energy Frontier” and these funds will be sprinkled over five different agencies. Renewable energy companies across the West are frustrated by the unpredictable and incredibly slow permitting process for renewable energy projects.

How do you anticipate that an increase of only \$3 million for the Bureau of Land Management will assist in the permitting process and can we expect a much larger budget request in the future along with real policy changes to improve the BLM’s permitting record?

PROPOSED OIL AND GAS REFORMS

Question 3a. On January 6, 2010, the Department of the Interior announced new reforms to the oil and gas program. Since that time, only a very brief overview document has been available. I am concerned that at a time in which companies are uncertain about the regulatory environment and what changes might occur, that they have not been given any specific direction about what to expect, nor have they been given an opportunity to comment about how those changes might impact their companies and their ability to hire new people.

When will the actual policies be made available to the public? Will the public have an opportunity to comment and have their views and concerns analyzed and considered before implementation?

To what extent will the impacts of the proposed policies upon the companies’ ability to hire new people cause you to reconsider the wisdom of moving ahead with major changes at this time of economic downturn?

What non-federal individuals or groups were consulted about these new reforms prior to their announcement on January 6?

Given the Administration’s pronounced desire to focus on job creation, what analysis did your Department consider regarding any potential impact these new policies might have upon the ability of oil and gas companies to add jobs and hire new people, or whether the changed regulatory environment might cause companies to lay off workers? Can you please provide any specific analysis used in the consideration of these policies in response to these questions?

As the Administration has expressed concern about federal budget deficits, what analysis was done to consider the impact these policy changes might have upon oil and gas revenues to the federal treasury? Please provide that analysis in response to this question.

What analysis was done in considering impacts to states as a result of potential declines in oil and gas revenues to their budgets that might result from these new policies? Please provide any analysis considered.

Would you be willing to set aside these new reforms, even temporarily, if you are not able to confidently answer—after having done a thorough economic analysis—that these reforms would not result in the loss of jobs or the loss of new jobs that might otherwise materialize in a more certain business environment?

Question 3b. On February 23, 2010, BLM Utah held an oil and gas lease sale that offered only four parcels, with one selling, with total revenues from the sale amounting to only \$6315.50.

What was the total cost of holding this lease sale (total should include employee hours spent in preparing for the sale, as well as all associated administrative costs)?

QUESTIONS FOR KEN SALAZAR FROM SENATOR BUNNING

Question 1. The U.S. Environmental Protection Agency (EPA) is considering a rule that would regulate coal combustion byproducts (CCBs) as a “hazardous waste” under the Resource Conservation and Recovery Act (RCRA) subtitle C, which could have significant implications for many of the bureaus and agencies within the U.S. Department of the Interior (DOI). Has DOI taken a position on whether EPA should regulate coal ash as a hazardous waste? If so, please explain DOI’s position and why it was taken. Please provide any documentation, data or studies that DOI used to support its position.

Question 2. The National Academy of Sciences and the EPA’s C2P2 program have both historically considered many applications of coal ash in the mine reclamation process to be beneficial uses of CCBs. DOI has also historically supported the use of CCBs in mine reclamation. How would a hazardous waste designation of CCBs impact the beneficial uses of CCBs in coal mining operations and reclamation including (but not limited to) the following:

- a. Neutralizing acid mine drainage

- b. Placement in underground mine voids
- c. Use as a soil amendment to improve soil quality and productivity
- d. Use as a base material for haul and access roads
- e. Use in achieving SMCRA requirements of approximate original contour
- f. Use in preventing surface disruption that would otherwise result from disposal of CCBs in landfills and surface impoundments.

Question 3. In the discussion of these various uses of CCBs, please include any data DOI has compiled regarding the amount of CCBs used in each beneficial use application. Please also explain what comparative substitute materials would be available for use if CCBs were precluded due to a hazardous waste designation by EPA, including the increased costs of these replacement materials.

Question 4. The Office of Surface Mining (OSM) took the lead in regulating the placement of CCBs in coal mines, and published an advanced notice of proposed rulemaking in March 2007. Does OSM still plan to move forward with its own rulemaking on CCBs this fiscal year? If EPA proceeds with a proposed rule under RCRA Subtitle C, how will that rule impact OSM's plans to propose a rule on the placement of CCBs in coal mines? Specifically, would the proposed rule delay or fundamentally change OSM's role in regulating CCBs at mine sites?

Question 5. The New Madrid Seismic Zone has a great effect on Western Kentucky. The U.S. Geological Survey places areas in my state in a hazard category higher than Los Angeles or San Francisco. This designation affects everything from insurance rates to site decisions for critical facilities. However, I have heard from constituents who tell me this assessment is flawed. In fact, in a letter (see attachment)* from the U.S. Geological Survey they cite a "very low seismicity in Kentucky" and "low hazard and risk throughout most of the state." Could you comment on this apparent discrepancy?

Question 6. There have been questions raised about border security in lands administered by the Department of Interior. Do you believe that employees at DoI should be allowed to exclude Border Patrol from Wilderness areas or National Parks? Do you believe that DoI lands along our southern border are serious national security threats?

QUESTIONS FOR KEN SALAZAR FROM SENATOR SESSIONS

Question 1. The oil and gas industry supports 9.2 million American jobs, so increasing access to domestic resources could provide an opportunity to create more jobs, generate more revenues at all levels of government, and provide greater energy security. Yet, the Administration is considering at least \$400 billion in new taxes and fees on the oil and natural gas industry.

In your opinion wouldn't this sharp increase in taxes wipe out American jobs and devastate American businesses?

Question 2. You have said "We need a new, comprehensive energy plan that takes us to the new energy frontier and secures our energy independence. We must embrace President Obama's vision of energy independence for the sake of our national, economic, and environmental security." Yet a pattern seems to be emerging when it comes to developing America's domestic oil and natural gas resources. It can be summed up in one word: Delay. Recent examples of delay include: the Interior Department extending the comment period for the five-year offshore oil and natural gas lease plan and pushing back the second round of oil shale research and development leases, as well as Virginia's governor seeking to delay the proposed lease sale off that state, scheduled for 2011.

Can you please explain to me how your recent statement supports energy independence, while the federal government continues to lock up our own energy resources forcing the United States to continue to import from unfriendly nations?

The extended comment period for the upcoming five-year plan (2010-2015) for oil and natural gas development on the Outer Continental Shelf has now been closed for over 4 months. So far no additional action has been taken. Can you provide the Committee with a firm timeline for action on the proposed leasing program? Can you provide any details on areas that will be available for leasing under this program?

* Letter has been retained in committee files.

Question 3. In November 2009, you took unilateral action to shorten the lease terms of an upcoming Central Gulf of Mexico lease sale. The shortening of lease terms does nothing to guarantee more discoveries but rather takes away from companies the flexibility necessary to operate in an extremely challenging, risky, and costly environment.

Why would the Department of Interior change lease terms and jeopardize the job creation and federal revenues generated by increased offshore production, at a time of record budget deficits and high unemployment?

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