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DEPARTMENT OF THE INTERIOR SPENDING AND THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSAL

OVERSIGHT HEARING

BEFORE THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

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OVERSIGHT HEARING ON "DEPARTMENT OF THE INTERIOR SPENDING AND THE PRESIDENT'S FISCAL YEAR 2013 BUDGET PROPOSAL."

Wednesday, February 15, 2012
U.S. House of Representatives
Committee on Natural Resources
Washington, D.C.

The Committee met, pursuant to notice, at 10:05 a.m., in Room 1324, Longworth House Office Building, Hon. Doc Hastings [Chairman of the Committee] presiding.

Present: Representatives Hastings, Young, Gohmert, Bishop, Lamborn, Broun, Fleming, Thompson, Denham, Rivera, Duncan of South Carolina, Tipton, Gosar, Labrador, Flores, Harris, Landry, Runyan, Johnson, Amodei; Markey, Kildee, Faleomavaega, Napolitano, Holt, Grijalva, Bordallo, Costa, Sablan, Luján, Sarbanes, and Garamendi.

The CHAIRMAN. The Committee will come to order. The Chairman notes the presence of a quorum, which under Rule 3(e) is two Members, and we vastly exceed that.

The Committee on Natural Resources is meeting today to hear testimony on Department of the Interior spending and the President's Fiscal Year 2013 budget proposal. Under Committee Rule 4(f), opening statements are limited to the Chairman and the Ranking Member of the Committee. However, I ask unanimous consent that any Member who would like to submit an opening statement have it to the Clerk prior to the close of business today.

[No response.]

The CHAIRMAN. And without objection, so ordered. I will now recognize myself for my opening statement.

STATEMENT OF THE HON. DOC HASTINGS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WASHINGTON

The CHAIRMAN. Mr. Secretary, thank you very much for being here today to discuss the Interior Department's proposed budget for Fiscal Year 2013. I note that the President's budget includes a one percent increase for funding for the Interior Department. But it also contains more tax-and-spend policies in the overall budget that, in my view, are detrimental to job creation and economic growth.

Fiscal Year 2013 will mark the fourth straight year of over-trillion-dollar budget deficits. Increasing taxes on American families and businesses is not the solution, and simply freezing and holding the line on spending is not enough. We must set priorities and make tough choices on how to cut spending, and where to best direct scarce tax dollars.

For instance, like last year, I must again question the need to increase funding for the Federal Government to purchase more Federal land. While the request for land acquisition was cut in half from last year, it still represents a $160 million spending increase compared to when President Obama took office. The Interior Department continues to have a maintenance backlog on Federal lands that measures into the billions of dollars.

The bottom line is that we should not be increasing spending for land acquisition when the government cannot maintain the land that it already owns.

I also have serious concerns about the tax and fee increases on American energy production. We all know that energy production is one of the best job creators and economic boosters in our country. That is why it is baffling to me that the President's budget would include over $45 billion in tax and fee increases on American energy. Increasing taxes on energy production is misguided policy that, obviously, will just increase energy costs. And now gasoline prices are once again on the rise.

Just to go back, the national average of the gasoline price at the pump has gone up nearly $1.70 since President Obama took office. The last thing that families and small businesses need is to pay even higher prices due to this Administration's tax and fee policies.

At today's hearing we will also examine a number of other important Interior Department policies that directly impact American jobs.

The Interior Department continues to pursue sweeping changes to coal regulations that could potentially cost thousands of jobs and have significant economic impacts throughout the country. But what is frustrating is the Department's lack of fully cooperating with this committee's document requests regarding their document rewrite of this regulatory process. I hope that this frustration can be eased.

The Department is also pursuing new regulations on hydraulic fracturing on public lands. Based on a draft document that was made public, it appears these new regulations will add significant barriers and delays to natural gas production and job creation on Federal lands. The Department also is in the process of finalizing the new five-year offshore leasing plan. There is bipartisan concern over the President's plan to close the majority of the Outer Continental Shelf to new energy production.

The Administration's plan effectively reinstates the drilling moratoria that were lifted in 2008 by Congress and the President when gasoline prices soared to over $4 a gallon. We might be getting to that same area again. And by locking-up the Atlantic, Pacific and parts of the Arctic, this Administration is forfeiting the production of new American energy, the creation of over a million new American jobs, and generation of new revenue for the Federal Government.

So, these are just a couple of the issues that I wanted to highlight. I know Members on both sides of the aisle will have concerns that are wider than what I have talked about. But that is the reason for this hearing.

So, Mr. Secretary, once again thank you very much for being here. And I will recognize the Ranking Member for his opening statement.

[The prepared statement of Mr. Hastings follows:]

Statement of The Honorable Doc Hastings, Chairman, Committee on Natural Resources

Thank you Secretary Salazar for being here today to discuss the Interior Department's budget proposal for Fiscal Year 2013.

I note, the President's budget includes a one percent increase in funding for the Interior Department. But it also contains more tax and spend policies that are detrimental to job creation and economic growth.

FY 2013 will mark the fourth straight year of over trillion dollar budget deficits. Increasing taxes on American families and businesses is not the solution, and simply freezing and holding the line on spending is not enough. We must set priorities and make tough choices on how to cut spending and where to best direct scarce taxpayer dollars.

For instance, like last year, I must again question the need to increase funding for the federal government to purchase more federal land. While the request for land acquisition was cut in half from last year, it still represents a $160 million spending increase compared to when President Obama took office. The Interior Department continues to have a maintenance backlog on federal lands that measures into the billions. The bottom line is that we should not be increasing spending for land acquisition when the government cannot maintain the land it already owns.

I also have serious concerns about the tax and fee increases on American energy production. We all know that energy production is one of America's best job-creators and economic boosters. That's why it's baffling that the President's budget would include over $45 billion in tax and fee increases on American energy. Increasing taxes on energy production is misguided policy that will increase energy costs. Gasoline prices are once again on the rise. The national average has gone up $1.68 since President Obama took office. The last thing families and small businesses need is to pay even higher prices due to this administration tax increases.

At today's hearing we will also examine a number of other important Interior Department policies that directly impact American jobs.

The Interior Department continues to pursue sweeping changes to coal regulations that could cost thousands of jobs and have significant economic impacts throughout the country. But what's frustrating is the Department's lack of fully cooperating with this Committee's' document requests regarding their conduct of this regulatory rewrite.

The Department is also pursuing new regulations on hydraulic fracturing on public land. Based on a draft document that was made public, it appears these new regulations will add significant barriers and delays to natural gas production and job creation on federal lands.

The Department is in the process of finalizing the new five-year offshore leasing plan. There is bipartisan concern over the President's plan to close the majority of the Outer Continental Shelf to new energy production. The Administration's plan effectively reinstates the drilling moratoria that were lifted in 2008 by Congress and the President when gasoline prices soared to over $4 a gallon. By locking-up the Atlantic, Pacific and parts of the Arctic, the Obama Administration is forfeiting the production of new American energy, the creation of over a million new American jobs and the generation of new revenue.

I look forward to hearing from the Secretary today and further discussing these important issues.

STATEMENT OF THE HON. EDWARD MARKEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MASSACHUSETTS

Mr. MARKEY. Thank you, Mr. Chairman, very much.

Earlier this week the Obama Administration released a budget proposal for the Department of the Interior that lays out a balanced approach to energy production on public lands. Despite the claims of critics, the Obama Administration has been fostering both traditional oil and gas development, while moving us forward to a clean energy future. Across the United States, oil production is at

its highest level in nearly a decade. Natural gas production has reached levels we have never seen before. Oil production on public lands offshore is higher than it was during each of the last three years of the Bush Administration.

According to industry analysts, by this summer there will be nearly 30 percent more floating rigs operating in the Gulf than there were prior to the BP spill. And despite claims from the oil industry that companies need access to more areas offshore, the Interior Department's 5-year plan makes more than 75 percent of the offshore oil and gas resources available for development.

It is not the Obama Administration holding back more domestic production. It is the oil companies that are currently warehousing roughly 26 million acres offshore that hold billions of barrels of oil. Onshore, the Department of the Interior has approved more permits to drill, and industry has begun drilling more wells in the first three years of the Obama Administration than in the first three years of the Bush Administration. And the oil and gas industry still has more than 7,000 approved permits to drill onshore that they are not using.

But the Obama Administration is also developing renewable energy on public lands, with the goal of permitting 11,000 megawatts by the end of 2013. This would be more than five times the amount of renewable energy permitted by all previous Administrations combined. Yet, the Republican Majority is threatening to raise taxes on the wind industry, which would jeopardize these projects and could kill 37,000 permanent and existing clean energy jobs at the same time they say that the Keystone pipeline would create 6,000 temporary jobs in construction.

Meanwhile, today the Majority is bringing a bill to the House Floor that amounts to nothing more than a giveaway to Big Oil under the guise of funding our nation's transportation projects. The Majority said their drilling bills were necessary to pay for transportation funding. Yet, the three bills reported out of this committee would generate less than 10 percent of the revenue shortfall for our transportation projects over the next five years. It turns out simply creating more drill holes won't eliminate our nation's potholes.

But, more than that, we know that there will be no drilling in the Arctic Wildlife Refuge, because the votes aren't there in the Senate. We know that there will be no oil shale in Colorado and Utah and in Wyoming, because the Department of Energy has determined that there is no commercially available technology in order to accomplish that goal. And we know that there is not going to be any oil drilling off the coast of Florida and California, because Republicans from those states are lining up to lead the charge to make sure there is no drilling off of those coastlines.

So, these are phantom revenues from phantom drilling that are being proposed by the Republicans in order to pay for a transportation bill. And that is the bottom line, in terms of their proposals on this big debate that we are going to have on paying for the transportation bill.

In contrast to the all-of-the-above energy plan laid out by Secretary Salazar and the Obama Administration, the Majority's plan is nothing more than oil above all. These drilling bills may be good for the members of the American Petroleum Institute, but they are

not good for the American people. And ultimately, they are not going to provide the revenues we need for a transportation bill.

The Majority's drilling bills wouldn't even ensure that American resources would stay here in America to help our consumers. The Majority rejected my amendments in this committee to ensure that natural gas produced from public lands cannot be exported. We should keep that here for our own industries, our own farmers, our own consumers. Low U.S. natural gas prices provide a competitive advantage for American businesses, and relief for American families, and exporting our natural gas would eliminate our economic edge. The Majority should not be imposing a de facto natural gas tax on American agriculture, manufacturing in chemical, steel, and plastics by allowing our natural gas to be exported, as all of these Republican bills would do.

Mr. Chairman, I thank you for having this important hearing today.

Welcome, Mr. Secretary. We look forward to your testimony.

[The prepared statement of Mr. Markey follows:]

Statement of The Honorable Edward J. Markey, Ranking Member, Committee on Natural Resources

Thank you.

Earlier this week, the Obama Administration released a budget proposal for the Department of the Interior that lays out a balanced approach to energy production on public lands. Despite the claims of critics, the Obama Administration has been fostering both traditional oil and gas development while moving us forward to a clean energy future.

Across the United States, oil production is at its highest level in nearly a decade. Natural gas production has reached levels we have never seen before. Oil production on public lands offshore is higher than it was during each of the last three years of the Bush Administration. According to industry analysts, by this summer there will be nearly 30 percent more floating rigs operating in the Gulf than there were prior to the BP spill.

And despite claims from the oil industry that companies need access to more areas offshore, the Interior Department's five year plan makes more than 75 percent of the offshore oil and gas resources available for development. It's not the Obama administration holding back more domestic production, it's the oil companies that are currently warehousing roughly 26 million acres offshore that hold billions of barrels of oil.

Onshore, the Department of the Interior has approved more permits to drill and industry has begun drilling more wells in the first three years of the Obama Administration than in the first three years of the Bush Administration. And the oil and gas industry still has more than 7,000 approved permits to drill onshore that they are not using.

But the Obama Administration is also developing renewable energy on public lands, with the goal of permitting 11,000 megawatts by the end of 2013. This would be more than 5 times the amount of renewable energy permitted by all previous administrations combined. Yet the Republican Majority is threatening to raise taxes on the wind industry, which would jeopardize those projects and could kill 37,000 permanent and existing clean energy jobs.

Meanwhile, today the Majority is bringing a bill to the House Floor that amounts to nothing more than a giveaway to Big Oil under the guise of funding our nation's transportation projects. The Majority said their drilling bills were necessary to pay for transportation funding. Yet the three bills reported out of this committee would generate less than 10 percent of the revenue shortfall for our transportation projects over the next 5 years. It turns out simply creating more drill holes won't eliminate our nation's pot holes.

In contrast to the "all of the above" energy plan laid out by Secretary Salazar and the Obama Administration, the Majority's plan is nothing more than "oil above all." These drilling bills may be good for the members of the American Petroleum Institute, but they are not good for the American people.

The Majority's drilling bills wouldn't even ensure that American resources stay here in America to help our consumers. The Majority rejected my amendments in

this Committee to ensure that natural gas produced from public lands cannot be exported.

Low U.S. natural gas prices provide a competitive advantage for American businesses and a relief for American families, and exporting our natural gas would eliminate our economic edge. The Majority should not be imposing a de facto natural gas tax on American agriculture, manufacturing, chemicals, steel and plastics by allowing our gas to be exported as these Republican bills would do.

If the Republicans vote to allow the exportation of America's natural gas in their transportation bill, all they will be constructing is an expressway to higher prices for American families and businesses.

For years, the Majority has said we need to "drill here, drill now, pay less." But it appears the real Republican energy plan is to "drill here, sell there, and pay more."

I look forward to hearing Secretary Salazar's testimony and thank him for coming to this committee.

The CHAIRMAN. I thank the Ranking Member. And once again, Mr. Secretary, thank you very much for being here. And you have been here before, and know how our process works. Your full statement will appear in the record, and the timing lights are such that when the green light goes on, the full five minutes is what you have allocated. When the yellow light goes on, it means you have a minute. And then, when the red light goes on, if you could watch it as closely as possible, we would very much appreciate it.

And I might add to the Committee that the Chairman—or the Secretary is here until approximately 12:15. There may be some flexibility on that, but if we can adhere as closely to the 5-minute rule, we will get as many questions in as possible.

So with that, Mr. Secretary, I recognize you for five minutes.

STATEMENT OF THE HON. KEN SALAZAR, SECRETARY, U.S. DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY DAVID J. HAYES, DEPUTY SECRETARY, U.S. DEPARTMENT OF THE INTERIOR, AND PAMELA K. HAZE, DEPUTY ASSISTANT SECRETARY, BUDGET, FINANCE, PERFORMANCE AND ACQUISITION, U.S. DEPARTMENT OF THE INTERIOR

Secretary SALAZAR. Thank you very much, Chairman Hastings, and Ranking Member Markey, and all the members of the Committee, as well as your staff. It is an honor for me to appear before you today on behalf of President Obama, and to represent the budget proposed by the President for the Department of the Interior.

Today with me at the hearing table is the Deputy Secretary of the Interior, David J. Hayes, who works with me on a panoply of issues, including all of the issues that this committee addresses, and Pam Haze, who is the Budget Director for the Department of the Interior, who has been in the position for multiple Administrations.

Let me say at the outset, Mr. Chairman and Ranking Member Markey, that this budget for the Fiscal Year 2013 is a squeeze budget. It is a squeeze budget with tough choices and with painful cuts included in this budget. We have cuts in government, so that we will be doing more with less.

We have a proposed budget here that supports job creation, job creation through energy, including conventional energy as well as renewable energy. We have job creation in this budget through support for conservation and America's great outdoors, job creation

in this budget through investment in water infrastructure, especially through all the Bureau of Reclamation facilities and working with our partners throughout the West, and job creation on tribal homelands, where we honor our trust responsibilities in standing up the future of the 566 tribes of America.

I want to review each of those areas in brief here in my opening comment. First of all, with respect to cuts and efficiency in government, working closely with Pam Haze, our Budget Director, and others, we have put forward a budget that will cut the Federal workforce by 591 FTE in the Department of the Interior in the year 2013. Those are real positions with real dollars associated with them.

We will also conduct a program termination and downsizing of a number of programs that will total $517 million. Now, I know some of you may not like the fact, for example, that with the Central Utah Project we are cutting that by $8 million, and we also are consolidating that within the Bureau of Reclamation.

A painful cut for me and for many members of this committee is the National Heritage Areas, because those are important programs for our country. And yet we are taking an $8 million cut in the National Heritage Area program. So there are many program terminations and downsizings that are set forth in this budget.

And third, administrative efficiencies, matters that relate to travel and contracting and procurement. We will save $207 million in this budget that is being proposed in 2013.

Now, let me move quickly from those cuts and downsizing over to jobs and energy, which I know is a primary focus of this committee. We have included in this budget an increase of $76 million from 2012 to move forward with an all-of-the-above strategy for energy—the energy program of the United States of America. Now, that additional money, $76 million over 2012, will support the development of our conventional energy, including oil and gas, as well as support the major renewable energy revolution, which we are leading in America today.

It is important to note that on the conventional side, which goes into most of the oil and gas production and other energy resources that we produce, $662 million is allocated for those conventional energies. In contrast, only $86 million is allocated to renewable energy. But with those $86 million, the Department of the Interior is dedicated to surpass the goals that President Obama set out in the State of the Union to have this authorized by the end of 2012, over 10 megawatts of renewable energy power on our public lands.

So, we feel good about where we are, in terms of the energy program for the United States, and the reflection on this budget.

Jobs again, in outdoor recreation and conservation. Funding here is level with 2012. Independent reports show that over eight million jobs come from outdoor recreation and tourism and preservation. We have reports from independent consultants, as well, that this is one of the cornerstones of the future jobs for America. And that is true for Utah, Wyoming, Colorado, and in fact, all of your states and territories.

Jobs and water. The Bureau of Reclamation today supports 416,000 jobs. We provide water to 31 million people, and provide water for much of the agriculture for the United States of America.

This budget keeps us on track so that between 2009 and 2013 we will have been able to increase water supply in Bureau of Reclamation facilities by 730,000 acre-feet. That is a very significant amount of water.

And finally, jobs on tribal homelands. It is an important part of our responsibilities of the Department of the Interior. And this budget honors those responsibilities.

In conclusion, Mr. Chairman, this budget is a squeeze budget with tough choices and painful cuts. We do more with less. We invest in job creation through energy, conservation, water, tribal homelands, and the science that is required to support all of those initiatives.

Thank you very much for the opportunity for the opening statement.

[The prepared statement of Mr. Salazar follows:]

Statement of The Honorable Ken Salazar, Secretary, U.S. Department of the Interior

Mr. Chairman and members of the Committee, I am pleased to be here today to present the details of the 2013 budget request for the Department of the Interior. Interior's 2013 budget totals $11.5 billion, essential level with 2012 funding. The request includes reductions and savings of $516.8 million. We made difficult choices in this budget, sacrificing in many areas, deferring projects, and programming savings for efficiencies in order to maintain funding for key priorities and investments that will contribute to strengthening the economic vitality and well-being of the Nation.

As the President has detailed in his *Blueprint for an America Built to Last,* the budget proposes investments in an economy that works for everyone. Our budget request supports responsible domestic energy development, advances an America's Great Outdoors strategy to maintain our legacy and stimulate new opportunities, applies science to address the most formidable natural resource challenges, and invests in self-determination and economic development to strengthen tribal Nations. This Committee has been an active partner in advancing these priorities. I look forward to our continued collaboration during the 2013 appropriations process.

Introduction

The mission of the Department of the Interior is to protect and manage the responsible use of America's natural resources, support our cultural heritage and honor the Nation's trust responsibilities to American Indians and Alaska Natives.

Interior's people and programs impact all Americans. According to a Department study, in 2010, Interior programs and activities supported over two million jobs and approximately $363 billion in economic activity. The Department is the steward of 20 percent of the Nation's lands. Interior manages the resources of the national parks, national wildlife refuges, and public lands and assists States, Tribes, and others in the management of natural and cultural resources.

Interior manages many of the Nation's natural resources, including those that are essential for America's industry—oil and gas, coal, and minerals such as gold and uranium. On public lands and the Outer Continental Shelf, Interior provides access for renewable and conventional energy development and manages the protection and restoration of surface mined lands. The Department of the Interior oversees the responsible development of 24 percent of America's domestic oil and gas supplies, while striving to ensure safety and environmental protection and the effective collection of revenue from this development. We estimate that energy and minerals development on Federal lands supported 1.3 million jobs and $246 billion in economic activity in 2010.

The Department is also the largest supplier and manager of water in the 17 Western States, promotes and assists others to conserve water and extend water supplies, and provides hydropower resources used to power much of the Country. The Department estimates that the use of water, timber, and other resources produced from Federal lands supported about 370,000 jobs and $48 billion in economic activity.

Interior works to ensure that America's spectacular landscapes, unique natural life, and cultural resources and icons endure for future generations, tells and preserves the American story, and maintains the special places that enable the shared

American experience. In 2012, visitors made 476 million visits to Interior-managed lands and supported an estimated $47 billion in economic activity.

Interior manages and delivers water, arbitrates long-standing conflicts in water allocation and use, and actively promotes water conservation. As one of the Nation's primary natural and cultural resource stewards, the Department makes decisions regarding potential development on the public lands and offshore coastal areas that can greatly impact the Nation's energy future and economic strength. Factored into this balance is the Department's unique responsibility to American Indians and Alaska Natives. The Department supports cutting edge research in the earth sciences—geology, hydrology, and biology—to inform resource management decisions at Interior and organizations across the world and in earthquake, volcano, and other hazards to protect communities across the Nation. Maintaining and building the capacity to carry out these responsibilities on behalf of the American people is Interior's primary focus.

Powering America's Economy

Stewardship of America's lands and natural resources is at the heart of the national spirit and the economy—from the responsible management and development of natural resources and increasingly, the economic power of outdoor recreation.

In 2011, the Department of the Interior generated a total of $13.2 billion in receipts benefitting the U.S. Treasury—from a combination of fees, royalties, rents and bonuses from mineral, timber, and other natural resource development. The Department estimates that conventional and renewable energy produced on Interior lands and waters results in about $230 billion in economic benefits each year. In 2011, of the total receipts generated by Interior, $11.3 billion was collected from energy production on public lands, tribal lands, and Federal offshore areas—a $2.0 billion increase over the previous year—with receipts disbursed and revenues shared among Federal, State, and tribal governments.

Since 2008, oil production from the Federal OCS has increased by 30 percent, from 450 million barrels to more than 589 million barrels in 2010. Balancing the need for safety and environmental enforcement, Interior currently manages over 35 million acres of the OCS under active lease. A recently proposed five-year oil and gas leasing program would make more than 75 percent of undiscovered technically recoverable oil and gas estimated on the OCS available for development.

Onshore, the Bureau of Land Management held 32 onshore oil and gas lease sales in 2011. The BLM offered 1,755 parcels of land covering nearly 4.4 million acres. Nearly three-quarters or 1,296 of those parcels of land offered were leased, generating about $256 million in revenue for American taxpayers. This was a 20 percent increase in lease sale revenue over 2010, following a strong year in which leasing reform helped to lower protests and increase revenue from onshore oil and gas lease sales on public lands. The BLM recently has seen a 50 percent jump in industry proposals to lease for oil and gas exploration. Oil and gas companies nominated nearly 4.5 million acres of public minerals for leasing in 2011, up from just under 3 million acres the year before. Industry nominations are the first step in the BLM leasing process. After evaluating the parcels, BLM may offer them at auction. Successful bidders can then apply to drill for oil and gas.

Interior is moving aggressively to put the President's energy strategy, *Blueprint for a Secure Energy Future,* into action and expand secure energy supplies for the Nation—a strategy that includes the responsible development of renewable energy sources on the public lands. At the start of this Administration, there were no solar energy facilities sited on the public lands, and wind energy development was relatively limited compared to development on private lands. Since March 2009, 29 onshore projects that increased approved capacity for production and transmission of power have been approved including the first ever utility scale solar project, five wind projects, and eight geothermal projects. The Cape Wind Energy Project, approved for construction and operation, is the first ever offshore commercial wind operation. The 2013 budget reflects an expansion of these accomplishments with the goal of permitting 11,000 megawatts by the end of 2013.

The President's *Blueprint* recognizes the economic potential of renewable energy development. The economic benefits could be particularly significant in America's remote and rural places near public lands. The Department's 2010 estimates identified nearly $5.5 billion in economic impacts associated with renewable energy activities, a growing economic sector that supports high paying jobs.

Growing the Economy Outdoors

Interior is at the forefront of the Administration's comprehensive effort to spur job creation by making the United States the world's top travel and tourism destination. In a recent statement, President Obama cited Department of Commerce figures

showing that in 2010, international travel resulted in $134 billion in U.S. exports. International travel to the U.S. is the Nation's largest service export industry, with seven percent of total exports and 24 percent of service exports. The Bureau of Economic Analysis estimates that every additional 65 international visitors to the United States can generate enough exports to support an additional travel and tourism-related job. According to the travel industry and Bureau of Economic Analysis, international travel is particularly important as overseas or "long-haul" travelers spend on average $4,000 on each visit.

President Obama has asked me to co-chair an interagency task force with Commerce Secretary Bryson to develop a National Travel and Tourism Strategy to expand job creation by promoting domestic and international travel opportunities throughout the United States. A particular focus of the Task Force will be on strategies for increasing tourism and recreation jobs by promoting visits to the Nation's national treasures. The Department of the Interior manages iconic destinations in the national parks, wildlife refuges, cultural and historic sites, monuments, and other public lands that attract travelers from around the country and the globe. According to a Departmental study, in 2010, 437 million visits were made by American and international travelers to these lands, contributing $47.9 billion in economic activity and 388,000 jobs. Eco-tourism and outdoor recreation also have an impact on rural economies, particularly in Arizona, California, Colorado, Florida, Nevada, North Carolina, Oregon, Utah, and Wyoming.

Interior is working to maximize the benefit of the outdoors for the millions of Americans at home. Hunting, fishing, and outdoor recreation contribute an estimated $730 billion to the U.S. economy each year. More than 12 million Americans hunt; more than 30 million Americans fish; and three out of four Americans engage in some kind of healthy outdoor activity. One in twenty U.S. jobs is in the recreation economy.

Through the America's Great Outdoors initiative, the Administration continues to expand opportunities for recreation—through partnerships with States and others and the promotion of America's parks, refuges, and public lands. The 2013 budget requests $5.1 billion in support of this initiative, a $145.6 million increase compared to 2012. Funding is focused on programs supported through the Land and Water Conservation Fund, land management operations, and other grant and technical assistance programs that promote conservation and improve recreational access.

By encouraging innovative partnerships in communities across the Nation, the Administration is expanding access to rivers and trails, creating wildlife corridors, and promoting conservation while working to protect historic uses of the land including ranching, farming, and forestry. As part of America's Great Outdoors, Interior is supporting 101 signature projects in all States across the Country to make parks accessible for children, create great urban parks and community green spaces, restore rivers, and create recreational blueways to power economic revitalization. Projects were selected in concert with governors, tribal leaders, private landowners, and other stakeholders, and were evaluated based on the level of local support, the ability of states and communities to leverage resources, and the potential to conserve important lands and promote recreation.

The America's Great Outdoors initiative is being implemented in partnership with communities and stakeholders across the Country. In January of this year, I accepted the first donation of land in south-central Florida to officially establish the Everglades Headwaters National Wildlife Refuge and Conservation Area—conserving one of the last remaining grassland and longleaf pine savannah landscapes in eastern North America. The new refuge and conservation area—the 556th unit of the national wildlife refuge system—was established with the support of local ranchers, farmers, and landowners who are working cooperatively with Interior and the Fish and Wildlife Service to conserve the wildlife values on their lands while retaining their right to raise livestock or crops, an approach championed by the Obama Administration.

The Everglades Headwaters National Wildlife Refuge and Conservation Area is one example of the new parks and refuges Interior has recently established to protect key natural and cultural resources for future generations. In addition to 650 miles of new national trails, designation of several national natural and historic landmarks, Interior welcomes the Martin Luther King, Jr. Memorial in Washington, D.C.; the Paterson Great Falls National Historical Park in New Jersey; the Fort Monroe National Monument in Virginia; the Dakota Grassland Conservation Area in North and South Dakota; New Mexico's first urban national wildlife refuge, the Middle Rio Grande National Wildlife Refuge in Albuquerque; and a signature America's Great Outdoors project in the Crown of the Continent Conservation Area in Montana. Interior launched significant efforts to protect America's enduring icons including upgrading the Statue of Liberty, initiating repairs to earthquake damage

at the Washington Monument, and withdrawal of over one million acres in the vicinity of the Grand Canyon from additional uranium and hardrock mining, to protect and preserve the natural beauty of the Grand Canyon.

Interior's 2013 budget request for appropriations from the Land and Water Conservation Fund includes a total of $450 million for Interior and Forest Service Program. The budget requests $212.0 million for Federal land acquisition within national parks, national wildlife refuges, and BLM public land boundaries, including $83.6 million for a collaborative program to support landscape-scale conservation projects developed in a collaborative process conducted by the Forest Service and Interior land management bureaus. Investments in ecologically important landscapes will be coordinated with State and local efforts to maximize ecosystem benefits, support at-risk species, and create wildlife corridors. The request includes $128.4 million for acquisition to facilitate protection of parks, refuges, and BLM designated areas based on bureau mission-specific priorities.

The 2013 Federal land acquisition budget for BLM includes funding to will improve access for hunters and anglers to the public lands. Often these sportsmen and women are frustrated by complicated "checkerboard" land ownership and are unable to access BLM lands that provide recreation opportunities. The budget includes $2.5 million that will be used to purchase easements to alleviate these challenges and provide improved access for public recreation.

An additional $120 million is proposed for key grant programs supported by the LWCF, including $60 million each for the Cooperative Endangered Species Conservation Fund program and State LWCF grants.

Spurring Growth and Innovation Through Science

Investments in research and development promote economic growth and innovation, ensure American competitiveness in a global market, and are critical to achieving the mission of the Department of the Interior. Investments in Interior's research and development will improve management of U.S. strategic energy and mineral supplies, water use and availability, and natural hazard preparedness. Sustainable stewardship of natural resources requires strong investments in research and development in the natural sciences.

Research and development funding is increased by nearly $60 million in the 2013 budget, with R&D funding increases among all of the DOI bureaus, and particularly USGS, FWS, BSEE, BLM and BOR. With these investments, Interior will support research that addresses critical challenges in energy production and the management of ecosystems, invasive species, public lands, and water.

Recent technology and operational improvements have led to increased use of hydraulic fracturing in developing natural gas resources. To ensure the prudent and sustainable development of this important source of domestic energy, economic development, and job creation, the 2013 budget invests in research and development that proactively addresses concerns about the potential impacts of hydraulic fracturing on air, water, ecosystems, and earthquakes. The 2013 budget supports a $45 million interagency research and development initiative by the USGS, the Department of Energy, and the Environmental Protection Agency aimed at understanding and minimizing potential environmental, health, and safety impacts of shale gas development and production through hydraulic fracturing.

The BOEM is working with the University of Texas and a team of arctic researchers on a five year comprehensive study of the Hanna Shoal ecosystem in the Chukchi Sea off Alaska's northwest coast. Past studies have identified this area as an important biological ecosystem, which supports a high concentration of marine life. Valuable data on physical and biological processes in the area obtained from this research effort will be combined with the results of previously conducted studies. The resulting information will be used by industry, as well as by BOEM in decisions regarding energy development in this region, and will be included in future National Environmental Policy Act analyses.

In 2011, USGS used cutting edge technology to complete the genome sequencing of the fungus that causes the skin infection that is a hallmark of the white-nose syndrome, which is decimating bat populations across the country. This sequencing will support further research that is necessary to develop management strategies to mitigate the spread of the syndrome among bats. Recognizing the impact of this is not limited to wildlife health, USGS and university partners produced a study which determined that bats contribute $3.7 billion to the agricultural economy by eating pests that are harmful to agricultural and forest commodities. The 2013 budget provides $1.8 million for USGS to conduct further research and development to address this critical issue.

In 2013, the Budget requests a $2 million increase in the BLM Wild Horse and Burro program to fund research on contraception/population control. Research may

include topics such as studies on herd genetics, animal behavior and overall rangeland use as it relates to sterilization and other population growth suppression techniques. The goal of the research will be to develop additional methods to minimize wild horse population growth and maintain herd health.

Delivering Sustainable Growth through Water

Although the Bureau of Reclamation is within the jurisdiction of the Energy and Water Subcommittee, it plays a critical role in addressing the Nation's water challenges which are of interest the Subcommittee. Reclamation maintains 476 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. The bureau manages water for agricultural, municipal, and industrial use, and provides flood control and recreation for millions of people. Reclamation's activities, including recreation, generate estimated economic benefits of over $55 billion and support nearly 416,000 jobs.

These facilities deliver water to one in every five western farmers to irrigate about ten million acres of land, and provide water to over 31 million people for municipal and industrial uses and other non-agricultural uses. The water managed by Interior irrigates an estimated 60 percent of the Nation's vegetables each year. Reclamation facilities also reduce flood damages in communities where they are located and thereby create an economic benefit by sparing these communities the cost of rebuilding or replacing property damaged or destroyed by flood events.

WaterSMART, established in 2010, has assisted communities in improving conservation, increasing water availability, restoring watersheds, resolving long-standing water conflicts, addressing the challenges of climate change, and implementing water rights settlements. The program has provided more than $85 million in funding to non-Federal partners, including Tribes, water districts, and universities, including $33 million in 2011 for 82 WaterSMART grant projects. In December, Interior released a report on the effectiveness of the WaterSMART program, which demonstrates the importance of this work to the sustainability of resources in the Colorado River Basin.

Another example of Interior's efforts to stretch water resources is the Yuma Desalting Plant in Arizona. Reclamation recently completed a year-long pilot operation of the Plant in collaboration with California, Arizona, and Nevada water agencies. The pilot demonstrated the capability of the Plant to augment Lower Colorado River supplies and produced sufficient water for use by about 116,000 people in a year. Reclamation and the regional water agencies are reviewing the results of this effort to evaluate the potential for long-term and sustained operation of the desalting plant.

Encouraging Economic Development in Indian Country and Honoring Trust Responsibilities

The Department has a unique responsibility to American Indians and Alaska Natives, which is upheld by Interior's support for a robust government-to-government relationship as demonstrated by a new comprehensive and transparent consultation policy that ensures there is a strong, meaningful role for tribal governments. The Department and the President hosted the third White House Tribal Nations Conference in December 2011, bringing together tribal leaders from across the United States and enabling tribal leaders to interact directly with Administration representatives and identify priority actions for American Indians and Alaska Natives.

In 2011, Interior began planning to implement the landmark $3.4 billion settlement of the *Cobell* v. *Salazar* lawsuit, and appointed a Secretarial Commission on Trust Administration and Reform to oversee implementation of the Settlement agreement. The Commission is undertaking a forward looking, comprehensive evaluation of Interior's management of nearly $4 billion in American Indian and tribal trust funds—with the goal of making trust administration more transparent, responsive, customer focused, and accountable.

The Department held regional consultations across the Country to set the framework for the Cobell land consolidation program. The Settlement establishes a $1.9 billion fund for the voluntary buy-back and consolidation of fractionated land interests to provide individual American Indians with an opportunity to obtain cash payments for divided land interests and consolidate holdings for economic and other uses, a significant benefit for tribal communities. Almost four million individually owned interests involving nearly nine million acres have been identified as part of this effort.

To further encourage and speed up economic development in Indian Country, the Department took a significant step forward announcing the sweeping reform of antiquated, "one-size-fits-all" Federal leasing regulations for the 56 million surface acres the Federal government holds in trust for Tribes and individual Indians. The pro-

posed rule identifies specific processes—with enforceable timelines—through which the Bureau of Indian Affairs must review leases. The regulation establishes separate, simplified processes for residential, business, and renewable energy development, so that, for example, a lease for a single family home is distinguished from a large solar energy project. The proposed regulation incorporates many changes requested by tribal leaders during extensive consultations this past year to better meet the goals of facilitating and expediting the leasing process for trust lands. During the initial consultation period more than 2,300 comments were received from more than 70 Tribes as well as several Federal agencies, including the Departments of Housing and Urban Development, Agriculture, and the Internal Revenue Service. The BIA regulatory drafting workgroup is expected to review the comments and publish the final rule in 2012.

The Claims Resolution Act of 2010 settled the Cobell lawsuit and four settlements that will provide permanent water supplies and economic security for the five New Mexico Pueblos of Taos, the Crow Tribe of Montana, and the White Mountain Apache Tribe of Arizona. The agreements will enable construction and improvement of reservation water systems, irrigation projects, a regional multi-pueblo water system, and codify water-sharing arrangements between Indian and neighboring communities. The primary responsibility for constructing water systems associated with the settlements was given to the Bureau of Reclamation and BIA is responsible for the majority of the trust funds.

Reclamation is requesting $21.5 million in 2013 for the continued implementation of these four settlements and $25.0 million for the Navajo-Gallup Water Supply project. In total, the Indian Affairs budget includes $36.3 million for ongoing Indian land and water settlements, which includes $9.5 million for the seventh and final payment for the Nez Perce/Snake River Water Rights Settlement.

A key responsibility for Indian Affairs is ensuring and improving the safety of Indian communities. Some Indian reservations experience violent crime rates that are twice the national average. The high crime rates are a key issue for tribal leaders as they degrade the quality of life for residents, attract organized crime, and are a real disincentive for businesses to consider these communities for economic development. FY 2011 was the second year of a two–year pilot at four reservations to conduct expanded community policing, equip and train the law enforcement cadre, partner with the communities to organize youth groups and after school programs, and closely monitor results. The results exceeded expectations with a 35 percent overall decrease in violent crime in the four communities. Information about the four reservations is being analyzed and the program will be expanded in 2013 to an additional two communities. The 2013 budget includes $353.9 million for Public Safety and Justice programs, a program increase of $8.5 million to support this expansion and other public safety activities.

Interior's Budget in Context

President Obama has challenged agencies to encourage American innovation, employ and educate young people, rebuild America, and promote economic development. Interior's 2013 budget invests in areas that are responsive to these challenges and more. This budget continues funding for important programs that will protect the Nation's significant natural resources and cultural heritage, makes strategic investments in energy development, advances partnerships to leverage resources, and seeks improved outcomes for Indian communities. At the same time, this budget recognizes the need for fiscal responsibility. The priority programs that are level funded with 2012 and limited strategic investments proposed in 2013 are balanced by reductions in lower priority programs, deferrals and planning efficiencies.

Taking Fiscal Responsibility – Interior made its 2013 budget decisions in the context of the challenging fiscal environment. The 2013 budget of $11.5 billion, including Reclamation, eliminates and reduces lower priority programs, defers project start-ups, reduces duplication, streamlines operations, and captures savings. The 2013 request is $97.9 million, essentially level with 2012 enacted and $280.4 million below 2011.

The 2013 budget contains $516.8 million in program terminations, reductions, and savings from administrative efficiencies. Staffing reductions of 591 FTEs are planned for 2013, a reduction of 741 FTEs from 2011 levels. These personnel reductions are focused on areas where there are funding reductions. Staffing reductions will be achieved through attrition, and buy-outs in order to minimize the need to conduct reductions in force to the greatest extent possible.

This budget is responsible, with strategic investments in a few, targeted areas, and maintains the core functions that are vital to uphold stewardship responsibilities and sustain key initiatives. The budget also continues efforts to shift program costs to industry where appropriate. Permanent funding that becomes available as

a result of existing legislation without further action by the Congress results in an additional $6.0 billion, for $17.5 billion in total budget authority for Interior in 2013.

Administrative Savings – As part of the Administration's Campaign to Cut Waste, the Department will achieve additional administrative efficiencies that result in cumulative savings of $207.0 million from 2010 to 2013. These reductions are being implemented throughout Interior and result from changes in how the Department manages travel, employee relocation, acquisition of supplies and printing services, and the use of advisory services. The proposed savings in administrative functions will not have an impact on programmatic performance, and to the greatest extent possible savings will be redirected into priority programmatic areas.

The Department's 2013 budget reflects a freeze on Federal salaries for 2012 and a 0.5 percent pay increase in 2013. The budget fully funds fixed costs for the civilian pay increase, anticipated changes in the Federal contributions to health benefits, rent increases, changes in workers and unemployment compensation costs, programs financed through the Working Capital Fund, and specific contract requirements for P.L. 93–638 agreements with Tribes.

Cost Recovery – Significant portions of Interior's budget are funded by cost recovery, offsetting collections, and discrete fees linked to uses of lands and resources. The budget proposes to increase cost recovery to offset the cost of some resource development activities that provide clear benefits to customers. The proposed fees on oil and gas inspections are consistent with the recommendations of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. The Commission's report stated the oil and gas industry should be "required to pay for its regulators" so that the costs of regulation "would no longer be funded by taxpayers but instead by the industry that is permitted to have access to a publicly owned resource."

The budget includes $48.0 million from new inspection fees to be paid by onshore oil and gas producers. Instituting these fees will allow for a $10.0 million program increase to be used to strengthen the BLM inspection program, along with a $38.0 million decrease in current appropriations for BLM as a whole. Similar fees were proposed in 2012 but not adopted due to concerns about impacts on the producers. The fees would be on average, 0.2 percent of the annual income collected by the producers. In addition to the proposed onshore inspection fees, estimated fee collections from the offshore oil and gas inspections instituted in 2012 are slightly increased in 2013 to $65.0 million. This fee-based funding is critical to maintaining the Administration's aggressive implementation of a robust offshore safety program.

The 2013 budget proposes a new grazing administrative fee of $1.00 per animal unit month on a three-year pilot basis. The fee is estimated to generate $6.5 million in 2013 and will be used to assist BLM in processing grazing permits. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing fee as a cost recovery fee after the pilot expires. The 2013 budget continues an offsetting collection initiated in 2012, allowing the Office of Surface Mining to retain coal mine permit application and renewal fees for the work performed as a service to the coal industry. An estimated $3.4 million will be collected in 2013.

Major Changes in the 2013 Request

The Department's 2013 budget request totals $11.5 billion in current authority including $10.5 billion for programs funded by the Interior, Environment, and Related Agencies Appropriations Act. This is $140.3 million, or 1.4 percent, above the 2012 level. The 2013 request for the Bureau of Reclamation including the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is $1.0 billion in current appropriations, $42.4 million or 3.9 percent below the 2012 level.

Interior continues to generate more revenue for the U.S. Treasury than its annual appropriation. In 2013, Interior will generate receipts of approximately $13.9 billion and propose mandatory legislation with a total net savings of roughly $2.5 billion over ten years.

Bureau of Land Management – The 2013 request is $1.1 billion, essentially level with the 2012 enacted budget. This includes a decrease of $8.2 million for BLM's two operating accounts, an increase of $11.2 million for Land Acquisition, and a reduction of $3.6 million that eliminates the Construction account.

To advance the America's Great Outdoors initiative, the request includes $6.3 million in programmatic increases for recreation, cultural resources, and the National Landscape Conservation System for BLM to expand and improve opportunities for recreation, education, and scientific activities while enhancing the conservation and protection of BLM managed lands and resources.

The BLM will continue to promote and facilitate the development of renewable energy on public lands, as part of the New Energy Frontier initiative. The 2013 budget includes a program increase of $7.0 million for renewable energy to support wind, solar, and geothermal energy. An additional $13.0 million in program increases are requested to maintain and strengthen management of the oil and gas program, along with a requested $10 million increase in mandatory funding specifically focused on strengthening BLM's oil and gas inspection program. These increases would be more than offset by $48.0 million in proposed inspection fees to shift the cost of the oil and gas inspection and enforcement activity from taxpayers to the oil and gas industry.

The other major program increase is $15.0 million to implement sage grouse conservation and restoration measures to help prevent the future listing of the species for protection under the Endangered Species Act. The BLM will use $10.0 million of the requested increase to incorporate the necessary protections into BLM's land use plans to address conservation of the sage grouse. These plans will guide energy development, transportation, and other uses and ensure conservation of sage grouse habitat. The remaining $5.0 million funds on-the-ground projects to restore and improve sage grouse habitat and additional inventory, monitoring, and mapping efforts to delineate areas of highest priority habitat in the range of the sage grouse. Other program increases in the BLM budget include $1.5 million for the Secretary's Western Oregon Strategy, $2.0 million for research and development on population control in the Wild Horse and Burro Management program, and $4.4 million in the Resource Management Planning program to support high priority planning efforts.

A $15.8 million program decrease is proposed in the Rangeland Management program, however, the impact of this funding decrease will be mitigated by a new grazing administrative processing fee of $1.00 per animal unit month that BLM proposes to implement on a pilot basis through appropriations language, estimated to raise $6.5 million in 2013. The 2013 budget reduces programmatic funding for the Alaska Conveyance program by $12.4 million from the 2012 level. Interior will explore opportunities to further streamline the program. A $3.5 million program reduction is proposed in the Public Domain Forest Management program.

Bureau of Ocean Energy Management – The 2013 operating request is $164.1 million, including $62.7 million in current appropriations and $101.4 million in offsetting collections. This is an increase of $3.3 million above the 2012 enacted level.

The 2013 budget includes program increases of $2.0 million from the 2012 enacted level for activities to promote offshore conventional and renewable energy development that is safe and environmentally responsible. Increased funding will be used to develop baseline characterization and monitoring capabilities in the Gulf of Mexico that are required as a result of the Deepwater Horizon incident, as well as to support renewable energy lease auctions.

Bureau of Safety and Environmental Enforcement – The 2013 operating request is $222.2 million, including $96.3 million in current appropriations and $125.9 million in offsetting collections. This is an increase of $24.8 million above the 2012 enacted level. The $4.8 million increase for offsetting collections includes an estimated $3.0 million increase in inspection fee collections.

The 2013 budget includes funds to increase operational safety capabilities, develop the National Offshore Training and Learning Center for inspectors, and conduct research and development activities on critical safety systems associated with offshore oil and gas development.

Office of Surface Mining – The 2013 budget request is $140.7 million, a decrease of $9.5 million from the 2012 enacted level. The reduction reflects decreases in grants to States and Tribes to encourage regulatory programs to recover costs from fees charged to the coal industry and finalize the transition of abandoned mine land reclamation from discretionary to mandatory funding.

I signed a Secretarial Order on October 26, 2011, to review certain functions of OSM and BLM for potential consolidation. As part of this effort, I asked the Directors of OSM and BLM and other Interior officials to report by February 15, 2012 on the results of discussions with the bureaus' employees, congressional committees, and interested parties, such as Tribes, State regulatory officials, industry representatives, and representatives of communities affected by coal mining. Our efforts in consolidation will respect existing law and identify actions that will strengthen these two bureaus.

Bureau of Reclamation – The 2013 budget request for the Bureau of Reclamation totals $1.0 billion, including the Central Utah Project Completion Act program. Interior's 2013 budget proposes to consolidate the CUPCA program with the Bureau of Reclamation. This will allow the Department to evaluate the priority of the CUPCA program in the context of other water programs. The 2013 CUPCA request is $21.0 million, a decrease of $7.7 million from the 2012 enacted level. The Bureau

of Reclamation total adjusted in 2012 to include CUPCA funding, is a decrease of $42.4 million below the 2012 enacted level.

Reclamation's 2013 request reflects reductions due to the completion of the construction of Animas-La Plata and the Central Valley Project Red Bluff pumping plant and fish screen, discontinues the Geographically Defined Investigation Programs and Rural Water Program, Title I, and does not continue the following congressional additions in the 2012 enacted budget: fish passage and fish screens; water conservation and delivery studies, projects and activities; and environmental restoration and compliance.

The 2013 budget includes $7.1 million to begin implementation of actions under the Klamath Basin Restoration Agreement that are currently authorized under existing law, and some increases in programs such as: rural water projects, which includes a $9.2 million increase to complete the construction of the Mni Wiconi Project in South Dakota by the 2013 sunset date; the WaterSMART program; and the Safety of Dams program.

Funding for Native American programs in Water and Related Resources shows a reduction of $52.1 million, reflecting the shift of $46.5 million to the requested new Indian Water Rights Settlements account and smaller decreases. Reclamation is requesting the establishment of an Indian Water Rights Settlements account in 2013 to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. The total for Reclamation's implementation of Indian water rights settlements in 2013 is $106.5 million, $46.5 million in current funding and $60.0 million in permanent authority.

U.S. Geological Survey – The USGS budget request is $1.1 billion, $34.5 million above the 2012 enacted level. The President's budget supports science, monitoring, and assessment activities that are critical to understanding and managing the ecological, mineral, and energy resources that underlie the prosperity and well-being of the Nation. The 2013 budget includes a program increase of $51.0 million to fund research and development priorities in disaster response, hydraulic fracturing, coastal and ocean stewardship, and ecosystem restoration. The budget also supports the Secretary's initiatives in responsible energy development and further resolution of water challenges with funding above the 2012 enacted level.

The USGS budget also includes investments in important science programs to help meet societal needs. A program increase of $13.0 million above 2012 for the WaterSMART Program will be used to conduct research on predictive models on regional water availability, explore methods of integrating and disseminating data through science platforms, and establish a National Groundwater Monitoring Network.

A program increase of $8.6 million is requested to improve rapid disaster response to natural disasters. Funding will be used to improve capacity to provide timely and effective science and information products to decision makers, in order to minimize the risks hazards pose to human and natural systems. Funding will be invested in capability improvements to the USGS monitoring networks for rapid response to earthquakes, volcanoes, volcanic ash, debris flow, tsunamis, floods, hurricanes, and other potential threats to populations and infrastructure.

The budget includes a program increase of $13.0 million to support the hydraulic fracturing research and development effort with the Department of Energy and Environmental Protection Agency to understand and minimize potential adverse environmental, health, and safety impacts of shale gas development through hydraulic fracturing. New work will build on existing efforts and address issues such as water quality and quantity, ecosystem impacts, and induced seismicity.

With a program increase of $16.2 million, USGS will conduct science in support of ecosystem management for priority ecosystems such as the Chesapeake Bay, California Bay-Delta, Columbia River, Everglades, Puget Sound, Great Lakes, Upper Mississippi River, and the Klamath Basin. With an increase of $2.0 million, the USGS will address overarching ecosystem issues related to the invasive brown tree snake, white-nose syndrome in bats, and coral reef health. These increases will provide information management and synthesis and land change science support for these ecosystem activities. Included in the total above is $500,000 identified for research efforts through the DOI Climate Science Centers to enhance work with Tribes to understand the impacts of climate change on tribal lands. Funding increases will also support priorities in sustaining our National environmental capital, including development of the first coordinated multi-departmental effort of its kind to develop a standardized ecosystem services framework.

The 2013 budget also provides a program increase of $6.8 million to sustain and enhance existing activities and for a new initiative on Science for Coastal and Ocean Stewardship that supports priority objectives of the National Ocean Policy in the areas of marine and coastal science, resource and vulnerability assessments, eco-

system based management, and providing science based tools to inform policy and management. The USGS will work with partners to provide access to comprehensive maps and assessments of seabed and coastal conditions and vulnerability. The increase will improve the integrated science needed to inform development of resources while conserving the Nation's coastal and marine ecosystems.

Fish and Wildlife Service – The 2013 budget includes $1.5 billion, an increase of $72.0 million above the 2012 enacted level. In addition, the budget includes a $200.0 million cancellation of prior year unobligated balances in the Coastal Impact Assistance program. The budget includes America's Great Outdoors increases of $20.9 million in the Resource Management account and $52.3 million for land acquisition. There is a $3.9 million increase in the North American Wetlands grants program, a component of the AGO initiative. State and Tribal Grants are funded at $61.3 million, level with 2012. Funding for the Construction account is reduced by $3.9 million.

The budget proposes a program increase of $4.0 million for activities associated with energy development. This enables FWS to participate fully in priority landscape level planning and assist industry and State fish and wildlife agencies as they plan for renewable energy projects and transmission corridor infrastructure. The 2013 budget continues the commitment to ecosystem restoration by including $13.5 million for the Everglades, an increase of $3.0 million; $4.9 million for California's Bay-Delta, level with 2012; $10.2 million for the Gulf Coast, level with 2012; $10.3 million for the Chesapeake Bay, a program increase of $145,000; and $47.8 million for the Great Lakes, a program increase of $2.9 million. Funding for the Cooperative Landscape Conservation and Adaptive Science activity is $33.1 million, an increase of $856,000. This funding supports the operation of 14 Landscape Conservation Cooperatives.

The budget includes $994.7 million available under permanent appropriations, most of which will be provided in grants to States for fish and wildlife restoration and conservation.

The 2013 budget proposes a reduction of $14.0 million to eliminate the discretionary contribution to the National Wildlife Refuge Fund payments to counties to offset local tax loss due to Federal land ownership. An estimated $8 million in mandatory receipts collected and allocated under the program would remain. Payments collected by counties can be used for non-conservation purposes and as such, this Fund does not provide the high priority conservation benefits delivered by other FWS programs. The budget also proposes the cancellation of $200 million in prior year balances within the Coastal Impact Assistance Program.

National Park Service – The 2013 budget includes $2.6 billion, $1.0 million below the 2012 enacted level. Within the total available for NPS in 2013, $2.4 billion is for programs that support the goals of the America's Great Outdoors initiative. The budget proposes strategic increases to advance the goals of the initiative, including increases of $13.5 million for park operations and $17.5 million for Land Acquisition and State Assistance. The budget proposes reductions of $7.8 million in the National Recreation and Preservation account from the National Heritage Areas program, and $24.2 million from Construction. The request for the Historic Preservation Fund is level with 2012—grants to States and Tribes are continued at the 2012 level of $55.9 million.

Select programmatic increases in the park operations account include $5.0 million for Climate Change Adaptive Management tools, $2.0 million for U.S. Park Police operations including $1.4 million in support of the Presidential Inauguration, $1.2 million for National Capital Area parks in support of the Presidential Inauguration, and $610,000 for the Challenge Cost Share program. These increases are offset with strategic reductions of $24.8 million to park operations and service-wide programs.

Funding for Land Acquisition and State Assistance totals $119.4 million and includes a programmatic increase of $2.5 million for Federal land acquisition. The Land Acquisition proposal includes $9.0 million for matching grants to States and local entities to preserve and protect Civil War battlefield sites outside the national park system. The budget also requests a programmatic increase of $15.1 million for the State Assistance grant program. The $60.0 million request for State grants includes $20.0 million for competitive grants that support urban parks and green spaces, blueways, and landscape level conservation projects in communities that need them the most.

Funding for Construction includes a programmatic reduction of $25.3 million for line-item construction projects, however, the budget proposes funding for the most critical health and safety projects in the national park system. It also includes programmatic reductions of $1.5 million from construction program management and planning, $760,000 from the housing improvement program, $443,000 from con-

struction planning, $450,000 from management planning, and $228,000 from equipment replacement.

Indian Affairs – The 2013 budget includes $2.5 billion for Indian Affairs programs, a decrease of $4.6 million from the 2012 enacted level. This includes an increase of $11.7 million for Operation of Indian Programs and a decrease of $17.7 million in the Construction account. The budget includes an increase of $3.5 million in Indian Land and Water Claim Settlements and a decrease of $2.1 million in the Indian Guaranteed Loan program.

In 2013, the largest increase, $8.8 million, is in Contract Support Costs and the Indian Self-Determination Fund, both high priorities for Tribes. Public Safety and Justice activities receive a program increase of $8.5 million to support additional police officers and detention corrections staff.

The budget proposes program increases of $7.8 million for the Trust Natural Resources programs and $7.0 million for Trust Real Estate Services programs. Funding increases for Trust Land Management programs are proposed to assist Tribes in the management, development, and protection of Indian trust land and natural resources. The budget proposes a $2.5 million program increase to support increasing enrollment at tribal colleges.

The 2013 request reflects a reduction of $19.7 million as the bureau will undergo a consolidation in 2013 to streamline and improve oversight operations. The BIA will engage in extensive consultation with Tribes to identify strategies that will ensure tribal needs and priorities are addressed. Following consultation, Indian Affairs will construct an implementation plan for a streamlined, cost-effective organization. The budget also includes $13.9 million in administrative savings from reductions to fleet, travel, contractors, and awards.

Departmental Offices and Department-wide Programs – The 2013 request for the Office of the Secretary is $261.6 million, a reduction of $266,000 from the 2012 enacted level. Of this, $119.6 million is for Office of Natural Resources Revenue including a program increase of $1.2 million to complete termination of the Royalty-in-Kind program and a program decrease of $2.3 million for completed information management system upgrades. The budget for OS includes a program increase of $1.6 million for minerals receipts modeling development to improve revenue estimation and reporting capabilities and a program increase of $2.0 million for facilities rent necessitated by the delay in the Main Interior Building modernization project. Other changes include a general program reduction of $3.7 million and the transfer of the Indian Arts and Crafts Board from OS to BIA resulting in a reduction of $1.3 million.

The Department's 2013 request for the Working Capital Fund appropriation is $70.6 million, an increase of $8.7 million from the 2012 enacted level. Within this request is $62.1 million to continue deployment of the Financial and Business Management System including implementation of the acquisition and financial assistance functionality as recommended by an independent assessment of the program. The budget proposes an increase of $3.5 million to improve Interior's stewardship of its cultural and scientific collections and an increase of $2.5 million to expand collaboration similar to the Service First to improve delivery and operating costs. Proposed reductions include $5.0 million to reflect the shift of the Department's Information Technology Transformation initiative from appropriated funds to the Departmental Working Capital fund and $2.5 million for completion of the Department's Acquisition Improvement initiative.

Major changes in other Departmental programs include an increase of $243.0 million in the Wildland Fire Management program. The net increase is comprised of a program increase of $195.8 million that fully funds the 10-year suppression average and a program reduction of $39.0 million in the Hazardous Fuels Reduction program reflecting a refocusing of the program toward treatments in the wildland-urban interface.

The budget request for the Office of Insular Affairs is $88.0 million, a decrease of $16.4 million from the 2012 enacted level. The budget includes $5.0 million to mitigate the impacts and costs of Compact migration and $3.0 million to implement energy projects identified by the Territories' sustainable energy strategies. Funding of $13.1 million for the Palau Compact is not requested for 2013 as it is expected the Compact will be authorized in 2012.

The Office of the Special Trustee request is $146.0 million, $6.1 million below the 2012 enacted level. The 2013 request includes a program increase of $3.0 million for the Office of Trust Review and Audit to conduct compliance audit reviews for Interior bureaus. The budget includes program decreases of $9.9 million for streamlining, administrative savings, and the completion of certain trust reform activities.

Mandatory Proposals

In 2013, Interior will collect $13.9 billion in receipts and distribute $6.0 billion in permanent funding without further appropriation for a variety of purposes, under current law. The budget includes 13 legislative proposals that will be submitted to the Congress to collect a fair return to the American taxpayer for the sale of Federal resources, to reduce unnecessary spending, and to extend beneficial authorities of law. Together these proposals will save a net total of approximately $2.5 billion over the next decade.

Reform Coal Abandoned Mine Land Reclamation – The Administration proposes to reform the coal Abandoned Mine Lands program to reduce unnecessary spending and ensure the Nation's highest priority sites are reclaimed. First, the budget proposes to terminate the unrestricted payments to States and Tribes that have been certified for completing their coal reclamation work because these payments do not contribute to abandoned coal mine lands reclamation. Second, the budget proposes to reform the distribution process for the remaining funding to competitively allocate available resources to the highest priority coal abandoned mine lands sites. Through a competitive grant program, a new Abandoned Mine Lands Advisory Council will review and rank the abandoned coal mine lands sites, so OSM can distribute grants to reclaim the highest priority coal sites each year. These reforms will focus available coal fees to better address the Nation's most dangerous abandoned coal mines while saving taxpayers $1.1 billion over the next ten years.

Create a Hardrock Abandoned Mine Reclamation Fund – To address the legacy of abandoned hardrock mines across the U.S., the Administration will propose legislation to create a parallel Abandoned Mine Lands program for abandoned hardrock sites. Hardrock reclamation would be financed by a new abandoned mine lands fee on the production of hardrock minerals on both public and private lands. The BLM would distribute the funds through a competitive grant program to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands. This proposal will hold hardrock mining companies accountable for cleaning up the hazards left by their predecessors while generating $500 million in savings over 10 years.

Reform Hardrock Mining on Federal Lands – The Administration will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal would institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. After enactment, mining for these metals on Federal lands would be governed by the new leasing process and subject to annual rental payments and a royalty of not less than five percent of gross proceeds. Half of the receipts would be distributed to the States in which the leases are located and the remaining half would be deposited in the Treasury. Existing mining claims would be exempt from the change to a leasing system but would be subject to increases in the annual maintenance fees under the General Mining Law of 1872. Holders of existing mining claims for these minerals could, however, voluntarily convert claims to leases. The Office of Natural Resources Revenue will collect, account for, and disburse the hardrock royalty receipts. The proposal is projected to generate Treasury revenues of $80.0 million over ten years.

Fee on Non-producing Oil and Gas Leases – The Administration will submit a legislative proposal to encourage energy production on lands and waters leased for development. A $4.00 per acre fee on non-producing Federal leases on lands and waters would provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so the tracts can be leased to and developed by new parties. The proposed $4.00 per acre fee would apply to all new leases and would be indexed annually. In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure companies diligently develop their Federal leases. Although the report focused on administrative actions the Department could undertake, this proposal requires legislative action. This proposal is similar to other non-producing fee proposals considered by the Congress in the last several years. The fee is projected to generate revenues to the U.S. Treasury of $13.0 million in 2013 and $783.0 million over ten years.

Net Receipts Sharing for Energy Minerals – The Administration proposes to make permanent the current arrangement for sharing the cost to administer energy and minerals receipts, beginning in 2014. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. In 2013, this net receipts sharing deduction from mineral revenue payments to States would be implemented as an offset to the Interior Appropriations Act, consistent with identical provisions included in the Act since 2008. Permanent

implementation of net receipts sharing is expected to result in savings of $44.0 million in 2014 and $449.0 million over ten years.

Repeal Oil and Gas Fee Prohibition and Mandatory Permit Funds – The Administration proposes to repeal portions of Section 365 of the Energy Policy Act, beginning in 2014. Section 365 diverted mineral leasing receipts from the U.S. 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. Congress has implemented permit fees through appropriations language for the last several years and the 2013 budget proposes to continue this practice. Upon elimination of the fee prohibition, BLM will promulgate regulations to establish fees for applications for permits to drill administratively, with fees starting in 2014. In combination with normal discretionary appropriations, these cost recovery fees will then replace the applications for permits to drill fees currently set annually through appropriations language and the mandatory permit fund, which would also be repealed starting in 2014. Savings from terminating this mandatory funding are estimated at $18.0 million in 2014 and $36.0 million over two years.

Geothermal Energy Receipts – The Administration proposes to repeal Section 224(b) of the Energy Policy Act of 2005. Prior to passage of this legislation, geothermal revenues were split between the Federal government and States with 50 percent directed to States, and 50 percent to the Treasury. The Energy Policy Act of 2005 changed this distribution beginning in 2006 to direct 50 percent to States, 25 percent to counties, and for a period of five years, 25 percent to a new BLM Geothermal Steam Act Implementation Fund. The allocations to the new BLM geothermal fund were discontinued a year early through a provision in the 2010 Interior Appropriations Act. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in savings of $4.0 million in 2013 and $50.0 million over ten years.

Deep Gas and Deepwater Incentives – The Administration proposes to repeal Section 344 of the Energy Policy Act of 2005. Section 344 mandated royalty incentives for certain "deep gas" production on the OCS. This change will help ensure Americans receive fair value for Federally owned mineral resources. Based on current oil and gas price projections, the budget does not assume savings from this change; however, the proposal could generate savings to the Treasury if future natural gas prices drop below current projections.

Repeal of Authorities to Accept Royalty Payments In Kind – The Administration proposes to solidify a recent Departmental reform terminating the Royalty-in-Kind program by repealing all Interior authorities to accept future royalties through this program. This change will help increase confidence that royalty payments will be properly accounted for in the future. The budget does not assume savings from this change because the Administration does not anticipate restarting the program; however, if enacted, this proposal would provide additional certainty that a new Royalty-in-Kind program could not be initiated at some point in the future.

Federal Land Transaction Facilitation Act – The Administration proposes to reauthorize this Act that expired July 25, 2011 and allow lands identified as suitable for disposal in recent land use plans to be sold using the Act's authority. The sales revenues would continue to be used to fund the acquisition of environmentally sensitive lands and to cover the administrative costs associated with conducting sales.

Federal Migratory Bird Hunting and Conservation Stamps – Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the annual Federal license required for hunting migratory waterfowl. Today, 98 percent of the receipts generated from the sale of these $15.00 stamps are used to acquire important migratory bird areas for migration, breeding, and wintering. The price of the Duck Stamp has not increased since 1991, while the cost of land and water has increased significantly. The Administration proposes to increase these fees to $25.00 per stamp per year, beginning in 2013. Increasing the cost of Duck Stamps will bring the estimate for the Migratory Bird Conservation account to approximately $58.0 million. With these increased receipts, the Department anticipates additional acquisition of approximately 7,000 acres in fee and approximately 10,000 acres in conservation easement in 2013. Total acres acquired for 2013 would then be approximately 28,000 acres in fee title and 47,000 acres in perpetual conservation easements.

Compact of Free Association – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. Under the agreement, Palau committed to undertake economic, legislative, financial,

and management reforms. The conclusion of the agreement reaffirms the close partnership between the U.S. and the Republic of Palau. Permanent and indefinite funding for the Compact expired at the end of 2009. The 2013 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. Compact funding will also support one or more infrastructure projects designed to support Palau's economic development efforts. The Republic of Palau has a strong track record of supporting the U.S. and its location is strategically linked to Guam and U.S. operations in Kwajalein Atoll. The cost for this proposal for 2013–2022 is $184.0 million.

Extension of Payments in Lieu of Taxes –PILT payments are currently authorized only through 2012. The budget proposes a one-year extension of mandatory PILT payments at the current authorization levels in 2013. These payments support local government services in counties that have significant Federal lands within their boundaries. The Administration looks forward to working with Congress to develop a longer-term strategy for providing sustainable levels of funding for PILT payments, in light of overall constrained budgets and the need for appropriate offsets for new mandatory spending. This extension utilizes the current PILT payment formula that is prescribed by law and based on population, certain receipt sharing payments, and the amount of Federal land within an affected county. The cost for this proposal in 2013 is estimated at $398.0 million.

Offsetting Collections and Fees

The budget includes several proposals to increase cost recovery fees, so that industries share some of the cost of regulation.

Fee Increase for Offshore Oil and Gas Inspections – Through appropriations language, the Administration proposes to continue the current offshore inspection fee levels authorized by Congress in 2012. These fees are estimated to generate $65.0 million in 2013, up from $62.0 million in 2012, from operators with offshore oil and gas drilling facilities that are subject to inspection by BSEE. The increased fees will fund an expanded inspection program, and as enacted for 2012, operators will now be charged for the inspection of drilling rigs in addition to production platforms. These inspections are intended to increase production accountability, human safety, and environmental protection.

New Fee for Onshore Oil and Gas Inspections – Through appropriations language, the Administration proposes to implement an inspection fee in 2013 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated $48.0 million in 2013, $10.0 million more than the corresponding $38.0 million reduction in requested BLM appropriations, thereby expanding the capacity of BLM's oil and gas inspection program. The fee would support Federal efforts to increase production accountability, human safety, and environmental protection.

Onshore Oil and Gas Drilling Permit Fee – The 2013 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the Interior Appropriations Acts. A fee of $6,500 per drilling permit was authorized in 2010, and if continued, would generate an estimated $32.5 million in offsetting collections in 2013.

Grazing Administrative Fee – The 2013 budget includes a new grazing administrative fee of $1.00 per animal unit month. The BLM proposes to implement the fee through appropriations language on a three-year pilot basis. The budget estimates the fee will generate $6.5 million in funds that will assist the BLM in processing grazing permits. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing fee as a cost recovery fee after the pilot expires.

Surface Mining and Reclamation Permit Fee – The 2013 budget continues an offsetting collection initiated in 2012, allowing OSM to retain coal mine permit application and renewal fees for the work performed as a service to the coal industry. The fee will help ensure the efficient processing, review, and enforcement of the permits issued, while recovering some of the regulatory operations costs from the industry that benefits from this service. The fee, authorized by section 507 of SMCRA, would apply to mining permits on lands where regulatory jurisdiction has not been delegated to the States. The permit fee will generate an estimated $3.4 million in offsetting collections in 2013.

Conclusion

Thank you for the opportunity to testify on the President's 2013 budget request for the Department of the Interior. We have a tremendous opportunity to invest in America's energy independence and economic growth. This budget balances forward

looking investments with fiscal restraint. For America to be at its best, we need lands that are healthy, waters that are clean, and an expanded range of energy options to power our economy. This concludes my written statement. I am happy to answer any questions that you may have.

Response to questions submitted for the record by the U.S. Department of the Interior

Chairman Hastings

1. **Has the Department of Interior expended any federal resources in connection with the removal of Condit Dam on the White Salmon River in southwest Washington? If so, please identify any and all sources, including any grants that the Department of Interior has awarded to non-governmental entities in connection with this matter.**

Response: The U.S. Fish and Wildlife Service (FWS) has expended federal resources in connection with the removal of Condit Dam on the White Salmon River in southwest Washington. The FWS used resource management funds to assist in the Federal Energy Regulatory Commission (FERC) relicensing and negotiation of the Settlement Agreement for Condit Dam, and provided technical assistance, outreach and education, and conducted Section 7 consultations to evaluate impacts of dam removal on bull trout, a species listed as threatened under the Endangered Species Act.

2. **Has the Department of Interior studied, or does the Deparment plan to study in the future the impact of the silt from the removal of Condit Dam on endangered species, including salmon spawning grounds below the dam on the White Salmon River? Has the Department communicated with PacifiCorp regarding plans to repair or mitigate the impact to the spawning grounds?**

Response: Bull trout is the only federally listed species under the jurisdiction of the FWS that could be affected by removal of the Condit Dam. The FWS prepared a biological opinion evaluating expected impacts of dam removal on bull trout and their critical habitat and concluded that long term benefits of dam removal outweighed short term impacts from release of sediments. No bull trout spawning grounds exist below the dam. Consequently, the FWS has not communicated with PacifiCorp regarding repair or mitigation plans related to salmon spawning grounds.

3. **Has your office or the Bureau of Indian Affairs received any proposals or requests from federally-recognized Indian tribes in Washington State for the Department to hold land in trust on their behalf? If so, please identify the details of all such proposals, including the tribe requesting, the location of such property and under what authority such proposals or requests are being made or considered.**

Response: Attached is a list, as of March 15, 2012, of land into trust applications pending in the Bureau of Indian Affairs from federally-recognized Indian tribes in Washington State. The list sets forth the tribe applying to have land placed in trust, the name of the property, the number of acres of the property, what the land will generally be used for, and the statutory authority for the proposed trust acquisition.

4. **On February 16, 2012, you held a town hall event in Anacortes, Washington regarding the San Juan Islands. In 2010, the San Juan Islands was included amongst 13 other locations in documents as a potential national monument. Has the President communicated with you about plans to include the San Juan Islands for designation under the Antiquities Act? Is the Administration considering any other federal designations there?**

Response: The local support for a conservation designation of the Bureau of Land Management (BLM) managed lands within the San Juan Islands is strong. Legislation to designate the San Juan Islands in Washington State as a National Conservation Area has been introduced in both the Senate by Senator Maria Cantwell and Senator Patty Murray and in the House by Representative Rick Larsen. On March 22, 2012 the Department of the Interior testified in support of S. 1559, the San Juan Islands National Conservation Area Act, before the Senate Energy and Natural Resources Committee.

5. On January 13, 2012, the President announced the merger of several agencies, including a proposal to move the National Oceanic and Atmospheric Administration into the Department of Interior. However, in the FY 2013 Interior budget proposal just released, it is unclear how this proposal is factored. Please provide a full summary of all activities in the FY 2013 budget request, including FTEs, associated with the President's proposal relating to NOAA and the Department of Interior.

Response: The 2013 budget request does not propose any funding or FTEs relating to a consolidation of the National Oceanic and Atmospheric Administration and the Department of the Interior. The President has requested that Congress reinstate the reorganization authority afforded to Presidents for almost 50 years. The authority would allow the President to present, for expedited review by Congress, proposals to reorganize and consolidate Executive Branch agencies to streamline the government and improve operations. A planning effort will begin once Congress provides authority to the President to reorganize.

6. On September 21, 2011, you announced the "*Partners in Conservation Awards*" to 17 recipients, including one featuring federal and state entities that worked with the National Wildlife Federation, a frequent plaintiff against the Department and other federal agencies, to develop a guidebook titled, "Scanning the Conservation Horizon." The Award notice states the guidebook is being used by Department of Interior bureaus and Landscape Conservation Cooperatives "to guide standardized vulnerability assessment of the resources it manages" and "allow comparison of risk across DOI bureaus for a common understanding of the impacts of climate change." Please provide a summary of each Department of Interior bureau's total expenditure of federal resources, including FTEs, used directly or indirectly to support the National Wildlife Federation in publishing this guidebook.

Response: In FY 2010, through a cooperative agreement with the National Wildlife Federation (NWF), the FWS, National Park Service and U.S. Geological Survey each provided $50,000 to support the development of the *Scanning the Conservation Horizon* guidebook and associated training for natural resource specialists and managers. Additionally, the Department contributed an estimated 0.5 FTE, estimated at a total of $72,800, for the FWS, NPS and USGS staff who participated in the technical review of the document during its development. A breakdown of the estimated FTE and associated expenditures by bureau follows:

Bureau	Est. FTE	Est. Expenditure
USGS	0.2	$30,000
FWS	0.2	$29,000
NPS	0.1	$13,800

Rep. Fleming

1. Could you please provide the acreage, maps and the revenues received from natural gas production on federal lands within the following:

a) The state of Louisiana?
b) The 4th Congressional District?
c) The boundaries of Barksdale Air Force Base and if applicable, Ft. Polk?
d) Kistatchie National Forest?

Response: In Fiscal Year 2011, there were 198,960 under lease within the State of Louisiana, and total production revenues were approximately $21 million. The electronic systems used to manage lease acreage and revenue data cannot readily report data for the 4th Congressional District of Louisiana, the Barksdale Air Force Base or Ft. Polk, or the Kitsatchie National Forest. The Bureau of Land Management (BLM) is conducting a manual records review in order to generate responses to the remainder of this question. BLM anticipates completing the manual review by June 15, 2012. The additional data will be provided separately.

Rep. Bordallo

1. **The OIA budget requests $3 million for the continuation of brown tree snake (BTS) control. The interdiction program on Guam is staffed by personnel from the Department of Agriculture's Animal and Plant Health Inspection Service (APHIS), however is primarily funded through DOI and the DOD. As you may recall, toward the end of FY 11, there was some uncertainty at the USDA as to whether it would continue the BTS program in FY 12. Ultimately an interagency agreement was reached and the USDA decided not to continue this important program into FY 12 and review it for efficiencies. I am hoping you could offer more details as to the agreement that was reached, and whether there is any uncertainty regarding the future of the program in FY 13.**

Response: After working closely with the U.S. Department of Agriculture (USDA) last summer to ensure the continuation of the USDA operated Guam BTS Interdiction Program beyond FY 2011, the Department of the Interior and the Department of Defense (DOD), in close cooperation with the USDA, conducted a first quarter FY 2012 review of the Program to identify potential cost-saving efficiencies that would enable the Program to be fully operational moving forward. The review was completed in February 2012 and a funding agreement was reached between the USDA, the DOD and the DOI to ensure the continuation of this important Program through the end of the fiscal year. While it is unclear how Congress may decide to prioritize funding available for BTS control and management efforts beyond FY 2012, the continuation of the Guam BTS Interdiction Program, from the perspective of DOI, will remain a high priority.

Rep. Grijalva

I would like to get some more information about an ongoing dynamic between your department and the State of Utah. Please provide the Committee with answers to following questions:

1. **The state of Utah has been largely unsuccessful to date in its quest for thousands of R.S. 2477 claims, yet it has recently filed a notice of intent to sue the department to gain title to over 18,000 rights of way, and this leads me to look with skepticism on their claims, thousands of which have never been constructed or maintained, just created by random travelers, off-road vehicle users, long-forgotten prospectors and infrequent livestock herders. I hope that you and the department vigorously defend against this attack on federal public lands in Utah. What will you do to ensure that federal public lands are fully protected from this threat?**

Response: The Department of the Interior, through the Department of Justice, does plan a vigorous defense of United States' interests and, as the July 29, 2010, Secretarial Memorandum on R.S. 2477 makes clear, the Department must be able to make all appropriate arguments under the law to defend these interests. The Department itself does not adjudicate or specifically reserve R.S. 2477 rights. These legal determinations must ultimately be made by the courts. In this instance, we understand that plaintiffs believe themselves obligated to file so as to avoid a potential statute of limitations issue, and all parties recognize that adjudication of the lawsuits, if an alternative resolution cannot be found, will demand a significant amount of time and resources. The Department has also been working with the State of Utah in an attempt to build a constructive, inclusive solution to the issue of RS 2477 rights-of-way. The Department has joined with State and county officials and other stakeholders in a pilot negotiation project in Iron County, Utah, to try to resolve non-controversial claims through consensus building. This approach to addressing the issue, with openness on all sides, may help us establish a model for consensus-based problem solving that we can carry into the future.

2. **How will Interior determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?**

Response: The Department is still in the early stages of this matter, and we are beginning to gather the kind of information that will inform questions such as this. In general, once a suit to quiet title on an R.S. 2477 claim is filed the Department will, among other things, carry out an analysis of the resources that could potentially be impacted by designation of such a right-of-way. If an alternative resolution cannot be found, all parties agree that adjudication of these lawsuits will be time consuming and costly. Depending on the nature and scope of the right-of-way and the designation or resources at issue, if a county successfully proves R.S. 2477

claims in or near existing and proposed conservation designations, historic sites, or other areas managed by the Department to protect sensitive resources, the Department's ability to implement protective management could be impacted.

3. How would the recognition of these claims affect DOI's ability to manage federal public lands. Would it affect the effectiveness of law enforcement and ORV monitoring? How about the effectiveness of archaeological site protection efforts?

Response: The Department will take any RS 2477 claims traversing the federal lands that are recognized by a court of competent jurisdiction into account when it manages the federal lands. The Department retains the power to reasonably regulate such rights-of-way. The Bureau of Land Management reviews travel impacts to archeological resources on a case-by-case basis. As appropriate, the Department protects archeological resources from damage by exercising its statutory and legal authorities, and by entering into agreements with neighboring land managers.

4. Some of the state's claims lie in BLM wilderness areas designated in the Cedar Mountains Wilderness Act and the Washington County Wilderness Act. Frankly, this casts doubt in my mind as to the state and counties' good faith and seriousness when it comes to enacting federal public lands designations. How will you manage designated wilderness areas, places Congress itself has determined to be essentially roadless in the face of R.S. 2477 claims?

Response: The Department will comply with Wilderness Act and Congressional direction regarding the management of designated Wilderness Areas. The Department ability to manage areas to preserve wilderness character could be impacted if the county and State are successful in proving R.S. 2477 claims in wilderness. Validity of an R.S. 2477 claim is ultimately left to the determination of a court of competent jurisdiction. Holders of valid R.S. 2477 rights-of-way are not entitled to make improvements or engage in new road construction without consulting the Department and adhering to the federal permitting requirements such as under the Federal Land Policy and Management Act. The Department will not issue such a permit in a Wilderness Area.

Rep. Lamborn

1. States with disclosure requirements—including two with some of the more stringent requirements, Wyoming and Colorado—provide detailed approaches to protection of trade secrets relating to the fracture stimulation fluid formulations. The states do so in a way that achieves a balance between the public interest in information about what has been discharged into subsurface strata, and the valid interest of business entities in a process or formulation that presents them with a legitimate competitive advantage. The draft BLM regulations do not provide equivalent assurances to suppliers that have a commercial interest in formulations that is of the sort given protection in the Uniform Trade Secrets Act that has been ratified by 46 states. Please describe how BLM would plan to recognize the property interest in trade secrets that has been acknowledged by the states that are regulating hydraulic fracturing.

Response: In addition to the water and sand that are the major constituents of fracturing fluids, chemical additives are also frequently used. These chemicals can serve many functions, including limiting the growth of bacteria and preventing corrosion of the well casing. The exact formulation of the chemicals used in fracturing fluid varies depending on the rock formations, the well, and the requirements of the operator.

In order to protect proprietary formulations, the proposed rule would require oil and gas operators using hydraulic fracturing techniques to identify the chemicals used in fracturing fluids by trade name, purpose, Chemical Abstracts Service Registry Number, and the percent mass of each ingredient used. The information would be required in a format that does not link additives to the chemical composition of fluids, which will allow operators to provide information to the public while still protecting information that may be considered proprietary. This design of the disclosure mechanism in the proposed rule will inhibit reverse-engineering of specific additives. The information is needed in order for the Bureau of Land Management (BLM) to maintain a record of the stimulation operation as performed. The proposed rule, would allow an operator to identify specific information that it believes is protected from disclosure by federal law, and to substantiate those claims of exemption. This approach is similar to the one that the State of Colorado adopted in 2011 (Colorado Oil and Gas Conservation Commission Rule 205.A.b2.ix-xii).

2. In looking at the BLM draft regulations—it seems that in general they go significantly above and beyond what any state has in place right now. Why did BLM make such drastic changes when the states have been doing a sufficient job of regulating fracking for years?

Response: The BLM recognizes that some, but not all, states have recently taken action to address hydraulic fracturing in their own regulations. The BLM's proposed rulemaking is designed to complement ongoing state efforts by providing a consistent standard across all public and tribal lands and ensuring consistent protection of the important federal and Indian resource values that may be affected by the use of hydraulic fracturing. Moreover, BLM's regulations are now 30 years old and need to be updated to keep pace with the many changes in technology and current best management practices.

The BLM is also actively working to minimize duplication between reporting required by state regulations and reporting required for this rule. The BLM has a long history of working cooperatively with state regulators and is applying the same approach to this effort.

3. In your testimony you stated to the Committee that you have often heard industry say that they would rather have one blanket set of regulations to comply with, rather than a state by state "patchwork" of differing regulations. The Natural Resources Committee received a letter signed by multiple associations representing the natural gas industry stating that their companies support the current state process for regulation of hydraulic fracturing. Please explain the instances when you have been told by the natural gas industry that they do specifically support federal regulations for hydraulic fracturing?

Response: At the President's direction, we are taking steps—in coordination with our federal partners and informed by the input of industry experts—to ensure that we continue to develop this abundant domestic resource on public lands safely and responsibly. Based on preliminary input we have received from industry, the public, and stakeholders, the Secretary has clearly outlined three common-sense measures. Those measures are straightforward:

- Requiring public disclosure of chemicals used in fracking, with appropriate protections for trade secrets;
- Improving assurances on well-bore integrity so we know fluids going into the well aren't escaping into the usable aquifer; and
- Making sure companies have a water management plan in place for fluids that flow back to the surface.

4. In your testimony you told the Committee that the regulations were crafted with input from the natural gas industry. Aside from their support of Frac Focus, please tell us what other specific provisions in the regulations were either suggested by the natural gas industry or crafted with input from the natural gas industry?

Response: In developing the proposed rule, the BLM sought feedback from a wide range of sources, including tribal representatives, industry, members of the public and other interested stakeholders. The BLM developed the proposed well stimulation rule to provide common-sense measures that will enhance public confidence in hydraulic fracturing on public lands, while also encouraging continued safe and responsible exploration and production. The BLM's proposed rule is consistent with the American Petroleum Institute's (API) guidelines for well construction and well integrity (see API Guidance Document HF 1, Hydraulic Fracturing Operations—Well Construction and Integrity Guidelines, First Edition, October 2009).

In November 2010, Secretary Salazar hosted a forum, including major stakeholders, on hydraulic fracturing on public and Indian lands to examine best practices to ensure that natural gas on public and Indian lands is developed in a safe and environmentally sustainable manner. Subsequently, in April 2011, the BLM hosted a series of regional public meetings in North Dakota, Arkansas, and Colorado—states that have experienced significant increases in oil and natural gas development on federal and Indian lands—to discuss the use of hydraulic fracturing on the Nation's public lands.

During the Secretary's forum and the BLM's public meetings, members of the public expressed a strong interest in obtaining more information about hydraulic fracturing operations being conducted on public and Indian lands.

5. In the BLM regulations there are a variety of pre-disclosure requirements. Oil and gas development is a constantly evolving process and many engineering decisions are made on a day to day basis. To what extent has BLM discussed with industry as to whether or not these 30 day disclosure requirements are even possible? And what assurance does industry have that BLM will approve their submissions in a timely fashion that will not completely stop the drilling operation while they wait for BLM to approve their plans?

Response: The proposed rule requires public disclosure of chemicals used during hydraulic fracturing after fracturing operations have been completed. The BLM understands the time sensitive nature of oil and gas drilling and well completion activities and does not anticipate that the submittal of well stimulation-related information will impact the timing of the approval of drilling permits.

6. The proposed BLM regulations will greatly impact the states that already regulated hydraulic fracturing. It will impact the state's economies, and their ability to create jobs and foster energy development in within their states. There will also have to be significant coordination between state and federal regulations. When in the process have you met with the states to make them aware of your plans?

Response: The BLM recognizes that in recent years, with the increase in well stimulation activities, some, but not all, states have taken action to address hydraulic fracturing in their own regulations. The BLM's proposed rulemaking ensures consistent protection of the important federal and Indian resource values that may be affected by the use of hydraulic fracturing.

The proposed rule is designed to complement ongoing state efforts to regulate fracturing activities by providing a consistent standard across all public and tribal lands. The BLM is actively working to minimize duplication between reporting required by state regulations and reporting required for this rule.

In keeping with longstanding practice and consistent with relevant statutory authorities, it is the intention of the BLM to implement on public lands whichever rules, state or federal, are most protective of federal lands and resources and the environment. And regardless of any action taken by the BLM, operators still would need to comply with any state-specific hydraulic fracturing requirements on private lands in the states where they operate.

7. Please describe the process by which you have taken to consult with the Tribes on these draft regulations? Please describe the number of meetings held, the Tribes in attendance at these meetings, the number of representatives from each Tribe and any comments or supporting documents you may have received from the Tribes during these discussions.

Response: Tribal consultation is a critical part of this effort, and Secretary Salazar is committed to making sure tribal leaders play a significant role as we work together to develop resources on public and Indian lands in safe and responsible way. The BLM has been involved in active tribal consultation efforts on this topic, and is continuing to consult with tribes on the proposed rule. As part of the consultation process, the BLM conducted outreach to tribal representatives through four regional meetings in January 2012. Nearly 180 tribal representatives from all tribes that are currently receiving oil and gas royalties and all tribes that may have had ancestral surface use were invited. Eighty-four tribal members representing 24 tribes attended the meetings. These meetings were held in Tulsa, Oklahoma; Billings, Montana; Salt Lake City, Utah; and Farmington, New Mexico.

In these sessions, tribal representatives were given a discussion draft of the hydraulic fracturing rule to serve as a basis for substantive dialogue about the hydraulic fracturing rulemaking process. The BLM asked the tribal representatives for their views on how a hydraulic fracturing rule proposal might affect Indian activities, practices, or beliefs if it were to be applied to particular locations on Indian and public lands. A variety of issues were discussed, including applicability of tribal laws, validating water sources, inspection and enforcement, wellbore integrity, and water management, among others. Additional individual meetings with tribal representatives have taken place since that time.

BLM has activity engaged tribes and will proactively continue tribal consultation under the Department's recently implemented Tribal Consultation Policy, which emphasizes trust, respect and shared responsibility in providing tribal governments an expanded role in informing federal policy that impacts Indian tribes, including their lands.

The agency will continue to consult with tribal leaders throughout the rulemaking process. Responses from tribal representatives will inform the agency's actions in defining the scope of acceptable hydraulic fracturing rule options.

8. Unlike the more stringent state disclosure requirements, the draft BLM regulations require pre-approval of fracture stimulation formulations. What is the technical basis on which such approval will be given or withheld by the agency? What is the staff expertise that will be required to make such determinations, and does BLM currently have the staff resources to administer this pre-approval

Response: The proposed rule requires public disclosure of chemicals used during hydraulic fracturing after fracturing operations have been completed.

9. Please describe the Department's or BLM's familiarity with the operational practice in the drilling industry of making adjustments to well stimulation fluid formulations on a relatively continuous manner during the process of drilling and completing a well—including making adjustments to such formulations while hydraulic fracturing operations are underway as a result of many factors including the pH levels of the water used and the temperature of the air during the job? Please describe how BLM would expect to administer these regulations if adopted in light of that practice, given the 30 day pre-approval submittal requirement?

Response: The proposed rule requires public disclosure of chemicals used during hydraulic fracturing after fracturing operations have been completed.

10. The states with the most stringent disclosure requirements for hydraulic fracturing fluid formulations require that operators provide disclosure of the chemicals used via the FracFocus website. The draft BLM regulations make no reference to FracFocus. Do the draft regulations as worded indicate that BLM intends to set up an entirely new data base of fracture stimulation chemicals? How would this data base be administered if BLM should establish it?

Response: The BLM is working closely with the Ground Water Protection Council and the Interstate Oil and Gas Commission in an effort to determine whether the disclosure called for in the proposed rule can be integrated into the existing website known as FracFocus.

FracFocus is a voluntary hydraulic fracturing chemical registry website that is a joint project of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission. The site was created to provide public access to reported information on the chemicals used in hydraulic fracturing activities.

11. What economic factors do you intend to take into consideration when issuing the final regulations?

Response: The hydraulic fracturing rulemaking process includes an estimate of economic benefits and costs that considers a number of factors, including employment impacts, discounted present value, uncertainty, and a number of rule alternatives.

Rep. Denham

Fish and Wildlife Service

1. Your testimony states that the Administration proposes to increase duck stamp fees to $25.00 per stamp per year, beginning in 2013; and this is due to the cost to purchase land increasing. Does the government need to buy more land? How many acres was Interior able to purchase through this fund over the past 3 years? Has there been any effort to reduce the amount of hunting and use of guns on federal lands under this administration? If so, it would seem that this tax on hunters is simply for a land grab policy and not to further their commitment to the environment and their sport.

Response: This Administration is committed to promoting outdoor recreational activities on public lands. The Migratory Bird Hunting and Conservation Stamp (Duck Stamp) is one source of funds for the Migratory Bird Conservation Fund (Fund). The Fund provides the Department of the Interior with financing for the acquisition of migratory bird habitat. These protected lands are critically important for sustaining waterfowl and other species population levels. Such opportunities to acquire and conserve land through Duck Stamp dollars provide Americans with opportunities to enjoy the outdoors by engaging in activities such as hunting, fishing, hiking and

wildlife watching, key components of the Administration's America's Great Outdoors Initiative. The following charts show the total acreage the Department of the Interior has purchased in 2009, 2010 and 2011:

Fee acres purchased with MBCF	
2011	16,747
2010	6,409
2009	16,923
Total	40,079

Total acres protected with MBCF (includes fee and easement)	
2011	39,918
2010	31,939
2009	44,499
Total	116,356

Bureau of Land Management

2. Counties with national forest lands and with certain Bureau of Land Management lands have historically received a percentage of agency revenues, primarily from timber sales. With the declining revenue from timber sales, mostly due to restrictive Administration policies, do you have a plan to revive these timber sales so that local communities can continue to support the education of their children that reside in rural areas and needed emergency personnel? Is it an option to loosen up environmental regulations to allow the timber industry to begin to produce higher receipts; even if the industry is mainly allowed to harvest annual yield to maintain the current acreage of forests?

Response: Although timber purchases as well as harvest levels are driven by market forces, the Bureau of Land Management (BLM) continues to offer a predictable, sustainable supply of timber sales in western Oregon of approximately 200 million board feet (MMBF) per year. In recent years the BLM's timber volumes offered for sale have ranged from highs of 236 MMBF in 2008 and 233 MMBF in 2010, to 198 MMBF in 2007.

The BLM offered 198 million board feet of timber for sale in FY 2011, and in addition, re-offered 12 million board feet from previous contracts that had been mutually cancelled. In FY 2012, the BLM plans to offer the program target volume of 193 MMBF of timber for sale. The BLM also plans to reoffer additional volume from eight more contracts that were mutually cancelled. For FY 2013, the BLM budget proposal also includes an increase of $1.5 million in the O&C Forest Management program to increase the volume of timber offered for sale.

Bureau of Reclamation

3. Secretary Salazar, you have previously stated that you could waive the Endangered Species Act when it came to unemployment caused by the delta smelt regulation but indicated that by doing so, it would be "admitting failure." You did not wave the Endangered Species Act when it contributed to 40% unemployment in 2009. I want to ensure that people in my district are able to work. Will you wave the Endangered Species Act if it puts people out of work this year? Will you wave it if it puts people out of work next year? *(Salazar will not directly answer this question, he will say that the California water situation is complex and numerous factors need to be considered.)*

Response: Addressing the dual challenges of providing more reliable water supplies for California and protecting, restoring, and enhancing the overall quality of the Bay-Delta environment requires action to address a myriad of issues. California depends upon a highly-engineered system built generations ago, a system which was

designed to serve a state population less than half of what it is today. The system remains vulnerable to catastrophic failure in the event of an earthquake, levee breeches, or natural disaster. The withdrawal of large quantities of freshwater from the Delta, increased discharges of pollutants from human activities, increases in non-native species, and numerous other factors have all threaten the reliability of California's water system and the Bay-Delta's biologically diverse ecosystem.

Section 7(g) of the Endangered Species Act sets forth the process by which an Endangered Species Act exemption can be obtained. The Endangered Species Act does not authorize the Secretary of the Interior to unilaterally waive the Act's application. Rather, the exemption process involves convening a cabinet-level Endangered Species Committee. There have only been six instances to date in which the exemption process was initiated. Of these six, one was granted, one was partially granted, one was denied, and three were dropped. This rarely used process, which could lead to the extinction of one or more species, is costly and time-consuming. In passing Section 7(a), Congress intended the exemption process to serve as a last resort measure and expressed particular concern that it not undermine the Section 7 consultation process, which Congress believed could resolve most problems. A waiver of the Endangered Species Act would override protections on California's watersheds, on which 25 million people depend for clean drinking water, and circumvent the locally-driven, solution-oriented, collaborative approach that is reflected in the Bay Delta Conservation Plan (BDCP). Exempting the Central Valley Project from the Endangered Species Act is not an appropriate mechanism for solving California's water crisis.

For the past three years, the Department has committed a vast amount of energy to advancing a collaborative planning process that will provide for the conservation of threatened and endangered species while improving water system reliability. The BDCP is intended to address the three major components of the Endangered Species Act as it relates to State Water Project and Central Valley Project operations: the Section 7 requirement that federal agencies ensure, in consultation with the federal fish and wildlife agencies, that their actions are not likely to jeopardize the continued existence of species or result in modification or destruction of critical habitat; the Section 9 prohibition against the "taking" of listed species; and the Section 10 provisions that provide for the permitting of non-federal entities for the incidental take of listed species.

As further evidence of the Department of the Interior's commitment to addressing California's water supply issues, the Bureau of Reclamation's 2013 budget allocates well over $250 million for California water issues. This amount includes funding for the BDCP, science and monitoring activities to improve existing biological opinions governing Central Valley Project operations, fisheries and restoration actions, water deliveries to refuges, and continued maintenance of CVP water delivery and power generation facilities.

Follow up:

4. How high does unemployment have to be before you wave the Endangered Species Act? ***(He will not directly answer and say that a number of factors must be considered.)***

Response: Section 7(g) of the Endangered Species Act sets forth the process by which an Endangered Species Act exemption can be obtained. The Endangered Species Act does not authorize the Secretary of the Interior to unilaterally waive the Act's application. Rather, the exemption process involves convening a cabinet-level Endangered Species Committee. There have only been six instances to date in which the exemption process was initiated. Of these six, one was granted, one was partially granted, one was denied, and three were dropped. This rarely used process, which could lead to the extinction of one or more species, is costly and time-consuming. In passing Section 7(a), Congress intended the exemption process to serve as a last resort measure and expressed particular concern that it not undermine the Section 7 consultation process, which Congress believed could resolve most problems. A waiver of the Endangered Species Act would override protections on California's watersheds, on which 25 million people depend for clean drinking water, and circumvent the locally-driven, solution-oriented, collaborative approach that is reflected in the BDCP. Exempting the Central Valley Project from the Endangered Species Act is not an appropriate mechanism for solving California's water crisis.

5. A part of the SJRRP calls for Reclamation to reintroduce salmon back into the San Joaquin River system above Mendota pool by utilizing eggs from other Central Valley salmon runs that are listed as threaten or endangered under the Federal Endangered Species Act. How much will this program cost in fiscal year 2013 and every year thereafter? Not the amount requested (12 million), but the actual projected costs.

Response: Funding needs for San Joaquin River Restoration Program (Restoration Program) fisheries reintroduction activities for FY 2013 are estimated at $3,270,000. Future reintroduction activities are estimated to range from $4,900,000 to $5,700,000 annually through FY 2018, depending on the specific activities planned for the year.

- **Given the harmful impacts of the interim flows from Friant, has the Bureau of Reclamation already built the necessary infrastructure to mitigate any further seepage and ensured that the river is absolutely ready for sustained increased flows?**

Response: The FY 2013 budget request for the Bureau of Reclamation includes funding to continue seepage monitoring and management efforts, including the evaluation and construction of seepage management projects. These projects include the construction or installation of interceptor lines, drainage ditches, shallow groundwater pumping, and channel conveyance improvements. Funding will also be directed toward non-physical actions such as property acquisitions. Reclamation will continue to hold interim flows to levels that do not cause material adverse seepage impacts until the seepage management projects have been completed.

Public Law 111–11 and the Stipulation of Settlement entered in NRDC et al. v. Rodgers et al. ("Settlement") provide for the release of interim flows in order to collect relevant data concerning flows, temperatures, fish needs, seepage losses, recirculation, recapture, and reuse. As Reclamation has obtained data regarding seepage, and consistent with Public Law 111–11, Reclamation has held interim flows to levels that avoid potential material adverse seepage impacts. Reclamation completed updates to the Restoration Program's Seepage Management Plan and posted an updated plan on the Program's web site in March 2011. The plan has been developed with input from landowners and district managers to address landowner concerns related to potential changes in groundwater elevations that may be a result of the Restoration Program. The approaches to monitor and set groundwater thresholds, as well as responses to address seepage before it impacts adjacent lands, are described in the plan. Reclamation installed and monitors more than 160 groundwater monitoring wells, many on private property in locations chosen or agreed to by landowners.

In coordination with the Seepage and Conveyance Technical Feedback Group, Reclamation established thresholds for all monitoring wells and uses data from the wells to inform interim flow releases such that potential material adverse seepage impacts are avoided. As a result of the Seepage Management Plan and groundwater thresholds, Reclamation has limited flows below Sack Dam. Reclamation also established a Seepage Hotline for landowners to call if they see or anticipate seepage on their property.

Reclamation is preparing a Seepage Projects Handbook, which is being developed in coordination with local irrigation districts and landowners through the public Seepage and Conveyance Technical Feedback Group. The handbook sets expectations, timelines and processes for implementing seepage projects. Reclamation recently held meetings with Reach 3, 4A, and 4B landowners and specifically invited landowners whose properties are the highest priority for seepage management actions. As a result of this meeting, six different landowners are beginning to work with Reclamation to evaluate their properties for seepage projects. Reclamation will limit interim flows to levels that do not cause material adverse seepage impacts until these projects are in place.

- **All Central Valley salmon runs are struggling to regain their historic numbers. Why would Reclamation propose to fill one river with salmon from another and purposely reduce the numbers of available salmon in other streams to plant them into the San Joaquin system and further threaten and/or endangered current runs?**

Response: Public Law 111–11 and the Settlement direct the Secretary of the Interior to reintroduce California Central Valley spring and fall run Chinook salmon into the San Joaquin River, with priority given to restoring self-sustaining populations of wild spring run. Historically, spring run Chinook salmon were abundant in the San Joaquin River system. Extirpation of these and other runs has led to the threatened status of this species. Since spring run Chinook salmon have been extirpated from the San Joaquin, reintroduction will require the use of eggs and fish from other streams. To ensure the collection of spring run eggs and fish from other

streams will not jeopardize populations in those streams, all collections will be conducted under an Endangered Species Act permit issued by the National Marine Fisheries Service. In addition, the planned construction of a conservation hatchery will allow a broodstock to be developed and managed to provide a source of fish for the San Joaquin River without needing significant numbers of salmon from other streams. Reintroducing spring run Chinook salmon to the San Joaquin River will result in the establishment of a new, additional population, which will be an overall benefit to Central Valley salmon runs.

- **Has Reclamation determined when it would stop reintroducing salmon into the San Joaquin river system if these efforts fail? In other words, has the Administration set a goal that everyone is working to achieve for success in the San Joaquin River Restoration Program?**

Response: Reclamation will stop reintroducing salmon into the San Joaquin River once the population has been determined to be naturally reproducing and self sustaining. Public Law 111–11 requires the Secretary of Commerce to report to Congress, no later than December 31, 2024, on the progress made on reintroducing spring run Chinook salmon and future reintroduction plans. We anticipate continuing reintroducing salmon into the river until 2024, and including reintroduction plans beyond 2024 in the report to Congress.

6. What has Reclamation done to date to replace the water supply lost due to the implementation of the SJRRP?

Response: Reclamation is pursuing several actions to reduce or avoid adverse water supply impacts to all of the Friant Division long-term contractors. The actions include the following: continued development of operational guidelines for releasing interim and restoration flows and the framework for a Recovered Water Account; allocation of 680,000 acre-feet of Recovered Water Account water to Friant Division long-term contractors to take advantage of wet year water supplies and the delivery of 356,203 acre-feet of this amount based on the contractors request; recaptured flows at Mendota Pool and recirculated 66,000 acre-feet to the Friant Division long-term contractors to date; continued planning on downstream recapture and long-term recirculation with other water users; drafted guidelines for financial assistance for local groundwater banking projects; released a Draft Environmental Assessment and Feasibility Report for the Friant-Kern Canal Capacity Restoration Project and continued progress on the project to achieve a late 2012 construction start date; continued progress on the Madera Canal Capacity Restoration Feasibility Study and the Friant-Kern Canal Pump-back Feasibility Study; and negotiated and executed 27 repayment contracts with Friant Division and Hidden and Buchannan Units contractors.

7. How will Reclamation deal with seepage impacts to private landowners from increased flows down the San Joaquin River? Please provide the details of this program.

Response: Reclamation will not increase flows above thresholds described in the next paragraph until seepage management projects are in place to protect private landowners from seepage impacts. Consistent with Public Law 111–11, Reclamation will hold interim flows to levels that avoid potential material adverse seepage impacts. Reclamation completed updates to the Restoration Program's Seepage Management Plan and posted an updated plan on the Program's web site in March 2011. The plan has been developed with input from landowners and district managers to address landowner concerns related to potential changes in groundwater elevations that may be a result of the Restoration Program. The approaches to monitor and set groundwater thresholds, as well as responses to address seepage before it impacts adjacent lands, are described in the plan. Reclamation installed and monitors more than 160 groundwater monitoring wells, many on private property in locations chosen or agreed to by landowners.

In coordination with the Seepage and Conveyance Technical Feedback Group, Reclamation has established thresholds for all monitoring wells and use data from the wells to inform interim flow releases such that potential material adverse seepage impacts are avoided. As a result of the Seepage Management Plan and groundwater thresholds, Reclamation has limited flows below Sack Dam. In addition to monitoring and establishing thresholds, Reclamation has also established a Seepage Hotline for landowners to call if they see or anticipate seepage on their property.

Reclamation is preparing a Seepage Projects Handbook, which is being developed in coordination with local irrigation districts and landowners through the public Seepage and Conveyance Technical Feedback Group. The handbook sets expectations, timelines and processes for implementing seepage projects. Reclamation recently held meetings with Reach 3, 4A, and 4B landowners and specifically invited

landowners whose properties are the highest priority for seepage management actions. As a result of this meeting, six different landowners are beginning to work with Reclamation to evaluate their properties for seepage projects. Reclamation will limit interim flows to levels that do not cause material adverse seepage impacts until these projects are in place.

Reclamation is committed to managing flows in a way that does not exceed groundwater thresholds. Implementation of focused projects and actions to address seepage will allow Reclamation to incrementally increase flows as improvements are made. Data gathered from eight key monitoring wells is being reported in real-time to the California Data Exchange Center website. Data from 19 wells are reported weekly to the Program's website (http://www.restoresjr.net/flows/Groundwater/index.html). Data from all of the wells are reported every few months in the Program's Well Atlas available online (http://www.restoresjr.net/flows/Groundwater/index.html).

8. What regulatory impediments does Reclamation identify as inhibiting its ability to provide 100% of South-of-Delta contractor's allocation of contract supplies?

Response: As noted above, the CVP is operated to meet multiple purposes under a variety of statutory and regulatory requirements and constraints that affect operation of the CVP pumps, and therefore the South-of-Delta allocation. Operating criteria and restrictions included in the California State Water Resources Control Board's Water Right Decision 1641, the 2008 Fish and Wildlife Service Smelt Biological Opinion, and the 2009 National Marine Fisheries Service Salmon Biological Opinion can reduce the amount of water exports allowed at Jones Pumping Plant and therefore limit the amount of water that can be moved south. This year the South-of-Delta allocation is being primarily driven by dry hydrological conditions caused in part by low precipitation and snowpack in the Sierra Nevada.

Rep. Hanabusa

1. Mr. Secretary, Following the 2009 Supreme Court decision in Carcieri v. Salazar, little to no legislative action has been taken to remedy the uncertainty among tribes and the BIA regarding our country's trust obligations. Can you provide any details on possible administrative actions that the DOI is taking in order to resolve this uncertainty?

Response: Generally, since the *Carcieri* decision, the Department must examine whether each tribe seeking to have land acquired in trust under the Indian Reorganization Act was "under federal jurisdiction" in 1934. Under the authority delegated to the Assistant Secretary for Indian Affairs, the Bureau of Indian Affairs (BIA) makes the determination as to whether to acquire land in trust on behalf of an applicant tribe in most instances. BIA staff work closely with the Solicitor's Office to ensure that all legal criteria are satisfied prior to the approval of a fee-to-trust acquisition. The Department's attorneys, in turn, work closely with the Assistant Secretary's Office to undertake the analysis, which involves mixed questions of law and fact, as to whether an applicant tribe was under federal jurisdiction on June 18, 1934 and provide legal counsel to the Assistant Secretary and BIA staff.

Whether a tribe was under federal jurisdiction on that date requires a fact-intensive analysis of the history of interactions between that tribe and the United States. This analysis ordinarily requires the Department to examine: (1) whether there was an action or series of actions before 1934 that established or reflected federal obligations, duties, or authority over the tribe; and, (2) whether the tribe's jurisdictional status remained intact in 1934. The analysis is done on a tribe-by-tribe basis; it is time-consuming and costly for tribes, even for those tribes whose jurisdictional status is unquestioned. It requires extensive legal and historical research and analysis and has engendered new litigation about tribal status and Secretarial authority. Overall, it has made the Department's consideration of fee-to-trust applications more complex.

The Department continues to believe that legislation is the best means to address the issues arising from the *Carcieri* decision, and to reaffirm the Secretary's authority to secure tribal homelands for all federally recognized tribes under the Indian Reorganization Act. A clear congressional reaffirmation will prevent costly litigation and lengthy delays for both the Department and the tribes to which the United States owes a trust responsibility.

Rep. Noem

1. What are your plans to ensure funding for water projects, like Lewis & Clark, is realized in a timely way?

Response: Faced with limited funding and multiple worthy projects, the Bureau of Reclamation has had to set priorities and make tough choices, with the goal of making meaningful progress on the projects receiving funding. The capability of the rural water project sponsors to accomplish construction projects far exceeds the available funding. Reclamation allocated funding in a manner that would allow construction to continue with the goal of accomplishing discrete phases of projects that will provide water to project beneficiaries upon completion of that phase of the project. Our funding request will enable multiple projects to achieve this goal in the next fiscal year.

2. Lewis & Clark has already been underway for more than 20 years. What are your plans to Lewis & Clark is completed in a timely way?

Response: The Bureau of Reclamation has been working diligently to advance the completion of all of its authorized rural water projects consistent with current fiscal and resource constraints with the goal of delivering potable water to tribal and non-tribal residents within the rural water project areas. Completion of the Lewis & Clark project is a priority project for the Department of the Interior. Recently, $5.487 million was awarded to the Lewis and Clark project pursuant to the Consolidated Appropriations Act of 2012 and the FY 2013 President's budget request includes an additional $4.5 million in funding. The Bureau of Reclamation has been conducting studies to modify the existing criteria and develop more comprehensive criteria for ranking the authorized rural water projects so that Reclamation can assign its limited construction dollars in the most effective manner. As part of the process of developing final revised criteria, Reclamation will work closely with members of Congress, project partners, and stakeholders to develop a set of measures to rank authorized rural water projects for allocating rural water construction funds in the future.

3. Could you provide and explain to me the criteria and methodology Department of Interior use in determining how to prioritize the water projects within the Water and Related Resources account? Is weight given to criteria—such as population served, local commitment as determined by prepayment of the local members, and potential for economic impact? How do these criteria fare in relation to whether there is a tribal component? Are there other criteria considered? How much weight is given to additional criteria?

Response: The Bureau of Reclamation administers the Water and Related Resources account, which provides funding for five major program areas—Water and Energy Management and Development, Land Management and Development, Fish and Wildlife Management and Development, Facility Operations, and Facility Maintenance and Rehabilitation. The criteria and methodology that is used to determine water project priorities varies depending on the program. As it relates specifically to rural water projects authorized by Congress, the Bureau of Reclamation is evaluating new criteria for allocating rural water project funding. The Bureau of Reclamation developed and used revised interim criteria to allocate additional funding provided in the Consolidated Appropriations Act of 2012. Reclamation also used the revised interim criteria in fiscal year 2013 to prioritize funding for the authorized rural water project construction funding. The revised interim criteria give consideration to the time and financial resources already committed by project beneficiaries, the urgent and compelling need for water, the financial need and regional impacts, the regional and watershed benefits, the water and energy benefits and service to Native American Tribes.

4. How does the Bureau reallocate funding in the Water & Related Resources account for projects completed or nearing completion? Will this funding remain in the Water & Related Resources account with respect to future budget requests?

Response: The Bureau of Reclamation administers the Water and Related Resources account, which provides funding for five major program areas—Water and Energy Management and Development, Land Management and Development, Fish and Wildlife Management and Development, Facility Operations, and Facility Maintenance and Rehabilitation. The criteria and methodology that is used to determine water project priorities varies depending on the program. The Bureau of Reclamation does not anticipate the need to reallocate funding in the Water & Related Resources account for projects completed or nearing completion; however, in the event

this unforeseen event occurs, Reclamation will take action consistent with Congressional guidance.

Rep. Young

1. **In what appears to be an annual occurrence, the President's Budget proposes cutting the Alaska Land Conveyance Program. Last year, the program was halved. As you know, Congress was able to restore most of the funding, but again, this budget proposes a near 50% cut. Today, BLM has only surveyed and patented near 60% of the original 150 million acres owed to the State of Alaska and the Native community. On millions of acres, the conveyance process has not even yet begun. This amounts to little more than 1% more than the BLM had completed last year, and at twice the funding than has been requested this year. At this rate, it would take roughly 41 more years to see a full 100%. In your view, is this an acceptable amount of time for the State and the Native Corporations to wait before the land entitlement is 100% conveyed? It's been over 50 years since Statehood, and 40 years since the passing of ANCSA. How long do we have to wait for this process to be complete?**

   Why can the Interior Department find all kinds of money to fund Wilderness studies in ANWR and other refuges, America's Great Outdoors, and other nonsense, but cannot find the money to fully fund the Alaska Conveyance Program?

Response: The Department is the steward of 20 percent of the Nation's lands, including national parks, national wildlife refuges, and the public lands. Interior manages public lands onshore and on the Outer Continental Shelf, providing access for and management of renewable and conventional energy development and overseeing the protection and restoration of surface-mined lands. The Department is also the largest supplier and manager of water in the 17 western states and provides hydropower resources used to power much of the country. Interior is responsible for migratory wildlife and endangered species conservation as well as the preservation of the Nation's historic and cultural resources. The Department supports cutting edge research in the earth sciences—geology, hydrology, and biology—to inform resource management decisions at Interior and improve scientific understanding worldwide. The Department also fulfills the Nation's unique trust responsibilities to American Indians and Alaska Natives, and provides financial and technical assistance for the insular areas. In short, these many and varied mission areas required us to make difficult choices; the Department's budget includes significant reductions and savings.

At the same time, however, we are working closely at the local level to determine priorities so that either we can convey by patent (if surveyed) or by interim basis (if unsurveyed) working title to the lands the clients need. The Bureau of Land Management will prioritize survey work on a geographic basis, maximize the use of contract surveyors, and use available technology to ensure this work is done in the most cost efficient manner. And we will continue to evaluate options for additional program reforms and efficiencies to complete final transfers in a timely manner.

2. **Early February 2012, Congressman Boren and I wrote you a letter regarding the BLM's draft hydraulic fracturing rules, which would affect lands held in trust for Indian tribes and their members. I have not received a response to the requests in that letter. As a result, what tribes have the Department approached during the current tribal consultation process as it relates to this draft rule? What is your time frame, and how to do you plan to accommodate tribal concerns in this rule?**

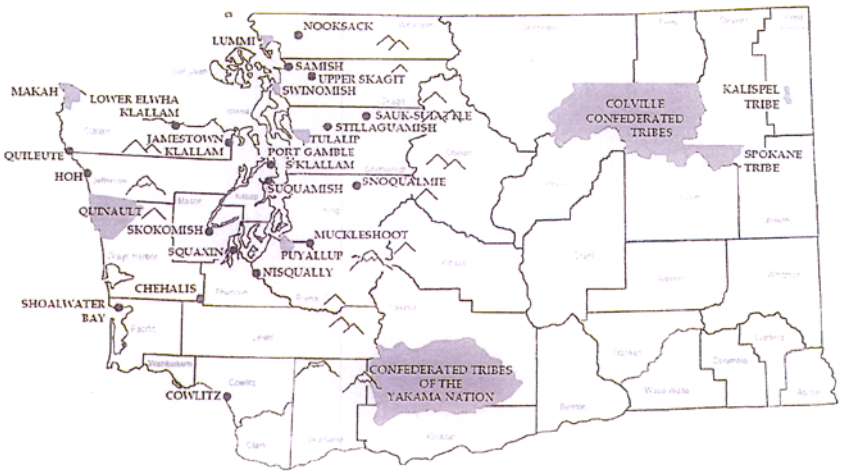
Response: In its March 29, 2012 reply to your letter, the Department indicated that the BLM places a high priority on tribal consultation and in January 2012 held consultation sessions on the proposed hydraulic fracturing rule in Tulsa, Oklahoma; Billings, Montana; Salt Lake City, Utah; and Farmington, New Mexico. During these sessions, the Department received a clear message from tribal representatives that they would like the BLM to update its regulations on well stimulation and that more information about post-drilling stimulation operations on tribal lands should be provided. The BLM is committed to working closely with the tribes throughout the development of this rule. Tribal governments will have essentially until the rule is final to consult on the effect of the rule.

Tribes Name	PropertyName	Agency	Acres	Reservation	Need	Purpose	Authority
CHEHALIS	Washington Business Bank	NWRO	40.80	Chehalis Reservation	SD	Water Protection	25 USC § 465
COLVILLE	Quality Veneer	COLVILLE	0.73	Colville Reservation	ED	Infrastructure	25 USC § 465
COLVILLE	Earl DeCamp	COLVILLE	44.59	Colville Reservation	ED	Infrastructure	25 USC § 465
COLVILLE	Highway Tire Prop.	COLVILLE	0.58	Colville Reservation	ED	Economic Development	25 USC § 465
COLVILLE	Gallaher	COLVILLE	1632.16	Colville Reservation	ED	Agriculture	25 USC § 465
COLVILLE	Fordean Palmanteer	COLVILLE	0.33	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Jennifer Simpson	COLVILLE	0.18	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Picard	COLVILLE	120.00	Colville Reservation	IH	Infrastructure	25 USC § 465
COLVILLE	James A.C. Smith	COLVILLE	0.29	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Town of Coulee Dam	COLVILLE	0.07	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Larry Seymour	COLVILLE	0.25	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Cates & Erb	COLVILLE	2.13	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Robert Turner	COLVILLE	20.97	Colville Reservation	ED	Agriculture	25 USC § 465
COLVILLE	Barnett (S-28 & S-29)	COLVILLE	120.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Beardslee	COLVILLE	20.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Gould	COLVILLE	17.46	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Dave Finley	COLVILLE	0.26	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	S-1812	COLVILLE	17.67	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	S-1813	COLVILLE	51.71	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	McClung	COLVILLE	20.00	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Cheryl Johnson	COLVILLE	13.74	Colville Reservation	IH	Housing	25 USC § 465
COLVILLE	Kendall Brown	COLVILLE	160.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Phyllis Largent	COLVILLE	1012.06	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Hansen	COLVILLE	214.54	Colville Reservation	ED	Agriculture	25 USC § 465
COLVILLE	1999 Tax Sale (T5745)	COLVILLE	40.41	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	S-2155 (Elmer Lemery)	COLVILLE	100.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Gilleland	COLVILLE	4.55	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	1997 Tax Sale/Metro. Corp.	COLVILLE	13.36	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Bev Hill/S-967	COLVILLE	50.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Phyllis Banks	COLVILLE	110.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Abel/S-1690	COLVILLE	80.00	Colville Reservation	SD	Infrastructure	25 USC § 465
COLVILLE	Malott	NWRO	47.60	Colville Reservation	ED	Agriculture	25 USC § 465
COLVILLE	Travel plaza	COLVILLE	7.00	Colville Reservation	ED	Travel Plaza	25 USC § 465
JAMESTOWN KLALLAM	Gademus	OLYMPIC PENINSULA	5.00	JAMESTOWN KLALLAM (CLALLAM)	SD	Infrastructure	25 USC § 465
JAMESTOWN KLALLAM	Sophus Road II	NWRO	19.15	JAMESTOWN KLALLAM (CLALLAM)	SD	Infrastructure	25 USC § 465
JAMESTOWN KLALLAM	Dungeness Golf Course	NWRO	139.36	JAMESTOWN KLALLAM (CLALLAM)	ED	Golf Course development	25 USC § 465
KALISPEL	Carstens	NWRO	85.50	Kalispel Reservation	SD	Infrastructure	25 USC § 465
LOWER ELWHA	Ediz Hook	NWRO	3.76	LOWER ELWHA	SD	Infrastructure	25 USC § 465
LOWER ELWHA	Place Road Addition	NWRO	0.46	LOWER ELWHA	IH	Indian Housing	25 USC § 465
LOWER ELWHA	Log Yard Addition	NWRO	37.68	LOWER ELWHA	SD	Infrastructure	25 USC § 465
LUMMI	Fisherman's Cove	Pudget Sound	9.47	LUMMI	ED	Agriculture	25 USC § 465
MUCKLESHOOT	Davis Housing Project	Pudget Sound	14.97	MUCKLESHOOT	IH	Housing	25 USC § 465
MUCKLESHOOT	Schlag Nelson Goff & Goff	Pudget Sound	26.61	MUCKLESHOOT	IH	Housing	25 USC § 465
NISQUALLY	Walker Property	NWRO	26.38	NISQUALLY	ED	Housing	25 USC § 465
NISQUALLY	Torgerson	Pudget Sound	0.00	NISQUALLY	SD	Infrastructure	25 USC § 465
NISQUALLY	Pease Property	Pudget Sound	55.00	NISQUALLY	SD	Infrastructure	25 USC § 465
NISQUALLY	Fort Lewis Exchange	Pudget Sound	174.00	NISQUALLY	ED	Economic Development	25 USC § 465
NISQUALLY	Nisqually Commercial Park	NWRO	1.13	NISQUALLY	ED	Economic Development	25 USC § 465
PORT GAMBLE S'KLALLAM	DNR	NWRO	390.26	Port Gamble Reservation	SD	Infrastructure	25 USC § 465
PUYALLUP	Justice Canteen	Pudget Sound	30.00	Puyallup Tribe	SD	Infrastructure	25 USC § 465
PUYALLUP	Boyle Property	Pudget Sound	0.00	Puyallup Tribe	ED	Agriculture	25 USC § 465
PUYALLUP	Five Residential	Pudget Sound	0.00	Puyallup Tribe	ED	Agriculture	25 USC § 465
PUYALLUP	Meaker Property	Pudget Sound	4.35	Puyallup Tribe	ED	Agriculture	25 USC § 465
PUYALLUP	Sny Property	Pudget Sound	0.00	Puyallup Tribe	ED	Agriculture	25 USC § 465
PUYALLUP	Online Property	Pudget Sound	0.00	Puyallup Tribe	SD	Infrastructure	25 USC § 465
PUYALLUP	Gethesmane	Pudget Sound	17.00	Puyallup Tribe	SD	Infrastructure	25 USC § 465
PUYALLUP	Yamamoto Property	Pudget Sound	20.77	Puyallup Tribe	ED	Agriculture	25 USC § 465
PUYALLUP	Administrative Building	Pudget Sound	0.00	Puyallup Tribe	SD	Infrastructure	25 USC § 465
PUYALLUP	Fife Casino Parking	NWRO	13.90	Puyallup Tribe	SD	Infrastructure	25 USC § 465
PUYALLUP	Shell Gas Station-Parcel A	Pudget Sound	1.23	Puyallup Tribe	ED	Economic Development	25 USC § 465
PUYALLUP	Shell Gas Station-Norpoint	Pudget Sound	1.55	Puyallup Tribe	ED	Economic Development	25 USC § 465
QUILEUTE	relocation	OLYMPIC PENINSULA	184.00	Quileute	SD	relocation of Res.	P.L. 112-97
QUINAULT	Fishery	Pudget Sound	1.14	QUINAULT	ED	Economic Development	25 USC § 465
SAMISH	Fidalgo Bay RV Park	Pudget Sound	67.00	SAMISH	ED		25 USC § 465
SAMISH	Administration Complex	Pudget Sound	0.39	SAMISH	SD		25 USC § 465
SAMISH	Kelleher Road	Pudget Sound	0.00	SAMAIH	ED		25 USC § 465
SAUK VALLEY (SAUK SUIATTLE)	Bryson Property	Pudget Sound	0.00	SAUK VALLEY (SAUK SUIATTLE)	SD	Infrastructure	25 USC § 465
SAUK VALLEY (SAUK SUIATTLE)	Howell Property	Pudget Sound	0.00	SAUK VALLEY (SAUK SUIATTLE)	IH	Housing	25 USC § 465
SAUK VALLEY (SAUK SUIATTLE)	Wells Fargo	Pudget Sound	1.64	SAUK VALLEY (SAUK SUIATTLE)	SD	Infrastructure	25 USC § 465

SHOALWATER	Conservation	OLYMPIC PENINSULA	214.13	Shoalwater Reservation	SD	Conservation/Timber	25 USC § 465
SNOQUALMIE	View Acre	Pudget Sound	7.50	SNOQUALMIE	IH		25 USC § 465
SPOKANE	LANTZY WEST PROPERTY	SPOKANE	124.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	TWO PARSON PROPERTY	SPOKANE	501.30	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	SAMPSON	SPOKANE	565.81	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	Anderson Property	SPOKANE	21.76	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	MCCREA PROPERTY	SPOKANE	99.85	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	YEAGER PROPERTY	SPOKANE	10.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	MAGGIE FERGUSON PROPERT	SPOKANE	40.99	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	BEN FERGUSON PROPERTY 10:	SPOKANE	80.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	GEORGE FERGUSON PROPERT	SPOKANE	80.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	ANDERSON EAST	SPOKANE	39.42	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	ANDERSON PROPERTY	SPOKANE	72.67	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	GUTIERREZ PROPERTY	SPOKANE	80.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	YEPA PROPERTY	SPOKANE	37.80	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	GRIBNER PROPERTY	SPOKANE	80.00	Spokane Reservation	SD	Infrastructure	25 USC § 465
SPOKANE	LANTZY EAST PROPERTY	SPOKANE	640.82	Spokane Reservation	SD	Infrastructure	25 USC § 465
SQUAXIN ISLAND TRIBE	Hawks	NWRO	0.40	Squaxin Island Tribe	SD	Infrastructure	25 USC § 465
SQUAXIN ISLAND TRIBE	Shaker Church	NWRO	5.29	Squaxin Island Tribe	SD	Infrastructure	25 USC § 465
SQUAXIN ISLAND TRIBE	Wells Fargo	NWRO	0.60	Squaxin Island Tribe	SD	Infrastructure	25 USC § 465
SQUAXIN ISLAND TRIBE	Wood	NWRO	2.68	Squaxin Island Tribe	SD	Infrastructure	25 USC § 465
SQUAXIN ISLAND TRIBE	Linder	NWRO	5.69	Squaxin Island Tribe	SD	Economic Development	25 USC § 465
STILLAGUAMISH	Plant Nursery	NWRO	4.20	Stillaguamish Tribe	ED	Economic Development	25 USC § 465
STILLAGUAMISH	McMac Property	NWRO	18.34	Stillaguamish Tribe	IH	Housing	25 USC § 465
STILLAGUAMISH	Anderson	NWRO	15.50	Stillaguamish Tribe	ED	Store gas station	25 USC § 465
SUQUAMISH TRIBE	Kiana Lodge	Pudget Sound	4.80	Port Madison Reservation	ED	Economic Development	25 USC § 465
SUQUAMISH TRIBE	Angeline, Augusta, Chinese Re	NWRO	0.39	Port Madison	ED	Economic Development	25 USC § 465
SWINOMISH	MARINA	Pudget Sound	350.00	SWINOMISH	ED	Marina - development	25 USC § 465
SWINOMISH	Parcel 20819	Pudget Sound	80.00	SWINOMISH	SD	Infrastructure	25 USC § 465
TULALIP	Brown Property	Pudget Sound	0.00	TULALIP	SD	Infrastructure	25 USC § 465
TULALIP	Brennen Property	Pudget Sound	67.33	TULALIP	ED	Economic Development	25 USC § 465
TULALIP	Barala Property	Pudget Sound	79.29	TULALIP	ED	Economic Development	25 USC § 465
TULALIP	Cannon Property	Pudget Sound	42.77	TULALIP	IH	Indian Housing	25 USC § 465
TULALIP	Forester Property	Pudget Sound	80.33	TULALIP	ED	Economic Development	25 USC § 465
TULALIP	Giddens Property	Pudget Sound	23.48	TULALIP	ED	Economic Development	25 USC § 465
TULALIP	J. Lind Property	Pudget Sound	79.63	TULALIP	SD	Economic Development	25 USC § 465
TULALIP	Three Sisters North	Pudget Sound	81.03	TULALIP	SD	Economic Development	25 USC § 465
TULALIP	Loudenberg	Pudget Sound	41.11	TULALIP	IH	Housing	25 USC § 465
UPPER SKAGIT	Bow Hill Resort	Pudget Sound	133.78	Upper Skagit	ED	Economic Development	25 USC § 465
YAKAMA TRIBES	Mission	YAKAMA	73.25	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Castile Falls	YAKAMA	331.15	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Zimmerman	YAKAMA	449.97	Yakama Reservation	SD	Infrastructure	25 USC § 608
YAKAMA TRIBES	Raymond	YAKAMA	60.74	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Olney	YAKAMA	20.00	Yakama Reservation	SD	Agriculture	25 USC § 608
YAKAMA TRIBES	Van Wyk	YAKAMA	72.45	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Rowe	YAKAMA	36.05	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-Graham	YAKAMA	160.00	Yakama Reservation	SD	Infrastructure	25 USC § 608
YAKAMA TRIBES	Caribou	YAKAMA	116.19	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	124-2263	YAKAMA	80.00	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Rutledge	YAKAMA	4.27	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Sunrise Orchards	YAKAMA	29.42	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-YNCE	YAKAMA	120.00	Yakama Reservation	SD	Infrastructure	25 USC § 608
YAKAMA TRIBES	Mullinex	YAKAMA	272.33	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	124-T2922-B	YAKAMA	40.00	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-J Lawrence	YAKAMA	58.14	Yakama Reservation	SD	Infrastructure	25 USC § 608
YAKAMA TRIBES	CPJ-Colt, Ptak, Jones	YAKAMA	560.00	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	GLWCE FTT-42	YAKAMA	80.00	Yakama Reservation	SD	Infrastructure	25 USC § 608
YAKAMA TRIBES	Van Wyk2 FTT 40	YAKAMA	4.71	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Rentschler FTT-20	YAKAMA	124.08	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Tribal Fisheries/Wildlife-Hedd	YAKAMA	40.00	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-Clements	YAKAMA	78.78	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-Bailey	YAKAMA	40.00	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-Shinn	YAKAMA	49.60	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	Wildlife-Pheasant Holdings	YAKAMA	79.39	Yakama Reservation	SD		25 USC § 608
YAKAMA TRIBES	R.D. Frank FTT-34	YAKAMA	462.90	Yakama Reservation	SD		25 USC § 608

ED Economic development
SD Self determination
IH Indian housing

FEDERALLY RECOGNIZED TRIBES OF WASHINGTON STATE



The CHAIRMAN. Thank you very much, Mr. Secretary, for your statement.

Let me start by saying that one of the initiatives that we are going to take up in this committee next year and we—in fact, we have had hearings on that, is the issue of the Endangered Species Act. And I say that because the Endangered Species Act was last reauthorized in 1988. And I think it expired some nearly 20 years ago, and it hasn't been reauthorized. And I think it needs to be brought up to date.

So, what I would like to ask you is—and knowing that you, your Department, along with NOAA, are actively involved in some 200 lawsuits and legal actions concerning the ESA—and that focuses on candidate listings, on habitat, on recovery plans, and other parts of that process. All Department resources spent defending those suits and resources are not going to—recover, but rather to lawyers and special interest groups. And that is what concerns me, and this is the basis for my question.

Last year, the Interior Department entered into settlements with certain plaintiffs that would result in requiring the Department to make decisions affecting petitions to list over 700 species under ESA. I am concerned that this would very likely undermine transparency and science-based ESA decisions, particularly when lawyers are being paid attorney fees in these settlements, and deadlines are being set by the Federal courts. Congress and the public should be allowed to know how these settlements came about, and the requirements that they will impose.

So, my question to you is pretty straightforward. Do you know, or does the Department keep track of, how much money in spent by the Department on litigation, including payments made to settle lawsuits? Do you know—have that figure?

Secretary SALAZAR. Doc Hastings, I have asked for that information, in terms of how much is being paid out in settlements, but I would offer to you, Mr. Chairman, with all due respect, that I do think it is important that we move forward with ESA reform, and that we find ways of dealing with these conflicts in a manner that is not as litigation-driven and conflict-ridden as it has been.

And just an example that I know Congressman Flores and some of you here are very interested in, the sand dunes lizard in Texas and in southern New Mexico, and our hope is that, working with the oil and gas industry and other communities that are of great interest, that we will be able to come up with what will be a 1.1 million-acre conservation area that has the assurance that may prevent the listing of that lizard. We are still working on it and trying to bring it across the finish line.

But I do think there are ways in which we can work more constructively with ESA than has been done in the past.

The CHAIRMAN. Well, what I would like is that if you—certainly would continue to work with us. Because those costs are big. And I mean it has been well said, the ESA has been around a while. Nobody wants to see species eliminated. But as my friend from Utah says, using an analogy to baseball, if your recovery—you know, if your batting average is a recovery of ESA, you wouldn't last in Class D baseball. I mean that is just how low it is. And we need to understand all of that.

Final question. As you know—and I referred to this in my opening remarks, about trying to obtain documents as it relates to the surface mining and also the Gulf of Mexico, one of the issues that does trouble me is on the moratorium and trying to get documents from your agency where there appears to be—and I say "appears," because we don't know—there is interference on behalf of the Department of the Interior with the Inspector General in getting documents.

I just think that we should be open and transparent on that. And I would like to ask for your assurance that those documents that we ask—that we know we have gotten from IG could be supplemented by what we could get from your agency. It would be very, very helpful. And I just want to ask if you will continue to work with us to see that we can get those documents so we can make whatever determination those documents reveal to us. And if you would do that, I would be very appreciative.

Secretary SALAZAR. Mr. Chairman, I will continue to work with you. We provided thousands of pages on both issues on the stream protection rule, as well as the moratorium issues. And we will continue to work with you to provide everything that we possibly can.

The CHAIRMAN. OK. Well, I look forward to working with you in the future.

If you talk more closely in the microphone, I think it would be easier for others to hear. I should probably go back and say, "Let's start this all over again, so everybody can hear," but I won't do that.

With that, I will recognize the Ranking Member for his questions.

Mr. MARKEY. Thank you, Mr. Chairman. The House begins today consideration of a five-year transportation bill. The Majority's bill

would seek to fund our transportation projects by drilling off of our beaches on the East and West Coast, by drilling off of Florida in an area extensively used by the military, by drilling in rich fisheries like Bristol Bay in Alaska, and in our most pristine wildlife refuge.

Even Senator Inhofe from Oklahoma, someone with whom I rarely agree, said there is no money in expanded energy production. CBO agrees with him.

Mr. Secretary, do you believe it is a good idea to try to fund our nation's transportation projects with the massive expansion of drilling in pristine wildlife areas or off of the beaches of Florida and California that ultimately would only produce phantom revenues, because ultimately it will never happen? Could you give us your view on that—those proposals?

Secretary SALAZAR. Chairman Markey, first, let me say that the 5-year plan that we have put out at the Department of the Interior and the development of the Outer Continental Shelf will make available 75 percent of available resources that we know. And we will move forward with the development of those resources, as we have, and the Gulf of Mexico and exploration and development in other areas, as well.

Second, let me also say that my view on having reviewed the summaries of the proposed transportation bill is that it will not fund the transportation needs of the United States of America. And I do think that many of those areas that are being put out there at this point in time essentially do create a phantom revenue, because we know that those places are not going to be developed in the near term at all. And even if they were developed, as I understand it under the projections that have been made, it would only provide less than 10 percent of the revenues that are needed for surface transportation. And that is on the assumption that you would develop areas where the oil and gas industry does not have any information with respect to what the oil and gas resources are underneath those parts of the ocean.

Mr. MARKEY. Thank you, Mr. Secretary. I agree with you. Phantom revenues from phantom drilling will not pay for a single off-ramp, will not pay for a single pothole being filled in our country. We have to be more real about where the money is going to come from.

Last week Mr. Holt and I sent you a report, Mr. Secretary, that the Committee staff prepared documenting the oil and gas drilling violations and enforcement actions that have occurred on Federal lands over the last three Administrations. I understand that you are still reviewing that report. But I wanted to raise a few specific findings with you.

In the Department's 2013 budget you make it a priority to further increase inspections of high-risk onshore oil and gas operations by 9 percent. I fully support you in your efforts, but our report found that only a very small percentage of violations result in fines, that there were many inconsistencies in the way that fines were issued by inspectors, and that some chronic violators were never fined at all.

In fact, the Department can only impose fines of $500 per day for major drilling violations. And over the entire decade covered by

the report, the total fines issued were just $273,000. And this is for hundreds and hundreds of violations. That is pocket change to some of these oil companies.

Can you commit to taking a look at our report to determine whether the agency needs to change the enforcement strategy to better deter violations, and ensure that drilling operations are safe?

Secretary SALAZAR. Congressman Markey, I have received your letter and I have asked the Deputy Secretary to look at the information that we have from the BLM. And so I would ask him to respond briefly to your question.

Mr. MARKEY. I appreciate that. And finally, on the question of the production tax credit, we know that that expires at the end of this year. And so far, the Republicans have taken a position that they are going to support the ending of the production tax credit for wind in our country. The industry is saying that that could lead to upwards of 30,000 to 40,000 people losing their jobs, a huge number compared to the number of jobs created by the Keystone pipeline.

How important is it for us to have the production tax credit extended? What would it mean for wind development on public lands in our country?

Secretary SALAZAR. I think the importance of it cannot be understated [sic]. We have made huge progress, Herculean progress, in the last three years on wind energy in America. And I think without the extension is essentially will be a killer for the wind industry in America.

Mr. MARKEY. A killer, meaning?

Secretary SALAZAR. It will—it could bring it to a close.

Mr. MARKEY. Could end the wind industry in the United States. That is absolutely, I think, frightening for the next generation of Americans who really do believe there is a wind and solar revolution unfolding in our country, and the United States should be the leader.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentleman. And the Chair recognizes the gentleman from Texas, Mr. Gohmert.

Mr. GOHMERT. Thank you, Mr. Chairman. And if there is truly a wind and solar revolution going on in the country, then the market will take care of that, and people will come rushing into it. But so far it seems that the real revolution is in those who are cronies who get hundreds of millions of dollars, only to go bankrupt. That is not what I would call a revolution.

But with regard to massive amounts of wind, of course you cannot beat Washington, the capital area, for that. But let me go directly to the budget for Fiscal Year 2011/2012. It went from 88 million to 132 million for the BSEE operation, safety, and regulations. In other words, 44 million extra dollars, Secretary.

We have a report that shows there have been 30 additional inspectors hired with that money. Are there any other additional inspectors that are anticipated to be hired with that money? Or is that going to be the extent of the new inspectors with the new money?

Secretary SALAZAR. Congressman Gohmert, that is a very good question. We are, in fact, hiring inspectors. We have combed the universities of this country and are hiring people and are moving forward with a major effort to make sure that the Bureau of Safety and Environmental Enforcement is one that has the resources that it needs. And we are looking at ways of doing things more efficiently, including looking at the possibility of remote monitoring of what is happening in oil and gas wells.

So, it is, at the end of the day, simply an effort to try to make sure that the environment and safety regulation of offshore drilling, which is so important to the United States of America, is done safely and responsibly.

Mr. GOHMERT. And I appreciate your acknowledgment of how important offshore drilling is. We know from the Deepwater Horizon fiasco that there were—we had testimony from a former employee, was head of the BLM at the time, that the only real check and balance with regard to offshore inspectors was to send them out in pairs so that there would be no chance of bribery or anything like that, because they would self-report if they were sent out in pairs. And we never got a response back on whether or not that worked out very well with the last pair that were sent to the Deepwater Horizon before the blowout, since that was a father and son pair. Some think father and son may not be as likely to self-report.

But I would ask in the days that come if we could get information on what improvement there has been, if any, with regard to safeguards and the offshore inspectors.

But let me go quickly to ANWR. There has been an analogy that if the entire ANWR area were considered the size of a football field, that the area proposed for drilling is around the size of a postage stamp. And we know there is no foliage, no fish, no wildlife that we have detected in the area where the drilling is proposed. So let me just ask you, Secretary. Are you aware of any living creatures that exist in a living condition in the area proposed for drilling in ANWR?

Secretary SALAZAR. Congressman Gohmert, I have been there several times. And the answer to that is yes, absolutely. It is one of the richest wildlife areas in the country and in Alaska.

Mr. GOHMERT. We are talking about the area to be drilled.

Secretary SALAZAR. Yes, and——

Mr. GOHMERT. OK. Well, my time is running out. We will have to get you pictures of exactly where the area is proposed to be drilled.

With regard to hydraulic fracking, I was shocked that there had been a draft proposal of rules for hydraulic fracking while a study is being done on hydraulic fracking. Would it have made more sense, in your estimation, to propose rules after you got the study on exactly what effect hydraulic fracking was having?

Secretary SALAZAR. Congressman Gohmert, we oversee 700 million acres of mineral estate in the United States of America. The common sense concepts that will be embedded in the rules that we are moving forward with, I think, are supported by the responsible oil and gas companies in this country. And they include wellbore integrity, they include disclosure of chemicals that are being injected into the earth, and they include——

Mr. GOHMERT. OK. We will have to get you some of those reports that obviously do not support what you say that they do. But I would suggest to you if you are going to spend money and effort on rules that you are going to enforce, you really ought to wait for the study. And with that, I yield back.

The CHAIRMAN. The time of the gentleman has expired.

Secretary SALAZAR. Can I make just a comment on that?

The CHAIRMAN. Yes, go ahead.

Secretary SALAZAR. I think one of the things that you will find, Congressman Gohmert and members of the Committee, in this budget is a recognition that natural gas is a very significant part of our energy portfolio for the United States of America.

Mr. GOHMERT. We agree on that.

Secretary SALAZAR. And so, there is a lot of hysteria that takes place now with respect to hydraulic fracking, and you see that happening in many of the states. So part of what you will see in this budget is the continuing study of hydraulic fracking.

My point of view, based on my own study of hydraulic fracking, is that it can be done safely, and has been done safely in hundreds of thousands of times. And so what we need to do is to make sure that the science supports the confidence that the American people are entitled to as we move forward in the exploration and development of this very abundant natural gas resource.

Mr. GOHMERT. Really appreciate that response. And hopefully we can get the EPA to stop the hysteria until they have some science to support them.

Thank you, Secretary. I do appreciate.

The CHAIRMAN. The time of the gentleman has expired. The gentleman recognizes the—or the Chair recognizes the gentleman from northern—or from American Samoa, Mr. Faleomavaega.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Mr. Secretary, thank you for taking the time to testify before this committee. And we do appreciate very much your service to our nation.

Mr. Secretary, as you are well aware, ever since the oil spill caused by British Petroleum off the coast of Louisiana, the largest oil disaster, in my opinion—and I think in history—where are we with the office that is responsible for monitoring and conducting safety inspections in terms of preventing another oil spill like what British Petroleum had caused in this incident?

I understand that one of the suboffices under your Administration is responsible for this. Have we pretty much gotten that straightened out?

Secretary SALAZAR. Congressman, it is a very good question. And because of the importance of the oil and gas resource from America's oceans, what we have done is we have led the most significant overhaul of the oversight of oil and gas exploration and development in America's oceans. We have blown up what was the former MMS and put together a program that has been very well thought out.

And we are now in a position where we believe that, with Congress giving the resources that we have asked for, the organizations that oversee oil and gas production in America's oceans, that we have created the leading agency for oversight not only in the United States but around the world. And given the fact that oil and

gas in the earth's oceans really is a global industry, we are creating the template for other countries as well to follow what we are doing here in the United States.

Mr. FALEOMAVAEGA. Mr. Secretary, has British Petroleum made good its promise to the people to compensate individuals and many small businesses that were affected severely and caused by the oil spill? I am curious about that.

Secretary SALAZAR. I think, Congressman, it is still an ongoing matter. There are still the funds that have been set up which are being paid out by Mr. Feinberg, who is in charge of paying out the claims that are being submitted there. There is still active litigation with the trial to begin against BP on February the 27th.

And so, the whole set of issues that will make the Gulf and its people whole are still very much in a dynamic position at this point in time.

Mr. FALEOMAVAEGA. Thank you, Mr. Secretary. I notice with interest that the proposed budget for the Bureau of Indian Affairs is set at about $2.5 billion. Where are we with the settlement on the Cobell case? And, you know, God bless her heart, you know she passed away. And I just wanted to know if your office has taken any measures—I know there are negotiations that are taking place, but have we come to some better conclusion, what has been now for the last 15 years? I can remember this issue, it has been dragged on now forever, it seems like.

Secretary SALAZAR. The Deputy Secretary was a great leader in bringing about the Cobell settlement, and has been overseeing its implementation. And so I will have him respond to the question.

Mr. HAYES. Congressman, as you know, the settlement was passed by Congress and signed into law by the President. It does not go into effect until all judicial proceedings have been completed. There are appeals now in the D.C. Circuit Court that we hope will be completed within the coming months. As soon as all litigation ends, we will be implementing the $1.9 billion land consolidation program, and the class action funds will be distributed to the plaintiffs.

Mr. FALEOMAVAEGA. And are we assured that from now on the Department of the Interior is not going to fail again, you know, in providing the proper royalties to the Indian tribes? We have simply just forsaken that responsibility for the last 100 years or so. Have we taken measures to make sure that——

Mr. HAYES. Yes.

Mr. FALEOMAVAEGA [continuing]. The Indian tribes are no longer going to have to file suit for another 10, 15 years to properly gain what they should have been given all these years?

Mr. HAYES. It is a very good point, Congressman. The Secretary established a trust reform commission specifically to look top to bottom about whether we needed to do additional reforms. That was anticipated to start with the settlement. We are not waiting for the final judicial resolution of the matter. And the first meeting, public meeting of the trust reform commission, will be held on March 1st.

Mr. FALEOMAVAEGA. Thank you, Mr. Secretary. Thank you, Mr. Chairman.

The CHAIRMAN. The gentleman has yielded back his time. And the Chair recognizes the gentleman from Utah, Mr. Bishop.

Mr. BISHOP. Thank you. And welcome, Secretary. The last time you were here, I complimented you on something you did. I don't think that is going to happen again. Although the answer you gave to——

Secretary SALAZAR. Well, I was hopeful.

Mr. BISHOP. The answer you gave to Representative Gohmert came awfully close to it on that last response. So thank you for being here.

Look, I have nine questions I want to ask. I will try to phrase them in ways that can be given short answers. We will see how many we can get through, if at all possible.

Mr. Secretary, on January the 26th your Department published a notice in the Federal Registry that the BLM would start charging $10 for overnight camping fees in the North Fruita Desert Special Recreation Management Area in your home state of Colorado. Obviously, the campers objected to that and there were concerns.

However, Mr. Secretary, if the campers were to object to the fee and, let's say, occupy the campground under their First Amendment rights, would they be able to stay there for months without paying that fee?

[Laughter.]

Secretary SALAZAR. No.

Mr. BISHOP. OK. Second question. I understand that your budget has taken $15.8 million out of the rangeland management fund. I understand that. What worries me is I understand the President also plans to collect a $1 per AUM administrative fee in addition to that. That would be in addition to the grazing fee that is already set at $1.35. That is a 75 percent increase.

If indeed this goes through, will you come to Congress to seek the authority to make that proposal for that administrative fee, or is this one of the things the President wants to do just because?

Secretary SALAZAR. The proposal is in the budget, so we don't need congressional authorization to do it. It would bring up the AUM to what would be, I think, $2.35 for that. And those of you who know what the private sector pays for grazing rights on——

Mr. BISHOP. Even though the AUM is set statutorily, you are going to change the Executive Order of the President and add an administrative fee, just by fiat of the Administration?

Secretary SALAZAR. It is $1 that will bring it up to $2.35 for AUM.

Mr. BISHOP. All right. I would ask you to rethink that, and actually try to work with Congress on those, especially when you are raising the AUM by 75 percent per unit. That is significant.

Let me go on to the third one. It has been said by some here that—even though Estonia has been doing oil shale for 100 years, last year they produced 1.3 million barrels and met the European Union's environmental standards, some here have still said that there is not an oil shale technology that is available. Does your office believe that we don't have the technology to do oil shale?

Secretary SALAZAR. We don't have the technology to do oil shale in a way that will protect the water resources of Colorado, Utah, and the West.

Mr. BISHOP. All right. So you—and does the fact that Estonia has been able to do that for 100 years, does that have an impact on that decision?

Secretary SALAZAR. I think closer to home is the failure of the 1970s and the total failure of oil shale to be developed after the investment of billions of dollars in Western Colorado.

Mr. BISHOP. It was a BLM effort. And you are right, that one did happen to fail. But the world is moving forward in developing oil shale. We should not have our head in the sands.

One of the chances—one of the reactions of the draft PEIS includes a swath of land that stops private companies—one in my state—who has preferential lease lands to make them off-limits to commercial leases. The fact that the Department of the Interior is making it more difficult to comply with the terms of the R&D leases does have an impact on commercial property, and I find that disturbing.

Let me try number four, quickly. The NLCS, wonderful organization, has been upgraded to, I believe, a directorate, if that is the correct name. Does that new position include additional supervisions of the area—supervisionary power of the area that is under control of the NLCS?

Secretary SALAZAR. I don't think that it does, Congressman Bishop, but the NLCS is a very important part of the—America's public estate.

Mr. BISHOP. Thank you. That is a good—I like that answer. Once again, it was promised that would not be the case, so I appreciate that very much.

Let me say—because I have only got to five, there are four others here, I am sorry about that, I don't have enough time—I am concerned somewhat with wilderness and wild lands. We have done a good deed in solving the wild land issues. I appreciate your efforts in that.

But as you were talking about some of the oil shale productions and looking at the land management plans, et cetera, you once again put wilderness characteristics as one of the things you are looking at. That was one of the problems we had with wild lands. I would actually urge you to be very careful in that respect.

I apologize for not getting to the other four. But the first one about the campers was actually the most important one. Thank you, sir.

Secretary SALAZAR. Thank you, Congressman.

The CHAIRMAN. The time of the gentleman has expired. The Chair recognizes the gentlelady from California, Mrs. Napolitano.

Mrs. NAPOLITANO. Thank you, Mr. Chair. And welcome again to Secretary Salazar.

As you are very well aware, I am heavily interested in water, and hydrofracking is something that is very near and dear to the area that I am in. And—because it is in an earthquake-prone area, it is even more concerning. So any information that would help us be able to know whether there is new technology, as was being discussed, that would be very helpful to some of us who are facing that.

The water challenges—one of your 7 initiatives for 2013—how were those proposed reductions in spending for basic data-gath-

ering and talking about USGS stream-gauging, another dear subject, and groundwater monitoring specifically impact your ability to fulfill statutory mandates and affect the decision support and the impact on states and other non-Federal programs or partners? That is real critical to us.

Secretary SALAZAR. Congresswoman Napolitano, thank you for the very good question. I will have David Hayes answer the water issue, because he has been the ring leader of everything that we have been doing in California specifically on water. On hydraulic fracking, it is part of the reason that this budget has the $15 million for USGS to study hydraulic fracking, is so we can make sure we fully understand all of the dimensions of hydraulic fracking, including water use and what that all means.

We support natural gas. We want it to move forward. But we also need to anticipate that with a 100-year supply of natural gas, that we need to be leaning forward and having some of these questions that people are answering—or asking, answered. So——

Mrs. NAPOLITANO. And hydrofracking, Mr. Secretary, also as it relates to oil.

Secretary SALAZAR. We are on the hydraulic fracking issue with all that we can, because we know the importance of natural gas.

Mr. HAYES. And, Congresswoman, on your question about the stream gauges, it is important to note that net-net, we are not reducing the amount of money for stream gauges. There is a decrease in the budget, but it is being offset by some increases from the use of stream gauges from another account, the rapid disaster response effort.

So, we are fully committed to maintaining that stream gauge network, which is so important to so many members of this committee.

Mrs. NAPOLITANO. Especially the agricultural area. Congratulations on your WaterSMART. That is great to see that increase. And I am hoping you are going to incorporate more of Title XVI into that and, of course, begin to prepare our areas for the eventual drought cycles that have been plaguing the United States, and how we can begin to see that the USGS budget request is including to be able to check out where our aquifers standing is, so that we can begin to store water in aquifers, whether it is recycled or captured water, or any kind of water. We need to be ensuring that not just the West but other states begin to look at where they are at with it, since they are not being spared some of those—Mother Nature's power balls. Any comment?

Mr. HAYES. We agree very much, and we thank you for your constant support of Title XVI dollars. We are continuing to push forward with Title XVI and with WaterSMART in general, because it stretches water supplies, which helps everybody.

Mrs. NAPOLITANO. But we——

Mr. HAYES. So we appreciate your continued support.

Mrs. NAPOLITANO. Well, we have a—over $500 million backlog throughout. So we need to ensure that we don't wait another 50 years to be able to get these projects going that have already been approved by Congress.

Mr. HAYES. Right. And as you know, that program relies on partnering with municipalities that are coming forward with appli-

cations. And we are working closely with them, and will continue to do so.

Mrs. NAPOLITANO. Thank you. The other issue is the creation of the National Groundwater Monitoring Network, and 13 million toward the assessment of the groundwater availability—again, going to aquifers. And, of course, you are well aware that we have San Gabriel that has been in the clean-up mode for the last 20-someodd years, which has no further funding to be able to move forward to continue that. We just got another maybe 10 years left.

Any way we can be able to focus on being able to take care of these contaminated sites to make water available for use?

Mr. HAYES. Congresswoman, the San Gabriel situation is a unique situation. It is obviously a Superfund site. It is unusual the Department of the Interior has been funding a part of the clean-up. We are certainly willing to work with you as we move forward to see what can be done.

Mrs. NAPOLITANO. Thank you so very much. And I will have other questions for the record. Thank you, Mr. Chair. I yield back.

The CHAIRMAN. The gentlelady yields back her time. The Chair recognizes the gentleman from Colorado, Mr. Lamborn.

Mr. LAMBORN. Thank you, Mr. Chairman. And good to see you again, Mr. Secretary.

Recently our committee received a copy of a BLM proposal to regulate hydraulic fracturing on Federal lands, on top of what the states are already doing well. This is an issue the Resources Committee has been closely monitoring in the past year.

You appeared before our committee in November and testified about BLM's plans to regulate fracking on Federal lands. In your testimony you stated that you have worked "closely with industry, other Federal agencies, and the public" regarding oil and gas development. Based on your reference to open government, can you tell the committee, yes or no, do you plan to issue these fracking regulations through a formal rulemaking process under the Administrative Procedures Act, which would allow for an open process and time for public comment, or not?

Secretary SALAZAR. Yes.

Mr. LAMBORN. Thank you. That is a great answer, I appreciate that. I will move, shifting gears, because of the sake of time.

Mr. Secretary, President Obama has often expressed his support for new technology and developing our natural resources. One emerging technology is oil shale, an industry which flourishes in countries like Jordan and Estonia, as Representative Bishop referred to, but has repeatedly been stifled by inconsistent and restrictive Federal regulations regarding its development here in the U.S., despite the fact that we have more oil shale resources in the lower 48 states than any other country in the world.

Recently, your Department removed thousands of acres from leasing for oil shale development. Can you tell the Committee why your Department does not encourage the development of this resource that holds such tremendous potential, and why your Department continuously takes steps to stifle its development, which prevents the creation of American jobs and American energy?

Secretary SALAZAR. Thank you, Congressman Lamborn, for that very good question. The reality of it is that oil shale development

is a matter that affects three states: the western part of Colorado, part of Utah, and a part of Wyoming. The kerogen that is locked up in that shale is kerogen that people have been trying to unlock for over 100 years. And that technology has not yet been developed. And the oil and gas industry, when they give you their honest answers, will tell you that they still don't have the technology to be able to develop it in a commercially feasible way. And that is why the research and development that is underway so much in the State of Colorado and in the State of Utah are all so important.

In addition to that, there are questions that need to be answered. How much water is it going to take? From Colorado Springs—Congressman Lamborn, you would know well the importance of water to your community and the importance of water to the State of Colorado. When I look at what is happening with the declining water supplies and the over-subscription of water on the Colorado River Basin, the reality of it is that if millions of acre feet of water are required to move forward with the development of oil shale on a commercial basis, the question is, is the water there? And what will the impact be to agriculture and other municipal uses?

So, I raise that issue of water, just as one example of the kinds of questions that need to be answered before anybody engages in a whole scale giveaway of the public lands to oil companies that want to develop oil——

Mr. LAMBORN. Mr. Secretary, it sounds like you predetermined the answer when the R&D leases haven't even really been fully developed. I mean the technology that the country of Estonia uses, for instance, is mining and retort. There is really no water involved in that process. So if you raise water as an issue, that doesn't even apply to one of the potential technologies.

Secretary SALAZAR. Well, Congressman Lamborn, with all due respect, I would remind you that mining and retort was what was used with billions of dollars of investment in the early—in the 1980s in the State of Colorado, and it went bust.

And so, there is still a lot of research and development that has to take place to answer all of these questions. And we are fully supportive of the research and development, and have continued to move forward with the granting of leases, so that research and development on this potential energy——

Mr. LAMBORN. Mr. Secretary, your Department just withdrew all kinds of acres—how is that helping, if you say you believe in we should at least research it?

Secretary SALAZAR. Well, Congressman, the leases for research and development are still out there, and acreage is still very available for research and development, both on our public lands as well as private lands. If it was withdrawn, where the lands related to commercial leasing—because, frankly, the United States of America is not ready to move forward with commercial leasing of hundreds of thousands of acres of oil shale lands when the technology is not there yet to develop it.

Mr. LAMBORN. You say the technology is not there. You are not letting them go forward. You are predetermining the results.

Secretary SALAZAR. We are letting it go forward with all the research and development, and we are very supportive of them moving forward with those research and development projects.

Mr. LAMBORN. But the——

Secretary SALAZAR. I have personally visited them. And some day you might want to do the same.

Mr. LAMBORN. I have, too.

Secretary SALAZAR. OK.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Arizona, Mr. Grijalva.

Mr. GRIJALVA. Thank you very much, Mr. Chairman, and thank you, Mr. Secretary, for being here.

Four quick questions, if I may, sir. On the issue of fracking, hydraulic fracking, the public's right to know and the taxpayer's right to know. As we move forward, the compounds, chemicals in this process, do you believe that that needs to be transparent and publicly available, and that there shouldn't—and that the public should know what the content of that process is going to be, and what potential effect it can or cannot have?

Secretary SALAZAR. Yes. And it is important that we do it in the right way. There may be proprietary trade secrets That need to be addressed within the content of the rule, and we are looking at that. But at the end of the day—and I have said this a year ago, when I brought most of the oil and gas industry—invited them to a meeting that we had at Interior to talk about the issue of hydraulic fracking, because I do see the hidden nature of what is being injected into the underground as essentially being the Achilles heel that can essentially kill the potential for America to develop this very abundant natural gas resource.

And so, it is interesting to note that over the last year many of the most responsible and largest companies in the United States are in full agreement on the disclosure of wellbore integrity requirements. And many of the states have moved forward in that direction, as well.

Mr. GRIJALVA. Mr. Secretary, National Park Service. Some have suggested that the constraining Federal budgets will lead to a discussion of the Park Service mission. And if it makes sense—and in the future it would make sense to take units out of the system. Could you discuss the role of the Park Service units play in local economies, regardless of whether they are the Grand Canyon or a national seashore?

And the other issue, let me applaud you on your decision to withdraw acreage from the Grand Canyon for its protection. Sometime this week we are going to have another effort to overturn that decision. And so, I know it is a rhetorical question, but do you oppose that effort to overturn that decision?

And with that, let me ask you, Mr. Secretary, to respond to those two questions.

Secretary SALAZAR. I do oppose efforts to overturn the decision, Congressman Grijalva, on the Grand Canyon. With respect to investments in National Parks, I think it is always important for everyone on this committee, everyone in Congress, Democrat and Republican alike, to recognize that outdoor recreation and tourism is a huge part of our economies.

We know, for example, in the Grand Canyon or in Mount Rainier, or any of our other National Parks, that those parks are a huge economic engine for those states and for those communities.

And so when the Outdoor Recreation Foundation puts forward a study based on economic science that says there are eight million jobs being created through tourism and outdoor recreation, we know it is important for hunters, for anglers, for bikers and hikers. And so it is something that obviously merits tremendous support. And it is the underpinning of the budget requests that we have here.

Is it what we would, frankly, like to have and need to have to be able to do more to deal with the backlog and the maintenance and the need to establish National Parks like the Cesar Chavez Park that we have been working on for many years? The fact of the matter? No. The resources are—that is why this is such a painful budget, because it doesn't go as far as we would like it to go in those areas.

Mr. GRIJALVA. Yes, national landscape conservation system. Last year the Majority attempted to zero out the funding for this project. Can you discuss what choking off funds would mean to that, the management of 27 million acres, and the importance of this initiative?

Secretary SALAZAR. The National Landscape Conservation System, which was created into law by this Congress and by the last Congress, signed by the President of the United States, I think, in February of 2009 is a very important part of our public domain. These are the most special places within the 250 million acres that are overseen by the Bureau of Land Management. And I believe that they need continued support and funding to be able to have them provide the kind of economic activity that they do to the people of this country.

Mr. GRIJALVA. Thank you, Mr. Chairman. And I will submit to the Secretary some questions regarding an issue in Utah, relative to RS2477, the claims, the potential litigation. And I will submit those questions to the Secretary for dissemination of the answers to the entire Committee. Thank you, sir.

The CHAIRMAN. I thank—and that is a good entre into saying—and I will repeat this at the end—if Members don't have questions that were asked, they will have an opportunity afterwards. And if the Secretary and his staff would try to respond in a timely manner, I know we appreciate it. I know that Mr. Bishop will be counting the days of getting answers to his four questions before the time comes.

Recognize the gentleman from Louisiana, Mr. Fleming.

Mr. FLEMING. Thank you, Mr. Chairman. And thank you, Mr. Secretary, for—you know, we have discussed this issue and offshore drilling many times here, and I appreciate your willingness to come and commiserate with us on this.

Would you agree, sir, that the technical expertise with hydrofracking mainly lies with the industry itself? That is, those who are doing this day after day, the engineers, people who have been doing this for even 60 years? Would you agree, sir, that the main knowledge base exists with this group today, as opposed to Federal agencies and, you know, people who are not in this business?

Secretary SALAZAR. I would say that industry has a tremendous, tremendous expertise on fracking, and it obviously has been going on for a very long time.

I would also say that the huge change in what we are now predicting to be the natural gas resource of the United States that gives us a 100-year supply was brought about, frankly, by the scientists at the United States Geological Survey and the Department of Energy, working closely with industry. And so there is expertise in both government, as well as in industry, on the issue of hydraulic fracking.

Mr. FLEMING. Right. And I think you have really answered my question even more, and we agree even more than perhaps I would have suspected, and that is this has been a very collaborative effort. That is to say that scientists, both in the pure science community and also in the industry itself, have come together. And I agree with you, sir, I think that the natural gas future is very bright for the United States.

So, here is my question. The main players, ExxonMobil, Chesapeake, and others, to what extent, before these rules were brought out—and I know they are not finalized, but they are preliminary—before doing that, to what extent have you had input from the industry?

Secretary SALAZAR. We have had, Congressman Fleming, very significant input, including—I think it has been more than a year ago where I invited all those companies to come to have a discussion on hydraulic fracking at the Department of the Interior. There has been major outreach by the Bureau of Land Management to all of these companies. And that will continue to be the case, as we move forward with the formal rulemaking process.

Mr. FLEMING. Sir, can you point to any measures in your proposed regulations that you adopted from their recommendations?

Secretary SALAZAR. I remember well the—one of the panels a year ago at the Department of the Interior by industry representatives where they were of the belief that it was appropriate to have disclosure of what was being injected into the underground. Certainly that was one of the considerations that took place with respect to one of the cornerstones of this new rule.

Mr. FLEMING. OK, thank you. The—in reading through these rules, one thing that is really coming out, I think very clearly, is there are a lot of predisclosures: water sources, the formulation of the fluids, the engineering, and so forth. But the problem is the folks who do this day to day tell me that every day is a new day. They have to formulate, reformulate every day. Even water sources. They have to do a lot of things on the fly.

And the other thing that businessmen tell me, and women, even in other industries, tell me that the biggest impediment to hiring jobs and improving the economy is the fact that regulations restrict them in their day-to-day decision-making.

So what I am seeing here, sir, is a lot of new regulations that handcuffs those who are on the front line doing this. It will take longer, be more expensive, and be more restrictive. It will be less ability to make moment-to-moment decisions. So I would love to hear your comments on that.

Secretary SALAZAR. Congressman Fleming, our view is that natural gas and hydraulic fracking are very appropriate for the United States of America, but we need to make sure that we provide confidence to the American people that public health and safety and the environment are being protected. And the measures that we have put in place, in my view, Congressman Fleming, are very appropriate, common-sense measures.

If I had the time, and we weren't restricted here, I would tell you the story of Mac Trailer, which now is employing 900 people in Ohio, where I was yesterday, and the man is also a farmer who started the company in his garage. He is very supportive of moving forward with these common-sense rules because of the fact that he believes that it is essential to the natural gas future and his company.

Mr. FLEMING. Yes. But since I am running out of time, let me ask one more quick question. What has happened recently, or even in the last few years, that we have to now rush to come out with all of these Federal rules that we never had before? What is the sentinel event that has caused this?

Secretary SALAZAR. The fact of the matter is we are doing a tremendous amount of hydraulic fracking. Over 90 percent, maybe 99 percent of all the wells on public lands are using hydraulic fracking. And it is part of what has caused this natural gas revolution and great potential for America. And we need to make sure that we are doing it right, so that we can capture the future American energy—domestic-grown energy that will power our economy.

Mr. FLEMING. Thank you. I yield back.

The CHAIRMAN. The time of the gentleman has expired. Ms. Bordallo, you are recognized for five minutes.

Ms. BORDALLO. Thank you, Mr. Chairman. Secretary Salazar, I have some very important questions for my jurisdiction. The budget request for OIA includes discretionary compact impact funding for 5 million to fund grants to jurisdictions affected by the compact migration, and to implement a plan to mitigate the impacts and the costs of the compact migration.

I am very supportive of this, as a first step to address the inadequacies of the compacts. Can you elaborate on the rationale for this increase, and how this funding will be used in the affected jurisdictions?

Secretary SALAZAR. We—Congresswoman, I just want to say my Assistant Secretary, Tony Babauta, has spent a lot of time working out in the territories, and knows that the compact issue is one of the most important issues. And this is not the only one of the compact issues that we are working on.

Deputy Secretary works with him closely, and so I will have him quickly respond to your question.

Mr. HAYES. Congresswoman, as I think you know, our plan is to work collaboratively with you and with others in the territories to decide how best to implement this program. Our Assistant Secretary Babauta is going to be convening the first meeting of the Pacific leaders in March, coinciding with the Summit of the Micronesian Chief Executives. So we want to do this right, in full collaboration with you and with the leadership of the territories.

Ms. BORDALLO. Thank you. What will the plan include? Last May I joined Senators Bingaman, Murkowski, and Inouye and several of my House colleagues in a letter to you and Secretary Clinton outlining policy proposals which we believe could reduce the costs of compact migration, including better educating FAS migrants and those who entered the U.S. under the compact, and targeted investments in the health infrastructure in the FAS.

Will these proposals be incorporated into the mitigation plan? And has the Administration acted on any of the proposals outlined in our letter? This letter was sent almost a year ago, Mr. Secretary.

Secretary SALAZAR. The answer to that, Congresswoman, is that there has been a huge focus of—for me, for the Deputy Secretary, as well as for Tony Babauta, and there have been meetings with the Governors of the various territories, and we are doing everything we can to try to make sure that the consequences of migration from the compacts are, in fact, addressed. And it is the first time ever, really, that you have had an Assistant Secretary that pulls together the Governors from each of those places to look at these issues.

Ms. BORDALLO. So will we be expecting some kind of a answer to this?

Secretary SALAZAR. We have action underway, and we would be pleased to brief you further on the specifics of what——

Ms. BORDALLO. Thank you.

Secretary SALAZAR [continuing]. We are doing.

Ms. BORDALLO. Now, in the 111th Congress, DoD and DoI expressed the Administration's support for H.R. 44, the Guam World War II Loyalty Recognition Act. Assistant Secretary Babauta has also affirmed the Administration's support in the 112th Congress. Can you reaffirm the Obama Administration's support for H.R. 44? And if you could, just give me a yes or no answer.

Secretary SALAZAR. Yes.

Ms. BORDALLO. Good. And Mr. Secretary, at the end of January, Present Obama called the United States the world's top traveling tourist destination. He signed an executive order directing the Secretaries of Commerce and Interior to lead an interagency task force to develop a national travel and tourism strategy. Tourism is very critical to the economy on Guam and each of the territories. Will you ensure that the task force includes members who will address the needs of the territories in the national strategy?

Secretary SALAZAR. Congresswoman, I am the co-chair of the task force with my colleague, Secretary of Commerce Bryson. And we are working on the report. It is quick action. And we recognize the importance of tourism and the overall economy for the United States, and obviously for the territories as well. And I would be very delighted, actually, to get information from your office that we can incorporate into the report that we will be presenting to the President.

Ms. BORDALLO. I guess what I am saying, Mr. Secretary, is would we see representatives from the territories included in this plan, as they meet?

Secretary SALAZAR. We are moving to quickly on this that we expect to have the short-term plan out in probably 10 days. And then the longer-term plan in—several weeks after that.

But what I will do is I will make sure that we are consulting with Tony Babauta, and have him involved in giving us recommendations. And he will be reaching out to your staff as well, to make sure that those recommendations are included in the task force report.

Ms. BORDALLO. Thank you, Mr. Secretary. Mr. Chairman, I have other very important questions, but—that I wish to be answered, but I will include them, if you would, into the record.

The CHAIRMAN. Yes. Well, as I mentioned previously, you will have the opportunity to send them to the Secretary. And hopefully you will get a very quick response on that. I appreciate that.

Ms. BORDALLO. Thank you.

The CHAIRMAN. Mr. Duncan from South Carolina is recognized for five minutes.

Mr. DUNCAN OF SOUTH CAROLINA. Thank you, Mr. Chairman. Secretary Salazar, thanks for being here today. And just to set the stage, gasoline prices have risen approximately 89 percent during the past 3 years. Diesel fuel, in my state, was $3.86 a gallon when I filled up over the weekend, and it is approaching $4 in a lot of areas in the country. That input cost is driving food prices up, and I am afraid we are going to see, I guess, north of $4 a gallon of gasoline unless we do something.

I think America is looking for us here in Congress, and also the Administration, to take the measures to reduce what they pay at the pump. And I understand that is an all-encompassing energy policy, and I get all that. But when I look at your budget, and the budget request that was provided us, the budget includes over 900 million for research and development and increases investments. And this kind of goes along with what the gentleman from Colorado was asking you earlier.

But I see on here that there is an investment—using your words, "increases investments"—in hydraulic fracturing, drilling safely on the OCS. And 13 million for hydraulic fracturing and the Department of Energy and EPA are also involved in the regulation and promotion of that, if you will, totally somewhere around $45 million.

And when I look further down in your budget request under "water availability," there is an additional $5 million. And here is what it says. First off, this is research and development and increases investments in energy production. And you have a bullet point, "Hydraulic Fracturing, $13 million." Then, two steps down, it says, "Water Availability, $5 million," of which, proactively—not passively, but proactively—addresses concerns about potential impacts of hydraulic fracturing on air, water, and ecosystems. So you invest 13 million and in promoting hydraulic fracturing, you are going to turn around and invest or spend $5 million proactively addressing concerns.

And I just want to make note of the fact that hydraulic fracturing is not a new phenomenon. It has been around for, well, almost 100 years, from some of the knowledge that I have been able to read. James Lankford, from—a congressman from Oklahoma says it has been going on in Oklahoma for over 50 years. He says, "Come drink our water in Oklahoma."

So, I guess the question I have for you is why are we investing $13 million of taxpayer money promoting hydraulic fracturing, but then turning around and spending $5 million to prove that it is—or try to prove that it may be detrimental? So I would like for you to address hydraulic fracturing.

Secretary SALAZAR. Congressman Duncan, we are supportive of natural gas development in this country. You know, from day one, the Administration has included that as a high priority. And our program—the President, even in 2009, was asking me to work on the Alaska natural gas pipeline. We have been supportive of leasing and development of natural gas on the public estate of the United States of America. So we are moving forward with that.

We also want to make sure that we address the concerns that have been raised by the American public, and that—and we do believe that hydraulic fracking can be done safely. And so, the issues that we are dealing with, wellbore integrity, disclosure of fluids that are put—injected into our earth, and dealing with what we call the flowback water, are all the common sense kinds of rules, Congressman Duncan, that, at the end of the day, will be supportive of the natural gas industry which has become so robust in the United States, and which has a great and wonderful future.

Mr. DUNCAN OF SOUTH CAROLINA. Are you or are you not going to increase the public lands available for hydraulic fracturing?

Secretary SALAZAR. We—it may be that as many as 99 percent of the wells that are currently being drilled on public lands, where we have made available more than 40 million acres of public lands for oil and gas development, that 99 percent of the wells that are being drilled for natural gas are, in fact——

Mr. DUNCAN OF SOUTH CAROLINA. Drilling or fracking?

Secretary SALAZAR. Well, they are using hydraulic fracking for those wells, to be able to develop natural gas. Enhanced oil recovery is—technique has been around for a very long time, as well. So it is an ongoing activity that has been there for a very long time.

But what has happened is that because of the technological findings that have allowed the major breakthroughs that have now given us the 100-year supply of natural gas, what we need to do is to make sure that the American public is confident that their health and the environment are being protected as hydraulic fracking proceeds. And that is what we are trying to do with the efforts of the Department of the Interior, including our rules, and including the science.

Mr. DUNCAN OF SOUTH CAROLINA. Mr. Secretary, it is proven technology, Marcellus and Barnett. It is being used. And I would say we open up more public lands. I look at the energy economy in North Dakota, and unemployment there is three percent or less, because we are allowing the development of energy on private and state-owned property. They get it. Right across the state line in Montana is Federal land, and it is off the table.

What I would like to see the Department of the Interior do is say, "We are going to open up the Bakken oil field in Montana on Federal lands, and allow more energy development."

I am out of time, sir. Mr. Chairman, I yield back.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Northern Marianas, Mr. Sablan, is recognized.

Mr. SABLAN. Thank you very much. And good morning, Secretary Salazar, and thank you for your service to our nation, and your advocacy of and for the—support for the Northern Marianas and the rest of the U.S. insular areas.

Like I was mentioning to you earlier, we have an issue—and we will work with you on this, but we have an issue in the Northern Marianas where we have one hospital, it is out of money, and it may not pay its doctors and nurses next week. It didn't pay most of its employees this past month. And we will work with you. As a matter of fact, we are already reaching out to your Assistant Secretary Babauta, trying to set up a meeting with him as soon as we can.

But Mr. Secretary, let me also commend your—the Administration for working with local ranchers and other private land owners to establish the Everglades Headwaters National Wildlife Refuge and Conservation Area in South Florida.

But could you please explain how the new Everglades refuge designation fits into protections for water quantity and quality in Florida and the Everglades ecosystem as a whole, and how will the new Everglades Headwaters National Wildlife Refuge and Conservation Area support a comprehensive Everglades restoration plan?

Secretary SALAZAR. Thank you very much, Congressman Sablan.

First of all, on the hospital issue, I am aware of the hospital issue, and have received a report from the Assistant Secretary on the issue, and he is working to see whether there is a solution there that can be found.

Mr. SABLAN. Thank you.

Secretary SALAZAR. On your question on the Everglades, the Everglades is a World Heritage Site, and it is one of the most significant conservation initiatives that I have worked on as Secretary of the Interior, as the Chairman of the Everglades Task Force.

The comprehensive plan that is being implemented is restoring the river of grass, and there are a number of different reasons for doing it. One is the economy in Florida, and South Florida, is very dependent on having good water and quality water to continue the job creation that is important to southern Florida.

Second, the tourism that comes with the Everglades and the Everglades area is also a very important job creator in that area. So we look at the Everglades as being a template for conservation. We worked with the ranchers in the Everglades Headwaters Area and the Department of Agriculture to start moving forward with an Everglades Headwaters National Conservation Area.

So there is tremendous excitement. And it is not just from the Department of the Interior. We also have the Army Corps of Engineers and many of the other agencies—EPA, as well as USDA—who have been very involved as we have moved forward and made Herculean progress in the last three years on the restoration of the Everglades.

Mr. SABLAN. Well, thank you. Thank you for your response, Mr. Secretary. And I am really happy that you also are aware of the situations we have in the Northern Marianas.

But I am also excited and I support the almost $9 million increase in funding for refuges for Fiscal Year 2012. This would allow management programs to continue to operate. Since this Adminis-

tration came into office, 15 million acres of land designated by the Bush Administration has been put into the refuge system, including the Mariana Trench and Mariana Arc of Fire National Wildlife Refuge. The request does not reflect this land increase with a comparable increase for refuge funding.

When the Mariana Trench Marine National Monument was established, there were plans and promises. And I brought this up at the last—promises for a visitor center. What will the Service do to fulfill commitments to the people of the Northern Mariana Islands in regards to the visitor's center, a promise made by the White House?

Secretary SALAZAR. Let me ask the Deputy Secretary if he has any information, because I don't on that specific question.

Mr. HAYES. Congressman, we are looking to find planning monies to help figure out how to fund a visitor's center at the Trench. As I think you know, we are using existing staff in Honolulu to do that. We do not have funding right now for a visitor's center, but we are committed to move forward with the planning of one, and we will look forward to working with you on that.

Mr. SABLAN. All right. And then this may not require funding, Mr. Secretary, but the nominee for the final position on the Mariana Trench Advisory Council was selected in August of last year. Will your Department be able to clear this nominee so Advisory Council members will be able to attend the inaugural meeting slated for the end of this month? Please—we have one more nominee that has not been cleared by the Department.

Secretary SALAZAR. Let me just say this is the first time that I hear it, unless David has heard something about that. But, Congressman, we would be happy to take it up.

Mr. SABLAN. Thank you.

Secretary SALAZAR. Important that we have these advisory boards——

Mr. SABLAN. Well, thank you.

Secretary SALAZAR [continuing]. Fully operational. So we will——

Mr. SABLAN. Thank you very much, Mr. Secretary. Thank you, Mr. Hayes. And I will—my additional questions, Mr. Chairman, I will submit for—thank you very much.

The CHAIRMAN. I thank the gentleman. The Chair recognizes the gentleman from Colorado, Mr. Tipton.

Mr. TIPTON. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for being here today.

I would actually like to go back to a little bit of some of the earlier questioning that was going on when you made reference that the Geological Survey and others have had outreach by the BLM to companies. Question that I would like to explore with you is several states have rules in place regulating hydraulic fracking. These regulations have been carefully crafted in stakeholder conversations with major parties and industry. And I would like to know, did the Department of the Interior consult with states and with tribes in regards to BLM regulations?

Secretary SALAZAR. Congressman Tipton, we have had a massive outreach effort that has included input from tribes and states and industry and environmental community, and everybody else. And

so that is being reflected, and there will be other opportunities to do that as we move forward with the formal rulemaking process.

Mr. TIPTON. OK. And in terms of it being reflected, I do have a letter from the Governor of North Dakota expressing his concerns with the new regulations. And I am curious. What response did you receive from Governor Hickenlooper and the State of Colorado in regards to new BLM regulations?

Secretary SALAZAR. You know, I was with the Governor of Colorado, John Hickenlooper, on Saturday night. We did not discuss these issues, we discussed other issues related to potential resolution of conflicts between the Federal Government and the State of Colorado.

But this is—at the end of the day your question goes to outreach to states that already have developed regulations in the way that Colorado and North Dakota have done. I think that is important. And I admire what they have done in Texas and in other places. I do think that it is important for us, as the steward of the public estate and the 700 million acres of mineral estate that we oversee on behalf of the American people, that we have a set of rules that govern those lands. And that is what we intend to do through the efforts of the Bureau of Land Management.

Mr. TIPTON. And I understand your position on this. But I would like to know. Why do you believe that the Department of the Interior should usurp state authority to regulate hydraulic fracking? The well construction in Western states like Colorado have been doing it safely for decades, as we have had heard through numerous Western states, as well.

In fact, we had testimony just a few weeks ago with Director Abbey, Harris Sherman, former Secretary Babbitt, noting that over a million fracking operations had taken place with no incident dealing with state regulations that had been in place. So what flaws in state regulations were reached through consensus with industry, local governments, and environmental—did the Department really lead you to try and enact different regulations, as opposed to having state involvement?

Secretary SALAZAR. Scott, the outreach that we did to the states included meetings in Bismark, North Dakota, in Golden, Colorado. And those were led by the BLM to get input from those respective states.

Now, I think your question really goes to the fact that if you have states now coming on board and saying that they are going to develop their own regulatory regime, why is it necessary for the United States to develop its regulatory regime on public lands? My answer to that is I think we have a responsibility—I believe we have a responsibility, under the laws of this country, to make sure that these 700 million acres of the American citizen-owned public estate, that we have taking care of those lands in a way that any land manager, any land owner, would do.

In addition to that, Congressman Tipton, I would also add that I think there are many in the industry who have spoken to me who have said that they would rather have a standard that they can follow from state to state, so they are not subjected—you know, almost—most of the companies that are involved in hydraulic fracking and natural gas production operate across many state

lines. And what I always hear from industry is that they don't like to deal with the patchwork of regulation. It makes it difficult for them to address different sets of regulations.

So, our regulations will deal only with the public estate. But it also seems to me that it may create the template for what ought to be happening across the country, as well.

Mr. TIPTON. You know, we have in some of the states with the most stringent requirements for disclosure, in particular, websites called FracFocus. But yet the BLM makes no reference to it in terms of their proposals. So, in the draft legislation, where it indicates that the BLM intends to set up, at the cost to taxpayers, a whole new database, I think that something—a concern that we are seeing reflected at multiple levels—that we are having stealth tax increases, as Mr. Duncan noted, at the pump, that ultimately the American taxpayer is having to pay for bureaucratic regulations tiered from the state to the Federal Government, and duplication going on.

Secretary SALAZAR. If I may, Mr. Chairman, I would like to have our Deputy Secretary just to describe FracFocus for a minute and how we are using it as well, because I think it is of interest to members of the Committee.

The CHAIRMAN. Go ahead.

Mr. HAYES. Thank you, Mr. Chairman. Just to respond very quickly, the Congressman is referring to a draft proposal that is not a proposed rule. We are working on a proposed rule that will be fully referencing—will be fully available for comment.

We are very interested in making sure that disclosed information is available to everybody. We will explicitly be asking for comment on how we can interact with FracFocus and other state-based disclosure issues, because we have no interest in creating any conflict with state regulation. In fact, as the Secretary said, we want to conform and help work together with the leading states who are engaged in this exercise.

The CHAIRMAN. The time of the gentleman has expired. The Chair recognizes the gentleman from California, Mr. Costa.

Mr. COSTA. Thank you very much, Mr. Chairman and Secretary. Many questions, little time.

There are two main resources issues that will affect America's well-being, its economy, and, therefore, its national security in this century. We had quite a bit of conversation on energy. Let me segue over to water, specifically water in California.

We went over seven billion people on the planet last year, and by the middle of this century, over nine billion. Production of food is going to be a critical issue to not only our nation, but the world. Water is essential to make that happen.

Mr. Secretary, let me commend you for your efforts on the project, it was backlogged for 20 years. Last month it went into operation, 35,000 more acre-feet to the San Joaquin Valley. Last week you announced $1.5 million for the first phase of the Madera Water Bank, 100,000 acre-feet of additional water. We need to continue to work on those kinds of projects and your efforts with the Bay Delta Conservation Plan that is critical to addressing California's long-term water security. For a state that will have 50 million

people in the next 20 years, to maintain our agriculture economy is essential.

But let me talk about lessons learned. We went through a horrific hydrological drought in 2009 and 2010. And the regulatory constraints made it even worse, in my opinion. What are the lessons that have been learned? We had 174 percent of snowpack last year. This year we had one of the driest Decembers on record, and January hasn't been much better. We are at 18 percent of our normal snowpack. What lessons, in terms of our water supply for this year, have we learned from 2009 and 2010?

Secretary SALAZAR. We have many lessons, and we have improved on a lot of things that we are doing, including how we are letting users know the timing as to how much water will be available. But my Deputy Secretary, David Hayes, has probably spent more time on your issue in California on water than on any single other issue in the United States. So I would like him to respond very briefly, if we may.

Mr. COSTA. Very quickly, because I have some other questions I want to get——

Mr. HAYES. Regretfully, that may be true. Congressman, as you know, we have hardwired in a number of the reforms to—that we developed with your help, with Senator Feinstein's help and others during that drought, including transfer authority, ways to move water around from willing buyer to willing seller. Those are all in place. They were not temporary. We have institutionalized them, and they are available for us if we have another dry year. And we are committed to using them to the hilt——

Mr. COSTA. Are we going to have greater operational flexibility on the projects this year, if——

Mr. HAYES. As you know, we negotiated a settlement with all parties last year to provide operational flexibility under the biological opinions. We have confidence we can continue to operate with the consent of all the parties in a sensible way.

Mr. COSTA. Mr. Secretary, you have been meeting with the Governor on the Bay Delta Conservation plan. What are your time lines this summer, and what do you hope to announce on the long-term aspects of our water needs?

Secretary SALAZAR. We met with the Governor in Sacramento, the Deputy Secretary and I, and Mike Connor, the Commissioner of the Bureau of Reclamation. We agreed that we would put the pedal to the metal, and try to get to a point where we can announce the broad outlines of a Bay Delta Conservation plan with the coequal goals of water supply and ecosystem restoration and protection, so we are on a——

Mr. COSTA. Equal goals of water supply and restoration?

Secretary SALAZAR. Yes, and our plan is to——

Mr. COSTA. The water supply and restoration are equal goals?

Secretary SALAZAR. Co-equal goals.

Mr. COSTA. Correct.

Secretary SALAZAR. And we will have that—our plan is—my plan is to travel to California in July and help make that announcement.

Mr. COSTA. OK. Storage studies are part of the Bureau's efforts, and there are four areas that are critical: Shasta, Los Vaqueros,

Sites, and Temperance Flats. The time lines that have been reported for Shasta that shows a lot of promise. Is there a way that we can expedite that? Because we have to increase our water supply for our growing state. There is—it is one of the critical tools that we need to follow.

Secretary SALAZAR. Deputy Secretary?

Mr. HAYES. As you know, Commissioner Connor just made an announcement on that last week, where he indicated that we are moving forward with Shasta evaluation, and——

Mr. COSTA. I think you have a 2017 deadline. I think we need to look at moving that up, especially coinciding with the Bay Delta Conservation——

Mr. HAYES. I think the key point is that he intends to get a draft out by 2013, hopefully, and that is the key point. We——

Mr. COSTA. In addition to that, on Temperance Flats, I think it has a multitude of benefits I think you need, both because it is south of the Delta, restoration of the San Joaquin River and other factors. You need to look at that.

Let me close on that question. You have limited amount of money in this budget for the restoration of the settlement agreement. If you get no more money, how are you going to make that happen?

Secretary SALAZAR. It is a painful budget. Tough choices. And so we are trying to do everything that we can to figure out how we keep moving forward in many of these programs that are so essential to California and to all the states.

Mr. COSTA. I know, but—my time has expired, Mr. Chairman, but this is a critical issue. We are going to be hearing a bill on it tomorrow, I believe.

The fact is that there is about $300 million-plus that you have been given for restoration. Some are estimating costs to be $1.2 billion for the entire restoration project over the next 10 years. If you get no more than the $300 million-plus, how are you going to do it?

Secretary SALAZAR. Well, you know, we face tough choices every day. And sometimes we have to extend the time frame for completing projects. But we are working on it. It is a high priority, and we are not going to go—let the investment go—that the American taxpayer has already made in that restoration simply disappear.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COSTA. Thank you.

The CHAIRMAN. The gentleman from Arizona, Mr. Gosar.

Mr. GOSAR. Secretary Salazar, I find your testimony today very interesting. The Administration claims to commit to powering the American economy. You tout the Bureau of Reclamation's facilities that deliver cheap, affordable water to millions of Americans, and allow Western farmers to thrive. You claim the Administration is encouraging economic development in Indian country, and honoring trust responsibilities.

Yet this Administration is taking actions or considering actions that compromise each of these goals in my state, alone. The Administration opposes my jobs legislation, H.R. 1904, the Southeast Land Exchange and Conservation Act. While this budget proposes essentially a $45 billion tax increase on American job producers, it

stands in the way of a project that would have an estimated total economic impact of over $61 billion, and providing over 3,700 high-paying Arizona jobs, and generating 19 billion in Federal, state, county, and local tax revenue.

The Administration is requesting millions of dollars to purchase lands across the West under the guise of better management, yet it opposes legislation that would allow BLM alone to acquire over 4,000 acres of pristine and highly desired conservation land in Arizona that will, in fact, lead to better—that will lead to better land management at zero cost to the taxpayer. In fact, I will quote. The Nature Conservancy called one of these the last vestiges, and is priceless in——

Secretary SALAZAR. Excuse me. You are speaking about Resolution Copper?

Mr. GOSAR. I am talking about the Southeast Land Exchange.

Secretary SALAZAR. So that is a Resolution Copper——

Mr. GOSAR. Yes. Yes, I am.

Secretary SALAZAR. OK. Just wanted to make sure.

Mr. GOSAR. The 14 billion in tax revenue, the 4,100 of pristine land coming into the BLM stewardship, 3,700 jobs, increased domestic mineral independence, all these benefits are supposed to be central to your agency's mission. Did the Administration take any of this into account when taking an opposition to my bill?

Secretary SALAZAR. The answer is we believe there is a way forward. With respect to Resolution Copper, it was approved last year in the Senate Energy Committee, and unfortunately did not get through the Congress before the time of the Congress expired. We had the right balance, in terms of moving forward and doing the compliance with environmental issues. We don't believe that you ought to take a shortcut in dealing——

Mr. GOSAR. How would the pre-NEPA actually benefit anything going forward? All those interchanges are exactly the same. They get no stewardship difference of any of those, the Antiquities Act, the environmental impacts, they have to do it all the same.

Secretary SALAZAR. Congressman Gosar, I personally have visited the site with Senator McCain, and know that it is an important opportunity for both jobs, as well as an important opportunity for conservation. It also is a place where there are very significant tribal interests that need to be addressed, and also a place where the water issues in that area are very important to also address.

So, it is important that the legislation that was proposed—I believe it came out of the Senate Energy Committee on the Senate side, and actually had made it to the Floor, that that kind of legislation move forward so that we can make sure that we get——

Mr. GOSAR. I actually find it kind of unusual that we consider legislation from the previous Congress when—having a bill that passed the House directly, and we should be considering that accordingly. So I find a lot of excuses here, and particularly when you look at how much studies have been done around this area. I find it very excuse-ridden as to why we are standing in the way. I think we ought to be looking at this very constructively, and moving forward with it.

I got a little short time, and I want to hit something else. I would like to briefly touch on the Administration's potential mandates

that would shut down the Navajo Generating Station. As I am sure you are well aware, because the Interior is a 25 percent owner of the NGS, the plant is critical to Arizona's water supply because it provides 95 percent of the power for the Central Arizona Project. CAP delivers more than 500 billion gallons of the Colorado River to 80 percent of Arizona's populations. Without it, Arizona's farmers would be—have to use groundwater, surely drying up our precious water resources.

The plant employs over 500 people; 80 percent are Native American. The revenues from the excess power is critical to the Federal Government's obligation to uphold previously enacted water settlements. I would like to thank the Assistant Secretary Hayes, in your understanding of those effects of BART and the rulemaking process.

Can you please tell me, Secretary, what the Interior has done to articulate to the EPA the importance of the issues related to the tribes, Arizona's water and state economy? And, although the Interior does not control the regulatory process, the agency could be hit hard due to this action.

Secretary SALAZAR. I understand, and I have had the Deputy Secretary lead the effort for the Department of the Interior. David?

Mr. HAYES. Congressman, we have been in very close partnership with EPA. Obviously, EPA has an important decision to make, and we do not step in their shoes. They have been very cooperative. They have been also reaching out to the tribes, engaging in consultations. And, as you know, we helped sponsor a third-party independent analysis through the National Renewable Energy Laboratory that provides a lot of useful information that we think provides a basis for good decision-making. And we continue—we will continue to work collaboratively across the affected agencies, and with the tribes and the water users.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from California, Mr. Garamendi, is recognized.

Mr. GARAMENDI. Mr. Secretary and Deputy Secretary, thank you very much. It seems as though we have a lot of instructions for you, having listened to the last hour and almost two hours now of us telling you how to run a Department. You have a very complex Department. I want to thank you for the comprehensive approach that you have made to address the multiple issues that confront us.

Energy—apparently, if we drill enough, we will solve our energy problems. That is not ever going to happen. We need more comprehensive—not from you, but from us—energy policy. Perhaps some day we will actually get to that.

I note in all of your responses here that you have initiated, engaged in a two-prong approach to energy. One, do it safely; and two, do it. Is that correct, Mr. Secretary?

Secretary SALAZAR. Yes, Congressman.

Mr. GARAMENDI. And I just ask my colleagues to pay attention to your responses. When it is not done safely, we get big problems, such as the BP blowout. So we have to move carefully. And nonetheless, we have to move.

I want to take this in a different direction. Water policy, we will be debating that tomorrow with a very, very important bill that is brought before this committee. And we will save that for tomorrow.

I want to raise the issue of the National Parks. It has not been discussed here. Could you tell us your plan for the National Parks?

Secretary SALAZAR. Congressman Garamendi, the National Park System of the United States of America is the envy of the world. It also is a place where we host over 250 million—I guess the number is about—close to 300 million visitors a year. And they are great economic generators from Yosemite to the Statue of Liberty, the Everglades, to Glacier, to all of our units around the country.

We have challenges because of the fact that we are having these places as icons of America, they are the attractants that bring people from all over the world to make the United States what we hope will be the top travel and tourism destination. And so we need to continue to work with the Congress to find the right resources to be able to support both the operations side, as well as the continued perfection of the National Park System, because there is a long way to go.

The Director Jarvis for the National Park System put together a group that included former Justice Sandra Day O'Connor and Senator Bennett Johnson and Howard Baker and others. And as a result of that, they put forward a call to action to prepare our National Parks for their centennial year on 2016.

But we have some very significant challenges that are facing us, and we are doing the best that we can, including looking for resources from places in the private sector, as we did in the reparation or repairs of the Washington Monument. But it is an issue which we spent a lot of time worrying about and working on.

Mr. GARAMENDI. Is it not a fact that we are hundreds of millions of dollars behind in maintenance at the National Parks?

Secretary SALAZAR. The fact is we are probably somewhere between $9 billion and $14 billion in backlog in maintenance in our National Park System.

Mr. GARAMENDI. I guess I slipped three zeroes there, didn't I?

This is a challenge for the Congress. I know over the years—and certainly during your Administration—you have made every effort to squeeze from the budget the necessary funds for the National Parks. The American people are short-changing their heritage and some of the great gifts that have been given to us on the natural side, by not maintaining these and providing for the maintenance of these parks. It ought to be in all of our interests to find the money to do that. But I appreciate your efforts on that.

I am just going to wrap this up with what is tomorrow's agenda in this room. It is basically a rewrite of the entire California Federal water and state water programs. I would hope that we have your testimony, as best that can be made available in two days—or one day—that the legislation has been made available to us. But it is a remarkable rewrite, and an enormous change in long-standing Federal and state policy.

So your attention to this issue tomorrow is of great importance. And whatever you can do, given that you have had less than a day to review the legislation.

Secretary SALAZAR. Thank you, Congressman Garamendi. And there are few people who understand the water issues of California as well as you do. And we are very involved and engaged in all those water issues, and we will review the proposed legislation and

provide our comment based on the expertise of the Deputy Secretary and Bureau of Reclamation Connor.

The CHAIRMAN. The time of the gentleman has expired. Mr. Flores from Texas.

Mr. FLORES. Thank you, Mr. Chairman, and thank you, Mr. Secretary, for joining us today. And thank you for your service to our country. I am going to start out by listing several concerns. And then, at the end, I will repeat the questions that I gave you during the concerns. Alternatively, if we don't have enough time, I would ask you to separately respond to the questions.

The first one has to do with the budget, and this doesn't pertain to you as much as it does to the President's budget overall. But the President's budget fails to address the fiscal crisis. It ignores his competitiveness council recommendations, ignores the deficit commission recommendations, it fails to address the loaning and solvency of Social Security, Medicare, and Medicaid. That is truly a shame.

The President's budget spends $47 trillion over the next 10 years. That is 1.5 trillion more than he proposed to spend last year. The President's budget adds $1.9 trillion in new taxes and fees, none of which will create new jobs.

With respect to the Department of the Interior budget, I believe Americans deserve to know how the Interior Department's tax and fee increases will create more American jobs and cheaper energy for the—and cheaper gasoline prices for their hard-earned dollars.

In the preamble of the DoI budget, Interior takes credit for increased energy production. The fact of the matter is this increased energy production is the result of decisions that were made years ago, prior to this Administration. Moreover, most reputable economists are predicting that production of energy from public lands—or oil and gas production of energy from public lands will soon decline.

The second thing—the next thing I want to talk about is I sent a bipartisan letter—there are 182 Members of Congress that signed this letter, and we sent it to you last week, requesting that you relook at the latest OCS lease sale plan. There are claims, not only in the budget materials that have been published, but also in the President's conversations with the American people, and also with other administrative—other folks—spokespersons for the Administration, they claim that 75 percent of the United States is available—or offshore areas are available for oil and gas production.

If we can go back one map to the map that predates the Obama Administration—not the one that had the green on the sides. Well, we are short one map. Anyway, let me put it up to you. This map right here shows what areas were available for offshore production. Not the one on the screen, it is the one in my hand. The top map shows the area that—those areas that were available for offshore lease sales prior to the latest lease sale.

The map that was on the screen and the map at the lower part of this page shows the areas that are not available to leasing now, which represent the red areas. And the purple area has been placed off limits until sometime after 2022. That is a question that we will come back to in a minute.

Now, let me tell you what the question is. What I would like you to do is to send me a response, or send the 182 Members of Congress a response as to, A, will you revise this proposed lease sale to include more offshore access, instead of less? And second, if you will not, will you tell me—tell this committee what the expected impact is on American jobs, the American deficit, the American economy, and also on energy and gasoline prices?

The next area that is discussed in the budget has to do with fracking. I am going to try to get through these quickly, since I am running out of time. One is, why are we doing this? There is—the EPA administrators have said there is no evidence of groundwater contamination from fracking.

The second thing is, in the proposed rules we are not following any state models. There is no emphasis on using something that has been proven, like FracFocus, or the Wyoming model for fluid disclosures, or the Colorado model for the protection of operators' intellectual property. One of my questions—requests will be that you respond to those issues.

And then the last and the worst one is probably—is the one that says there is a 30-day requirement for a frack permit prior to commencement of any operations. You don't know exactly how you are going to frack a well until you have it down to total depth, to your total target depth, and you have gotten your cuttings back that you can analyze, you have gotten your logs back. And then you can make an exact determination. The way the preliminary rules have come out, you know, you would be subject to waiting time for up to 30 days, paying potentially tens of thousands of dollars a day, if not millions of dollars a day, while you wait to get approval to frack.

Next thing I need to know is how much money are we going to spend on the ocean and marine spacial planning, and how many full-time equivalents will we be spending on that?

And then last—and this—let me clarify at the very beginning, this has not been a problem with the Department of the Interior. But I call this the Solyndra question, and I ask anybody that is going to testify regarding the President's budget. We need to—a commitment from the Department of the Interior that there is going to be program integrity, that there will be no attempts to pick winners and losers, no attempts to target funds for the projects that you propose to spend money, taxpayer money, on in here to the President's contributors or any sort of manipulation, other than using a fair and transparent system.

So again, if you can get back to me on leasing schedule, fracking regs, ocean zoning, job creation metrics from the higher DoI fees and taxes and program integrity, that would be helpful.

And again, on the last point, I am not saying that DoI has a problem with Solyndra. Thank you.

The CHAIRMAN. The time of the gentleman has expired, but there is your first public list of questions that are requested by the members of the Committee.

The Chair recognizes the gentleman from Maryland, Mr. Sarbanes.

Mr. SARBANES. Thank you, Mr. Chairman. Thank you, Secretary Salazar, for being here and being patient with us.

I am from Maryland, as you know, and very focused on the health of the Chesapeake Bay and the Bay watershed. And I look at a lot of these questions, particularly the hydraulic fracturing question, through that lense. The Chesapeake Bay watershed includes six states and the District of Columbia: New York, Pennsylvania, Delaware, Maryland, Virginia, West Virginia, and the District of Columbia. The footprint of the Marcellus shale deposit includes New York, Pennsylvania, Virginia, West Virginia, parts of Western Maryland, at least.

So, you have this coincidence of the Bay watershed with the Marcellus shale deposit. And so there is a lot of activity going on, as you know, much of it on private lands. But what you offer us is the opportunity to get a clearer picture of how these practices can be implemented in a safe fashion, because of what is happening on public lands.

So, I applaud you and the President for focusing in on these issues of safety. I think that the rules that you are proposing are absolutely common sense. And I am hard pressed to understand why anyone would object to them, because they are very basic things that you are trying to ascertain.

I did want to get a little more understanding of this issue of the content of the fracking fluid, and specifically what it is you are going to be looking for because, you know, we have had the industry sit before this committee in the past, and kind of hide the ball when it comes to what the contents are, the specific chemicals that are being used, the percentage of the composition represented by one chemical versus another. Because you can put a list out and say, "Well, these are the chemicals that are being used," but if you don't indicate what amounts, relative amounts of those chemicals are being used, you may not get the full picture in terms of whether it is safe or not safe.

So, could you just speak, take a little time to speak a little more, explicitly or in detail, about what you are trying to ascertain in terms of the content of these chemicals being used? And if you could, also touch on the sort of proprietary information, trade secret, and dimension of this which I understand, but I am also worried that that is going to be thrown up as a smoke screen, potentially, in terms of our being able to get this information.

Secretary SALAZAR. Thank you, Congressman Sarbanes. And let me first say thank you for your leadership in Maryland on so many conservation issues, including getting children outside and to the outdoors and into conservation. And I will note that on the Chesapeake Bay, which covers the areas that you so eloquently described, we do have a major effort underway from many of our agencies, as well as other agencies, where there is significant investment going on in trying to clean up the Chesapeake Bay, and trying to move forward with a number of restoration efforts.

On the issue of hydraulic fracking, and the content of the rule, our objective here is to have a rule where there is disclosure that brings about the confidence of the American public that chemicals that are being injected into our earth are not going to be harmful to people or to the environment. And how exactly the rule will be finalized, with respect to the trade secrets issue is still a component to the rule that is in process.

And at the end of the day, if the ball is hidden and nobody knows, then that is not going to fulfill the objective of making sure that the public has knowledge about what is being injected into our earth.

So those are still things that we are working on. And as the Deputy Secretary said earlier, we will be continuing the outreach effort and the comment effort as we move forward to the final rule.

Mr. SARBANES. I appreciate that. I am running out of time, but I just want to make an observation for the Committee, because we are going to keep having this issue of hydraulic fracturing presented to us over time.

There is a lot of discussion about how this has been a safe practice. But many of those lessons are drawn from the experience in the West. And safe in the West doesn't necessarily translate to safe in the East. I mean we are—when you talk about where the Marcellus shale deposit is, you are talking about a density of population that is different, you are talking about different topography, geology. There are many factors at work.

And so, I encourage you, as you are looking at this on public lands—and obviously, that is more so in the West than the East—to be careful about—and I caution my colleagues, too, we need to be careful about drawing lessons in one circumstance or environment, and applying those someplace else. I think we need to take a fresh look at the potential safety issues with respect to this Marcellus shale deposit opportunity that we have in the East, and make sure that that is being done properly.

Thank you, and I yield back——

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Maryland, Mr. Harris.

Dr. HARRIS. Thank you very much, Mr. Chairman. Thank you, Mr. Secretary, for appearing before the Committee today. Let me just ask, first, a couple simple questions.

Your testimony says that the budget is essentially level. But in fact, it is an increase, is that right? I mean it is over a one percent increase.

[No response.]

Dr. HARRIS. Because we are having huge debates about whether, you know, a half percent increase for government employees, or a one percent increase—and no one would call them level. So to be accurate, I mean, it includes an increase. Because the sentence after that says it includes reductions and savings of 500 million. But in fact, it includes an increase in spending.

Secretary SALAZAR. It is a one percent increase.

Dr. HARRIS. OK, thank you. Now, I know you were—a question was asked about the credits associated with offshore wind. And I know you were in Maryland recently about the offshore wind project. Do you agree that offshore wind is going to be an absolute—absolutely cost our ratepayers more than natural gas, electricity generation? Would you stipulate to that?

Secretary SALAZAR. I think that is true for today, with respect to what is happening on wind off of the Atlantic. But I will also say that what we have seen with renewable energy—solar, geothermal, and wind—is that the costs have been significantly dropping. And

when you get to the right critical mass, the renewable energy efforts ought to be competitive with other——

Dr. HARRIS. Well, I am talking about the project in Maryland, because it is not in the future. It is to be built next year, capitalized next year, with this year—with next year's technology. The project in Maryland. Our ratepayers will pay more than if we generated the electricity from natural gas. That is all I am saying. Will you stipulate to that?

Secretary SALAZAR. I am not familiar with the specifics of the project in Maryland. Perhaps my Deputy Secretary——

Dr. HARRIS. Well, Mr. Secretary, you were there to announce the approval of the permits for the project to go forward.

Secretary SALAZAR. No, that is—no, let me—that is not true. What we went to Maryland to announce is that we have identified the wind energy area places where wind energy farms can be stood up. There is no lease that has been issued in Maryland. And so it will be several years before a wind farm is actually stood up.

What we have done is work closely with the Republicans and Democratic Governors across all of the states of the Atlantic to look at the potential of this great energy resource off the Atlantic. And we have made significant progress, and we feel very good about the renewable energy potential——

Dr. HARRIS. Well, thank you. I just don't feel good about the fact that, you know, the estimate is that it will cost three times as much to our ratepayers for that energy as it would to—at least three times; some estimates are even higher than that.

Let me just talk a little bit, because my colleague has said, you know, we shouldn't draw lessons from one circumstance to another.

Now, Mr. Secretary, you have certainly heard of Pavilion, Wyoming, I take it, because there was a great controversy. We held a hearing in the science—one of the Science Committee subcommittees about the fact that numerous areas throughout the country are attempting to do exactly that with the Pavilion results. And you know, because the U.S. Geologic Survey, for instance, was not consulted very intensively about that, about what the EPA was doing, the depths of their monitoring wells, for instance, in a known geologic formation that is very different from geologic formations across the country.

In fact, I will tell you what is safe in the West might not be safe in the East. But I will tell you with hydrofracturing Marcellus shale, what is not safe in the West, if that study were true—and I don't think it is very different than the Marcellus shale formation.

You said that there is going to be $50 million in a hydrofracturing study included in this budget. Is that right?

Secretary SALAZAR. Fifteen.

Dr. HARRIS. $15 million. Let me ask you. Given the fact that you haven't been—that the EPA has not been working with the USGS on this, the EPA is asking for funding, why should we fund two different agencies that aren't obviously communicating with each other on an issue of this importance? I mean this is what people get upset about with Washington. We have duplication of efforts, agencies not talking to each other. And, on this circumstance, that resulted in a faulty study from the EPA.

In my opinion—now, my understanding is it might be the opinion of some people in your Department, as well. So why should we fund the USGS and EPA to do this study?

Secretary SALAZAR. Congressman Harris, let me say, first of all, you raise a very important issue overall, and that is that we need to make sure that we have integrity, in terms of the results. As I said in Wyoming in a meeting in a press conference with Governor Mead, I think the jury is still out on the EPA study——

Dr. HARRIS. And I appreciate your honesty——

Secretary SALAZAR. And also——

Dr. HARRIS [continuing]. Earlier in the hearing, and on that.

Secretary SALAZAR. And also because of that, the United States Geological Survey and the EPA are working together to make sure that the results of the final study are ones that are peer-reviewed and ones that we can have some conclusive evidence of. Maybe it is a wellbore integrity issue in that particular place. Maybe there is some other issue. But we need to make sure that when these kinds of studies get to the final conclusion, that they are the kinds of conclusions that we can have total confidence in.

And so, the effort that we have between the U.S. Geological Survey and the EPA and the funding requests and the Department of Energy, the three agencies and moving forward are being coordinated so that we are able to make sure, number one, that we can move forward with natural gas production in a very robust way here, in the United States; and number two, that the science and issues around hydraulic fracking are ones that are well understood by the American public.

Dr. HARRIS. Thank you very much, Mr. Secretary.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from New Mexico, Mr. Luján.

Mr. LUJÁN. Mr. Chairman, thank you very much, and Mr. Secretary, welcome. Bienvenido. It is good to have you here with us, sir.

First off, Mr. Secretary, I want to thank you for your sensitivity to protecting sacred sites when we talk about sovereignty in our tribes across the country. Many times we have conversations about this, but the reality of your responsibilities are wide. But your attention to the tribes, not only in the budget but also in your responses to questions today is certainly important. And I am happy to see the Administration taking protecting sacred sits seriously. So I want to commend you and your staff for that.

Mr. Secretary, there is going to be an important discussion on Friday in this committee pertaining to abandoned mine land funding with the OSM budget pertaining to Surface Mining Control and Reclamation Act, SMCRA. We are hoping to be able to get support for an effort to use the AML funds to clean up abandoned uranium mines in New Mexico. And so, just to put it on your radar, I am thankful to the Chairman for bringing this important discussion to this committee, because it has been a long time coming. And we look forward to working with your office on the implementation of that piece.

Mr. Secretary, I also want to acknowledge the work that you have been doing—and I think we touched on this a little bit ago—pertaining to solar energy zones. My only concern with the solar

energy zones, Mr. Secretary, is that we have not had one designated in New Mexico just yet. And so we want to make sure that we are on your radar as well, with the amount of solar production that we have in our great state. And I know that you have had a chance to go down there and visit quite a bit, and really respect the opportunity that we have down there.

And so my question, Mr. Secretary, is as we talk about smart from the start, and the identification of these solar zones, is there a way for new solar zones to be created in the future, say in Northern New Mexico or other places across New Mexico?

Secretary SALAZAR. The answer to that is absolutely yes. And I would just comment, Congressman Luján, that the best places for solar energy are in New Mexico and Arizona and Southern California and Nevada. And so, we do have a focus, including Arizona. And when the solar energy programmatic environmental impact statement is completed, there also will be a piece there that will—we will identify the best places for solar energy, where we have the least conflicts. But we also will have a process in there to be able to add additional solar energy zones.

In your State of New Mexico, we are working as well on transmission, because right now that is the single biggest issue, in terms of being able to get the solar energy from where it is being produced to the place where it will be consumed. But New Mexico is very much a high priority because of its solar energy potential.

Mr. LUJÁN. And, Mr. Secretary, I appreciate that transition to transmission. As we talk about, you know, the reality of not being able to move solar power from where we can generate it if we don't have access to transmission lines with all of the conversations about energy here, and this is something that we have brought up in conversations throughout the Committee, and we were very supportive of the White House's initiative with the rapid response transmission team last September to acknowledge that there are important transmission projects across the West and the East to be able to move power.

And so, I am curious, Mr. Secretary, if you are working with the rapid response team. There is a specific line in New Mexico, the SunZia line in the southern part of the state that would move power up into Albuquerque. And with the convergence of another project called Tres Amigas, which we were hoping to be built in New Mexico, which would open up opportunities to working with Texas.

Secretary SALAZAR. Congressman Luján, from the beginning of the Administration, we have tried to bring the entire Federal Government together to be helpful in standing up of transmission. And so, meetings in my office have included Chairman Wellinghoff and Secretary Chu, as well as Tom Vilsack, Secretary of Agriculture. And what we have done is to move forward and identify those projects that we think are absolutely needed and can be built. And so, the President and the White House have been directing us to do everything we can to deal with the transmission challenges that we have.

Mr. LUJÁN. On that note, Mr. Secretary, one concern that I have is, as you know, the Western Area Power Administration is also working with SunZia developers and other transmission projects,

and they are a candidate for low-cost financing support. Unfortunately, there was a piece of legislation that was passed out of this committee with much support from the Republican Majority that would repeal Western's borrowing authority to projects like SunZia. Do you believe that eliminating Western's borrowing authority would increase or decrease the likelihood of these kinds of transmission projects?

Secretary SALAZAR. You know, I am not familiar with the legislation. But at the end of the day, renewable energy projects need to have the right power purchase agreements and the right financing to be able to be economical and to be built. And so we will take a look at the legislation that you speak about.

Mr. LUJÁN. And with that, Mr. Chairman, thank you very much. Yield back the balance——

The CHAIRMAN. The time of the gentleman has expired. And with any luck we can get all Members in if we just adhere to the five-minute rule. We will go to Mr. Johnson of Ohio.

Mr. JOHNSON. Thank you, Mr. Chairman. Mr. Secretary, do you support Federal officials threatening hard-working businesses and individuals for following the compliance mandates of legally binding government contracts?

Secretary SALAZAR. No.

Mr. JOHNSON. OK. I assume that it is also safe to say that you don't support lying or asking someone to lie for you, as well. Is that true?

Secretary SALAZAR. It is absolutely true.

Mr. JOHNSON. Well, I didn't think you did. Please take a look at slide one. This is a statement of work that the Office of Surface Mining and Reclamation and Enforcement agreed to with the original contractors in your Department's efforts to rewrite the 2008 string buffer zone rule. The highlighted portion shows that the contractors had authorization to ask the coal industry what effect your rewrite of the string buffer zone rule would have on future coal production.

In fact, I draw your attention to the very word in paragraph seven—I am sorry, R, "the contractor shall." So it wasn't just an authorization, it was a mandate, a contractual mandate.

Slide two, Mr. Secretary, is an email exchange in which John Cranyon, a career OSM employee, authorizes a contact on November 22nd by the contractors with the coal industry to see how the proposed rule would affect future coal production.

Finally, in slide three, the contractors ask on December 15th to verify this contact with the coal industry. As you can see in pink, the Presidential appointee, an employee of yours, Joe Pizarchik, violates the agreed-upon statement of work, and says that no contact is allowed and, furthermore, threatens extreme consequences if the contractors ask for input from the coal industry.

Now, Mr. Secretary, you just confirmed for me a minute ago that you don't support Federal officials threatening hard-working businesses for complying with mandates of legally binding contracts. So, in your view, is this the way you instruct your employees to run rulemaking procedures, by threatening extreme consequences for following the contract by consultants hired by the government?

Secretary SALAZAR. Congressman Johnson, I had not seen these emails before this time. But I will say this, that the SBR and this contract have been controversial. And my Deputy Secretary has been involved in overseeing it, and I would like him to respond——

Mr. JOHNSON. OK, so—yes. I don't want a filibuster here, Mr. Secretary, because we got a lot to cover.

You see from this documentation that Mr. Pizarchik threatened extreme consequences to the contractor for following the mandates of the agreed-upon statement of work. Does this mean that you, in turn, disapprove of Director Pizarchik's handling of this rulemaking process?

Secretary SALAZAR. You know, I don't know enough about this email and the context of everything else that happened to be able to respond to your question today.

Mr. JOHNSON. OK. So when can I expect you to get back to me with your assessment? Because this is an egregious situation here. It has tremendous impacts, not only on my district, but the coal industry across this nation.

Secretary SALAZAR. Congressman Johnson, I will take a look at the emails, and we will provide a response.

Mr. JOHNSON. Well, it is clear to me that the extreme consequences that Mr. Pizarchik referred to were the termination of the contract when he didn't like the answers that he was getting, and forcing the American taxpayers to pay the contractors in full for simply doing their job. This cost the American taxpayers millions of dollars. And this, to me and the American taxpayer, is simply unacceptable.

Mr. Secretary, you already said that you don't think it is OK to lie or have someone lie for you. Now, either you weren't being totally honest with me when you said that, or you don't enforce these principles within your own Department. Because in November, this committee heard testimony from OSM's contractors that they were asked to lie to soften the blow of the job losses that your new string buffer zone rule will have on the nation.

So, let me ask you this. Did you, anyone from your office, the White House, or anyone else in a position of authority at the Department, direct OSM employees to ask the contractors to change assumptions on the economic analysis to address the job numbers in the draft economic analysis?

Secretary SALAZAR. No.

Mr. JOHNSON. They did not? That is your testimony? You know that for certain?

Secretary SALAZAR. I know that I did not, and I have no knowledge that the White House or anybody else would have.

Mr. JOHNSON. OK. So that means that Director Pizarchik or someone else at OSM asked the contractors to lie and change the baseline coal production level to show fewer job losses, and that you or no one else was involved. Is that your testimony here today?

Secretary SALAZAR. Congressman Johnson, I know there were problems with the contract, and——

Mr. JOHNSON. No, I am asking you a very specific question. Mr. Pizarchik said there would be extreme consequences. So he issued that direction to the contractor. And you are saying that you or no

one else in your Department was involved—or at the White House—was involved in that. Is that your testimony here today?

Secretary SALAZAR. I know that I was not——

Mr. JOHNSON. Yes or no, Mr. Secretary. I am out of time.

Secretary SALAZAR. Your answer—your question requires me to say I had no knowledge of this, and I do not believe that anybody in the White House did, nor do I believe that anybody in my senior management did.

Mr. JOHNSON. OK.

Secretary SALAZAR. So we will get back to you with a response to your question in the context of other information that may be associated——

Mr. JOHNSON. I am out of time. Mr. Chairman——

The CHAIRMAN. The time of the gentleman has expired, and this is—certainly is an issue that should be followed up on.

The gentleman from Michigan, Mr. Kildee, is recognized.

Mr. KILDEE. Thank you, Mr. Chairman. I would ask my friend, Mr. Johnson, if he could provide to the Minority the documents which he had on his screen and the questions that went with that, and also any other related material. It would be helpful for the Minority to have that, and I would ask that you provide that——

Mr. JOHNSON. Absolutely, I will be glad to.

Mr. KILDEE [continuing]. To the Minority as quickly as possible. Thank you very much.

First of all, I welcome the Secretary here. I see he has brought with him my former chief of staff, Christopher Mansour, and I hope he is doing as good a job for you as he did for me, Mr. Secretary. And I am encouraged to see that $47.8 million provided for the ecosystem restoration in the Great Lakes—that is a $2.9 million increase.

And, as you know, my district borders on the Great Lakes there, and it is a very important thing. While there is a 2.9 increase—actually, to break down you have a 2.9 million increase for the Asian carp—the efforts to keep the Asian carp out of the Mississippi Basin into the Great Lakes. If they were to get into the Great Lakes, we know that that would have a probably permanent devastating effect upon the biodiversity that exists in the Great Lakes.

You also have lessened the amount of money for the zebra mussels, which have devastated much in the Great Lakes, including the water intakes. Has that been based upon the relative dangers posed by these two species? And have the biologists felt that this is the best priority for the money available?

Secretary SALAZAR. The answer, Congressman Kildee—and I appreciate the question and your focus on the Great Lakes and the Asian carp—we have many invasive species throughout the country, but I would say that the species of most significant concern that is invasive right now, or close to the very top of the list, is the Asian carp. And so we are not only investing additional money into trying to figure out how we can deal with that issue through the Fish and Wildlife Service, but also through other agencies.

And part of the $47.9 million being invested into the Great Lakes in Interior's budget is that we recognize that it is one of the huge water landscapes of national significance for the country.

Mr. KILDEE. You know, the Great Lakes and Lake Baikal in the Russian Federation are the two largest bodies of fresh water in the world. And Russia now is beginning to protect its Lake Baikal. And we really have—we have shared, between the United States and Canada, probably the first largest body of fresh water. So I really appreciate the efforts of your Department.

Are you working with other agencies, like the Corps of Engineers, to help you on that? Or are you cooperating—or various other agencies cooperating with the Department of the Interior?

Secretary SALAZAR. Yes, I would—Congressman Kildee, the effort on the Great Lakes is a very high priority for President Obama, just as the Everglades in Florida are. We have spent a good amount of time. It is a whole of government effort that goes beyond the Department of the Interior and includes multiple agencies that have a significant equity in the protection and restoration of the Great Lakes.

Mr. KILDEE. Well, I appreciate that very much. The Great Lakes are not just a treasure for the Midwest, but actually for our country, and actually for the globe. They are a significant part of the total environment of our globe. And I appreciate your personal interest in this, and your personal prioritization. And I would urge you to continue that. And I thank you very much for what you are doing.

Secretary SALAZAR. Thank you very much, Congressman Kildee.

The CHAIRMAN. I thank the gentleman.

Mr. KILDEE. Thank you.

The CHAIRMAN. Mr. Secretary, we have two more Members. I know you had a hard 12:30. If we adhere to it, it might be a minute or so. If we could do that, I would appreciate that.

Mr. Thompson is recognized for five minutes.

Mr. THOMPSON. Thank you, Chairman. Thanks, Mr. Secretary.

Mr. Secretary, when I was on my four-hour drive yesterday back to Washington, I always look for the best place to stop and fill up the car. And yesterday it was $3.65 a gallon. It has been going up in a frightening way, as—and as you can imagine, we do a lot of miles and pull a lot of gas.

And long-term prospects for gas prices I don't think are good, just because of the utilization from—that is projected in China and India, as they consume much of the oil. And I know we have other energies that we are working on, but it is going to take a long time for anybody to fill that—fill what oil provides us in this country.

And so, as I was reading—thank you for the hand-out, too. When I was going through the mandatory proposals page on page 11, one of them stood out to me to "repeal the authority to accept royalty payments in kind, rescinds the authority to accept oil in lieu of royalty payments." And with gas prices where they are today, and probably soon to go over $4 it sounds, and what the future may hold as China and India consume so much more, it seems like our strategic oil reserves are incredibly important.

And does this compromise that, where we are not—this proposed change within the President's budget is—what is your knowledge, thoughts of impact with this specific proposal and our strategic oil reserves, which I know aren't meant to maintain prices, but you know, with the hurricanes and all the things that we have seen in

the past, you know, terrorist attacks, whatever, where that strategic oil reserves is really—would be a lifeline for this country. Energy is—just fuels everything that we do.

Secretary SALAZAR. Congressman Thompson, first let me say thank you for your thoughtful observation on the economics of oil and gas and the world supply and the demand from China and India and so many other places. It is the fact, that we have a diminished oil and gas supply, given the nature of how competition has grown worldwide.

On your specific question on the strategic petroleum reserves——

Mr. THOMPSON. The impact of that provision on the President's budget on——

Secretary SALAZAR [continuing]. And the royalty—and the answer is no. The elimination of the royalty-in-kind program will not have any impact whatsoever on the strategic petroleum reserve. The elimination of the royalty-in-kind program is something that I instituted a couple years ago, because of the fact that it was a program that had huge problems, including ethical problems within the former MMS.

Mr. THOMPSON. OK. The—we had a director from BLM sitting in the Deputy Secretary's seat there for a joint Energy Subcommittee and the Subcommittee on Agriculture I chair, Conservation, Energy, and Forestry, and he had acknowledged that—we have been hydrofracking for six years in this country, there has been a million wells hydrofracked in the United States. And he actually noted that there has been no problems with—when hydrofracking is performed correctly, according to standards, no—when it has been—in terms of no issues on public lands with hydrofracking.

And so, I take exception to my colleague from Maryland, who seems to want to blame a lot of problems that the Chesapeake Bay may have because of the Marcellus, specifically—and I can speak to Pennsylvania, and I certainly invite him and would invite you to come on up to the Pennsylvania Fifth District. We will go out and visit those sites. The Chesapeake Bay has no threats from hydrofracking, the work that is going on there.

My—I do have questions regarding—this will be my final question. The President's budget calls for 30 million to be divided among EPA, Fish and Wildlife, and U.S. Geological Survey for management activities for the Chesapeake—that is a $6.5 million plus-up—and $73 million for restoration, a $15 million plus-up. I just wanted to see how—just quick thoughts on how those will be used. Is this going to contribute to implementing the EPA's total maximum daily load proposal that is out there?

Secretary SALAZAR. The overall effort with respect to the Chesapeake is that it is being coordinated among the Federal family, in the same way that we are doing it in the Great Lakes or in the Everglades and so many of these other ecosystems that have been damaged, and which we are doing everything we can to restore them. And so the money will be invested in a way that creates jobs and protects the resource for the long term.

Mr. THOMPSON. Do we have a number? Do we know what the total investment has been, specifically, that we put in the Chesapeake Bay over the years, and since these——

Secretary SALAZAR. I don't have that with me today, Congressman Thompson, but I would be happy to try to get you that number.

Mr. THOMPSON. OK. Thank you, Mr. Secretary. Thank you, Chairman.

The CHAIRMAN. I thank the gentleman. And our final question comes from the gentleman from Louisiana, Mr. Landry.

Mr. LANDRY. Thank you, Mr. Chairman. Mr. Secretary, during the President's State of the Union speech, he said—and I am going to quote—that "I am directing my Administration to allow the development of clean energy projects on enough public lands to power three million homes." Do you all consider natural gas a clean energy?

Secretary SALAZAR. I think the President was referring there to our efforts on——

Mr. LANDRY. That is not what I asked. Is natural gas a clean energy? It is just a yes or no.

Secretary SALAZAR. I think we—natural gas is a clean energy——

Mr. LANDRY. OK, OK.

Secretary SALAZAR [continuing]. In the sense that it is the kind of energy that we believe has a huge future for American power——

Mr. LANDRY. OK. I mean I would love to let you go on. They only give me 5 minutes. But if you want to give me 10 or 15, I will let you keep going.

There has been a lot of talk about wind energy and the amount of money that you all are trying to budget for the proliferation of wind energy. And in light of the President's comments—in August of 2009, ExxonMobil was fined about $600,000 for violating the Migratory Bird Act, for killing 85 bald eagles over a 5-year period. That is the Act that, down in Louisiana, if hunters shoot over the limit of ducks, they prosecute them for.

There was a wind farm in California that killed 80 golden eagles and over 7,500 species of other protected birds. But yet no violations were given to that farm because there is an exclusion under the Migratory Bird Act for wind farms. Do you agree that that exclusion should continue?

Secretary SALAZAR. Congressman Landry, I am not familiar with that exclusion.

Mr. LANDRY. OK. Well, I will be more than happy—we will send that. If that is—if that fact pattern is the case, if the wind industry does enjoy an exemption under the Migratory Bird Act, is that something that you think should continue for the wind industry, while other industries are being—don't enjoy those exemptions?

Mr. HAYES. I would be happy to—there is no exemption for the wind industry under the Migratory Bird Act.

Mr. LANDRY. OK. Well I will be sure to—well, great, then.

Mr. HAYES. Happy to follow up.

Mr. LANDRY. And maybe we should send that wind farm—we should send some agents over to the wind farm.

Do you—going back to the President's comments under the State of the Union, do you know the footprint, the amount of acreage that would be needed for a wind farm to power three million homes?

Secretary SALAZAR. I don't have that specifically off the top of my head, but we can get you that information.

Mr. LANDRY. Do you know the amount of acreage for a solar farm, I guess, to power three million homes?

Secretary SALAZAR. I can do the calculation. I can tell you that solar energy farms that are producing 300 megawatts of power may take a section or two of land.

Mr. LANDRY. And——

Secretary SALAZAR. I can also just tell you, Congressman Landry, that for every one acre of land that we have leased out for renewable energy projects, there have probably been a million acres of land that have been leased out for oil and gas development.

Mr. LANDRY. Well, I wouldn't disagree with that. But the question is how much power—how many more homes are they powering per acre? In other words, is the value that the American taxpayer is getting versus the acreage that you are leasing, is it equitable?

In other words, it is my understanding, based on the calculations that I have done, that the amount of land needed to power three million homes is vastly greater if you use solar or wind industry than it is to just drill for, say, natural gas.

I will give you an example. Independence Hub, off the coast of the Gulf—off the coast of Louisiana, in the Gulf of Mexico, right now currently produces enough natural gas to power five million homes. And I would venture to say that the acreage that it is utilizing is much smaller, so the footprint is much smaller.

And of course, there is another clean energy out there that has a much smaller footprint, that being nuclear. The amount of acreage needed to put up a nuclear plant to power three million homes, I think, is again greatly reduced.

And so, my question to you all is that—does that come into the calculation? I mean the amount of land that you are going to—that is needed to power three million homes, do you look at it and say, "Well, are we getting the best bang for the buck per acre?"

Secretary SALAZAR. Congressman Landry, the President has been very clear from day one to me, as Secretary of the Interior: We have an all-of-the-above energy strategy. And we believe in a very bright future for natural gas in America. We also believe in a very bright future for solar and wind and geothermal and alternative biofuels. And so we are moving forward with an all-of-the-above strategy. And I think when one is honest in looking at the last three years, we have made very significant progress on all fronts.

Mr. LANDRY. You didn't mention nuclear. Is that not a clean——

Secretary SALAZAR. Nuclear is also part of that energy portfolio.

Mr. LANDRY. I am out of time.

The CHAIRMAN. The time of the gentleman is expired.

Mr. LANDRY. Thank you, Mr. Chairman.

The CHAIRMAN. And I do think that the gentleman brings up a very interesting point. As there is discussion about energy in this country, there are a variety of factors that should go into that, very certainly.

Mr. Secretary, thank you very much for being here and giving us a little bit more of the time than what you wanted. I know, as I mentioned earlier, Members will have questions and we would like to have as quickly as possible a response. I know that several

Members have questions on the Antiquities Act, and we will do that, and also on the wild lands initiative, which started earlier on. And so we will have some questions on that.

But once again, thank you very, very much for taking your time to be here. And if there is no further business for the Committee, the Committee stands adjourned.

[Whereupon, at 12:35 p.m., the Committee was adjourned.]

[Additional material submitted for the record follows:]

[The prepared statement of Mr. Rivera follows:]

Statement of The Honorable David Rivera, a U.S. Representative in Congress from the State of Florida

Thank you Mr. Chairman. Welcome again Mr. Secretary.

First, let me thank you for listing the 4 species of large constrictor snakes as prohibited injurious species under the Lacey Act. As you know, these snakes have invaded South Florida, disturbing our fragile ecosystem, threatening our native species and even causing human deaths. These are not harmless pets as some have suggested.

I am disappointed however, that the other 5 species of snakes were not included in your announcement. Those other snakes, I would argue, pose a greater threat to our ecosystem due to their larger populations.

Furthermore, your announcement was not broad enough to address the large snakes already living out in the wild. Conservative estimates say they may run into the thousands. Several of my Florida colleagues and I have recently sent you a letter requesting the Department to develop a plan to address this problem. I am not going to ask for a response right now but would ask for unanimous consent to include that letter into the record **(insert)**.

Thank you Mr. Chairman. My staff also recently met with Captain Jeff Fobb of the Miami-Dade Fire Department's Anti-Venom Unit. I believe you are familiar with Captain Fobb; he was the gentleman that supplied the Burmese python for your announcement last month. My colleagues may know him from the *Swamp Wars* TV-series.

The unit is comprised of a highly specialized team of paramedic firefighters who are trained in response, management, and treatment of envenomations. The unit maintains the ONLY anti-venom bank for public use in the United States.

Among their "*normal*" duties, they are also the first-responders whenever invasive species, such as the Burmese python, threaten our neighborhoods. Moving forward, I would ask the Department and the US Fish and Wildlife Service to consider plans to develop and support programs that can help these local agencies, who are on the front-lines combating invasive species, carry out our shared mission of protecting our natural resources.

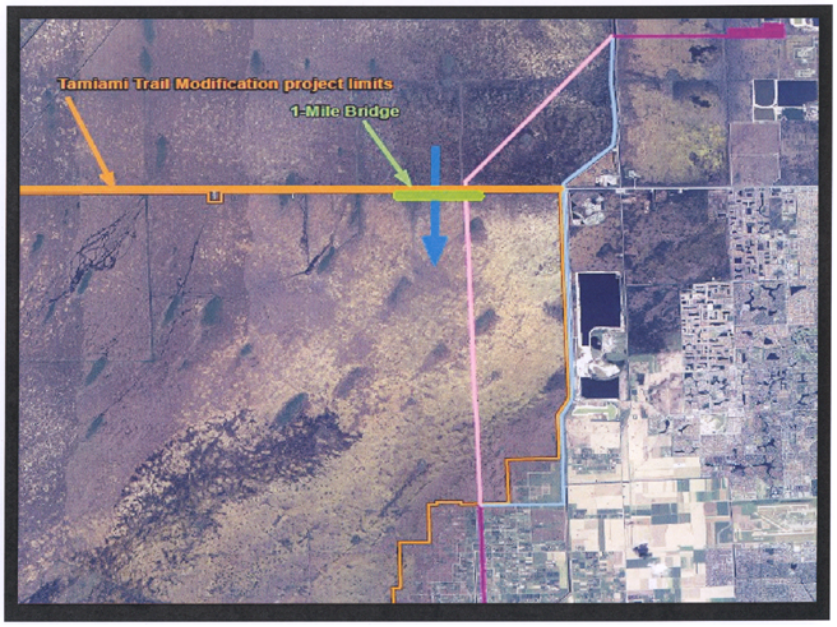
Next item, Mr. Secretary, Everglades restoration is important to Florida and to the United States. I know it's important to you. Thank you for your leadership in water and lands issues.

The Tamiami Trail bridge, which is expected to be finished soon, and the other public works being built to restore more natural flows to the Everglades need the seven and a half mile swath of FPL land that runs through the middle of the Everglades National Park. The Park Service and Congress both know this and in 2009, Congress passed bi-partisan legislation that enabled a land exchange between the Park and FPL. The net gain to the Park was an additional 60 acres of land and FPL would have a corridor to put their power lines outside of the Park.

I'm sure you share my concern about all the taxpayer dollars spent on Mod Waters, and it not working simply because of a holdup with this land exchange. The schedule the Park Service itself publicly posted for the project shows the agency publishing a draft Enviromental Impact Study (EIS) last month. That didn't happen. When can we expect it?

FPL is working with the State of Florida on transmission lines and running the line within its holdings in the Park is one of the options. The more we delay on this land exchange, the more likely it seems that option gets. From the perspective of wanting to protect the natural integrity of the Park, I think it's much more preferable to have power lines on the outside edge of the Park than running right through the middle of the Park. I would ask you to please expedite the EIS.

[A map titled "Tamiami Trail Modification project limits" submitted for the record by The Honorable David Rivera follows:]



Congress of the United States
Washington, DC 20515

February 7, 2012

The Honorable Ken Salazar
Secretary
U.S. Department of the Interior
1849 C. Street, NW
Washington, D.C. 20240

Dear Secretary Salazar:

We were pleased with your recent announcement on the prohibition (pursuant to the Lacey Act) of the interstate transport and importation of live individuals, gametes, viable eggs, or hybrids of the Burmese python, northern and southern African pythons, and yellow anaconda into the United States. These large, non-native species are known predators within the Everglades, and are destroying endangered wildlife while upsetting the delicate balance of this sensitive ecosystem.

We believe that this ban is long overdue and an important step in the process. However, it is insufficient as a long-term solution to eradicate the problem. Other snakes that were not included in the ban, such as the reticulated python, boa constrictor, DeSchauensee's anaconda, green anaconda and Beni anaconda, pose similar threats to both the Everglades and other ecosystems across the country.

Furthermore, this ban does not address the snakes that are already living in the wild. Even conservative estimates state the possibility of thousands of these large snakes already loose and breeding. We would like to know if the Department of Interior has a similar comprehensive plan for the snakes, and what else the Department plans to do on the issue. In addition, does the Department have any plans to develop or support rapid response teams that can address reports of large snake species that have not yet become established in the wild?

As you know, the federal government plays a critically important role in Everglades restoration. There are hundreds of millions of federal dollars invested in Everglades restoration efforts. The Everglades are a unique national treasure found nowhere else in the world. We must protect this crucial and beautiful ecosystem. A comprehensive plan for dealing with these invasive species would help to do just that.

Thank you for your attention to this matter and your continued support of the Everglades. We look forward to hearing back from you on how Congress can work with the Department and other stakeholders to develop a comprehensive plan for eliminating these snakes in order to preserve and protect the habitat living in the Everglades.

Sincerely,

Alcee L. Hastings
Member of Congress

Bill Nelson
United States Senator

Frederica Wilson
Member of Congress

Ted Deutch
Member of Congress

Debbie Wasserman Schultz
Member of Congress

Allen West
Member of Congress

C.W. Bill Young
Member of Congress

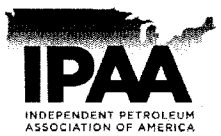
Kathy Castor
Member of Congress

Mario Diaz-Balart
Member of Congress

David Rivera
Member of Congress

Ileana Ros-Lehtinen
Member of Congress

[A letter submitted for the record by the Independent Petroleum Association of America follows:]



February 15, 2012

The Honorable Doc Hastings
Chair
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hastings:

At the Committee hearing on the Department of Interior budget, Secretary Ken Salazar responded to a question from Representative Scott Tipton, in part, with the following comment regarding the Department's intent to develop regulations related to hydraulic fracturing:

> Your question really goes to the fact that if you have states now coming on board and saying that they are going to develop their own regulatory regime, why is it necessary for the United States to develop its regulatory regime on public lands? My answer is to that is I think we have a responsibility; I believe we have a responsibility under laws of this country to make sure that the 700 million acres of the American citizen owned public estate that we are taking care of those lands in a way that any land manager or any land owner would do. In addition to that ... I would also add that I think there are many in the industry who have spoken to me who have said they would rather have a standard that they can follow from state to state, so they aren't subjected to ... most of the companies that are involved in hydraulic fracturing and natural gas production operate across many state lines and what I always hear from industry is that they don't like to deal with a patchwork of regulations; it makes it difficult for them to address different sets of regulations. Our regulations will deal only with the public estate, but it also seems to me that it may create the template for what ought to be happening across the country as well.

We, the undersigned organizations, want to explicitly state that our member companies support the current state processes for regulation of hydraulic fracturing. More importantly, we have repeatedly requested that the Department of Interior utilize the state operated FracFocus reporting system instead of attempting to create a different, costly and unnecessary new reporting process.

While we plan to continue to press for a FracFocus approach, we want to dispel any suggestions that there is a need for a new federal framework to address the fracturing chemical disclosure issue or to develop a national well construction model. Such a framework or model would be counterproductive given the efforts by state governments to tailor regulation to local demands.

Sincerely,

Barry Russell
President and Chief
Executive Officer
IPAA

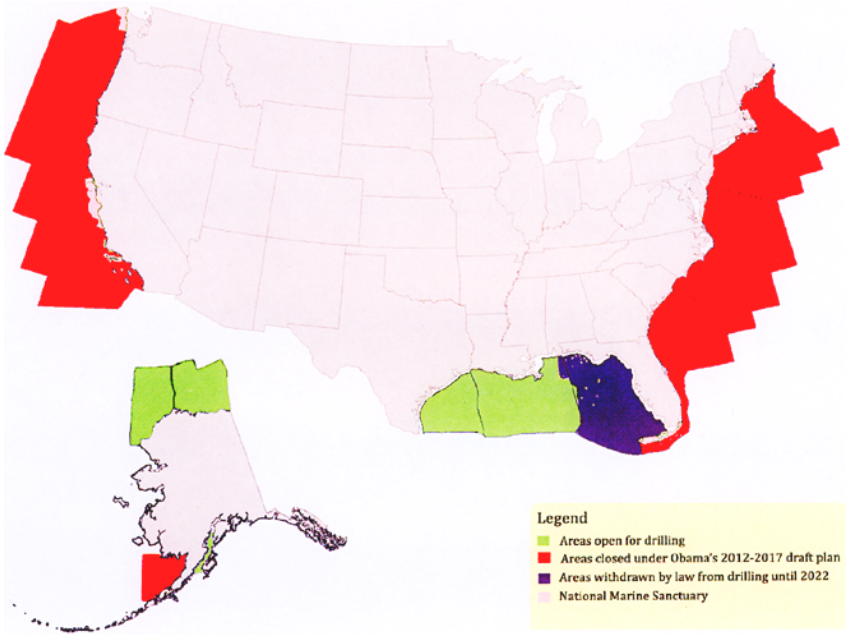
Jack N. Gerard
President and Chief
Executive Officer
API

Bruce Thompson
President
AXPC

Albert Modiano
President
USOGA

Regina Hopper
President and Chief
Executive Officer
ANGA

[A map submitted for the record by The Honorable Bill Flores follows:]



["OSM Statement of Work Authorizing Contact with Coal Companies on Proposed Rule" submitted for the record by The Honorable Bill Johnson follows:]

OSM Statement of Work Authorizing Contact with Coal Companies on Proposed Rule

SECTION C - SUPPORTING INFORMATION, SPECIFICATIONS, AND REFERENCE MATERIALS

Office of Surface Mining, Reclamation & Enforcement (OSM)

Statement of Work
For the
Preparation of an
Environmental Impact Statement

STATEMENT OF WORK – CONTINUED

p. An assessment of the extent of threatened and endangered (T&E) species in coal fields potentially impacted by mining related stream impacts (Source state heritage program databases).

q. The contractor shall perform all NEPA consultation associated with this project. This is to include but is not limited to Section 7 consultation.

r. The Contractor shall identify cumulative effects, to include but not limited to:

   i. Review the three (3) most recent reports of the biennial state water quality (305b) reports to identify trends of non-coal mining related impairments within the coal field basins.

   ii. Provide a narrative of the water quality monitoring requirements, at the program level, from the completion of mining to phase III bond release. OSM will provide the data to the Contractor for comparison and analyses.

   iii. An assessment of future mining activity using the coal industry's projection.

   iv. A summary of 303d related watershed scale analyses conducted within the last 10 years that are related to coal mine impacts. Provide a comprehensive list of all303d listed streams within the coal fields along with the causes of impairment for each stream. Identify any observed patterns within the list.

   v. GIS products should be used to support topics in a spatially distributed pattern. Examples include but are not limited to: 303s listed streams, density of

Career OSM Employee Approves Contact with Coal Companies per Statement of Work

From: Crayton, John [mailto:jcrayton@osmre.gov]
Sent: Monday, November 29, 2010 10:55 AM
To: John Maxwell
Cc: Jose Sosa; Joe Zaluski; J. Steven Gardner; Mike Stanwood; Caroline Barr; Varvell, Stephanie L.; Shanhoffer, Nancy E.
Subject: RE: Confidentiality of working documents.

I indicated to Steve Gardner on Wednesday that these contacts are authorized and we will work to do anything necessary to assist.

From: John Maxwell [mailto:JMaxwell@pol.kalservices.com]
Sent: Monday, November 08, 2010 4:21 PM
To: Varvell, Stephanie L.; Shanhoffer, Nancy E.; Crayton, John
Cc: Jose Sosa; Joe Zaluski; J. Steven Gardner; Mike Stanwood; Caroline Barr
Subject: Confidentiality of working documents.

Under the contract terms, the teams are to reach out to industry groups for help and comment. ECSI would like consult with industry for Chapter 4 input. In order for the questions to make sense ECSI will need to disclose Chapters 2 and 3, as well. The questions will include comments on the model mine scenarios as well datasets of the various Alternatives on mining methods in various Regions. ECSI is considering contacting TECO, Arch, Peabody and Luminant. We do not know the current confidentiality requirement, and request your direction. Please advise ASAP your requirements so that we can proceed with our industry contacts.

Thank you

Page 2 of 2

POLU KAI SERVICES

John R. Maxwell
Senior Environmental Scientist
Polu Kai Services
352.258.1043

"For Official Use Only – Deliberative Process Material"

Director Pizarchik threatens 'extreme consequences' if contractors follow Statement of Work

Page 1 of 3

From: Jose Sosa [jose@poluksinservices.com]
Sent: Wednesday, December 15, 2010 3:30 PM
To: 'Jenkins, Josh'; Joe Zaluski; J. Steven Gardner; 'John Morgan'; 'Jeff Baird'; 'Doug Mynear'; 'Liz Edmondson'; 'dbell@plexscl.com'
Cc: Sloanhoffer, Nancy E.; Crayton, John; Varvell, Stephanie L.; Randy Sosa; Mike Stanwood; John Maxwell
Subject: FW: EIS Production Impacts Industry Survey

Team:

There was a request made by ECSI to request feedback from mining industry on the EIS. We asked OSM for guidance and the reply from John Crayton is provided below. **UNDER NO CIRCUMSTANCE IS THE INTERNAL WORKING OF THIS TEAM AND/OR THE RULE TEAM TO BE RELEASED TO OUTSIDE PARTIES. SEE SUGGESTIONS BELOW.**

Please provide acknowledgement and agreement to comply with OSM's request by replying to this email.

Feel free to contact us if you have questions. We appreciate your efforts on this matter.

Jose

From: Crayton, John [mailto:jcrayton@osmre.gov]
Sent: Wednesday, December 15, 2010 3:17 PM
To: Jose Sosa; Varvell, Stephanie L.; Sloanhoffer, Nancy E.
Cc: John Maxwell; Randy Sosa; Mike Stanwood; Sylvester, Cheryl; Coker, Jeffrey A. "Jeff"; Shawley, Dilynne M; Owens, Glenda H.
Subject: RE: EIS Production Impacts Industry Survey

[redacted]

His alternative suggestions for how to proceed are two-fold:

1. Contractor team members working with OSM staff should develop our "best estimates" based on sound science and engineering, and provide those as a part of the draft EIS. He and I chatted about the possibility of error, but agreed that the comment period for the draft EIS will give the opportunity for all sides to provide us with additional information. Additionally, he indicated that we should be able to explain exactly how the numbers and assumptions for impacts to coal production were derived, including being able to explicitly list all factors used by the consultants to generate their estimates.
2. The Director suggested that we develop an internal team of mining engineers and other appropriate experts from OSM and other federal agencies to "peer review" the methodology used by the consultants. His suggestion was to include mining engineers in OSM regional and field offices, USGS, BLM and other DOI and non-DOI federal agencies.

My suggestion is that we have a call tomorrow to strategize on how best to proceed.

Page 2 of 3

John R. Crayton, P.E.
OSM SPR EIS Team Lead
Office of Surface Mining Reclamation and Enforcement
Washington, DC
202-208-7866
202-617-5002 cell
202-219-3276 fax
jcrayton@osmre.gov

"For Official Use Only -- Deliberative Process Material"

From: Jeff Baird [mailto:jbaird@engrservices.com]
Sent: Wednesday, December 15, 2010 11:16 AM
To: Jose Sosa; Randy Sosa; Mike Stanwood; John Maxwell
Cc: J. Steven Gardner; 'Joe Zaluski'; 'Edmundo Laporte'; 'Doug Mynear'
Subject: EIS Production Impacts Industry Survey
Importance: High

Jose, Randy, Mike and John,

The attached documents, unless you instruct us otherwise, will be sent out to select coal industry contacts in order for us to gather additional information and data pertaining to potential production impacts under each Alternative. As you may recall, OSM approved of our involving the coal industry in providing data and anecdotal evidence necessary to complete Chapter 4.

Please review the attachments and let me know if you have any questions. We plan to send them today at 3:00 p.m. EST unless we hear otherwise from you. Thanks.

Jeffrey C. Baird
Senior Project Coordinator
Engineering Consulting Services, Inc.
Civil – Environmental – Mining – Safety
340 South Broadway, Suite 200
Lexington, KY 40508

859-233-2103
859-288-3394 (fax)
859-230-1968 (mobile)
jbaird@engrservices.com
www.engrservices.com

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