



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Provides \$11.4 billion in discretionary funding, an increase of about one percent above the 2012 enacted level. This reflects an ongoing commitment to critical landscapes and infrastructure, as well as savings achieved through administrative efficiencies and reductions in construction funding to focus on projects necessary for health and safety.
- Invests in the safety, reliability, and efficiency of America's water infrastructure and in the protection and restoration of fragile aquatic ecosystems.
- Conserves landscapes and promotes outdoor recreation in national parks, refuges, and on other public lands through the America's Great Outdoors initiative.
- Invests \$386 million to strengthen oversight of offshore oil and gas operations so that energy development can proceed in a safe and sustainable manner.
- Supports tribal priorities in Indian Country by increasing funding for public safety and justice, natural resources, and compensation to Tribes that assume responsibility for managing Federal programs.
- Reforms mining oversight and reduces the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines and by evaluating integration of activities between bureaus.
- Continues the Administration's commitment to land conservation by providing \$450 million for the Land and Water Conservation Fund.
- Improves the return to taxpayers from mineral production on Federal lands and waters through royalty reforms and industry fees.
- Saves over \$200 million from 2010 levels through administrative efficiencies and reduced spending in travel, printing, supplies, and advisory services.

- Reduces construction funding by \$49.4 million, or 16 percent.
- Continues efforts to restore significant ecosystems such as the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast, helping to promote their ecological sustainability and resilience.

The Department of the Interior's (DOI's) mission is to protect and manage America's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities and special commitments to American Indians, Alaska Natives, and Insular areas. In support of this mission, the President's 2013 Budget provides \$11.4 billion for DOI, about a one percent increase over the 2012 enacted level. This is close to the average for the past five years, and in light of the tight discretionary budget caps, a sign of the Administration's commitment to these priorities. To free up resources, the Budget also includes legislative proposals that would save a net total of approximately \$2 billion over 10 years, including reforms to fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters.

Promotes Economic Growth by Investing in Our Natural Heritage and Energy Resources

Protects and Restores Water Resources and Infrastructure. The Budget invests in the safety, reliability, and efficiency of our water infrastructure, to ensure the continued delivery of water and power to millions of customers and serve as a foundation for a healthy economy, especially in the arid West. The Budget continues investments in the protection and restoration of fragile aquatic ecosystems, such as California's Bay-Delta, to ensure that such environmental treasures are available for future generations. These investments are made possible by making difficult choices elsewhere, finding savings and consolidations, and reaping the benefits of smart choices made in previous years. Both study of

new projects and construction of ongoing projects have been severely curtailed; the Budget proposes to merge the Central Utah Project Completion Act Office (CUPCA) with the Bureau of Reclamation; and water reuse, recycling and conservation programs are emphasized over new construction.

Makes Public Lands Available for Private Investments for the Development of Clean Energy. To enhance energy security and create green jobs in new industries, the Administration proposes key funding increases for renewable energy development and Federal natural resource stewardship. The Budget includes \$86 million to maintain capacity to review and permit new renewable energy projects on Federal lands and waters, with the goal of permitting 11,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2013.

Funds Development of the Nation's Offshore Oil and Gas Resources. The Administration proposes \$164 million and \$222 million, respectively, to fund the new Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE). Together, BOEM and BSEE will work to aggressively—but responsibly—conduct the remaining Gulf of Mexico lease sale pursuant to the 2007-2012 Outer Continental Shelf Five-Year Oil and Gas Leasing Program. In addition, the Bureaus will work to finalize and begin implementation of the Administration's proposed 2012-2017 leasing program, which would make more than 75 percent of undiscovered technically recoverable oil and gas resources estimated on the Outer Continental Shelf (OCS) available for development.

Conserves Landscapes, Creates Jobs, and Promotes Outdoor Recreation. The America's Great Outdoors (AGO) initiative supports Federal, State, local, and tribal conservation efforts while reconnecting Americans, particularly young people, to the outdoors. Investments for AGO programs support conservation and outdoor recreation activities nationwide that create millions of jobs, generate hundreds of millions of dollars in tax revenue, and spur billions in total national economic activity. These programs include operating national parks, refuges, and public lands, which are critical for conserving natural and cultural resources; protecting wildlife; and drawing recreational tourists from across the country and the world. They also include grant programs that assist States, Tribes, local governments, landowners, and private groups (such as sportsmen) in preserving wildlife habitat, wetlands, historic battlefields, regional parks, and the countless other sites that form the mosaic of our cultural and natural legacy. The Budget provides \$450 million for the Land and Water Conservation Fund (LWCF), programs in the Departments of the Interior and Agriculture. Of this amount, \$270 million is proposed to conserve lands within national parks public lands, refuges, and forests, including \$109 million in collaborative funds for Interior and the U.S. Forest Service to jointly and strategically conserve the most critical landscapes. In addition, reauthorization of the Federal Land Transaction Facilitation Act would allow DOI to use proceeds from the sale of low-conservation value lands to acquire additional high-priority conservation lands.

Protects Communities and Ecosystems from Wildfire Damage. The Budget continues the long-standing practice of fully funding the 10-year average cost of wildland fire suppression operations. The Budget also continues the practice of targeting hazardous fuels reduction funding for activities near communities (known as the "wildland-urban interface") where they are most effective. Priority is given to projects in communities that have met "Firewise" standards (or the equivalent), identified acres to be treated, and invested in local solutions to protect against wildland fire.

Strengthens Tribal Nations. The Administration supports the principle of tribal self-determination and improved outcomes with a \$9 million increase to compensate Tribes when they manage Federal programs themselves under self-determination contracts and self-governance compacts. Administration efforts to combat crime in Indian Country through cooperation among Federal, State and tribal entities are making progress, as demonstrated by a pilot program to reduce violent crime on selected reservations. The Budget builds on this progress with increased funds for operating tribal courts, staffing new detention centers, and coordinating community policing programs to reduce crime. The Budget also includes increases to meet the needs due to growing enrollment in tribal colleges and to protect natural resources in Indian Country.

Improves Oversight and the Use of Federal Dollars

Reorganizes and Reforms the Management and Oversight of Offshore Drilling. In the wake of the Deepwater Horizon disaster and subsequent oil spill, the Administration has initiated comprehensive reforms to the management of offshore oil and gas drilling on the OCS. In addition to establishing greater independence for safety regulators through the creation of a separate Bureau of Safety and Environmental Enforcement, the Administration is aggressively implementing management reforms to strengthen oversight of OCS oil and gas operations. These investments are consistent with recommendations for stronger oversight made by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling in its January 2011 report. The Budget includes \$386 million, a \$28 million increase over the 2012 enacted level, to complete reforms to the two bureaus that now oversee offshore oil and gas development. This includes funding to hire new oil and gas inspectors, engineers, scientists, and other staff to oversee industry operations; establish real-time monitoring of key drilling activities; conduct detailed engineering reviews of offshore drilling and production safety systems; improve

oil spill research and development activities; and implement more aggressive reviews of company oil spill response plans. These reforms will also facilitate the timely review of offshore oil and gas permits.

Reforms Mining Operations and Reduces the Environmental Impacts of Mining. The Budget addresses the environmental impacts of past mining by dedicating and prioritizing funds to clean up abandoned mines. Currently, DOI charges the coal industry an abandoned mine lands (AML) fee and allocates receipts to States based on production, rather than on the most pressing needs for cleaning up abandoned mines. The Administration proposes to target these coal AML fee receipts at the most hazardous sites through a new competitive allocation process with State participation. It also proposes to establish a new AML fee on hardrock mining, with receipts allocated through a competitive process to reclaim abandoned hardrock mines, so that the hardrock mining industry is held responsible in the same manner as the coal mining industry. The Administration is also evaluating a better alignment of mining oversight and cleanup operations by integrating certain functions of the Office of Surface Mining and Bureau of Land Management. A new organizational structure would allow the two bureaus to gain efficiencies through shared administrative costs, while building on their respective strengths.

Provides a Better Return to Taxpayers from Mineral Development. The public received above \$10 billion in 2011 from fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters. A number of recent studies by the Government Accountability Office and DOI's Inspector General have found that taxpayers could earn a better return through more rigorous oversight and policy changes, such as charging appropriate fees and reforming how royalties are set. The Budget proposes a number of actions to ensure that taxpayers receive a fair return from the development of U.S. mineral resources:

- Charging a royalty on select hardrock minerals (such as silver, gold and copper);
- Terminating unwarranted payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines;
- Extending net receipts sharing, where States receiving mineral revenue payments help defray the costs of managing the mineral leases that generate the revenue;
- Charging user fees to oil companies for processing oil and gas drilling permits and inspecting operations on Federal lands and waters;
- Establishing fees for new non-producing oil and gas leases (both onshore and offshore) to encourage more timely production; and
- Making administrative changes to Federal oil and gas royalties, such as adjusting royalty rates and terminating the royalty-in-kind program.

Department of the Interior
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending			
Discretionary Budget Authority:			
Bureau of Land Management (BLM).....	1,100	1,098	1,146
Bureau of Ocean Energy Management	161	161	164
Bureau of Safety and Environmental Enforcement (BSEE)	145	197	222
Office of Surface Mining.....	162	150	141
Bureau of Reclamation/CUPCA.....	1,045	1,024	994
U.S. Geological Survey	1,084	1,068	1,102
Fish and Wildlife Service.....	1,505	1,476	1,548
National Park Service	2,641	2,610	2,609
Bureau of Indian Affairs	2,594	2,531	2,527
Office of the Special Trustee	161	152	146
Wildland Fire	779	575	818
All other.....	472	500	502
Subtotal, Discretionary budget authority.....	11,849	11,542	11,919
Discretionary Changes in Mandatory Programs (<i>non-add in 2012</i>): ¹			
LWCF Contract Authority		-30	-30
Coastal Impact Assistance Program Balances		—	-200
Net Receipts Sharing.....		-42	-40
Palau Compact Extension.....		14	—
Subtotal, Discretionary changes in mandatory programs		-58	-270
Receipts and Collections:			
Offsetting OCS Collections (rents/cost recovery)	-155	-160	-162
OCS Inspection Fees (BSEE).....	-10	-62	-65
Onshore Oil and Gas Inspection Fees (BLM)	—	—	-48
Total, Discretionary budget authority.....	11,684	11,320	11,374
Total, Discretionary outlays	13,121	12,416	12,258
Mandatory Outlays:			
Existing law	558	-1,101	938
Legislative proposals		29	254
Total, Mandatory outlays.....	558	-1,072	1,192
Total, Outlays	13,679	11,344	13,450

Department of the Interior—Continued
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Credit activity			
Guaranteed Loan Disbursements by Private Lenders:			
Indian Guaranteed Loan Program	84	73	73
Total, Guaranteed loan disbursements by private lenders	84	73	73

¹ The 2012 amounts reflect OMB's scoring of the 2012 Appropriations acts (P.L. 112-55 and 112-74) as transmitted to the Congress. These amounts are displayed as non-add entries because they have been rebased as mandatory and are not included in any 2012 discretionary levels in the 2013 Budget.