

INTERIOR, ENVIRONMENT, AND RELATED
AGENCIES APPROPRIATIONS FOR 2013

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED TWELFTH CONGRESS
SECOND SESSION

SUBCOMMITTEE ON INTERIOR, ENVIRONMENT, AND
RELATED AGENCIES

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 2013

THURSDAY, MARCH 1, 2012.

U.S. FISH AND WILDLIFE SERVICE 2013 BUDGET REQUEST

WITNESSES

**DAN ASHE, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE
CHRISTINE NOLIN, BUDGET OFFICER, U.S. FISH AND WILDLIFE SERVICE**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. Good morning, Director Ashe. I would like to extend a special welcome to you, as you are appearing before the subcommittee for the first time in your capacity as the Director of the Fish and Wildlife Service. Let me welcome also your Budget Officer, Chris Nolin, who has been instrumental in providing this subcommittee with the information it needs to do its work. We appreciate that very much.

In Idaho, it is difficult to think of the Fish and Wildlife Service without thinking first and foremost of threatened and endangered species. Whether it is to save the snails or slickspot peppergrass, the last thing Idahoans want is the Federal Government telling them what they can and cannot do on their own land and otherwise disrupting a sustainable way of life they have known for generations. There has got to be a better way to properly balance recovery with people's livelihoods.

That is why the Service, with the direction of this committee, initiated in fiscal year 2012 the Northern Rockies Multi-Species Conservation Agreement Initiative to improve upon and increase the use of ESA and conservation agreements between the agency, the state and private landowners. I want to thank you, Director Ashe, for embracing this concept and I look forward to reading the coalition report so that we may consider expanding that initiative in other parts of the country.

The Service's 2013 budget request is \$1.5 billion, which is \$72 million above fiscal year 2012. On top of that, the Administration is proposing that Congress rescind \$200 million in unobligated balances from the Coastal Impact Assistance program, a mandatory program established by the Energy Policy Act of 2005, which distributes funds to Outer Continental Shelf oil- and gas-producing states for the conservation, protection and preservation of coastal areas including wetlands. The Fish and Wildlife Service has never

met a conservation program that it did not like, and so I doubt the Service acting alone would propose in 2012 to take this program on only to slash the funding in 2013. Therefore, Director, I will spare you the inquisition and simply lament that this is a prime example of why OMB should be testifying before this committee.

Instead, I will focus on the \$72 million net increase and some of the internal offsets you are proposing, some of which we have seen before. For the second straight year, the budget proposes a more than \$50 million increase in land acquisition, which is partially offset by zeroing out payments to local counties, payments that are supposed to mitigate for loss of revenue when the feds remove land from the local tax base. In a year in which the Administration is proposing to fully fund PILT for another year, I find the Service's proposal to be both contradictory and, frankly, unacceptable.

Also for the second straight year, the Service proposes to cut funding for mitigation fish hatcheries and seeks reimbursement from other federal agencies, except that these other federal agencies have not requested enough funding in their own budgets to fully offset the Service's proposed cuts. Director Ashe, I understand what you are trying to do, and I support that actually, but until your proposed cuts are fully offset by increases in other agency budgets, you have created a problem that this subcommittee will have to fix once again.

The budget continues to build the Service's science capacity and its network of Landscape Conservation Cooperatives. I appreciated the opportunity to visit with one of the LCCs in Idaho last September. I must admit, though, that I am still struggling with lingering questions related to what the LCCs do that is not already being done, why the Service is not getting the science it needs from the USGS, and why the department continues to fund multiple overlapping landscaping conservation efforts.

I look forward to your testimony today, and I hope it will shed some additional light on where the agency is trying to go, how it intends to get there and how it measures success.

Mr. SIMPSON. With that, I am happy to yield to my ranking member from Virginia, Mr. Moran.

OPENING REMARKS OF CONGRESSMAN MORAN

Mr. MORAN. Thank you, Mr. Chairman.

Director, you are quite familiar with Capitol Hill, having worked up here for many years on the staff of the former House Merchant Marine and Fisheries Committee, and I trust that has given you good preparation for your current responsibility. Director Ashe, we are glad to have you up here, and we are pleased, many of us, certainly, that you have this responsibility because I know you are going to carry it out extraordinarily well.

The Fish and Wildlife Service's budget is unique among federal land management agencies. Only about a third of the budget is devoted to its core land management responsibility, the National Wildlife Refuge System. The rest is devoted to its partnership and grant programs as well as its leading role both nationally and internationally in fish and wildlife conservation. Among the agency's important responsibilities is of course the administration of the Endangered Species Act. We in the House had our differences on

endangered species funding last year. I hope we avoid that this year. It is good to see that the agency proposes increases in listing and consultation funding this year, although it would have been nice to have seen a little more for recovery.

Plants, animals and even insects are important links in nature's chain, and I have a tradition of a little quote, and so I am going to share what Thomas Jefferson said at this point: "If one link in nature's chain might be lost, another might be lost until the whole system of things will vanish." Well, Jefferson was visionary. That is what we are trying to avoid, particularly through the efforts of the Fish and Wildlife Service, because extinction, of course, is forever. I do appreciate the important work that the Fish and Wildlife Service does on preventing extension and enhancing recovery as well as its work on fish and wildlife conservation in general.

That work enhances hunting, fishing and recreational opportunities. It helps to ensure that wildlife survives to support our economy and enrich our lives in ways as simple as the songbirds we can see and hear in our own backyards. These programs not only have a strong conservation basis but a significant economic benefit as well.

Many of the programs at Fish and Wildlife Service carries out are done in partnership with state and local governments and private citizens. We will be interested to hear from you this morning, Director Ashe, on what work you are doing to leverage the limited resources that you have available to you.

So I thank you, and I thank you, Mr. Chairman.

Mr. SIMPSON. I would just say that the only difference in opinion we had in the funding for ESA last year was not really about funding ESA, it was about whether the Resources Committee should do their job and get the reauthorization done that has not been done for 22 years.

Mr. MORAN. We actually agreed on that.

Mr. SIMPSON. Anyway, Director Ashe, we look forward to your comments.

OPENING REMARKS OF DIRECTOR ASHE

Mr. ASHE. Thank you, Mr. Chairman, Ranking Member and members of the Subcommittee. It is a pleasure and an honor to be here before you today to talk about our 2013 budget request, and I would like to thank the Subcommittee for your continued support during these difficult fiscal times. I know you have a difficult challenge as we do in trying to balance priorities, and I want to thank you for your hard work and dedication to that important effort.

The Service's 2013 budget request focuses on funding for the agency's highest-priority conservation initiatives while containing costs and trying to find additional management efficiency within the organization. The budget focuses on large-scale conservation, emphasizing public and private partnerships and locally-supported conservation strategies. It reflects a philosophy and growing commitment to achieve our mission by working with private landowners to conserve working landscapes like the Everglades Headwaters in Florida. You will hear more about that later. It reflects our continued commitment to prevent species extinctions and work to recover listed species like the gray wolf and to conserve can-

didate species like the sage grouse. It reflects determination to play a role in securing the energy, renewable and traditional energy, that is necessary to fuel America's economy. It reflects and respects our key partnership with state fish and wildlife agencies, and it reflects continued investment in what we believe is our most important infrastructure in the Fish and Wildlife Service, and that is scientific capacity and competency within the organization and its partners.

In 2011, we expanded upon this approach and philosophy with our commitment to build, with your help, a network of Landscape Conservation Cooperatives, and we envision a network of 22 LCCs, or Landscape Conservation Cooperatives, that are made up of all the members of the conservation community to develop shared scientific and technical capacity. With the funding that you provided, we now have 18 up and working, and we have heeded your advice and we are trying to set priorities and make sure that the LCCs that we are standing up are working well and that we are not spreading our resources too thinly. The Fish and Wildlife Service has been focusing its funding on 14 LLCs. We have four LLCs for which the development is being led by other federal agencies and partners, and I would note in particular that during the last year, the U.S. Forest Service took the initiative to begin the development of the Caribbean LCC.

These LCCs are leading efforts to develop among the partners coordinated approaches to wildlife conservation science and a very good example, Mr. Chairman, is in the Great Northern LCC that covers parts of Idaho, Wyoming, Montana, Washington and Oregon, and included in that partnership are all of the states, the National Park Service, the National Resource Conservation Service, the Intermountain West Joint Venture, the U.S. Geological Survey, Environment Canada, and others, and these partners are joining together to work across all of those jurisdictions to share data, science and conservation capacity.

I think that these Landscape Conservation Cooperatives are a crucial investment for us at a critical time but they represent more than just scientific capacity, they represent an aspiration that we can and we must work more closely together as partners, that we cannot just continue building our own capacities within our own organizational stovepipes but that we have to design and manage shared capacity, and that has changed. That is difficult to do. It requires change within the Fish and Wildlife Service. It requires change within our partners to not think of building something yourself and then trying to coordinate it with somebody else but really trying to design and build something that is a shared capacity and responsibility.

And that commitment, that philosophy extends to organizations. So you are going to see, I think, a commitment to that within the Fish and Wildlife Service. Within our budget, we have \$5.4 million for a Cooperative Recovery Initiative where we are combining the assets and the capabilities of our refuge system, our fisheries program, our private lands program, our science capacity and our endangered species program to work together on cooperative recovery initiatives, so looking in particular in the landscape around national wildlife refuges to attack and to design recovery efforts

where we think we can move the needle, where we can really demonstrate success, and one example of that would be piping plover. When the Atlantic population of piping plover was listed in 1986, we had about 800 pairs of piping plover. Today we have nearly 1,800 pairs and our recovery goal is 2,000. Much of that recovery has been supported within national wildlife refuges along the Atlantic coast so we have the opportunity to put this initiative to work, working with refuges, working with states, working with private landowners around the refuges to perhaps meet and exceed that recovery objective and start thinking about potential delisting of the piping plover.

I think we have many exciting interagency, interjurisdictional cooperative aspects to our budget. I would say one of the hallmarks this year is in the Land and Water Conservation Fund portion of our budget where we have an interagency collaborative effort where we are not just, you know, four squares of the LWCF, the Bureau of Land Management, the Park Service, the Fish and Wildlife Service and the Forest Service but we are coming together and we are looking at how we can work together in some of these large landscapes, and in this year's budget we are focusing on the Crown of the Continent up in the northern Rocky Mountains and the long leaf pine ecosystems in the southeastern United States, again, looking for opportunities for us to go in, work together, move the needle for conservation in those areas, focusing again on working landscapes. We are looking at working with the timber industry in the Southeast on long leaf pine, working with the ranching and agricultural community in the northern Rocky Mountains, and in the future, you can see that same principle working in places like the Flint Hills in Kansas, the Chesapeake Bay, the Delaware Bay along the Atlantic coast, many other places where we can work together to envision a cooperative framework for landscape conservation. And again, it is that idea of a shared vision for conservation, a shared vision from the local landowner to the federal agency level, and I think that is the approach, the philosophy, the framework, the commitment that we are trying to bring to conservation.

I will sum up by—I do want to mention energy because it has been a focus for the Secretary and a focus for the Obama Administration, and it is an area where the Fish and Wildlife Service has a key responsibility, and I am proud of the effort that the Service has put forward, and with your help, you provided \$10 million in funding to the Service in 2011 and 2012, and we are asking for additional support from you in 2013. As of December of 2011, the Service has worked with the Bureau of Land Management and other agencies and we have permitted 21 renewable energy projects producing over 7,000 megawatts of renewable energy in California and Nevada, and these are not easy projects. We worked with the BLM and a private project sponsor and now in the California desert the largest commercial-scale solar facility in the world is under construction and it is right in the heart of the critical habitat for the desert tortoise. Our biologists worked hand in glove with the BLM and the project sponsor to get that project permitted, and that success is being duplicated throughout the West. People are committed to getting the job done and doing it in a way that pro-

duces renewable energy for the economy but conserves threatened and endangered species, migratory birds and other resources.

So I want to thank you for your help in providing us with the resources to do that. We are asking you for additional help in the coming year, and I also want to give a shout out. As you look through the budget, you are going to see again this commitment to a shared approach to conservation. You look in the BLM's budget, you are going to see \$15 million for their Sage Grouse Conservation Initiative. The Bureau of Land Management is the key to our ability to envision a possibility where we will not have to list the sage grouse. They control 54 percent of the habitat for the sage grouse, and they have made a commitment to revise 68 resource management plans, including \$15 million in their budget to help them fulfill that commitment. If you look in the Forest Service budget, you are going to see that they are revising 12 resource management plans that are core aspects of the sage grouse initiative. Our state partners have been leaders in formulating, through the Western Association of Fish and Wildlife Agencies and the Western Governors Association, a Western Sage Grouse Initiative. And so the State and Tribal Wildlife Grants that you are providing funding for are the key fuel for those states to work on that initiative. And outside of your budget, if you go to agriculture, the NRCS is providing the key fuel for the private lands component of sage grouse conservation, and NRCS Chief Dave White has been an absolutely essential ally in this effort. So sage grouse is just one example of the approach to conservation that I think our budget represents and the future that we see in making wildlife conservation and working landscapes a key aspect of moving forward.

So thank you, Mr. Chairman, and I look forward to answering your questions.

[The statement of Dan Ashe follows:]

**TESTIMONY OF DAN ASHE, DIRECTOR,
U.S. FISH AND WILDLIFE SERVICE, DEPARTMENT OF THE INTERIOR,
BEFORE THE U.S. HOUSE OF REPRESENTATIVES
APPROPRIATIONS COMMITTEE
INTERIOR SUBCOMMITTEE,
REGARDING THE FISCAL YEAR 2013 BUDGET OF THE
U.S. FISH AND WILDLIFE SERVICE**

March 1, 2011

Good morning Chairman Simpson, Mr. Moran, and Members of the Subcommittee. I am Dan Ashe, Director of the U.S. Fish and Wildlife Service (Service). I appreciate the opportunity to testify before you today on the Service's Fiscal Year 2013 budget request. I would also like to thank the Subcommittee for its continued support of our mission to conserve, protect, and enhance fish, wildlife, and plants and their habitats for the continuing benefit of the American people.

The Service's FY 2013 budget request will focus funding on the bureau's highest priority conservation initiatives, while containing costs through management efficiencies and other savings. The \$1.55 billion request includes a \$200 million cancellation of prior year unobligated balances and program increases for our high priority needs of \$72 million compared to the FY 2012 enacted budget. The budget also includes approximately \$995 million available under permanent appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation.

The budget focuses on large-scale conservation efforts by supporting the President's America's Great Outdoors initiative. This initiative is focused on how the Federal government can best advance those priorities through public-private partnerships and locally supported conservation strategies. Additionally, the Service engages partners, including other Federal agencies, to work collaboratively and share resources to implement a scientifically-based landscape conservation approach to address key conservation challenges that threaten the nation's fish and wildlife resources.

The Service supports the President's America's Great Outdoors initiative with a request of \$106.9 million from the Land and Water Conservation Fund for Federal land acquisitions the Service has identified as having the greatest conservation benefits. The Service's budget request also includes \$13.6 million to support Youth in the Great Outdoors by providing a platform and programs to orient children and young adults from varied backgrounds to work together on conservation projects which impart the importance of fish and wildlife conservation and encourage careers in natural science.

The budget proposes an increase of \$4.0 million for activities associated with energy development, including: \$1.5 million for the Endangered Species Consultation program to support assessments of renewable energy projects; \$750,000 for Conservation Planning Assistance to enhance the Service's participation in priority landscape level planning for the siting of renewable energy projects and transmission corridor infrastructure; \$750,000 to

strengthen migratory bird conservation in areas with wind developments; and \$1 million for enforcement of wildlife protection laws to lessen the impact of energy development on wildlife resources.

The Service believes very strongly on the necessity of cross-programmatic partnerships to maximize efficiencies and leverage resources to achieve conservation goals. The FY 2013 budget request includes an increase of \$5.4 million for a Cooperative Recovery initiative in which the National Wildlife Refuge System, Endangered Species, Partners for Fish and Wildlife, Fisheries, Migratory Birds and the Science programs focus on implementing recovery actions for endangered species on National Wildlife Refuges and surrounding ecosystems.

Science is a critical component of any conservation action. The FY 2013 budget request includes \$6.0 million for increased science work on discrete project needs. Of the additional science funding, \$2.0 million will support the continued development and operation of a comprehensive Asian carp early detection and surveillance program through scientific studies such as eDNA analysis, and \$1.0 million will support pesticide consultations to help ensure the Nation's waters are suitable for recovery and restoration of imperiled aquatic and aquatic-dependent species. Additionally, a \$3.0 million increase in science funding will be used to continue building the landscape scale, long-term refuge inventory and monitoring network that the Service began in FY 2010 so that wildlife and habitats are understood and conservation actions are well informed. These inventory and monitoring efforts complement Landscape Conservation Cooperatives (LCCs) development and adaptive science management.

The Service includes \$12.4 million to fund fixed costs which include adjustments for Federal employer contributions to health benefit plans, unemployment and workers compensation, and rent. In addition, over the last two years, the Administration has implemented a series of performance and management reforms to achieve efficiencies and cut costs across the government. The Department of the Interior's goal is to reduce administrative spending by 20 percent or \$207 million from the 2010 levels by the end of 2013. To meet this goal, the Department is leading efforts to reduce waste and create efficiencies by reviewing projected and actual administrative spending and to allocate efficiency targets for bureaus and Departmental offices to achieve the 20 percent target.

Cooperative Landscape Conservation

The LCCs will continue to act as a focal point for collaborative work with partners to disseminate applied science products and tools for resource management decisions across landscapes. This collaboration provides partners scientific information so they can target resources and activities that will produce the greatest benefits for fish and wildlife for the American people. Within the Service, LCCs help support and augment, but not duplicate, many ongoing programs, including Endangered Species Recovery Plans, Refuge Comprehensive Conservation Plans, fish passage programs and habitat restoration. The FY 2013 budget will continue to support the national network of 22 LCCs. In response to Congressional direction, the Service will focus funding on the 14 most developed of the 18 FWS-led LCCs.

National Wildlife Refuge System

Funding for the operation and maintenance of the National Wildlife Refuge system is requested at \$494.8 million. The request includes an increase of \$9.1 million, enabling Refuges to complete additional habitat improvement projects. Included in this amount is \$2.5 million for Cooperative Recovery to address current threats to endangered species on and around wildlife refuges and \$3.6 million for the Challenge Cost Share program which funds a variety of small-scale projects with partners. An additional \$1.0 million will be used for refuge law enforcement to respond to drug production and smuggling, wildlife poaching, illegal border activity, assaults and a variety of natural resource violations.

Law Enforcement

The budget request provides \$63.9 million for the law enforcement program to investigate wildlife crimes and enforce the laws that govern the Nation's wildlife trade. The request is \$1.8 million above the 2012 enacted level, of which \$1.0 million will bolster law enforcement activities that address the impact of energy development on wildlife and wildlife habitat.

Endangered Species

The budget includes \$179.7 million to administer the Endangered Species Act, an increase of \$3.7 million when compared with the 2012 enacted level. This includes a \$1.5 million increase for renewable energy consultation, \$1.0 million for science for pesticide consultation, and \$400,000 for cooperative recovery of endangered species on wildlife refuges and in surrounding ecosystems.

The Service also is requesting funding be shifted to Listing from within the subcap for critical habitat designation for already listed species. In addition, the request includes an increase of \$1.6 million to address the backlog of listing determinations for candidate species, including critical habitat designations. This increase for Listing will be used to meet the terms and conditions of settlements and allow the Service to address the highest biological priorities of the Listing program for the years ahead. The funding in Listing will allow the Service to publish approximately 13 additional proposed or final rules in FY 2013.

Fisheries and Aquatic Resource Conservation

The budget request includes a total of \$131.6 million for the Fisheries and Aquatic Resource Conservation program, a decrease of \$3.7 million from the 2012 enacted level. Facilitating the Service's role and responsibility in promoting ecosystem health, fisheries, and aquatic resource conservation, the budget includes increases of \$2.9 million for Asian carp prevention and control activities, \$1.5 million for fish passage improvements, and \$800,000 for the Service's cross-programmatic Cooperative Recovery initiative which focuses on recovering endangered species on wildlife refuges and in surrounding ecosystems. The request also includes an increase of \$1.6

million for the Klamath Basin to restore high-priority stream habitats and recover listed and native fish species.

National Fish Hatchery Operations – Mitigation

The FY 2013 request contains a reduction of funding for National Fish Hatchery general program activities of \$3.2 million. At several of its hatcheries, the Service produces fish to mitigate the adverse effects of Federal water development projects constructed by other Federal agencies. States depend on these activities to stock fisheries which provide significant economic benefit to local communities. At the direction of Congress, the Service is working to recover costs from the Federal agencies that built and operate these water infrastructure projects. The U.S. Army Corps of Engineers is the largest customer for these mitigation fish and negotiations. Service efforts are proceeding to recover the \$4.7 million necessary to fund mitigation fish production. In addition, the FY 2013 Bureau of Reclamation request includes \$600,000 to fund mitigation fish production which will be used to reimburse the Service. The Service will continue discussions with the Tennessee Valley Authority to negotiate reimbursement for this activity.

Migratory Birds

The Migratory Birds program is funded at \$51.1 million, just slightly below FY 2012 enacted level. The North American Wetlands Conservation Fund, a flagship program for conservationists and sportsmen alike, is funded at \$39.4 million, an increase of \$3.9 million over 2012 enacted.

International Affairs

The budget request provides the International Affairs program with \$13.1 million, almost level with the 2012 enacted level. The Multinational Species Conservation Fund is funded at \$10.0 million, an increase of \$514,000 over the 2012 enacted level.

Coastal Impact Assistance Program

Under the Coastal Impact Assistance Program (CIAP), the Secretary of the Interior was authorized to distribute \$250 million for each of the fiscal years 2007 through 2010 to offshore oil producing States and their coastal political subdivisions (CPS) to support the conservation, protection and preservation of coastal areas, including wetlands. This money is shared among Alabama, Alaska, California, Louisiana, Mississippi, and Texas and is allocated to each producing State and eligible CPS based upon legislated allocation formulas.

CIAP funding supports projects for the conservation, protection, or restoration of coastal areas, including wetlands; mitigation of damage to fish, wildlife, or natural resources; planning assistance and administrative costs; and mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs. The FY 2013 budget proposes that \$200 million of the remaining \$565 million in unobligated funds for CIAP be permanently cancelled.

In sum, the Service's budget request makes some tough choices, generating program reductions and management savings, while supporting our effort to transform the agency to meet the conservation challenges of the 21st century.

By building science capacity and focusing on strategic, partnership-driven landscape conservation, this budget will enable us to be more effective and efficient with the funding we receive.

Thank you for the opportunity to testify this morning. I am happy to answer any questions the Subcommittee may have and look forward to working with you through the appropriations process.

Daniel M. Ashe

Daniel M. Ashe was confirmed on June 30, 2011 as the 16th Director of the U.S. Fish and Wildlife Service, the nation's principal Federal agency dedicated to the conservation of fish and wildlife and their habitats. His appointment by President Obama is the culmination of a lifetime spent within the Fish and Wildlife Service family.

Dan Ashe was born and spent his childhood in Atlanta, Georgia, where his father began his 37-year career with the Service. Much of Ashe's childhood was spent on national wildlife refuges and fish hatcheries in the Southeast, where he learned to band birds, fish, hunt and, most importantly, simply enjoy the outdoors.

Prior to his appointment as Director, Ashe served as the Service's Deputy Director for Policy beginning in 2009, where he provided strategic program direction and developed policy and guidance to support and promote program development and fulfill the Service mission.

Ashe also served as the Science Advisor to the Director of the Fish and Wildlife Service. Appointed to this position in March, 2003, he advised the Service Director and provided leadership on science policy and scientific applications to resource management. As Science Advisor, Ashe led an organizational renaissance for science and professionalism, leading the Service's efforts to respond to changes in the global climate system; shaping an agency agenda for change toward a science-driven, landscape conservation business model; defining an agency Code of Scientific and Professional Conduct; authoring new guidelines for scientific peer review and information quality; building state-of-the-art, electronic literature access for employees; and reinstating internal scientific publication outlets. He was also responsible for leading efforts to build stronger relationships with the U.S. Geological Survey, and scientific professional societies.

From 1998 to 2003, Ashe served as the *Chief of the National Wildlife Refuge System*, directing operation and management of the 150 million-acre National Wildlife Refuge System, and the Service's land acquisition program. During his tenure as Chief, the Refuge System experienced an unprecedented and sustained period of budget increases for operations, maintenance, construction and land acquisition. The Refuge System also saw vastly expanded public visibility, and partner and community involvement. Ashe also led the Service's migratory bird management and North American wetlands conservation programs from 1998 to 2000, contributing to significant advances in both programs' impact and effectiveness.

From 1995 to 1998, Ashe served as the Fish and Wildlife Service's Assistant Director for External Affairs, where he directed the agency's programs in legislative, public, and Native American affairs, research coordination, and state grants-in-aid. During his tenure in this position, the Service restructured and broadened its communications programs and capacities, incorporating communications expertise into all of its program areas and employee training. The agency implemented a forward vision for Congressional relations, which led to several groundbreaking legislative accomplishments, including enactment of the National Wildlife Refuge System Improvement Act.

From 1982 until 1995, Ashe was a Member of the Professional Staff of the former Committee on Merchant Marine and Fisheries, in the U.S. House of Representatives. In 13 years on Capitol Hill, Ashe served in several capacities, advising the Committee's Chairmen and Members on a wide range of environmental policy issues, including endangered species and biodiversity conservation, ocean and coastal resources protection, the National Wildlife Refuge System, the National Marine Sanctuaries Program, the Clean Water Act, wetlands conservation, fisheries management and conservation, and offshore oil and gas development.

Ashe's journey to the Nation's Capitol was made possible by the National Sea Grant College Program, in 1982, when he was awarded a National Sea Grant Congressional Fellowship.

Ashe earned a graduate degree in Marine Affairs from the University of Washington, where he studied under a fellowship from the Jessie Smith Noyes Foundation. His Master's thesis, on estuarine wetland mitigation, was published in the Coastal Zone Management Journal, in 1982.

Ashe is very active in local civic affairs in Montgomery County, Maryland, where he and his family reside. He is an avid waterfowl hunter, angler and tennis player. Ashe's father, William (Bill) C. Ashe, also a career employee of the U.S. Fish and Wildlife Service, retired in 1990, and now resides in Harvard, Massachusetts.

Mr. SIMPSON. Thank you, and thank you for your opening statement.

Just for the members, the schedule this morning is, about 10:15 to 10:25 we are going to have votes. I have to leave by about 10 to 10:00 because I have another meeting I have to chair. Jerry is going to take over, but we would like to obviously get done by the time we have votes. So I am going to go first.

INVASIVE SPECIES

Let me ask you several questions dealing with the same subject, and you can answer all of them together. Like many of my colleagues, I am deeply concerned about the spread of invasive species, particularly quagga and zebra mussels in western states. These species pose a serious threat to water infrastructure and hydropower systems in my state and others, not to mention the impact on habitat. I understand that these destructive mussels move from the Great Lakes into the western waters, mainly on trailered boats. Has your department used your authority under the Lacey Act to restrict interstate transport of these mussels? Also, I understand that the 100th Meridian Initiative, a collaborative effort between local, state and federal agencies, was created within your department to keep these mussels out of the West. This is a great concept. Given the fact that the mussels were discovered in Lake Meade in 2007 and have spread rapidly throughout the western waters of the lower Colorado system, do you feel that the 100th Meridian Initiative is seen as a successful program, and if so, how do you gauge success in this instance?

In 2012, we appropriated \$1 million to the Fish and Wildlife Service for mandatory inspections and decontamination at infested, federally managed water bodies. Can you tell me how the Service intends to implement this operational program and use it to assure that the boats that leave mussel-infested places like Lake Meade National Recreation Area are not carrying mussels into other water bodies?

Finally, the budget proposes an increase of \$2.9 million for Asian carp while at the same time cutting funding for zebra mussel control prevention. Are we to presume that controlling the spread of Asian carp is a more pressing issue right now than controlling the spread of quagga and zebra mussels? Considering the increases and decreases proposed for the invasive species program, are we to presume that invasive species are enough of a problem to warrant the significant increase in this budget? That is a general invasive species question.

Mr. ASHE. Are we using Lacey Act? Absolutely, and we have a number of examples, and we can provide you more for the record but, you know, for instance, we had a marine construction company that removed barges encrusted with zebra mussels from a lake in Iowa and transported the barges through Missouri and Arkansas without cleaning or removing those. We fined them \$3,000 under the Lacey Act injurious species provisions. So I would say yes to that. And I would say as we think about invasive species and particularly the Lacey Act aspect that our law enforcement capacity is an equally important investment to make because a lot of times it is our special agents and our refuge law enforcement officers and

those people that are doing the education. They are linking up with their state law enforcement counterparts and they are the ones that are going to put that into practice for us.

[The information follows:]

US Fish & Wildlife Service Enforcement of Injurious and Invasive Mussels

- The U.S. Fish and Wildlife Service Office of Law Enforcement is responsible for enforcing Federal prohibitions on the importation and interstate transport of species listed as “injurious” in the Lacey Act (18 USC 42) and 50 CFR Part 16.
- Service enforcement officers also support State efforts to prevent the introduction of State-banned invasive species via interstate commerce or international trade.
- Statutory authority
 - Lacey Act injurious wildlife provisions (18 USC 42)
 - Lacey Act import or interstate commerce in violation of underlying State, Federal, tribal or foreign conservation law (16 USC 3372)
- Service enforcement efforts include:
 - Interdiction of unlawfully imported species listed as injurious under the Lacey Act (18 USC 42)
 - Investigations of illegal importation and interstate transport of federally listed injurious wildlife (18 USC 42)
 - Assistance to States with intercepting illegal importation and/or interstate transport of invasive species banned under State law (16 USC 3372).
 - Supporting the Quagga/Zebra Mussel Action Plan (QZAP).
 - These law enforcement activities broadly support the following National Invasive Species Management Plan goals: Goal 1 – Prevention; Goal 2 – Early Detection and Rapid Response; Goal 3 – Control and Management.

Injurious and Invasive Mussels Enforcement Action Examples

- A marine construction company that removed two barges encrusted with live zebra mussels from a lake in Iowa and transported the barges through Missouri and on to Arkansas without scraping off these federally listed injurious mussels was fined \$3,000 under the Lacey Act injurious species provisions (18 USC 42).
- The owner of a Michigan company cited by the Service for transporting a boat infested with viable zebra mussels from the Mississippi River in Illinois to a lake in Iowa pleaded guilty to violating the Lacey Act and was fined \$500 (18 USC 42).
- Zebra/Quagga Mussel Refused Entry – In June 2011, a Canadian citizen attempted to cross the border at the Port of Dalton Cache, AK, near Haines. During inspection, it was discovered the boat was contaminated with zebra/quagga mussels. The boat was refused entry and the importer was instructed to pressure wash his boat before attempting re-entry. The mussels were detected by U.S. Customs and Border Protection (CBP) officers who had received training on the detection of the mussels from an Anchorage Service wildlife inspector.

Mr. ASHE. How do we measure success on this? Well, with quagga and zebra mussels, I guess are we preventing further spread from places where we have them like Lake Meade, and I think with the \$1 million that you gave us last year, the add, we are going to focus on Lake Meade and trying to keep quagga and zebra mussels from moving from Lake Meade to other portions of the West.

Mr. SIMPSON. Some people have suggested the \$1 million be used in places like Lake Tahoe when the mussels get there. I think the committee's intent was that we keep them in Lake Meade.

Mr. ASHE. And I think our people agree with that, we know they are in Lake Meade. We have limited resources, so rather than try to deploy those forward to places where they might come, let us deploy them where we know they are and keep them from moving out. And so that is our strategy. The other million dollars that you gave to us we intend to invest in state capacity because our state partners are key to this and so that \$1 million we intend to provide to our state partners for capacity.

Mr. SIMPSON. Asian carp, as I mentioned, is a big issue with many members on this Committee. Recommended funding is up for it, down for zebra and quagga mussels.

Mr. ASHE. Correct. As you noted and as you know, we have limited capacity, and we are at a place where we are at a crisis with Asian carp where they are literally knocking at the door of the Great Lakes. We have spent the last several years working with EPA, with the Corps of Engineers, with the Great Lakes states to try to put in place protective measures and response plans to hopefully keep them from moving into the Great Lakes, which puts a \$7 billion fishery and recreational resource potentially at risk. So yes, sir, we did make a determination that at this point in time that that potential crisis is a priority.

Mr. SIMPSON. Invasive species are a huge issue, not just animals but also plants that destroy habitat. I have had several meetings recently with stakeholders that actually do the work on the ground of trying to prevent invasive plants from taking over the habitat, and their complaint is that very little—and they are talking like maybe 30 percent or less—of the money that is appropriated for those purposes actually gets on the ground. They have got some facts and figures that they have all put together, and many different states have come together on this issue. We are planning on trying to put together a briefing where we can talk about this—Ms. McCollum and I have talked a little bit about it—where we talk about invasive species in general and the money that we are spending and how we are spending that money. Ultimately, what we need is money on the ground.

Mr. ASHE. Right.

Mr. SIMPSON. And so we would like to work with you on that when we put a briefing together. I think we all have the same goal.

Mr. ASHE. Is that invasive species funding across the board or Fish and Wildlife Service?

Mr. SIMPSON. Across the board.

Mr. ASHE. OK.

Mr. SIMPSON. And much of it comes from the Department of Agriculture.

Mr. ASHE. I mean, as for the Service, we are a field-based organization so I would venture almost assuredly a much higher percentage—

Mr. SIMPSON. I would not want the press to think I was talking about Fish and Wildlife Service. I am talking about across the board.

WOLF MONITORING

One other question. As you know, the Service is obligated to monitor wolf populations for 5 years post delisting. In the past, Fish and Wildlife Service has included in its budget a line item for wolf monitoring to help states defray the costs of these requirements. In recent years, that amount has been around \$2 million. It now appears that the agency has rolled that money into general program activity, and I am concerned by the reports that now only a fraction of that money once intended for wolf monitoring is going to the states and that the Fish and Wildlife Service is starting to siphon that money off for other priorities. Can you tell me how much funding you intend to spend on wolf monitoring in the 2013 budget?

Mr. ASHE. Our wolf monitoring funding is going to maintain constant, and we have assured our state partners that we are committed to maintaining the monitoring funding throughout the 5-year delisting period. Where we are making reductions, and we are phasing those reductions, is in the management funding that we have been providing to the states. While the wolves were listed, we had agreements and we were providing management funding, particularly to the States of Idaho and Montana, because we had agreements under the Endangered Species Act with them and the Nez Perce Tribe in Idaho, but what we have said is, we are going to begin to phase that funding down because we delisted the wolves in Idaho and Montana, so we are going to maintain our monitoring commitment. We are going to phase down the management funding so we are not pulling the rug out from under them but we are letting them know that over this 5-year period we are going to phase that funding down.

Mr. SIMPSON. I appreciate that. I have several other questions I will submit for the record. Many of them you and I have talked about, the Peregrine Fund and its importance and so forth, and a variety of other things. I appreciate the job you are doing. It is sometimes a difficult job and one that always everybody else thinks they can do better. That is the difficulty we have sometimes, so I appreciate it.

Mr. ASHE. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Moran.

INVASIVE SPECIES

Mr. MORAN. Thanks very much, Mr. Chairman. I will stay on that topic of invasive species for a little while.

I brought up with Secretary Salazar a major problem we are having in the Everglades with exotic snakes. Under the Lacey Act, is it not the Fish and Wildlife Service's responsibility to enforce the act's prohibition on the import or transport across state lines of what are designated to be injurious species? And maybe you could

tell us how you are implementing that responsibility because we are losing a whole lot of species as a result of these pythons in the Everglades.

Mr. ASHE. As you know, we designated four species of large constrictor snake as injurious. We are still in the process of considering another five for potential designation. And again, when we think about enforcing the Lacey Act provisions, it is really our law enforcement program that bears the principal burden of doing that. So what we will be doing is prioritizing the work within our law enforcement program. You know, many of you may have seen about a week ago, we consummated a major undercover investigation on rhino horn trade, and so we have a very effective law enforcement program. What we will do is prioritize the constrictor snake enforcement within that program and we will begin to look for any avenues of trade in those constrictors that are going into Florida or into the United States and take appropriate action. We work with Customs and Border Patrol, we work with USDA APHIS in those efforts, so we will be reaching out to them.

And also, we are working with the Park Service, with the State of Florida and the South Florida Water Management District to work on how we can control the problem where it exists in south Florida and we are working on new trapping techniques and technologies to actually go after those snakes and try to reduce their populations in south Florida.

NOAA FISHERIES COOPERATION

Mr. MORAN. Thank you, Mr. Director. I am afraid that is where we have to put most of the emphasis right now because it is too late to stop them from getting in there. They are in there, and they have propagated. Thank you.

The President discussed transferring the National Oceanic and Atmospheric Administration from Commerce to Interior. Part of NOAA is the National Marine Fishery Service, which has responsibility for marine fisheries offshore while the Fish and Wildlife Service has responsibility for fisheries onshore. So I would like to know how you coordinate currently with the National Marine Fishery Service on species such as salmon which spend time in both freshwater and saltwater. Could you respond to that?

Mr. ASHE. We work hand in glove with NOAA fisheries. Salmon is one of those complexities of nature, and in the Atlantic for Atlantic salmon, we do work on Atlantic salmon jointly so the listing of the species was joint, the recovery planning effort is joint. We do joint biological opinions for Atlantic salmon.

In the Pacific, it is a little bit different. In the Pacific, NOAA is the lead agency for salmon conservation so they do all aspects of salmon conservation, oceanic and when the salmon are in the rivers. We manage a hatchery system in the Columbia and Snake River systems and so our principal responsibility with Pacific salmon recovery is in managing the hatchery aspects of that.

So we have different relationships but our people are virtually interchangeable whether we are working on Atlantic or Pacific salmon recovery. We work very well together with NOAA fisheries.

REFUGES MONITORING

Mr. MORAN. Thank you. Lastly, a number of our national wildlife refuges are located in coastal marshes, and the sea-level of those coastal marshes is rising at an accelerated pace, it seems. So what monitoring are you doing of the sea-level changes in these national wildlife refuges?

Mr. ASHE. With your help, 2 years ago we started a national inventory and monitoring framework for the National Wildlife Refuge System, and it is something that we have aspired to do for decades and so with your help we have begun to do that. Monitoring sea-level rise is one of the key aspects of that developing monitoring system. Going back to the theme of cooperation, when we started building that framework, we collocated our capacity with the National Park Service's capacity in Fort Collins, Colorado, and so we are working not to reinvent the wheel but to work together with the Park Service. We both have an interest in sea-level rise and monitoring sea-level rise and producing the information products that our managers are going to need to make siting decisions, to develop comprehensive conservation plans that are forward-looking and think about the impacts of sea-level rise. It will be a major factor for us in regions like the Chesapeake Bay where we are predicting accelerated rates of sea-level rise, so it has implications for our facilities, for our recreation, program planning, and for our land acquisition planning. So it is a vital piece of information, and our inventory and monitoring framework is going to be a key asset for us as we think about dealing with sea-level rise in the future.

Mr. MORAN. Well, thank you, Director Ashe. I know you are doing a good job with limited resources. I will give it over to others for questions.

Mr. LEWIS [presiding]. Thank you very much.

INVASIVE SPECIES

Welcome, Mr. Ashe and Chris Nolin. It is a pleasure to see both of you. The chairman, as he said earlier, had a conflicting meeting and so he handed the gavel to me briefly. I did not anticipate, however, to have a chance to follow up on your express concern about this python circumstance, whole sets of species being wiped out, and I would like to have the Fish and Wildlife Service help us with what might be described as a war relative to the python's impact upon this portion of the environment. I would like to know exactly what we would intend to do, propose to do, what it will cost and with some calendar before us with specific dates, you know, what can we anticipate doing. If we fool around very much with this, it will be too late if it is not already too late.

Mr. MORAN. If I could just mention, Mr. Chairman, pythons swallowed a 72-pound deer the other day.

Mr. LEWIS. I heard that.

Mr. MORAN. You heard that?

Mr. LEWIS. It is unbelievable, so I am not going to be doing any walking around there.

Mr. MORAN. No, we are curtailing our site visits in the marshes.

ENDANGERED SPECIES: SANTA ANA SUCKER

Mr. LEWIS. The delta smelt, you are very familiar with, but it was not so long ago that I talked with Secretary Salazar about another little item in southern California that is going to compete if we do not do something about it with the delta smelt called the Santa Ana sucker, and presently the potential impact of the sucker in the southern California region, which will eventually impact the economy of all of Los Angeles County and Orange County, very much should be a part of our focus and here we should certainly try not be too late.

Every time we turn a corner and begin to ask questions about a subject like this, you hear the phrase "lawsuit pending." It does not matter what endangered species or otherwise you are dealing with, suddenly there is a lawsuit pending, and it seems to get in the way of our ability to go forward with sensible policy. I just wonder if you could provide us probably for the record what kinds of monies we as an agency are spending with funding our lawyers relative to those lawsuits, and then in turn looking at local agencies like local water districts who have come together to try to draw some lines as it relates to the Santa Ana sucker suddenly find themselves not in confrontation but certainly not in agreement with Fish and Wildlife Service relative to their effort to get a handle on the sucker. Could you tell me, try to bring me up to date separate from the lawsuit what you see as the status of those plans and where the Fish and Wildlife Service would take us?

Mr. ASHE. Plans on the Santa Ana sucker?

Mr. LEWIS. Santa Ana sucker.

Mr. ASHE. I think the most important thing is that we are working on a recovery plan for the Santa Ana sucker and we expect to have that in 2013, to have progress on a recovery plan, so that will give us the framework for moving forward on Santa Ana sucker. And also, we have a strike team that we are working on with the local governments, the state governments, the water contractors. So we have everybody together talking about what are the necessary elements of recovery for the Santa Ana sucker, how can we work cooperatively to accomplish the needs for water supply in southern California and conservation of the Santa Ana sucker.

I do think that it is one of those instances where I think we can accomplish both. It does require commitment on all parties, and I think, Congressman, the Fish and Wildlife Service is committed to doing everything possible to making that work. We do have lawsuits pending on Santa Ana sucker and that does complicate communication on an issue like this but it does not make it impossible. We actually do it all the time, working toward recovery or to complete biological opinions in an environment where we are in litigation with the parties involved. And we understand that it is important to you and the people of California, and I think—

Mr. LEWIS. It is very important to all the members from Los Angeles County, for example, and Orange County, so quickly you get to, like, 30 or 40 members once they know it is a problem. It may be too late by the time they understand it is a problem.

Mr. ASHE. I know it is a priority for you, it is a priority for me and for the Fish and Wildlife Service, and we are committed to working with you and with the people of California.

Mr. LEWIS. I appreciate that. I understand that the Service recently one way or another walked away from what appears to be an ongoing collaboration effort by way of the water districts to try to come together and work on a solution. Can you tell me what is happening in connection with that?

Mr. ASHE. I think the water districts provided a cooperative agreement to the Fish and Wildlife Service to sign. We had some concerns with that agreement, so we have not been able to consummate it, but we are continuing to work with them on that. We do not need that kind of a framework agreement in order to do the cooperative work and provide the technical assistance that they are looking for. I think it is just a disagreement on the nature of that proposed agreement.

ENDANGERED SPECIES

Mr. LEWIS. Director Ashe, it is—well, let's see. I am sure it was sometime before either Ms. Nolin or you were born, a family moved from beautiful downtown Texas to California. Talking to a young fellow in my neighborhood, he asked me if I had ever heard of or seen a thing called the kangaroo rat. Well, I had not, but he said well, they are on their way from Texas and Oklahoma up to California because the weather, especially in San Bernardino County is perfect for their habitat needs. Since then, the kangaroo has moved forward and been a very big part of some of our challenges dealing with the local population. The last information that I received at any rate was that mitigating for the kangaroo rat in the region presently is running somewhere in the neighborhood of \$100,000 per rat, which is a reasonable price to pay for taking care of our rats.

Mr. MORAN. A hundred thousand a rat?

Mr. LEWIS. It is just \$100,000 a rat, approximately \$4 million to really get a handle on this project, but you and I would suggest maybe there are better priorities.

Mr. MORAN. Maybe.

Mr. CALVERT. Go to Texas and get more rats.

Mr. LEWIS. That is right. We could bring them in in carloads. They probably too came by way of somebody transporting them unbeknownst to us.

Mr. ASHE. In many areas like San Bernardino County, we have multi-species habitat conservation plans. Usually when you are doing mitigation work, you are not doing it for one species, you are usually doing it for a multitude of species and so if we are doing something for the K rat, it is providing coverage for that project for a multiplicity of species.

Mr. LEWIS. The huge and obvious impact upon local economies is very, very real, and the people I really care about in public affairs want to have a sensible process for planning and development in a broad region, and southern California is one of those areas that continues to explode, but when you throw items like this in the middle of that planning process, to say the least, even beyond the lawsuits, it is problematical for people who want to make sense

out of public affairs. So your input in connection with all of that would be very helpful.

It occurs to me that probably this was before my colleague from Minnesota, the gentlelady, Ms. McCollum, before she was born as well, the kangaroo rat was having its impact upon our territory, but lo and behold, also out in the desert territory we have a small thing called a desert tortoise, and it seems as the desert problem came upon us, one of the recommendations—I wish that Ms. McCollum had been here because I think she would have joined me on this—I was proposing to the military and the Park Service that we ought to recognize that we have got enough desert space for four eastern states, and that space wildly will accept eggs from the tortoise, and if we had gone to the East Mojave and planted millions and millions of eggs, in those days, people would say oh, wait a minute, we cannot do that, it takes about 10 years for those animals to hatch and to mature and otherwise and all these birds come in and kill them, et cetera. But in the meantime, you know, 25 and 30 years has gone by and if we had even begun to think about how do we preserve this species, the tortoise would not be an endangered species today. But somehow we are not able to find ourselves capable of thinking that far ahead, and I am wondering why, and I wonder if you could help me by way of your reaction to that.

Mr. ASHE. I think we—that is a thoughtful observation, and I think more and more we are trying to look at candidate conservation, so can we back up and look at trying to deal with issues before we have species that need to be added to the list and so we have good examples today, the sage grouse, I mentioned earlier. The prairie chicken is another one, the dune sage lizard between west Texas and New Mexico, the golden wing warbler, the gopher tortoise in the southeastern United States where we are trying to back up and say, can we work to put in place the foundations that are necessary to conserve these species so that they do not become endangered. I think that is the secret, and a lot of times, we are overfocused on the species that are in the emergency room, the species that are listed, and we have to be, and that once something gets on the list and we have regulatory responsibilities to local governments, private landowners and others, we have to fulfill those responsibilities if we are going to have projects moving forward and people getting the authorizations that they need to work in and around the Endangered Species Act.

But candidate conservation is a key, and we are doing that more and more, and some of the things in our budget being proposed this year are going to further that. The investment in scientific information is also key because as you think about our responsibilities under the law, that key phrase, best available information, we have to make decisions today and do not have the luxury of waiting for more scientific information. Investment in science and our ability to understand what these species need are a key to the vision that you have outlined.

Mr. LEWIS. I have often heard it said that our job is to have staff help us figure out what the questions are, and your job is to help find out what the answers are.

Mr. ASHE. Thank you, sir.

Mr. LEWIS. Thank you for being here.

Ms. McCollum.

Ms. MCCOLLUM. I thank you for being here today. Minnesota ranks number one in the country in fishing licenses per capita. I am going to be getting mine here shortly. My constituents really appreciate the work that your agency does, and I know you work very closely with our DNR as well as our tribal governments. Thank you for all of the work that you do. Fish and Wildlife is hugely popular in Minnesota.

INVASIVE SPECIES

But following up on what the chairman had been talking about on invasive species, I want to first say that I watched zebra mussel and milfoil onset about the same time in Minnesota. The destruction that it does commercially as well as environmentally, is unbelievable until it starts happening. I want to work with the chairman to spread the dollars out so that they are fighting in the most effective ways, so we do not see the explosion of zebra mussels in any other state, it is terrible, and milfoil and others as well.

But I do want to focus on Asian carp just a little bit, because one of the things that the chairman has spoken to greatly is how we need to have a coordinated effort, that really makes a lot of sense. We need to understand how you need to work and all the different agencies that you work with. There are several of us here from the Great Lakes region, and we have had the support of our colleagues in what has truly been a bipartisan, bicameral, executive, legislative both at the state and national levels to work on Great Lakes restoration. You are working to keep the Asian carp out of the Great Lakes, and I was looking at your budget here and you asked for about \$3 million in additional funding to keep carp out of the Great Lakes. I realize that you are working hard to keep the carp out of the Great Lakes. I could not agree with you more that we should try to prevent that from happening, but we know the carp is in the Mississippi River, and DNA has found them in Minnesota. Because upper Mississippi River projects cannot qualify for Great Lakes funding, I would like to know what resources are being spent by Fish and Wildlife to address the fact that the carp are already damaging local economies and ecosystems and businesses in the upper Mississippi, and what current resources are going to Asian carp in the upper Mississippi. I can find places in the lower Mississippi where things are going, but the carp are heading our way. The Administration has proposed \$50 million to fight Asian carp, with substantial portions going to your agency, yet none of the \$50 million seems to be devoted to Minnesota or the upper Mississippi River. Wisconsin is right on the other side of the border so, we all care about the Great Lakes. What can we do to address this? Because once it gets in the Mississippi River, it is in the Minnesota River, it is in the St. Croix, it is throughout our river system.

Mr. ASHE. We would be happy to come up and talk to you about that. Our work has been focused on implementation of the national Asian carp strategy that we have developed in conjunction with our state and federal partners. The Service has key responsibilities in terms of early detection, and you see that reflected in our budget

this year, an investment in this e-DNA technology which is state-of-the-art in terms of early detection of Asian carp invasion.

[The information follows:]

ASIAN CARP—UPPER MISSISSIPPI

- The U.S. Fish and Wildlife Service (Service) currently implements two different strategies to address the threat of Asian carps in the United States. The first is The *Management and Control Plan for Bighead, Black, Grass, and Silver Carps in the United States* (Plan), which is national in scope. Implementation would be done through the Service, in cooperation with partners. Its goal is eradication of all but “triploid” grass carp in the wild.

- The second is the more recent *Asian Carp Control Strategy Framework* (Framework) created in 2010, focuses on Great Lakes waters only. This approach is being implemented through the Asian Carp Regional Coordinating Committee (ACRCC), a partnership of Federal, Great Lakes states, and local agencies led by the White House Council on Environmental Quality. The latest version of the 2012 Framework was released this past February.

- The Service continues to provide technical assistance to Midwest Region states, like Minnesota, to prevent the spread of these fish and to share information learned from Asian carp control efforts in other areas. The Service will soon be breaking ground on a new environmental DNA (eDNA) facility, that will be attached to the La Crosse Fish Health Center in Wisconsin. The new facility will increase the Service’s capacity to test water samples for traces of Asian carp DNA.

- Currently, the only funds available to the Service for early detection and monitoring for Asian carps are limited to Great Lakes waters, largely through the Great Lakes Restoration Initiative.

- \$2 million is included in the President’s 2013 Budget to assist the implementation of the national Plan through development of eDNA testing for early detection and surveillance of the leading edge of Asian carp distributions. If funded, work could include collecting and analyzing water samples for eDNA testing from state and Fish and Wildlife Conservation Offices in areas potentially susceptible to Asian carp invasions. Work plans would need to be developed and prioritized, but Asian carp intrusion into the upper Mississippi River could be considered a high priority area.

Ms. MCCOLLUM. That is why we know we have it in the upper Mississippi.

Mr. ASHE. Right. And then eradication and response, and so we have been providing assistance to our state partners in terms of response so where we see indications through e-DNA detection, where we see indications that we may have carp present, then we are working with our state partners to get them the resources that they need to do more intensive monitoring, and if necessary, to target eradication efforts to those places.

And so I think that while we may not be giving any directed funding to Minnesota, I think the response strategy is geared to providing response support when and if we discover incidents, but we can get you more detail.

Ms. MCCOLLUM. I look forward to working with you on this. I am not passing a critical judgment, it is just kind of a question. The Asian carp control methods coordination, which cuts across a lot of these budgets here, is zero, and so maybe you are coordinating and doing it another way? We would like to get a handle on it so that we can be helpful because the discussion that is taking place most often about stopping Asian carp is to stop barge traffic. Well, that is how grain gets to market, and I wish Chairman Rogers were here, that is how coal gets to our coal-fired power plants. The Mississippi is a working river. It is also a place where we recreate and it is filled with history, but it is a working river. To all of a sudden start saying that the only way to stop Asian carp spread is to start

closing locks and dams at the upper Mississippi is not going to be a viable economic alternative for those states and those people and businesses who depend upon barge traffic.

So we need to get a handle on this better so that we can work with you to be more effective. I really look forward to the chairman hearing that. I thank Mr. Lewis for giving me the time.

Mr. LEWIS. Mr. Calvert.

Mr. CALVERT. Thank you, Mr. Chairman.

ENDANGERED SPECIES

The Chairman and I share the same region so we both have a concern about the Santa Ana sucker. Riverside County was the first major urban county, to enter into, a multi-species habitat conservation plan, and we have done a lot to put together landscape of significant size,—hundreds of thousands of acres.

However, there is a certain amount of frustration at the local level that many of the regulators, many of the people in the Fish and Wildlife Service, are still of the mindset to conserve species one by one, which is the typical model throughout the country, rather than the more effective use of conservation funds to have a broader approach at the landscape level. I think Secretary Babbitt was the first to push that idea, and I certainly agreed with it. Riverside County has put a significant amount of resources into landscape level conservation. I would hope you will make sure that those in the field understand the unique approach landscape level conservation takes. Do you have any comment about that?

Mr. ASHE. I think with Riverside County, we have reached agreement. We had some conflict over our potential designation of critical habitat overlaying the multi-species habitat conservation plan, and I think we have resolved that, and we have agreed with their position except where the HCP does not cover certain aspects of the suckers' habitat, and unfortunately, there we have to take a species-by-species, one-by-one approach because if certain elements of the habitat are outside of the geography of the HCP, then we need to take that into consideration.

Mr. CALVERT. Well, certainly it is the suckerfish but it is also the kangaroo rat. As you know, there are many subspecies of the kangaroo rat. It started out as a Stephens' kangaroo rat, then we had the Pacific kangaroo rat, and Jerry has got the San Bernardino kangaroo rat. These species are highly related and have certain differences, but nonetheless, they are the same basic species. We have set aside land. We worked together to get the old Lockheed Martin property, about 9,000 acres, and that was supposed to free up land in other places and we are still trying to get property released around March Air Force Base that was supposed to be used for development. It does not make sense, especially when we have land to offset the developments.

It is an ongoing frustration that the local community has because we put this conservation plan together, and what happens then is some of these local communities want to break away from the agreement when the government doesn't uphold its obligations.

Mr. ASHE. I would be interested in your thoughts about how we can do better and so maybe we should look to a time in the near

future where we can bring some of our field leaders into Washington.

Mr. CALVERT. That would be great.

INVASIVE SPECIES

One last comment. It may sound silly, but years ago, Fish and Wildlife used to have a bounty program for some invasive species. I do not know if you still do that. If there were a controlled bounty program on some of these species, like pythons in the—

Mr. LEWIS. Fifty dollars a python.

Mr. CALVERT. Yeah, you just go out and get them.

Mr. ASHE. Some of these—obviously, species like the python, they are, as biologists are inclined to say, cryptic. They are very hard to find. They make their living by being unseen and then grabbing things—

Mr. CALVERT. It is probably a lot less money than bureaucracy to go out and—

Mr. ASHE. But bounties are being—in Florida with the Burmese python, they are considering a bounty, and so we are looking at every potential option that would be workable and so—

Mr. LEWIS. They are considering a bounty? What does “consider” mean?

Mr. ASHE. Well, the State of Florida and the South Florida Water Management District, obviously they would have to come up with the money to finance a bounty, so they are trying to figure out can they do it, would it be effective. So they are looking at all manner—

Mr. CALVERT. We have a number of endangered species in my area, like the Least Bell’s Vireo. A cowbird lays its eggs in the Vireo’s nest, and the Least Bell’s Vireo incubates the egg. We have people out there killing the cowbirds, and it has had a tremendous effect on Least Bell’s Vireo habitat. More important than restoring the willow habitat is getting rid of the cowbird. That has done more to bring back the Least Bell Vireo than anything else we have done.

Mr. ASHE. All of your comments are right at the crux of probably one of the most challenging issues that we are going to have to deal with in the future. What we now call invasive species, which are of course non-native, alien invasive species like the Burmese python, quagga, zebra mussels are challenging enough but now as a result of in many cases changing climate, rising temperatures, we are seeing species moving across the landscape, including native species. You know, brown-headed cowbird has historically been a problem for us.

Just yesterday or the day before yesterday we released our critical habitat for the northern spotted owl, and one of the major sources of decline of spotted owl is invasion of the barred owl into its habitat. Well, the barred owl is a native bird. It was an eastern bird and it has moved across the United States because there used to be this big thing in the middle—it is a forest bird. There used to be this big thing in the middle called prairie, and so they could not go across it. Well, then we made forests across the prairie and so around 1956, the year I was born, the barred owl showed up in the Pacific Northwest, and now the barred owl is distributed

throughout the territory of the spotted owl. It is a bigger, more aggressive bird that competes with the spotted owl so now we are having to think about control of the barred owl in order to protect the spotted owl. So these are very complicated questions. They involve science, they involve ethics, ethical considerations about controlling one species to promote another. So these are going to be real challenges for us going forward.

Mr. CALVERT. I do not think there is any debate on pythons.

Mr. ASHE. No.

Mr. CALVERT. I think we have consensus here: kill them all.

Mr. ASHE. I have not heard of anybody that feels sympathy for the python. In fact, the Humane Society of the United States is one of our biggest supporters in the Lacey Act determination for the Burmese pythons.

Mr. LEWIS. Mr. Serrano.

Mr. SERRANO. I am for the python. I think one of my greatest accomplishments, Mr. Chairman, is that I came from the Bronx, New York, and I actually understand and sympathize with a lot of these issues. Ms. McCollum's comment of kill them and eat them, I do not understand that one. And when we were monitoring wolf, I thought we should have done Frank, but then I realized it was not Frank Wolf we were monitoring.

Do you know if everything is in place to finish up my standup routine for the swallows from Serrano to come back to Capistrano on March 19th?

Mr. ASHE. We can look into that.

Mr. SERRANO. OK. Please.

Thank you for being here, both of you, and thank you for your service. It is an area of the work government does that sometimes does not get the publicity it should get, especially because we have so many urban areas and people just do not pay attention to it the way they should, although they pay more attention to it every day, and I think folks like you are unsung heroes that have to be mentioned on a daily basis.

Just one bit of advice. Do not ever tell people you were born in 1956 when you know everybody on the panel was born before 1956.

Mr. ASHE. OK.

YOUTH PROGRAMS

Mr. SERRANO. I was born in 1943, so—let me just ask you, keeping in line with what I said before, as you mentioned in your opening statement, the Fish and Wildlife Service's budget request includes \$13.6 million to support youth in the great outdoors by providing a platform of programs to orient children and young adults from varied backgrounds to work together on conservation projects which impart the importance of fish and wildlife conservation and encourage careers in natural science. I am a great supporter of all the science agencies fulfilling an educational role in addition to their scientific work, so I am appreciative of your focus on this. I am particularly interested to see this happen in urban areas where oftentimes children are not given the same levels of exposure to the great outdoors. Can you tell me in greater detail where these programs operate and how you carry out the work?

Mr. ASHE. One of the things that we are doing, we have of course our National Wildlife Refuge System, and one of the things that we are doing now is, we are trying to rethink the concept of urban refuges. So we have great assets like with Mason Neck just here on the Potomac River or Minnesota Valley National Wildlife Refuge in Minneapolis or Great Swamp National Wildlife Refuge, which is about 40 miles from the center of New York City. We can employ those resources more fully to bring particularly underserved communities and provide them the opportunities to be in the outdoors and to learn about conservation and maybe perhaps be inspired as many of us were at a young age about the outdoors and to develop an appreciation and perhaps an ambition to work in a conservation field. And so we are looking at our urban refuges particularly and we are using our national wildlife refuges and our fish hatcheries.

This summer, I was with the Secretary at Creston National Fish Hatchery in Montana, where we had Native Americans working on a summer crew at the fish hatchery, and so we are looking at our assets and using our physical plant, refuges, fish hatcheries, to be avenues to the outdoors for particularly underserved communities. Our National Conservation Training Center in Shepherdstown, West Virginia, is providing the leadership for us in developing our youth initiatives as well as getting young children into the outdoors, we are exploring using new media to engage young children so that we take this thing we all see as a disadvantage, this fixation with technology, and we are trying to turn that to an advantage to reach out to young people and engage them in the outdoors and in future careers.

But we are committed in the Fish and Wildlife Service to the idea of diversity as a strength, and the conservation, the fish and wildlife conservation profession historically has been dominated by white males, and we are trying to build an organization for the future, one that looks to bridging gaps to Americans of all racial and ethnic backgrounds. We see that as building core strength in the Fish and Wildlife Service so these youth programs are very essential to our vision going forward.

Mr. SERRANO. Well, I encourage you to do so. You know, I have been representing in one way or another, one legislative body or another, 38 years parts of the Bronx, and I have never seen such a move and a desire as I have in the last 5, 6, 7 years of people just being involved in discovering the waterways, you know, the Bronx River, the East River, the Harlem River, using the parks, talking about birds and local species in a way that has never happened before, and there is a desire, and one well-kept secret was that the parents and the grandparents who migrated from the South, who came from Puerto Rico, who recently came from the Dominican Republic or Mexico are folks that used to come from the land, as we say, who understood this, but were faced in New York with being told basically that is for some people in some other places. So there is a whole discovery to the point, as you know, where a beaver returned to the Bronx River for the first time in 200 years, to New York City for the first time in 200 years, and New York City was a beaver colony at the beginning, and that was accomplished by cleaning up the Bronx River through some of those items we used to do which we now consider a bad word, you

know, earmarks. Remember those? And the beaver is there and doing well, and we now have herring also, and New York herring goes very well, you know, a little cream and herring and you are all set.

And one last point because I know we are running short on time, when you look at these programs, always remember that we have other than states, we have other communities including the territories and we have territories that are islands and can do so much and need so much, so always include them fairly and equally.

Mr. ASHE. Thank you, sir, and I will tell you, I was at the Invasive Species Week reception last night, and congratulations on your recognition there with an award from the Invasive Species Coalition.

Mr. SERRANO. Well, thank you. I did not want to mention that because, you know, but thank you.

Ms. MCCOLLUM. Is it good to be an invasive species?

Mr. SERRANO. I got this award for being, I guess, a person from a city like New York who understands the needs that you face on a daily basis and who goes out of his way to do something about our national species and to protect them and to grow them. Two hundred and fifty of my closest friends were there last night. It is a beautiful—it has got a nice little fish on the award and everything.

Mr. ASHE. And thank you for your remarks.

Mr. SERRANO. Well, I blew it. I made a comment about Boston and the Red Sox and I got hissing from half of the crowd.

Mr. ASHE. And thank you for your remarks about the work that we do and for your remarks, Ms. McCollum, and for all of the genuine feeling that we get when we come here. We have about 10,000 people in the U.S. Fish and Wildlife Service, and they are among the most passionate, committed public servants that exist in this country and they do difficult work in challenging situations with limited amounts of resources, and as you look at our budget this year, I think it represents a small increase in our capacity but that increase will make all the difference in the world for people that are trying to do very difficult work under very difficult circumstances, and they do a tremendous job for the American people. So again, thank you for your leadership and support.

Mr. LEWIS. Thank you, Mr. Ashe.

Mr. Moran.

Mr. MORAN. No, I am all set.

Mr. LEWIS. Are you?

Mr. MORAN. Yes.

Mr. LEWIS. We have a vote that is just beginning. Let me mention that—

Mr. SERRANO. Mr. Chairman, can we submit questions for the record?

Mr. LEWIS. In writing, please. Of course you can.

Mr. SERRANO. They are in Spanish, too.

Mr. LEWIS. We very much appreciate the work of Fish and Wildlife Service and are very aware in the beautiful and very open territory of southern California the impact you are having upon that territory.

In turn, one of the projects you mentioned earlier was originally called Bright Source. It was talking about the potential for solar energy and its impact upon our region. We first began discussing some of those issues as long as 50 years ago. I remember Southern California Edison had a project just outside of beautiful downtown Barstow entitled Solar One when the near-term future the major energy sources would come from our sun because of the desert. But in turn, over the years we quickly learned that between there and then, there would be lawyers involved, and so my comments and questions of you earlier relative to those lawyers and their impact upon this process, any information you can give, and thoughts that you might have on or off the record would be helpful.

So thank you very much for your service, and with that, I think we will wander off and do the folks' business by way of voting.

Mr. ASHE. Thank you, sir.

Mr. LEWIS. It was a pleasure to be with you.

The Subcommittee notes that the QFR responses from the Agency did not arrive in enough time to inform the FY 13 Appropriations bill. The Department of the Interior, U.S. Fish and Wildlife Service received questions from the Subcommittee on March 14th and did not submit OMB-cleared responses to the Subcommittee until June 12th.

Hearing Questions for the Record (QFR) Prepared for the Department of Interior, U.S. Fish and Wildlife Service

Hearing: U.S. Fish and Wildlife Service FY 13 Budget Oversight
Thursday, March 1, 9:30am Rayburn B308

Questions for the Record from Chairman Simpson

Quagga and Zebra Mussels

Simpson Q1: Like many of my colleagues, I am deeply concerned about the spread of invasive species, particularly quagga and zebra mussels, in western waters. These species pose a serious threat to the water infrastructure and hydropower systems in my state and others, not to mention the impact on habitat.

I understand that these destructive mussels have moved from the Great Lakes into western waters mainly on trailered boats. Has your department used your authorities under the Lacey Act to restrict interstate transport of these mussels?

Answer: The Department, through the Fish and Wildlife Service (Service), has used its authorities under Federal law to restrict interstate transport. The Service's Office of Law Enforcement is responsible for enforcing Federal prohibitions on the importation and interstate transport of species listed as "injurious" under the Lacey Act (18 USC 42) and 50 CFR Part 16. The zebra mussel is listed as injurious; however, the quagga mussel is not. The Service's enforcement officers also support State efforts to prevent the introduction of State-banned invasive species via interstate commerce or international trade. This is done using the Lacey Act's injurious wildlife provisions (18 USC 42) and import or interstate commerce in violation of underlying State, Federal, tribal, or foreign conservation law (16 USC 3372).

Service enforcement efforts include: interdiction of unlawfully imported species listed as injurious under the Lacey Act (18 USC 42); investigations of illegal importation and interstate transport of federally listed injurious wildlife (18 USC 42); assistance to States with intercepting illegal importation and/or interstate transport of invasive species banned under State law (16 USC 3372); and supporting the Aquatic Nuisance Species Task Force's "Quagga/Zebra Mussel Action Plan" (QZAP).

In addition to using these authorities, the Service has employed a more holistic approach that includes voluntary public actions to reduce interstate transport of these mussels. In 2002, the Service, under the umbrella of the Aquatic Nuisance Species Task Force, unveiled the "Stop Aquatic Hitchhikers!" campaign (www.protectyourwaters.net). By tapping into shared ownership and using a grassroots branding strategy, the Service has empowered citizen organizations and conservation groups around the country to join the Service in promoting a unified message across State lines. The campaign targets all aquatic recreation users (anglers, boaters, paddlers, waterfowl hunters, etc.) and all types of aquatic species--animals (including the quagga mussel) and plants. The campaign prompts the users to clean their gear every time they leave the water.

Simpson Q2: I understand that the 100th Meridian Initiative, a collaborative effort between local, state, and federal agencies, was created within your department to keep these mussels out of the West. This is a great concept.

Given the fact that the mussels were discovered in Lake Mead in 2007 and have spread rapidly throughout the federal waters of the Lower Colorado system, do you feel that the 100th Meridian Initiative is seen as a successful program? If so, how do you gauge success in this instance?

Answer: *The 100th Meridian Initiative: A Strategic Approach to Prevent the Westward Spread of Zebra Mussels and other Aquatic Nuisance Species* (100th Meridian Initiative) was developed in 2001 and was the first comprehensive, strategically focused effort, involving Federal, State, tribal and Provincial entities, potentially affected industries, and others to address the western spread of zebra mussels and other aquatic invasive species. The 100th Meridian Initiative has and continues to build public awareness about quagga and zebra mussel threats, provide training and protocols for watercraft inspections, assist with new State enforcement programs, early detection monitoring, rapid response planning, and work with States to identify gaps and incorporate authorities needed to reduce ANS spread on transported vessels.

Thanks largely to the efforts of the 100th Meridian Initiative, the West was not caught off guard by the discovery of quagga mussels in Lake Mead in 2007. In fact, that first report of quagga mussels came from an active volunteer with the 100th Meridian Initiative's volunteer zebra/quagga mussel monitoring program run out of Portland State University. Within just a few days of the discovery the 100th Meridian Team had mobilized a meeting of western ANS personnel and efforts were underway to detect, monitor, control and contain quagga mussels in the lower Colorado River Basin. Although quagga mussels are established in Lake Mead and the lower Colorado River Basin, the West has seen only limited spread beyond the connected waterways (natural and artificial) in the basin. Another example of success of the 100th Meridian Initiative is the zebra mussel (the initial impetus for the formation of the 100th Meridian Initiative), which is only established in two water bodies west of the 100th Meridian, while it is recorded as present in over 500 water bodies (not including the Great Lakes) east of the 100th Meridian.

The 100th Meridian Initiative has also been successful to the extent that it has been collaboratively implemented. Many Western waters remain free of zebra and quagga mussels, and these waters tend to be in State jurisdictions where the threat is taken seriously and considerable State and partner resources have been allocated to prevention. The Western Regional Panel of the Aquatic Nuisance Species Task Force understands the importance of the 100th Meridian Initiative and provided direction in the 2010 Quagga-Zebra Mussel Action Plan for Western U.S. Waters (QZAP). The QZAP specifically details the highest priority actions needed to effectively combat the threat of invasive mussels in the Western United States. To date, \$2 million has been allocated for QZAP, 40 percent of which was directed to a single water body (Lake Tahoe). Lake Tahoe remains free of invasive mussels and serves as testament to the effectiveness that the 100th Meridian Initiative can achieve, if fully implemented as designed.

Simpson Q3: In FY12, we appropriated \$1 million in the Fish and Wildlife Service budget for mandatory inspections and decontaminations at infested federally-managed water bodies.

Can you tell me how the Service intends to implement this operational program and use it to assure that boats that leave mussel-infested places like the Lake Mead National Recreation Area are not carrying mussels into other water bodies?

Answer: The Service must work together with Federal and State partners to protect our shared resources. Coordination and collaboration are essential. Lake Mead National Recreation Area has already begun a program to prevent boats from carrying mussels away from Lake Mead. However, several improvements are necessary to better implement this program. The Service will work with the National Park Service and the States of Nevada and Arizona to implement a three-pronged approach recommended by the Quagga/Zebra Mussel Action Plan for Western Waters. This approach will include elements of prevention, containment, and outreach. Specifically, the Service and its partners will work collaboratively to increase outreach and law enforcement participation, improve decontamination procedures, discourage boaters from avoiding mandatory decontamination procedures, and coordinate more fully and effectively with our State partners to interdict boats that have slipped past our containment program. Lake Mead is an important water body, and as one of the top boating destinations in the West, Lake Mead will be the focus of Service efforts. However, Lake Mead is only one of many infested waters that could act as a source for further infestations in the West. The Service's containment efforts will include other water bodies along the lower Colorado River, including, for example, working with the Bureau of Land Management on Lake Havasu.

Simpson Q4: The budget proposes an increase of \$2.9 million for Asian carp while at the same time cutting the funding for zebra mussel control and prevention.

Are we to presume that controlling the spread of Asian carp is a more pressing issue right now than controlling the spread of quagga and zebra mussels?

Answer: It is difficult and expensive to deal with an invasive species after it has become established in new ecosystems. Quagga/zebra mussels and Asian carp are both pressing issues, and while each present unique threats and impacts, addressing their spread collectively is of critical importance to protecting our environmental and economic interests in our nation's waters. This is why the Administration has sought to actively manage numerous pathways of spread in the U.S. For example, the Service's Office of Law Enforcement provides assistance to States with intercepting illegal interstate transport of quagga/zebra mussels and other invasive species banned under State law. The Service is actively promoting through its national campaign, Stop Aquatic Hitchhikers, voluntary actions the public can take to prevent spreading invasive species, such as cleaning, draining, and drying all aquatic recreational equipment. The Service has also implemented numerous prevention and containment actions under the 100th Meridian Initiative that have also been identified under the Quagga/Zebra Mussel Action Plan. At Congress' urging and leadership, the Service is strengthening containment actions at infested water bodies, such as Lake Mead.

The \$2.9 million increase for Asian carp is related to the Asian Carp Control Strategic Framework (Framework). The Framework includes projects that are specifically funded by the Great Lakes Restoration Initiative (GLRI) and by Federal agency base funding directed towards the Great Lakes basin. The GLRI is the primary source of funding for the vast majority of the projects in the Framework. The GLRI was established by President Obama and funded by Congress for projects that restore and protect the Great Lakes basin. Projects outside of the Great Lakes basin are not included within the Framework, because they are not directly connected to the Great Lakes and not

eligible for GLRI funding. However, preventing the spread of Asian carp to other U.S. water bodies is also critically important.

Simpson Q5: Considering the increases and decreases proposed for the invasive species program, are we to presume that invasive species are much of a problem to warrant significant net increases to the budget?

ANSWER: Invasive species are a significant threat to America's economy and natural resources, costing at least tens of billions of dollars each year. Invasive species pose a threat to every region of the United States. Brown tree snakes in Guam, zebra and quagga mussels in the West, white-nose syndrome in the Northeast, and nutria in Louisiana are just a few of the highly destructive species that the Service and its partners are actively working to manage. We are also working actively on domestic and international prevention, which is widely recognized as the most cost-effective means to deal with invasive species. We want to keep the "next" Asian carp, Burmese python, or zoonotic disease from ever establishing in our country or spreading into new ecosystems. The Service is investigating opportunities and new approaches to improve both regulatory and voluntary efforts to deal with invasive species, and looks forward to working with Congress, partners, and stakeholders to continue making a difference on this critical issue.

Wolf Monitoring

Simpson Q6: As you know, the Service is obligated to monitor wolf populations for five years post-delisting. In the past, the Fish and Wildlife Service has included in its budget a line-item for wolf monitoring to help states defray the costs of these requirements--in recent years, that amount has been around \$2 million. It now appears that the agency has rolled that money into its general program activities, and I am concerned by reports that now only a fraction of the money once intended for wolf monitoring is going to the states and that the Fish and Wildlife Service is starting to siphon that money to other priorities.

Can you tell me how much funding you intend to spend on wolf monitoring in FY13 and the out years?

Answer: The Congressional Action Table accompanying the President's fiscal year 2011 request included 5 separate "wolf monitoring" lines, totaling \$2,182,000. They could have been labeled "wolf management," because this funding was all directed to supporting management of the listed wolf population in the northern Rocky Mountains. Monitoring of those listed wolf populations was only one of the management functions supported by that funding.

The Service's fiscal year 2011 Operations Plan consolidated the "wolf monitoring" lines into the general program activities line for Recovery, but the Service fully funded the States and affected field offices for management and monitoring of wolves in the northern Rocky Mountains in the manner requested in the 2011 President's budget. The post-delisting monitoring requirement was not triggered until wolves in Idaho and Montana were delisted in 2011.

In fiscal year 2013, if funded at the President's request level and if wolves in Wyoming are also delisted by that time, the Service intends to provide \$232,000 to each of the States of Idaho, Montana and Wyoming and \$50,000 to each of the States of Washington and Oregon for post-delisting

monitoring of wolves in the northern Rocky Mountains distinct population segment. The Service also intends to distribute an additional \$694,000 to the States and Tribes to assist in various wolf management activities, for a combined total of \$1,490,000 to assist the States and Tribes in wolf monitoring and management in fiscal year 2013. The Service is committed to funding the States at the fiscal year 2012 level for monitoring of the recovered wolf population (\$796,000) for each of the 5 years post-delisting, but the Service intends to gradually reduce funding support for management of this recovered wolf population through subsequent years and redirect those Recovery funds to critical recovery needs of other species listed as threatened or endangered.

Peregrine Fund

Simpson Q7: For the past few years, the Fish and Wildlife Service has provided between \$600 and \$700 thousand per year out of their base for condor recovery and around \$150 thousand for aplomado falcon recovery work being done in partnership with the Peregrine Fund. This organization has done great work in recovering these birds, resulting in some of the few success stories under the ESA. After hearing in early January that the Service intended to continue this partnership at previous levels in FY12, I recently learned that you are now shifting some of this money to the San Diego Zoo and to the regional office to create a staff position focused on condor recovery.

Can you tell me why you have made these changes and how that will improve efforts to recover condors?

Answer: Both the Peregrine Fund and the San Diego Zoo are significant and critical partners in this recovery effort, contributing approximately \$1.5 million each toward the program annually. Despite this significant funding effort, each organization, including the Fish and Wildlife Service, has additional needs that would improve their participation in Condor recovery. The fiscal year 2012 level of funding for the Peregrine Fund is equal to the level they received prior to the increase in 2008.

The Service's new coordinator position is crucial to the program's long term success and aligns with the Service's long term objectives. The position results in part from recommendations made by the American Ornithologists' Union that the Service "increase its leadership of condor recovery" and will provide close coordination with the Service's many partners to reconcile conflicts associated with new and existing threats that the California condor will encounter as it recovers and expands its range. The position will provide leadership to ensure the continued success of the breeding, distribution, monitoring and management of this important recovery effort.

Program	FWS Funding to the Peregrine Fund	Years
Annual Funding	\$400K	1997-2007
Annual Funding	\$634K	2008-2010
Annual Funding (\$75K provided to San Diego Zoo for condor recovery)	\$559K	2011
Annual Funding (\$150K provided to San Diego Zoo, \$80K for California Condor Position)	\$404K	2012

Simpson Q8: Do you see a continued partnership with the Peregrine Fund on these projects, or should I expect to see this partnership fade away in the coming years as funding for their work is shifted to other priorities?

Answer: The San Diego Zoo participates in captive propagation, assists in managing the release site on the San Pedro Martir in Baja California, Mexico, and administers exhibits at the San Diego Zoo and San Diego Safari Park. The San Diego Zoo provides veterinary services and presents necropsy reports on condor mortalities and manages the studbook for propagation.

The Peregrine Fund participates in captive propagation and reintroduction efforts. The Peregrine Fund manages a release site at Vermillion Cliffs in Northern AZ and captive breeding facility and exhibit at the World Center for Birds of Prey in Boise, Idaho.

The ability of the San Diego Zoo to contribute to condor recovery is significant and warrants a level of partnership as exists with the Peregrine Fund. Both organizations are critical to ensure the success of recovery efforts. The Service does not anticipate its partnership with the Peregrine Fund to fade away in the coming years. The Peregrine Fund is a key partner in condor propagation and recovery efforts in Arizona which will continue into future years.

Sage Grouse

Simpson Q9: What is the Fish and Wildlife Service doing to conserve sage grouse and how are you measuring success?

Answer: The Fish and Wildlife Service is doing work to conserve sage grouse through multiple programs. National Wildlife Refuges are reviewing their management strategies to ensure sage-grouse and sagebrush management are adequately addressed on refuge lands. Refuge managers are also actively engaging with surrounding landowners/managers to ensure good management across political boundaries.

Through the Partners for Fish and Wildlife, Service Program biologists are assisting private landowners with sagebrush conservation projects on their lands. This includes securing funding, and working with other partners, such as the Natural Resources Conservation Service (NRCS) to get projects implemented.

The Ecological Services program is assisting the Bureau of Land Management (BLM) and Forest Service (FS) with their efforts to revise land management plans for sage-grouse conservation. Service personnel are engaged at all levels (Director, Regional, and State) to ensure that BLM and FS are getting the necessary guidance to produce an effective conservation strategy. The Service is a member of the BLM National Technical Team, which is responsible for delineating the science necessary to inform management decisions. Additionally, projects submitted by any Federal agency are reviewed by Ecological Services staff so that recommendations to minimize project impacts on sage-grouse are incorporated.

In addition, the Ecological Services program is assisting NRCS with the implementation of their progressive Sage-Grouse Initiative, both at the planning and implementation stage. Ecological

Services is also preparing Candidate Conservation Agreements with Assurances across the species' landscape to assist private landowners in proactive sage-grouse conservation.

The Service is actively engaged in State planning efforts for sage-grouse including the Wyoming core area strategy, the Utah Governor's Sage-Grouse Team, the Idaho Sage-Grouse Task Force, and the Oregon sage-grouse planning efforts. Additionally, the Service works closely with State wildlife biologists as requested, in developing and incorporating sage-grouse management recommendations.

The Service is a member of the Secretary of Interior's National Task Force, tasked with developing a range-wide sage-grouse conservation plan. This includes chairing the Conservation Objectives Team, a technical group composed of State and Federal experts tasked with quantifying long-term conservation objectives.

The Service is a long-standing member of the Western Association of Fish and Wildlife Agencies Sage-Grouse Technical and Range-wide Interagency Sage-Grouse Conservation Teams. This includes participation at both the Director and Regional level. The Service has signed a MOU agreeing to focus on pro-active conservation activities for this species, and was co-author of the 2006 Greater Sage-Grouse Comprehensive Conservation Strategy. Service members at the State level are members of Local Working Groups for sage-grouse conservation. There are multiple groups per State, and Service employees are involved in each team.

Landscape Conservation Cooperatives are becoming actively engaged in working with the many partners in sage-grouse conservation, serving as a central clearinghouse for information and data; coordinating research and landscape-scale conservation projects; and facilitating communication between all stakeholders. Migratory Birds, through the Intermountain Joint Ventures program, is assisting NRCS in securing positions to assist local landowners with sagebrush and sage-grouse conservation efforts.

The Service has employed a National Sage-Grouse Conservation Coordinator to work with all stakeholders in developing and implementing effective conservation efforts. Success is measured by the amelioration of threats to the extent that listing is not warranted.

Simpson Q10: Please provide a funding cross-cut table, by program, for the record.

Answer: While the Service does not budget for nor track expenditures for individual species, the Service's Ecological Services Program estimates it spends about \$2 million in staff time annually to conserve sage-grouse and the sage brush habitat on which the species depends. This figure is based on an estimated 13 GS-12 FTEs (approximately \$107,617/year each, including benefits), 3 GS-14 FTEs (approximately \$151,222/year each, including benefits), and 1 GS-15 FTE (approximately \$177,882/year, including benefits) dedicated full-time to sage-grouse conservation. In addition, the Partners for Fish and Wildlife program estimates annual expenditures of \$450,000 to conserve sage-grouse and sage-grouse habitat.

Expenditures by other Service programs are not accounted for in this total. In general, the Service focuses its funding and efforts on conservation actions that benefit habitats and ecosystems that support multiple species.

Northern Rocky Mountain Multispecies Conservation Agreements Initiative

As I mentioned in my opening, thank you again for your work on the Northern Rocky Mountain Multispecies Conservation Agreements Initiative. My hope is that the Service, together with the States and private landowners, can enter into innovative, multispecies, multipartner conservation agreements that simplify the process for private landowners so that more of them want to sign up; that empower the States to work directly with private landowners to set up the agreements; and that still recognize the Service's statutory obligations. If the initiative works, I would like to work with you to consider expanding the model to other parts of the country.

Simpson Q11: Would you please update us on progress of the initiative?

Answer: The Service's intent with the Northern Rocky Mountain Multispecies Conservation Agreements Initiative is that through the Governor's greater sage-grouse Task Force in Idaho, and the associated conservation efforts, we will work with partners to explore the potential for agreements for conservation of sagebrush and sagebrush-obligate species. The second meeting of the Governor's Task Force is scheduled for March 20th. The Service has attended these meetings, and will continue to participate actively as a technical and policy advisor to the Task Force.

Mitigation Fisheries

Simpson Q12: The Service is proposing a \$3.2 million reduction from mitigation fish hatchery operations that arguably should have been paid for all along by those Federal agencies that built the dams in the first place. That model seems to work well in the West, but in the East, somewhere along the way, somehow, the Fish and Wildlife Service started picking up the tab. Thanks to the Congressional direction from my predecessors and tireless efforts of program staff, the Service has started to receive some reimbursement. Moreover, the Army Corps and the Bureau of Reclamation are now requesting funds in their budgets to at least partially reimburse the Fisheries Program for the fish it grows and stocks in and below these Federal reservoirs.

Is the \$3.2 million reduction proposed in the Service's FY13 budget fully offset by proposed increases in the other Federal agency budgets? If not, what is the shortfall?

Answer: The Service is migrating to a user pay system for mitigation hatcheries. Most of the hatchery raised fish the Service provides for mitigation are funded through reimbursable agreements with the sponsor of the water project requiring mitigation. For example, the Bureau of Reclamation currently provides funds to the Service for hatchery raised fish for mitigation.

The fiscal year 2012 President's budget proposed eliminating funding for mitigation hatcheries from the Service's budget, a funding reduction of \$6,288,000 from base hatchery operations. The fiscal year 2013 President's budget for Hatchery Operations continues the proposal to eliminate hatchery mitigation funding from the Service's budget, a net program decrease of \$3.2 from the 2012 enacted level. Adjusted for inflation, the Service's cost of mitigation efforts for these hatcheries in 2010 dollars is \$6,288,000. The Corps of Engineers has asked for \$4.3 million, and the Bureau of Reclamation has asked for an increase of \$600,000 in their respective fiscal year 2013 budget requests. The Service is also seeking reimbursement for mitigation work performed for both the Tennessee Valley Authority and the Bonneville Power Administration for mitigation efforts. To date

no reimbursement has been received from the TVA or BPA for these activities. That leaves an estimated shortfall of \$1,388,000. When adjusted for inflation, this shortfall amounts to a projected deficit of \$1,932,000 in 2013.

The Service will continue to work with the Corps, the Tennessee Valley Authority, and the Bureau of Reclamation, to establish equitable reimbursable agreements for the production of hatchery fish for mitigation. Without the agreements, the Service will only produce the amount of fish that correspond to the amount of the reimbursement received.

National Wildlife Refuge Fund

Simpson Q13: What is the justification for terminating the National Wildlife Refuge Fund at a time when the Administration is proposing full funding for what is essentially the rest of PILT?

Answer: The Service is not terminating the National Wildlife Refuge Fund; funds are not requested for the additional single-year appropriation that supplements the receipts collected from economic use activities on Refuges. Payments to local governments for recognition of reduced tax income would continue to be made from receipts carried over from the previous year.

The Refuge Revenue Sharing Act, as amended, authorizes revenues and direct appropriations to be deposited into a special fund, the National Wildlife Refuge Fund (NWRF), and used for payments to counties in lieu of taxes for lands acquired in fee or reserved from public domain and managed by the Fish and Wildlife Service (FWS). As counties can use these funds for any purposes, the Fund is a lower priority program than efforts to produce conservation outcomes.

Importantly, refuges have been found to generate tax revenue for communities far in excess of tax losses from Federal land ownership. National Wildlife Refuge lands provide many public services, such as watershed protection, while placing relatively few demands on local governments for schools, fire, and police services. National Wildlife Refuges bring a multitude of visitors to nearby communities, which provide substantial economic benefits. Hunters, birdwatchers, beach goers, hikers and others bring money into local economies, generating millions of dollars in tax revenue to local, county, State and Federal governments. In 2006, for example, nearly 35 million people visited national wildlife refuges, creating almost 27,000 private sector jobs and producing approximately \$543 million in employment income. Such economic generators are not taken into consideration when determining NWRF payments. Without these funds, local governments will also continue to be compensated through the Payment In Lieu of Taxes (PILT) program for lands that are withdrawn from the public domain.

Simpson Q14: What evidence do you have that National Wildlife Refuges generate more revenue for surrounding counties than National Parks, National Forests, or BLM lands?

Answer: Hunting, fishing, and other outdoor recreation activities contribute an estimated \$730 billion to the U.S. economy each year, and one in twenty U.S. jobs are in the recreation economy. Therefore, the Refuge System Visitor Services program has a direct impact on the local economies of communities where refuges are located. Recreational visits to refuges generate substantial retail expenditures in the local area, for gas, lodging, meals, and other purchases. According to the Department of the Interior Economic Contributions 2011 report, in 2010 national wildlife refuges

generated more than \$3.98 billion in economic activity and created more than 32,000 private sector jobs nationwide. The 2006 Banking on Nature report revealed that each \$1 investment in the National Wildlife Refuge System returned approximately \$4 to the local economies where refuges are located. The quantity and quality of recreational programs available at refuges affect not only direct retail expenditures, but also jobs, job-related income, and tax revenue. On a national level, each \$5 million invested in the Refuge System's appropriations (salary and non-salary) impacts an average of 83.2 jobs, \$13.6 million in total economic activity, \$5.4 million in job-related income and \$500,000 in tax revenue. Each one percent increase or decrease in visitation impacts \$16.9 million in total economic activity, 268 jobs, \$5.4 million in job-related income, and \$608,000 in tax revenue. Therefore, maintaining a healthy visitor program at national wildlife refuges is vital to the economic well-being of communities all across the nation.

Cooperative Recovery

Your budget includes a \$5.4 million increase for a new initiative, Cooperative Recovery. I generally support new and innovative efforts to try and recover endangered species as quickly as possible. However, this new initiative seems to suggest that the only way for Refuges, Fisheries, and Partners for Fish and Wildlife to focus their collective efforts on recovery is to provide them new funds to do so.

Simpson Q15: In addition to these new funds for Cooperative Recovery, how much of the Fish and Wildlife Service's budget is focused on recovering threatened and endangered species? Please provide a cross-cut table for the record.

Answer: The Service's Endangered Species Program budget request for FY 2013 is \$179.7 million to implement the Endangered Species Act. One of the primary objectives of the ESA is to recover species so that protection of the ESA is no longer needed. The Cooperative Endangered Species Conservation Fund (\$60 million) is also dedicated to the conservation and recovery of species. The Service believes that all its programs contribute to recovery of listed species through many efforts, such as invasive species control, needed habitat acquisition, law enforcement, and climate change planning. The concepts of the Cooperative Recovery Initiative are not new, however this request will provide additional resources to address recovery in a collaborative, strategic approach, complimenting the resources already directed towards recovery efforts with current resources.

Simpson Q16: The Fisheries Program is taking cuts to the population assessment and habitat restoration components of their budget. Won't these cuts affect ongoing recovery efforts?

Answer: As the principal funding source for most of the Service's Fish and Wildlife Conservation Offices (FWCO), this reduction will impact the Service's infrastructure; however, this decrease will be attenuated by increases in the fish passage program to fund fish passage activities and in the new initiative, Cooperative Recovery. As a result, the Service will be able to minimize impacts to recovery efforts.

Funding for the new Cooperative Recovery initiative will allow the Service to counter the impacts of the Fisheries program cuts by increasing its fish population recovery and management activities on National Wildlife Refuge System properties. Working cooperatively across programs, the Service will focus on delisting threatened and endangered species and enhancing habitat for depleted fish

populations. This will create aquatic refuges for fish and other aquatic organisms that otherwise would be in peril of decline and, ultimately, extinction. The Service will stem the loss of keystone fish species on several National Wildlife Refuges that also support fisheries and bolster economies of local communities through recreational fishing.

Building upon the existing Fish and Wildlife Conservation Office infrastructure, the Service will continue its transition towards a leaner, habitat-focused conservation delivery program, crucial for delivering the aquatic conservation component of the Service's mission.

Land Acquisition

Your budget includes a \$52 million increase for land acquisition but the projects aren't listed in numbered, priority order. It is unlikely in this budget climate that you'll receive your full funding request for land acquisition. In any event, this Committee would still like to know what the American people are buying before we appropriate the funds to do so.

Simpson Q17: When can this Committee expect to see a prioritized list of projects—a list that combines both the “core” projects and the “collaborative landscape” projects?

Answer: The FWS is working with the Department to develop a list that is in priority order. The list will be submitted to the committee separately.

The two lists are complimentary to each other but have different goals. The core project list supports bureau specific, mission related acquisitions. These acquisitions have been ranked through the Land Acquisition Priority System (LAPS), but are listed here and in the FWS Congressional Justification in the Administration's priority order. LAPS only provides a biological starting point for the land acquisition budget formulation process. Considering LAPS as the final prioritized list of projects removes critically important considerations from implementing the most efficient land acquisition process possible, such as the presence of willing sellers, potential partners and the ability to leverage financial resources. The core projects, utilizing these considerations, are listed below in priority order:

FWS Core LWCF Project List	State	Amount
Dakota Grassland CA	ND/SD	\$2,500,000
Dakota Tallgrass Prairie WMA	ND/SD	\$500,000
Everglades Headwaters	FL	\$3,000,000
Flint Hills Legacy CA	KS	\$1,951,000
Middle Rio Grande	NM	\$1,500,000
Neches River NWR	TX	\$1,000,000
Silvio O. Conte NF&WR	CT/NH/VT/MA	\$1,500,000

San Joaquin River NWR	CA	\$1,000,000
Upper Mississippi River NW&FR	IA/IL/MN/WI	\$1,000,000
Northern Tallgrass Prairie NWR	IA/MN	\$500,000
Grasslands WMA	CA	\$1,000,000
Nisqually NWR	WA	\$1,000,000
St. Vincent NWR	FL	\$1,000,000
Total for Core Project List		\$17,451,000

The Collaborative Landscape Planning component list includes all of the acquisitions that will support a set of strategic interagency landscape-scale conservation projects that also align with agency-specific acquisition needs. Smart investment in strategic conservation on a landscape scale focuses on select areas for acquisition by multiple Federal agencies that meet defined goals and support well-established State and local collaborative efforts. Investing now in these ecologically important and threatened landscapes will ensure they remain resilient in the face of development pressures and global change. These coordinated efforts will protect large areas to maximize ecosystem values, support at-risk species, and prevent further ecosystem decline or collapse, thereby precluding the need for restoration. In order to reap the benefits of this new strategic interagency approach to acquisition planning, funding is requested for the entire ecosystem, including the individual projects identified by all of the participating bureaus.

FWS Collaborative Conservation Project List	State	Amount
CoC - Rky Mtn Fmt/Blackfoot Val/Swan Val CAs	MT	\$19,742,000
LLP -St. Marks NWR	FL	\$32,912,000
LLP - Okefenokee NWR	GA	\$13,636,000
Total for Collaborative Conservation Project List		\$66,290,000

Simpson Q18: What are some of the criteria you will use to set your priorities?

Answer: All of the proposed FY 2013 projects were prioritized based on the Service Land Acquisition Priority System (LAPS) and considered in light of bureau-wide and Departmental requirements. The Department-wide projects target landscape-level conservation, especially river and riparian conservation and restoration, conservation of wildlife and their habitat, recreation opportunities in urban landscapes, and cultural and historical preservation. The four categories of evaluation criteria for these projects include:

- **Process:** ensure proposals are built through Federal agency and local stakeholder collaboration and make efficient use of Federal funding (*e.g. which stakeholders are involved, what other resources will be leveraged*)
- **Outcomes:** ensure Federal resources are targeted to achieve important biological, recreational, cultural and socio-economic outcomes (*e.g. anticipated impact on recreation opportunities, species and habitats, working lands, rivers and waterways, cultural and historical resources*)
- **Urgency:** ensure funding is focused on outcomes that may be lost today if no action is taken or that are particularly achievable today (*e.g. nature and timeliness of threats to the landscape*).
- **Contribution to national priorities:** ensure local proposals are important contributors to national outcomes at the regional and national scales (*e.g. does proposal contribute to goals related to priority regions or topics*).

The LAPS ranks the proposed acquisition projects that have willing sellers. Numerical scores are assigned to four components (Fisheries and Aquatic Resources, Endangered and Threatened Species, Bird Conservation, and Landscape Conservation), in addition to a project summary. The points for each component are totaled to yield a cumulative score and produce a biological profile for each project. The Service's land acquisition program achieves its conservation goals by prioritizing proposed acquisitions according to their potential to permanently protect habitats where biological communities will flourish within ecosystems.

Simpson Q19: Are parcels identified for acquisition already fully or mostly bordered by other federal lands? If not, then how can you claim that acquisitions save money on maintenance and enforcement?

Answer: Projects submitted for funding in FY 2013 are within the approved acquisition boundaries of the refuge or wildlife management area. Acquisitions made by conservation easements do not require Service-manned maintenance and minimal Service law enforcement activities. Most of the time yearly fly-overs to verify that land owners are compliant to the terms of the easement. As easements prohibit or strictly limit construction of buildings, fire protection and suppression costs are reduced or eliminated.

Dakota Grassland Conservation Area and Flint Hills Legacy Conservation Area are recent additions to the Refuge System and will be composed of conservation easements. Because Conservation Areas cover millions of acres, acquiring easements from willing sellers that are co-located or share boundaries may not be possible for FY 2013. Future acquisitions may be targeted to acquire easements within designated areas to provide a solid core area of protection. The landowner is responsible for maintaining the land and habitat for plants and wildlife.

Service conservation easements with contiguous borders or borders shared with other Federal or State governments, or partner organizations require minimal oversight. Conservation easements eliminate the need for the Service to install utilities or maintenance facilities, and also eliminate the need for the need for road maintenance.

Everglades Headwaters NWR and CA

Approximately 750 acres would be acquired in fee title within the approved acquisition boundary of Everglades Headwaters National Wildlife Refuge and Conservation Area. A significant portion of the refuge lies within the boundaries of the Comprehensive Everglades Restoration Plan, a collaborative partnership among the federal government, including the Army Corps of Engineers and Department of Interior (FWS/NPS), the State of Florida Department of Environmental Protection, numerous county and local governments, and non-governmental organizations. Additionally, the Natural Resource Conservation Service is making significant investments in wetland protection easements in the Northern Everglades area and the Service anticipates working with NRCS to coordinate conservation investments.

Neches River NWR

The 640-acre parcel to be acquired from a willing seller for the Neches River National Wildlife Refuge is adjacent to existing Service-owned parcels. The purchase will enable the Service to straighten out existing boundaries, making fencing and management practices such as prescribed fire easier and safer. Resource protection will be more efficient and cost effective.

The Service, in partnership with the State of Texas and The Conservation Fund, has cooperated in identifying focus areas for bottomland hardwood conservation. Currently, the Service owns land in the project area. Therefore, adding acreage to the existing Service land will not cause additional expenses for management or maintenance.

Silvio O. Conte NFWR

The acquisition of tracts totaling 1,041 fee acres within the Refuge boundaries will enhance protection of a large grassland area for the benefit of the upland sandpiper and other grassland bird species.

The acquired tracts will straighten out existing boundaries and make resource protection more efficient and cost effective. The Service anticipates no additional costs associated with the acquisitions because the parcels are located within the refuge boundary and would create no additional workload.

Upper Mississippi River NW&FR

This acquisition is three parcels totaling fee title of 335 acres within the approved land acquisition boundary. These parcels will round out Service ownership and reduce maintenance costs by eliminating the need for retracement surveys, sign maintenance, or, in some locations eliminate the need for boundary fences. Consolidation enables consistent management and reduces confusion for visitors to these areas. On a river refuge prone to flooding, reducing signage and fence maintenance is cost effective. The public benefits from consolidated ownership because there is much less likelihood of accidentally trespassing on privately-owned land; public use and hunting regulations are uniform; and law enforcement costs are reduced.

Northern Tallgrass Prairie NWR

The majority of parcels to be acquired for the Northern Tallgrass Prairie National Wildlife Refuge are adjacent to existing public lands, and have been given the highest priority for that reason; the purchases will straighten out existing boundaries, making fencing and management practices, such as

prescribed fire, easier and safer. They will also make resource protection more efficient and cost effective.

Although not immediately adjacent to other land holdings within the boundaries of previously established priority "focus areas" for land acquisition, the Service, in partnership with the States of Minnesota and Iowa, The Nature Conservancy and the Natural Resource Conservation Service have identified these focus areas for grassland conservation. The Service currently has a land acquisition presence in each area; therefore, adding acreage to this base will not add to travel and/or long-term management costs to our agency. The Service will work with private landowners to develop stewardship agreements, and provide incentives and management assistance in the interest of preserving the prairie landscape regardless of ownership.

Nisqually NWR

The Service intends to acquire fee acreage, with a possibility of one parcel including both fee and easement, of an estimated total of 208 acres. Nearly all parcels targeted for acquisition are contiguous to existing Service-owned lands, and some of the key areas are also adjacent to Nisqually Indian Tribe lands or the Joint Base Lewis-McChord (a.k.a. Fort Lewis).

Acquiring these contiguous parcels will reduce trespass problems due to the patchwork nature of land ownership, predominantly at the Black River Unit, but also at the main unit of the refuge. Acquiring inholdings will make the boundary clearer for both refuge staff and the general public. The refuge is in a growing urban area, and encroachment on Service boundaries is a significant problem, particularly in the form of neighboring yards and fencing, and acquiring these parcels should reduce these issues with neighboring land owners.

St. Vincent NWR

The St. Vincent National Wildlife Refuge targeted acquisition is four acres. The tract to be acquired consists of a one-acre upland parcel, an ingress and egress easement, and the marina parcel, consisting of both the boat basin and surrounding land for parking and storage of vehicles and boats. The main purpose in acquiring this property is to obtain safe, secure, and permanent deep water boat and barge access to St. Vincent Island, the main unit of the St. Vincent National Wildlife Refuge, for the purpose of maintaining Refuge facilities; protecting trust species and their habitats; supporting public visitation, including the annual hunt program; and continuing the refuge's biological program, including wildlife census, research, and management of the federally-endangered red wolf captive breeding program. The refuge is on a month-to-month lease for boat and barge access at a campground approximately 10 miles to the west, but the access is not for sale and the lease can be terminated at any time. There are only three deepwater canals in the general vicinity of St. Vincent Island: the campground, the Fisherman's Cooperative, which is not for sale or lease, and the Trust for Public Land marina property. The TPL marina is the closest property to St. Vincent Island. If the refuge does not acquire the TPL marina, the next closest available marina is one of the public marinas in Apalachicola, about 20 miles east.

Acquisition of the subject property will save time and money for maintenance and for biological, fire, and law enforcement programs. As the marina is very close to St. Vincent Island, boats and barges could be stored at the property, reducing both ferry time and costs (most notably the cost of gas) involved in getting boats, barges, and other equipment to the island for maintenance purposes and for continuation of biological programs, including management of the federally-endangered red wolf

captive breeding programs. The same reduction in time and costs will be realized by the refuge law enforcement program, since officers would be able to access boats and quickly respond to emergencies on the island in a matter of moments instead of nearly an hour.

Okefenokee NWR

The 9,886 acres to be acquired for Okefenokee National Wildlife Refuge is owned by The Conservation Fund. Funding would be used to acquire timber, recreational, and hunting rights, providing the Service with full management rights on these lands. The acquisition will assist in preserving a tapestry of Federal, State, and private forest lands that provide more than a million acres of unfragmented habitat for a variety of federally-listed endangered and threatened species, including the red-cockaded woodpecker, woodstork, flatwoods salamander, Eastern indigo snake, and whooping crane. Acquisition would significantly contribute to a multi-partner effort by Greater Okefenokee Association of Landowners to establish a one-mile, wildfire-resilient wildlife conservation zone around the Refuge.

The acquisition of the 9,886 acres would allow the Service to manage the area as a fire resilient forest and save substantially on suppression efforts, as well as significantly improving our ability to protect the rural community (Spanish Creek) immediately to the east of the parcels.

Simpson Q20: The Land Acquisition budget includes a new set-aside of \$66 million for "Collaborative Landscapes", with the focus being on three ecosystems: the Northern Rockies, the Greater Yellowstone, and the Florida-Georgia Longleaf Pine.

How did the selection of these three ecosystems come about?

Answer: Seven teams of interagency staff from the field submitted proposals requesting collaborative funding for acquisitions of landscapes. These proposals were reviewed first by a Technical Advisory Committee (TAC) comprising bureau staff with expertise in real estate, recreation, and conservation programs. The TAC scored each proposal against the set of criteria agreed upon by the interagency working group that designed the new collaborative program. There were four categories of evaluation criteria:

- **Process:** ensure proposals are built through Federal agency and local stakeholder collaboration and make efficient use of Federal funding (*e.g. which stakeholders are involved, what other resources will be leveraged*)
- **Outcomes:** ensure Federal resources are targeted to achieve important biological, recreational, cultural and socio-economic outcomes (*e.g. anticipated impact on recreation opportunities, species and habitats, working lands, rivers and waterways, cultural and historical resources*)
- **Urgency:** ensure funding is focused on outcomes that may be lost today if no action is taken or that are particularly achievable today (*e.g. nature and timeliness of threats to the landscape*).

- **Contribution to national priorities:** ensure local proposals are important contributors to national outcomes at the regional and national scales (*e.g. does proposal contribute to goals related to priority regions or topics*).

Then, a National Selection Committee (NSC) comprising all four agency Directors/Chiefs, plus senior representatives from both DOI and USFS, reviewed the results of the TAC scoring and discussed and weighed the merits of the proposals. In addition to the scores from the TAC, the NSC members considered where their agencies were making complementary investments in the same landscapes through other programs, and whether communities had made a case for locally-driven conservation plans over the course of the AGO listening sessions and in other contexts.

The recommendations of the NSC were approved by the Secretaries prior to inclusion in the budget.

Simpson Q21: Why do you not have any projects in the Greater Yellowstone ecosystem?

Answer: The Service's acquisition efforts are located in the Northern Rockies large landscape portion of the request. The acquisitions total \$19.7 million and are concentrated in the Rocky Mountain Front, Blackfoot Valley, Swan Lake and Red Rocks Lakes Conservation Areas.

Simpson Q22: What are your goals and measurable objectives? I understand your strategy is acquiring land, but where and how far are you asking us to go with this?

Answer: The collaborative process was developed in response to congressional directives for greater coordination and to achieve greater conservation impacts. The new process was piloted in formulation of the President's 2013 Budget in a small number of ecosystems where the groundwork for collaboration was already in place and where significant acquisition opportunities of strategic importance were known to be available. The Departments of the Interior and Agriculture focused on these ecosystems for the pilot year to test the new process and evaluate whether it would successfully yield high quality collaborative proposals. The results of the pilot were promising and could be used to broaden the effort in successive years.

The broader goals of this new collaborative approach to land acquisition using LWCF funds are:

- To be more strategic with our LWCF investments;
- To make LWCF investments based on the best science and analysis that are collectively available to all agencies;
- To incentivize collaboration among bureaus, other federal agencies, and other stakeholders;
- To achieve efficiencies and improved results through complementary efforts and leveraging joint resources; and
- To support locally-driven conservation efforts.

Interior and Agriculture defined measurable goals and objectives for each landscape's proposed acquisition strategy. Staff in the field were challenged to work together to define common conservation and community (*e.g. recreation, economic development*) goals at the landscape scale, then determine whether land acquisition was an appropriate tool to help reach those goals. Goals and metrics for measuring progress to goal were articulated by the interagency teams preparing each

collaborative funding proposal. For example, some of the goals and measurable objectives for landscapes selected for funding were:

- Protect 96 percent of the threatened flatwoods salamander Critical Habitat between the St. Marks and Auculla Rivers (metric = % of Critical Habitat).
- Protect 29,000 acres of future habitat to allow the expansion of endangered red-cockaded woodpecker recovery populations identified in the Red-cockaded Woodpecker Recovery Plan by at least 135 breeding pairs (metric = acres pineland acquired; metric = number of breeding pairs).
- Protect a 6-mile corridor inland from Apalachee Bay (between St Marks and Pinhook Rivers) to protect habitats for wildlife movement inland as a result of sea level rise and connectivity to other public lands (metric = miles of corridor).
- Protect crucial wildlife migration corridors, endangered biological and geological systems, and special status species.
- Enhance cultural and natural landscapes while allowing for traditional working ranches and forests in many cases.
- Enhance outdoor recreational opportunities by increasing access, maintaining the integrity of scenic vistas and the primitive qualities of the Crown of the Continent Ecosystem.

The proposals were scored in part on how well project goals were articulated, expected outcomes were quantified, and how well the plan narrative contributed to the goals set.

Simpson Q23: Why is acquiring land the only strategy for this initiative, particularly when one considers that the Service's budget is filled with conservation and restoration programs that could be at least partially targeted toward these priority ecosystems?

Answer: The Department is striving to achieve greater collaboration across all its conservation and restoration programs per congressional directives. The goal is to better align a broad range of Department of the Interior and Department of Agriculture programs so that we can achieve even greater efficiencies and improved outcomes through leveraging diverse strategies and funding. Other Fish and Wildlife Service programs that complement the Land and Water Conservation Fund (LWCF) program include the Cooperative Endangered Species Conservation Fund grants, North American Wetlands Conservation Act grants, and the Partners for Fish and Wildlife program. These programs contribute significantly to a broad range of conservation goals, but LWCF remains unmatched in its importance as a conservation tool.

To help explore how to do this, the FY 2013 budget request pilots a collaborative planning and decision-making process for Federal land acquisition under LWCF. A signature reason for starting with LWCF was to be responsive to Congress' directives in House Report No. 111-180 and Conference Report No. 111-316 which accompanied the 2012 Appropriations bill, to collaborate extensively with other government and local community partners.

Another reason it made sense to develop a collaborative approach among the four LWCF Federal land acquisition programs is that each agency implements land acquisition programs that are substantially similar in mission but often operate independently from one another. That is, they all acquire land in fee or easement to be managed (or monitored, in the case of easements) by the agency, to further the specific agency mission without always considering how other agencies'

missions and priorities overlap. Yet each agency makes decisions about which parcels to prioritize for acquisition according to an agency-specific set of criteria, all of which are stringent and merit-based, but do not consistently incorporate considerations about mutually beneficial opportunities for interagency collaboration. It made sense to first align these four bureaus around a common and robust decision-making process and determine related land acquisition opportunities on a small scale before implementing an interagency collaborative land acquisition program on a larger scale.

The Department thinks the successful collaboration of this program will help to identify opportunities to align programs and funds to achieve greater efficiencies and meet mutual goals.

Environmental Contaminants

The Environmental Contaminants program is looking at a \$1.3 million increase and the addition of 4 FTE to focus on spending down the high unobligated balances in the Natural Resources Damage Assessment and Restoration program. I know the Environmental Contaminants program has been instrumental in dealing with the Deepwater Horizon disaster, but what I don't understand is why we need to invest additional discretionary dollars into programs that ought to be paying for themselves using funds received from damage settlements.

Simpson Q24: Please explain.

Answer: While there is over \$450 million available for restoration in the DOI Natural Resources Damage Assessment and Restoration fund, this money is arrayed across several hundred individual accounts. The funds in each individual account were specifically obtained in a Federal court approved settlement for on-the-ground restoration to compensate the public for documented injuries specific to that individual damage assessment case. With very few exceptions, these restoration funds are not available for consolidation or to cover restoration implementation costs of the involved Federal, State, or tribal trustees. In addition, since these settlement funds are not divisible among the trustees, all trustees have an equal claim to the funds and decisions on expenditures are made by consensus among the case specific individual trustee council members.

While some of the larger restoration settlements have sufficient funding to cover the cost of implementation, many of the settlements of smaller and medium size cases are not structured to cover such implementation costs. Implementation costs are normally sought during settlement negotiation, but a shortfall often occurs as a function of the risk and cost of litigation. In addition, the Department's co-trustees (states, tribes, and other federal agencies) on NRDA cases often are focused on putting the restoration dollars on the ground and not in funding the necessary staff support for project implementation. While DOI will continue to seek full funding of implementation costs in NRDAR settlements, the requested increase in funds and FTEs will substantially increase the speed of NRDA restoration implementation.

The funds will be used to fully fund several NRDA restoration specialists in the Environmental Contaminants program to take a leading role in guiding several specific trustee councils to more expeditiously and intentionally complete their stalled or sluggish restoration activities. Restoration within the NRDA context requires a unique skill set as the specialist not only needs to fully understand all the aspects of implementing a wide array of restoration options, but also have to be comfortable with environmental chemistry, consensus and coalition building, applying cutting edge

economic theory (e.g., ecosystem services and habitat or resource equivalency analysis), and avoiding legal challenges.

Some of the funds and FTEs will be used to support staff in critical, administrative duties (e.g., organizing and leading meetings, obtaining consensus among the trustees, writing restoration plans that incorporate a broad array of restoration options and public input) necessary to complete restoration planning, partnering, and leveraging of funds before on-the-ground restoration projects can be implemented. Successfully addressing these duties is often critical to obtaining consensus among the members of a trustee council, especially when the decision-making process of the council does not have to meet time critical deadlines.

In 2013 the Service will prioritize restoration efforts into three categories anticipated to produce the greatest return on investment:

- Closing out 12 cases with restorations nearly completed,
- Accelerating restoration expenditures on 24 cases with on-going restorations, and
- Expediting restoration planning on 16 large recently settled cases to begin restoration activities.

With the Environmental Contaminants program's track record of effectively utilizing Federal dollars for on-the-ground restoration, this increase can produce huge environmental returns. Based on the performance of the program since the late 1990's, a return of 25:1 is expected; for every \$1 in funding spent by the Environmental Contaminants Program \$25 in natural resource restoration will be returned, making this requested increase an excellent investment of Federal funding. In 2011 alone, Environmental Contaminants-led NRDA restoration projects restored 32,038 wetland acres, 55,557 upland acres, and 392 stream miles. By providing the funding to hire or fully fund dedicated NRDA restoration specialists, the Service anticipates doubling the current annual restoration efforts to \$50 million per year.

Fisheries Program

The Fish and Wildlife Service's Fisheries Program just released a report estimating that the program's activities generate a total economic impact of \$3.6 billion annually, which translates into a 28:1 return on investment and 68,000 jobs. A major message of the America's Great Outdoors initiative is about the economic benefits of outdoor recreation. It seems to me that fishing is a major component, and therefore that the Fisheries Program should be an important piece of the AGO crosscut.

Simpson Q25: Not only is it not, but core programs are severely cut. Why?

Answer: While the FY 2013 President's Budget proposes reductions in the Fisheries Program totaling \$11.8 million, the Service is proposing to partially offset these reduction with the proposed \$7.0 million in increases for high priority programs that will enhance the AGO initiative, such as \$1.5 million for the National Fish Passage Program for barrier removal/bypass projects and \$2.9 million for Asian carp control. Included in the program reduction is \$600,000 which was shifted to other bureau budgets for direct reimbursement of mitigation production, \$1.9 million for which the Service is seeking reimbursement for the production of fish for mitigation of federal water projects, and \$741,000 which was a fiscal year 2012 congressional addition for supplies. The Office of

Management and Budget, Congress and DOI have asked the Service to amplify efforts to obtain full reimbursement from the Corps of Engineers, the Bureau of Reclamation and the Tennessee Valley Authority.

The Service and the Fisheries Program is committed to advancing the key goals of the AGO initiative, and the fiscal year 2013 President's Budget request works toward that goal.

Fish Passage Program

The budget proposes a \$1.5 million increase for fish passage, while at the same time proposes a \$1.1 million reduction from aquatic habitat general activities.

Simpson Q26: Compare and contrast what you expect to do more of with the increase for fish passage, versus the decrease from aquatic habitat general activities.

Answer: Fish passage has become a critical conservation tool for the Fisheries Program as the need to address aquatic habitat fragmentation has increased. Restoring habitat connectivity is essential for restoring anadromous fish specifically and making all fish species more resilient to the effects of climate change. The requested increase will implement as many as an additional 28 critical barrier removals or bypass projects that will reconnect important waterways and reopen habitat for fish and other aquatic species. Based on values reported in the Service study *Net Worth, The Economic Value of Fisheries Conservation, Fall 2011*, it is estimated that this will result in more than \$200 million in economic benefits to local communities, as well as create or maintain over 1,300 jobs. Through the fish passage program as a whole, the Service will work with over 700 partners to assist local communities with the planning and implementation of these projects.

As increased funding for large fish passage projects becomes available, more expertise is needed in the highly specialized areas of fluvial geomorphology, fish passage engineering, fish behavior, and conservation business management. Building upon the existing Fish and Wildlife Conservation Office infrastructure, the Service will continue its transition towards a leaner, habitat-focused conservation delivery program, crucial for delivering the aquatic conservation component of the Service's mission. Therefore, while there will be a reduction in the delivery of on-the-ground fisheries habitat restoration and conservation due to the decrease in general program activities, the Service is funding high priority needs.

Simpson Q27: Will the decrease from aquatic habitat general activities include cuts to the National Fish Habitat Action Plan?

Answer: No, the National Fish Habitat Action Plan funding request remains at the FY 2012 appropriated funding level of \$7,141,555.

Simpson Q28: Why are you putting more fish passage money into people instead of into projects?

Answer: More than 70 percent of the funds received by the Fisheries Program for the National Fish Passage Program (NFPP) go directly to the implementation of projects. The Fish and Wildlife Service is working strategically to strengthen on-the-ground fish passage delivery capabilities by training current biologists in the science of fish passage. This increase of in-house capabilities would

reduce the price tag of fish passage projects. The Service's experience with NFPP engineers shows that when in-house expertise is used, the price of implementing a fish passage project can be reduced by over 20 percent.

Simpson Q29: Have you ever considered rolling the fish passage program into the National Fish Habitat Action plan so that fish passage dollars can be considered within the greater context of aquatic habitat restoration priorities?

Answer: The National Fish Habitat Action Plan (NFHAP), a Service supported and Association of Fish and Wildlife Agency (AFWA) led effort, exclusively addresses priorities of the Fish Habitat Partnerships (FHP), some of which are fish passage related, but not all. While a portion of National Fish Passage Program (NFPP) funds and expertise address priorities of the FHPs, the fish passage program also addresses a myriad of other Service priority fish habitat projects.

The Service established the NFPP in concert with repeated Congressional report language issued from 1998 to 2005 to increase the habitat focus of the Fisheries Program. Since its formation in 1999, the NFPP has expanded in scope and capabilities to the point that the Service is a vital and trusted partner in community-based fish passage projects. Funding for NFPP support Service technical expertise, as well as on-the-ground cost-shared projects with over 700 partners across the country. The program is flexible, allowing the Fisheries Program's Fish and Wildlife Conservation Office field biologists to respond quickly to priorities of the Service and our partners (both Federal and non-Federal), as demonstrated recently with the post tropical storm Irene recovery efforts.

The NFHAP emerged in 2002 from a recommendation to the Service by the Sport Fishing and Boating Partnership Council. NFHAP gained momentum in 2003 when the Association of Fish and Wildlife Agencies, representing the States, endorsed the effort and agreed to take a leadership role. To this day, the AFWA serves as the lead entity in what is now known as the National Fish Habitat Partnership (Partnership). The Service is a key participant in the Partnership at local, regional, and national levels, and provides crucial funding to support science, partnerships, and on-the-ground cost-shared projects. The Partnerships help by enlisting a broader slate of partners and identifying matching funds for projects. This synergy is increasing over time within the Service's Fisheries Program, and also with the Service's Coastal Program and Partners for Fish and Wildlife Program.

Increased collaboration across programs, bureaus, and departments is encouraged by the Secretaries of the Interior, Agriculture, and Commerce through a recently signed Memorandum of Understanding for Implementing the National Fish Habitat Action Plan. The MOU recognizes that the National Fish Habitat Partnership provides a national strategy to harness energies, expertise, and existing programs to achieve cooperative, proactive conservation goals. The Service believes that the approach put forward in the MOU effectively links the NFPP with the greater context of aquatic habitat restoration priorities.

National Wildlife Refuges

Simpson Q30: Will the refuge system complete Comprehensive Conservation Plans for all 554 original refuges by October 9, 2012, as mandated by the National Wildlife Refuge System Improvement Act of 1997?

Answer: The Service has made significant progress toward meeting the goal of completing Comprehensive Conservation Plans (CCPs) for 554 units by October 9, 2012:

- Through the end of FY 2011, CCPs for 427 of these units have been completed.
- CCP development is underway for an additional 109 of these units.
- CCPs for 18 of the required units are yet to be started.

The CCPs for 8 of the 427 completed units are currently being revised. The Service has also completed CCPs for 9 units that were created after the Improvement Act. Despite this progress, there is a reasonable chance that that a CCP will not be completed for all of the original 554 units by October 9, 2012. The current schedule indicates that CCPs for 42 of the required 554 Refuge System units will not be completed by that date. All of these plans, however, should be under development on that date.

Simpson Q31: How many refuges are closed to the public? How many are unstaffed?

Answer: Of the 594 refuge units, 459 of them, or 77 percent, are open to the public and 134 are closed to the public.

The latest data on staffed refuges is from 2008, when it was determined that 216 refuge units (including both national wildlife refuges and wetland management districts) were unstaffed. "Unstaffed" in this case does not mean the unit never receives attention, but it does indicate that no FWS employees are located there. The number of unstaffed refuges is approximately the same today. Therefore, with 594 total units (556 refuges and 38 wetland management districts), including Everglades Headwaters established in 2012, approximately 374 units (63%) are staffed and 220 (37%) are unstaffed. Unstaffed and closed are not the same. Some refuges may be closed to the public but are staffed and accomplishing specific work such as invasive species management.

Simpson Q32: How many refuges are open to hunting and fishing?

Answer: According to the Code of Federal Regulations (CFR), the Refuge System offers hunting on 327 refuges and fishing on 272 refuges. There are 243 refuges that are open to both hunting and fishing.

Simpson Q33: How large is the maintenance backlog, and is it growing?

Answer: The Refuge System continues to manage its maintenance backlog by continuing to refine its condition assessment process, using maintenance action teams, actively pursuing local partnerships, carefully prioritizing budgets, and disposing of unneeded assets. As a result the backlog declined by \$200 million from fiscal year 2010 to fiscal year 2012. The condition of the overall portfolio has improved; mission critical needs are being met.

The Refuge System's list of deferred maintenance projects decreased from \$2.7 billion to \$2.5 billion. There are 14,641 deferred maintenance projects. Repairs to roads and parking lots, bridges and trails, dams, levees, and other water control structures are among the most common maintenance needs. With the start of the Service using the Financial and Business Management System (FBMS), the Service redefined 'facilities;' thus, the total number of Refuge System facilities dropped from

44,475 in 2011 to 31,577 in 2012. Of the Refuge System's 31,577 facilities, 10,603 are now in need of some repair, and many of these pose safety threats for refuge visitors, staff, and wildlife.

Landscape Conservation Cooperatives

The Service has invested heavily to establish Landscape Conservation Cooperatives around the country over the past few years. The FY13 budget proposes no additional funds for LCC's, yet at least four of the 22 LCC's aren't fully established.

Simpson Q34: Was the shift in funding priorities for FY13 a direct response to Congressional direction in FY12 to concentrate the bureau's efforts on a select few LCC's?

Answer: Yes. In fiscal year 2012, Congress directed the Service to more fully develop the LCC initiative in a limited number of areas. The Service has responded to that concern by focusing funding and support on those LCCs that are best able to deliver priority conservation outcomes as defined by LCC partners while maintaining others at a reduced level. Targeting funding in fiscal year 2013 will provide for continued development of critical partnerships associated with more established LCCs and will focus resources so they are used effectively to benefit fish, wildlife, plants and their habitats.

Simpson Q35: Why is the Peninsular Florida LCC not a priority at a time when the Department is investing billions in restoration and new acquisition?

Answer: In accordance with Congressional direction, the Service proposes to focus funding and support on those LCCs that are best able to deliver priority conservation outcomes while maintaining others at a reduced level. The Peninsular Florida LCC has hired a coordinator and established an interim Steering Committee, which are important steps in its development. However, the Peninsular Florida LCC was initiated later than most of the other LCCs and has not had sufficient time to fully develop the critical partnerships and capabilities associated with more established LCCs. In FY 2012, the Peninsular Florida LCC received a small funding increase, which will enable it to continue to develop so that it can better serve the considerable needs of the conservation community in Florida in the future.

Simpson Q36: Shouldn't a Peninsular Florida LCC be a prerequisite to investing so much in conservation and acquisition? If not, then what exactly is the point of the LCC?

Answer: LCCs are intended to be applied conservation science partnerships working to build a shared view of future conservation needs across regional landscapes. The fundamental objective of LCCs is to define, design, and help partners deliver landscapes that can sustain fish and wildlife species at desired levels. LCCs are a nexus for bringing together land and resource managers from all sectors -- federal, state, tribal, local, non-governmental, to address the onslaught of natural resource stressors. They work towards this objective by agreeing on common goals and jointly developing the scientific information and tools needed to develop, prioritize and guide more effective conservation actions towards these goals. In this way, LCCs play an important role in identifying gaps, prioritizing and connecting existing efforts with all conservation partners, leveraging funding and preventing duplication. This integrated approach is needed to address increasing land use pressures and widespread resource threats and uncertainties in a more efficient and effective way. Cross agency coordination is a critical component to this approach as is working with highly effective

existing partnerships such as the State Wildlife Action Plans, Joint Ventures, and Fish Habitat Partnerships.

The conservation issues and opportunities in Florida are too urgent to wait until the Peninsular Florida LCC reaches its full operational capacity. While the LCC will enhance cooperative conservation in Florida, existing Service programs and conservation partnerships can begin the important work of assessing and addressing the multiple stressors affecting this landscape.

Simpson Q37: Please explain whether and how the Service is integrating the work of its LCC's into each and every one of the Service's other programs—and particularly the State and Tribal Wildlife Grants.

Answer: The LCCs were developed to address critically important conservation challenges that are large-scale in nature. These may be climate change related or may be among a wide variety of other stressors that transcend ecological, geographic, administrative, and political boundaries. The impacts include, but are not limited to, energy development, invasive species, land use transformation, establishment of migratory corridors, and habitat connectivity. Clearly, this scale of impacts is relevant to many programs of the FWS. Administratively, the Fish and Wildlife Service is represented on all 22 LCC steering committees. One of the key roles of the steering committee representative is to act as a liaison to all Service programs of relevance to the LCC. This happens through a variety of mechanisms such as email notes from the steering committee meetings, regular meetings with staff, assignment of Service staff to various LCC work teams, and other approaches. Furthermore, this role is supported through the actions of the Assistant Regional Director for Science Applications who has a primary responsibility for ensuring science coordination among Service programs and the LCCs.

Existing collaborative conservation programs such as the Joint Ventures (JV) and the National Fish Habitat Action Plan (NFHAP) are highly relevant to the LCCs. The initial geographic development of the LCC areas was primarily based upon Bird Conservation Regions. As a result, several LCCs were very closely aligned with JVs (e.g., Great Plains LCC and the Playa Lakes JV; Gulf Coastal Plains and Ozarks LCC and the Lower Mississippi JV). Because of this, LCC Steering Committees and JV Boards often had substantial overlap in membership. More frequently, though, the JVs would be represented on the LCC Steering Committee or be engaged as part of an advisory board consisting of multiple partner-based organizations such as JVs, NFHAP Fish Habitat Partnerships (FHP), and other pre-existing organizations. In both cases, science needs identified by the JVs and FHPs have been incorporated into the larger framework of the LCC science agendas. A working group of national coordinators or board leaders of the JV, NFHAP and LCC programs has been established and is working on further programmatic integration.

The State Wildlife Action Plans (SWAP) are a fundamental source of information for the LCCs. Most LCCs have reviewed SWAP priorities, developed multi-state SWAP comparisons, and included them in initial conservation science planning. This has led to a number of approaches for further advancement of SWAP and LCC integration. For example, the North Atlantic LCC recently co-hosted a meeting with Wildlife and Sport Fish Restoration and Northeast State partners to discuss how State Wildlife Action Plan updates will incorporate common elements and regional information to allow States and conservation partners to make state-level decisions within a regional or landscape context. The regional information, including maps, conservation designs, and regional assessments to

inform this planning, is coming from joint efforts between the North Atlantic LCC and the Northeast States' Regional Conservation Needs (RCN) program which pools State Wildlife Grant funding for regional projects.

The Southeastern States and LCCs have embarked on a process to develop a Southeast Conservation Adaptation Strategy (SECAS). The purpose of SECAS is to provide a forum and process for the conservation community to come together to develop a vision and strategies needed to enable fish and wildlife populations to be sustained at desired levels in the face of major stressors such as continued human population growth, growing energy development, and a changing climate. The foundation for a SECAS will be based on and built upon conservation planning efforts already in place: SWAPs, bird conservation plans [e.g., North American Waterfowl Management Plan, Partners in Flight, and Northern Bobwhite Conservation Initiative], National Fish Habitat Action Plan, The Nature Conservancy (TNC), Ecoregional Plans, etc.

In addition, national LCC staff is participating in an Association of Fish and Wildlife Agencies (AFWA) sponsored work group that is developing voluntary guidance in the form of a 'best practices' document that can be used by U.S. States and Territories when revising their State Wildlife Action Plans. One goal of this work group is to identify practices that would make the SWAPs more useful for landscape scale conservation.

The first recommendation of the new National Wildlife Refuge System vision is to, "Incorporate the lessons learned from the first round of Comprehensive Conservation Plans and Habitat Management Plans into the next generation of conservation plans, and ensure these new plans view refuges in a landscape context and describe actions to project conservation benefits beyond refuge boundaries." Working towards this vision, the Service's refuge program has assigned a central liaison to the LCCs and is working with LCCs to develop tools and information to support planning decisions. Refuge staff serve on LCC steering committees (e.g., Chief of the Refuge System in the Southeast Region serves on the Steering Committee of the South Atlantic LCC). LCCs support and add value to Refuge System work. For example, the California LCC and the North Pacific LCC are helping the Service model sea-level rise along the Pacific Coast. In this project, the LCCs are allowing five National Wildlife Refuges to evaluate sea-level rise effects at a local scale relevant to the landscape level.

The Refuge System Inventory and Monitoring (I&M) Program has a mission to create "a nationally coordinated effort to support inventories and monitoring at the refuge, landscape, regional and national scale to inform management and evaluate the effectiveness of strategies to support adaptation to climate change and other major environmental stressors." This aligns very closely with a function of the LCCs to support the development of landscape-scale measures of conservation status and success. The Refuge I&M program will look beyond the traditional refuge boundaries and link with other I&M efforts such as those of the National Park Service. Efforts are underway within the LCCs to facilitate and provide leadership in this process. For example, at the recent Denver National LCC workshop (March 26-29, 2012) a special working session on coordination of monitoring programs across multiple agencies took place. Furthermore, the LCC leadership team has established a standing work team on monitoring coordination that includes a defined Refuge I&M liaison to ensure appropriate coordination.

The LCCs support and add value to the Endangered Species Program's efforts to achieve listed and candidate species conservation on the working landscape. A top priority of the Great Basin LCC is to

provide science to advance the conservation of sage-dependent species such as the greater sage grouse, which is a candidate species for listing under the Endangered Species Act . The Great Plains LCC provides applied science and decision support tools to help natural resource managers conserve plant, fish and wildlife in the mid- and short-grass prairie of the southern Great Plains. Great Plains LCC priorities include listed and candidate species such as the Lesser Prairie-Chicken, sand dune lizard, and American burying beetle. The Gulf Coastal Plains and Ozarks LCC is working with the FWS, US Forest Service and TNC to develop a prioritization model for identifying potentially suitable, but currently unoccupied, habitats to target search and restoration efforts for the federally-threatened Louisiana Pearlshell Mussel. The Great Northern LCC is working to support the recovery of the threatened Bull Trout in the Crown of the Continent ecosystem.

In addition to working with NFHAP, the LCCs have engaged the Fisheries and Habitat Conservation program at various levels. This has included an extensive work session at a national meeting of FHC leadership held in Burlington, VT, in fall 2011, and working sessions with the Branch of Aquatic Invasive Species and Branch of Habitat Restoration. LCC staff are also involved in the field station reviews of the Fish Technology Centers and work with individual fish technology center staff on evaluating science development and identifying linkages with LCCs. At the individual LCC level, fisheries programs and LCCs are increasingly identifying valuable collaborative opportunities. For example, the Upper Midwest and Great Lakes LCC is working with Service fisheries program offices, the Great Lakes Fisheries Commission, and States to provide overall coordination for fish passage analysis and planning.

Simpson Q38: Does the Service assess its other programs to supplement the LCC line-item funding?

Answer: No, funding appropriated to the Cooperative Landscape Conservation and Adaptive Science subactivity provides the necessary funding for LCCs. While other Service programs work collaboratively with LCCs and contribute resources and effort, they are not assessed financially to support LCCs.

Simpson Q39: The Service hasn't been shy about trying to re-build the science capacity it lost to the National Biological Survey and eventually the Biological Resources Division at the USGS.

Is it just not working, this model of having all of Interior's biological science housed in the USGS?

Answer: As a natural resource management bureau, the Fish and Wildlife Service is a science-based organization and requires trained scientists and basic science capacity in order to apply scientific findings to resource management decisions. The USGS has a different but complementary role to conduct long-term objective research, to develop modeling and forecasting capability to support decisions, and to maintain large-scale, long-term monitoring and data efforts.

In recent years USGS has provided important science support to the Service to assist with a range of management issues including wind energy, golden eagles, sage grouse, white nose syndrome in bats, invasive species and polar bears. Yet the leadership of USGS would be among the first to acknowledge that there are currently not enough resources within the USGS to meet all of the needs of the Fish and Wildlife Service for science in support of the Service's mission. In a constrained budget environment both USGS and the Service must balance competing needs and prioritize limited

resources. The fiscal year 2013 budget request for both bureaus represents this prioritization for science funding in each bureau.

Simpson Q40: The USGS budget includes a \$16.2 million increase for “science in support of ecosystem management for priority ecosystems.” I thought that was basically the mission of Interior’s Landscape Conservation Cooperatives, which are funded through the Fish and Wildlife Service.

Why the need for both? Please explain.

Answer: The fundamental objective of LCCs is to define, design, and help partners ensure that landscapes can sustain fish and wildlife species at desired levels. LCCs are not research institutions, and their role is to work towards this objective by collaborating with partners to reach agreement on common goals to develop, prioritize and guide more effective conservation actions. LCCs play an important role in identifying science gaps and developing science-based strategies and decision support tools, leveraging funding, and preventing duplication. To do this, LCCs rely on the research capacity of USGS, Cooperative Ecosystems Studies Units (CESU), and other institutions to provide new scientific information.

A broad array of scientific expertise is necessary to understand both the biotic and abiotic systems that drive landscape change. The USGS has the unique range of capabilities to conduct this type of landscape-scale, systems-based science that will be applied by the Landscape Conservation Cooperatives (LCCs).

The \$16.2 million increase in the USGS 2013 budget request is intended to fund fundamental science questions related to restoration of economically important priority ecosystems, including control of invasive species of greatest concern such as pythons in the Everglades, Asian carp in the Great Lakes and Upper Mississippi, flow conditions and water quality in the San Francisco Bay-Delta, and water availability, water quality, and fish habitats in the Klamath Basin. This information is available for application by the LCCs and other resource management entities in conservation planning and landscape level resource management.

Simpson Q41: The LCC’s appear to be more partnership-based than the USGS research program. Is that the case, and, if so, shouldn’t we be investing in the LCC’s primarily?

Answer: LCCs were designed and organized to be partnership-based. However, LCCs alone cannot provide the full range of science capacity needed to address the increasing land use pressures and widespread resource threats and uncertainties affecting fish and wildlife resources. For example, the impacts of accelerating climate change are a major uncertainty that needs to be considered in fish and wildlife conservation and the USGS Climate Science Centers are being developed to work with the LCCs to address this need.

USGS research activities are partnership-based to ensure both efficient use of scarce funds and close matching of results to management needs. For example, USGS science is being applied in the Chesapeake Bay as part of a broad coalition of Federal, State, and local partners supporting implementation of the Chesapeake Bay Executive Order. In the Great Lakes region, USGS Asian carp research into early detection and control technologies is being conducted in support of the Asian

Carp Regional Coordinating Committee, which consists of Federal, State and local agencies in addition to other private stakeholders.

Simpson Q42: A closer look at the Fish and Wildlife Service’s budget reveals \$13.5 million for ecosystem restoration activities that appear to be separate from the budget for LCC’s. Of this amount, an increase of \$2.5M is for Great Lakes restoration.

Why is the Administration asking separately for Great Lakes restoration funding increases in the Fish and Wildlife Service budget, when the Service already receives a significant portion of funding through EPA’s Great Lakes Restoration Initiative?

Answer: The Service’s 2013 budget request includes additional funding of \$2.9 million for nationwide activities to control the spread of Asian carp. The U.S. Fish and Wildlife Service (Service) currently implements two different strategies to address the threat of Asian carps in the United States. The first is the *Management and Control Plan for Bighead, Black, Grass, and Silver Carps in the United States* (Plan), which is national in scope. Implementation would be done through the Service, in cooperation with partners. Its goal is eradication of all but “triploid” grass carp in the wild. The second is the more recent *Asian Carp Control Strategy Framework* (Framework) created in 2010, focused on Great Lakes waters only. This approach is being implemented through the Asian Carp Regional Coordinating Committee (ACRCC), a partnership of Federal, Great Lakes States, and local agencies led by the White House Council on Environmental Quality. The latest version of the 2012 Framework was released this past February.

The Service continues to provide technical assistance to Midwest Region States to prevent the spread of these fish and to share information learned from Asian carp control efforts in other areas. The Service will soon establish an environmental DNA (eDNA) facility, that will be attached to the La Crosse Fish Health Center in Wisconsin. The new facility will increase the Service’s capacity to test water samples for traces of Asian carp DNA.

The Service’s 2013 requested increase will be used for early detection and surveillance of the leading edge of Asian carp distributions. If funded, work could include collecting and analyzing water samples for eDNA testing from State and Fish and Wildlife Conservation Offices in areas potentially susceptible to Asian carp invasions. Work plans would need to be developed and prioritized, but Asian carp intrusion into the upper Mississippi River could be considered a high priority area. Other high risk-ecosystems include the San Francisco Bay Delta and Columbia River Basin. Early detection and surveillance of the leading edge of Asian carp distributions is part of a broader national containment strategy outlined under the National Asian Carp Management and Control Plan.

Simpson Q43: Why is the Service’s ecosystem restoration funding separate and apart from LCC’s? Shouldn’t the funding go to the LCC’s to ensure that the programs are aligned and focused on the highest priorities?

Answer: The Service’s funding for ecosystem restoration goes to collaborative efforts in which many partners work together to implement management actions to restore coastal areas and habitats, improve natural resource management and protect endangered species in areas such as the Everglades, Gulf Coast, Chesapeake Bay and California Bay Delta. Many of these large-scale projects are being done in collaboration with Landscape Conservation Cooperatives (LCCs).

By locating ecosystem restoration funding in programs such as refuges and fisheries, the Service is providing resources to the project managers and biologists who execute the specific actions called for in restoration plans such as the California Bay Delta Conservation Plan.

LCCs are landscape-scale conservation partnerships that produce and disseminate applied science products for resource management decisions; they do not implement direct conservation actions. LCCs promote efficient and effective targeting of Federal dollars, as well as use fiscal resources, personnel and real property assets of their partners to obtain and analyze the science necessary for the Service and its partners to protect fish, wildlife, plants and their habitats. Each LCC is guided by a steering committee comprised of its key partners who identify a shared vision of the sustainability of natural and cultural resources in that landscape. The partners identify the highest priority science needs; it is not directed by the Service or the Department of the Interior. While LCC science may benefit the restoration of a particular ecosystem, each LCC determines what the highest priority needs are in that landscape.

LCCs advance the goals of ecosystem restoration by supporting efforts such as those of the Gulf Coast Ecosystem Restoration Task force that, in cooperation with the Gulf States, is seeking to address the long-term impacts of recent disasters (e.g., the Deepwater Horizon oil spill and hurricane Katrina). The Gulf LCCs (South Atlantic, Peninsular Florida, Gulf Coastal Plains and Ozarks, and Gulf Coast Prairie LCCs) provide conservation planning, decision support tools, prioritized and coordinated research, and help design inventory and monitoring programs to meet the regional restoration goals of the Gulf Coast Restoration Strategy. In addition, the Service in conjunction with NOAA, has established a Gulf Coast liaison position to work with the Gulf LCCs and the States in the Gulf Coast region to help identify best practices, connect conservation efforts, identify data gaps and avoid duplication of effort as they strive to restore this area.

The North Atlantic LCC also is very active in Chesapeake Bay restoration. For example, the LCC is working on science projects to support conservation of at-risk species such as the Red Knot and the Horseshoe Crab. LCCs are a mechanism to bring together the resources of all partners to answer fundamental questions about habitat management and species conservation.

Coastal Impact Assistance Program

Simpson Q44: In the short time that the Fish and Wildlife Service has administered the Coastal Impact Assistance Program, what steps has the Service taken to work with the States to try and obligate this funding?

Answer: The Service has taken a number of steps to improve the management of the Coastal Impact Assistance Program (CIAP). We began meeting with all of the affected States starting in May 2011 to discuss the issues and develop a transition plan to minimize the impact on States and Coastal Political Subdivision (CPS) operations. As a result of the preliminary discussions, we centralized the grant administration into the Washington Office and hired and trained a professional grants management team to review and award grants. Additionally, we have added a technical guidance function in each of the States to provide a State Liaison to work closely with the recipients of CIAP funds. Five of the six States presently have a State Liaison, with the sixth in the process of being hired. The State Liaisons in the four Gulf States are co-located with State staffs. In California and Alaska, the liaisons

are located in local Service offices in Sacramento and Anchorage, respectively, to encourage communication and expeditious handling of technical questions on planning and proposed project issues. The Washington Office staff is responsible for the technical review of grants, including programmatic and financial aspects that are integral to the grant award process. The State Liaisons are working with the recipients in the pre-award phase to guide the planning process, develop project proposals and to help improve the quality of initial grant application submissions to alleviate the time-consuming process of supplemental information requests during review.

In addition, we have held a national webinar and two national teleconferences with CIAP applicants. We have completed a CIAP training session in Alaska and are in the process of scheduling training workshops for States and CPSs for better CIAP grants management. We expect to hold these workshops April through August 2012 in the eligible States.

Simpson Q45: What was the obligation rate for this program before and after the Service started administering this program?

Answer: Prior to its transfer to FWS, approximately \$402 million was obligated from FY 2007 through FY 2011. During these 60 months, which includes the start-up period, funds were obligated at an average rate of \$6.7 million per month. In FY 2012, the average monthly obligation through March 15, 2012, is approximately \$25 million per month. However, it should be noted that due to the short time frame that the Service has been awarding grants, the rate of obligation may vary in future months from this monthly average.

Simpson Q46: Does the Coastal Impact Assistance Program overlap with other Service programs, such as the Coastal Program?

Answer: Although there are similarities between CIAP and some other Service grant programs, such as the nationally competitive Coastal Wetlands Planning, Protection, and Restoration Act, there is no duplication of effort. The Service's Coastal Program has a primary purpose to work with other Federal, State and local agencies, Tribal governments, non-governmental organizations, educational institutions, industry and private landowners, to protect and restore coastal habitat for the benefit of Federal trust species in all coastal States and Territories. This complements but does not duplicate CIAP purposes that are limited to the six States designated in the legislation: Alabama, Alaska, California, Louisiana, Mississippi, and Texas. These programs are often working in the same or adjacent habitats, and the Service works closely with its State and local conservation partners to serve local and national goals without duplicating efforts or working at cross purposes. CIAP projects were developed by each State, vetted through a public review process, and the State CIAP Plans approved by the Governor and the federal awarding agency. During the States' planning and review process, the Service's Coastal Program and Landscape Conservation Cooperative staffs were involved and helped broaden opportunities for partnership between agencies and non-governmental organizations. The interdisciplinary and complementary processes involved allow States to select their highest priority projects within the CIAP eligible uses.

Spotted Owls

Simpson Q47: Does the USFWS believe that spotted owl populations will continue to decline unless barred owl populations are meaningfully reduced?

Answer: Managing competition from encroaching barred owls is one of the primary short-term recovery recommendations in the spotted owl recovery plan. Barred owls pose the most significant short-term threat to spotted owl recovery. Barred owls reportedly have reduced spotted owl site occupancy, reproduction, and survival. Limited experimental evidence, correlational studies, and copious anecdotal information all strongly suggest barred owls compete with spotted owls for nesting sites, roosting sites, and food, and possibly predate spotted owls.

This threat has increased in intensity over the years since the spotted owl was listed. It could result in the local extinction or near extirpation of the northern spotted owl from a substantial portion of their historical range even if other known threats, such as habitat loss, continue to be addressed. Because the abundance of barred owls continues to increase, the Service recommended in the 2008 Recovery Plan and the Revised Recovery Plan for the Northern Spotted Owl that specific actions to address the barred owl threat begin immediately.

Simpson Q48: If barred owl populations are not controlled will increases in designated critical habitat for the Northern Spotted Owl stop the decline of the spotted owl?

Answer: The spotted owl recovery plan includes 34 recovery actions and makes three overarching recommendations: 1) protect the best of the spotted owl's remaining habitat; 2) revitalize forest ecosystems through active management, and 3) reduce competition from the encroaching barred owl. Consequently, both habitat protection and barred owl management are key components of spotted owl recovery and should be conducted simultaneously.

Recent science affirms the need to conserve larger areas of habitat to save the spotted owl in light of its continued decline (the overall population is declining at a rate of 2.9 percent per year). This was demonstrated through two scientific peer review processes—on the 2008 and 2011 spotted owl Recovery Plans—and in recent published studies by leading spotted owl researchers. Scientists have emphasized the importance of habitat conservation in the short term as we evaluate approaches for managing competition from the encroaching barred owl. Maintaining or restoring forests with high-quality habitat reduces key threats faced by spotted owls and provides high-quality refugia habitat from the negative competitive interactions with barred owls that are occurring where the two species' home ranges overlap. Maintaining or restoring these forests should allow time to evaluate the competitive effects of barred owls on spotted owls and the effectiveness of barred owl removal measures.

Simpson Q49: When does the USFWS expect that it will begin implementing a barred owl removal program?

Answer: No policy decision is made by the draft Environmental Impact Statement (EIS). If the U.S. Fish and Wildlife Service moves forward with the proposed barred owl removal experiment to support northern spotted owl recovery, the soonest we would expect to implement the experimental removal would likely be late FY 2013 or early FY 2014. After the 90-day public comment period on

the draft EIS, we will review all public comments received and develop a final course of action. We seek to finalize an EIS by the end of 2012 and proceed with obtaining the appropriate permits. Unless the "no action" alternative is chosen, survey work to locate barred owls could take place during the spring of 2013, and the first removal could begin later that year, somewhere around the beginning of FY 2014. Depending on the alternative chosen, results may not be conclusive for several years.

Simpson Q50: How many acres of the spotted owls' habitat is currently occupied by barred owls? What is the current estimated population of barred owls in the Pacific Northwest?

Answer: The range of the barred owl in the western United States now completely overlaps with the range of the northern spotted owl. We observe that as the number of barred owls detected in historical northern spotted owl territories increase, the number of spotted owls decrease. In the US, the density of barred owls appears greatest in Washington where barred owls have been present the longest and spotted owl populations have declined at the greatest rate in these areas.

At this time, we do not have a current estimate of the barred owl population numbers. Until recently, most of the information on barred owls was gathered incidentally from observations taking place in the course of other field research, which indicated that barred owl populations were increasing. However, this collateral information was only providing a sense of a trend, not comprehensive data. The 2008 Recovery Plan and the Revised Recovery Plan for the Northern Spotted Owl recognized the importance of gathering population information for barred owls and, as a result, a team of scientists and researchers have worked together to develop protocols for detecting barred owls and documenting important population information, including pair status and reproduction. We expect these tools will help provide vital data needed to help manage barred owls and reduce their threat to spotted owls.

Simpson Q51: How much does it cost per acre for barred owl removal activities?

Answer: The draft EIS includes eight potential alternatives that vary in size, methodology and cost. The differences in these alternatives make it difficult to derive a reliable per acre cost estimate at this time. In addition, public comments may provide information that could change the alternatives in scope, scale, approach or timing and thus, could affect the final cost.

Simpson Q52: What is the total estimated annual cost of implementing the type of widespread barred owl removal program needed to reverse spotted owl declines? How many years would it take to implement this program?

Answer: The draft EIS includes eight potential alternatives of targeted barred owl removal for public consideration and does not propose a widespread or rangewide removal program. Each alternative includes information on the experiment location(s), the estimated cost and duration, the approximate number of barred owls that would be removed, the potential effect on other species, and any potential social, economic, cultural, and recreational effects. If it proceeds, the experiment would take place over a period of 3-10 years (the duration varies in the different alternatives).

Simpson Q53: Does the USFWS have sufficient funding to begin implementing this program in FY13? If not, why didn't the agency request additional funding for these activities?

Answer: The amount of funding needed will depend on the alternative selected. The FWS anticipates working with partners to identify funding options appropriate for the selected alternative. Currently, without a better estimate of the funding that may be needed, the Service anticipates using base funding for its portion of the initial phase if we proceed with the removal experiment.

Simpson Q54: What authority does the USFWS have to conduct barred owl removals on state and private lands? Can barred owl population growth trends be meaningfully reduced if removal activities only take place on federal lands?

Answer: Interspersed State and private land occurs within the boundaries of many study areas but would only be included in the experiment with landowner permission. Incentives, such as easily-implemented safe harbor agreements or habitat conservation plans, may be offered to encourage participation.

For the Service to proceed with the removal experiment, we would be required to obtain a permit under the Migratory Bird Treaty Act for scientific collection of barred owls. As a component of the issuance of that permit we are conducting a National Environmental Policy Act (NEPA) review. We would also conduct a consultation under section 7 of the Endangered Species Act (ESA). Depending on the study area and land management agency involved, the study may require additional Federal and State permits. Any study on National Parks or Recreation Areas would require a research permit. Study areas on National Forests would require a special use permit. Most proposed study areas for the experiment are focused on federal lands (U.S. Forest Service, Bureau of Land Management, and National Park Service). One proposed study area includes the Hoopa Valley Indian Reservation in California.

If a decision is made to implement the experimental removal, barred owl population trends could likely be meaningfully reduced if removal activities take place only on Federal lands, since Federal lands comprise the majority of landownership within the range of the spotted owl. Any effort to reduce or remove barred owls from the spotted owls' range is likely to be beneficial, based on information collected to date from Green Diamond Resource Company lands in coastal northern California and efforts in British Columbia. While only small pilot efforts, these studies indicate that spotted owls will re-occupy sites from which barred owls are removed, at least under some circumstances. Spotted owls returned to all sites after barred owls were removed in the California study. Successful breeding by spotted owls in Canada also was observed in areas where barred owls were removed.

Questions for the Record from Mr. Calvert

Coastal Impact Assistance Program

Your budget request includes a request for the rescission of \$200 million from the Coastal Impact Assistance Program, a program that, among other things, funds projects for the mitigation of the impact of OCS activities through funding of onshore infrastructure projects and public service needs for coastal states. It is my understanding that this program existed in MMS until FY2012 when authority over the funds was transferred to FWS. Now, it seems that after 1 year under management by FWS you are seeking to severely cut funds from this program.

Calvert Q1: Your budget justification seems to indicate that the reason for this rescission is because the money is not being obligated fast enough. What factors are contributing to these funds relatively low obligation rate?

Answer: In 2005, the Secretary of the Interior delegated Federal authority and responsibility for the Coastal Impact Assistance Program (CIAP) to the Minerals Management Service (MMS – which was later reorganized as the Bureau of Ocean Energy Management Regulation and Enforcement (BOEMRE)). Before grants can be approved and funding obligated, the statute requires the States to have approved plans for the funding. The MMS/BOEMRE approved State CIAP Plans for five of the six States for FY 2007 through 2010 funds. Texas has an approved Plan for 2007-08 funds, and a proposed Plan for 2009-10 funds. Additionally, there have been subsequent Plan amendments submitted by States. For example, Louisiana submitted a fourth revision to their Plan in November 2011.

The CIAP authorizing statute requires these plans to go through a substantive public planning process that is coordinated through a designated State lead agency with a great degree of participation of the local Coastal Political Subdivisions (CPS). In addition to the six eligible States, there are 70 CPSs, which are the County, Parish and Borough governments eligible to receive CIAP funds directly. A multi-level CIAP Plan review process at the Federal level conducted previously also contributed to the delayed Plan implementation and slow obligation rates. Further, the proposed projects are all located in sensitive coastal habitats that involve permitting prior to the full obligation of funds as part of the grant review process. The complexity of the MMS/BOEMRE administrative process was a recognized factor in the slow obligations, which led to the transfer of the program to the Fish and Wildlife Service (Service) in October 2011.

Through the end of FY 2011, approximately \$402 million of the total available CIAP grant funds were awarded by MMS/BOEMRE. In FY 2012, the Secretary of the Interior re-delegated CIAP administration authority to the Service, under its Wildlife and Sport Fish Restoration Program. The Service is in the process of awarding the balance of CIAP funds, and has already awarded over \$40 million in grants this year. The Service immediately consulted with States and CPS to develop a framework to better implement the program and obligate funding, including centralizing the grant administration into the Washington Office and adding a technical guidance function in each of the States to provide a State Liaison.

Calvert Q2: As I understand it, FWS has only had control over CIAP funds for less than 1 fiscal year. Do you believe FWS has had sufficient time managing the program to increase the obligation rate of these funds? How does FWS' obligation rate compare to that of the program's previous manager, MMS?

Answer: The Service has been administering CIAP funds since Oct. 1, 2011. A complicating factor has been that at the time of the CIAP transition to the Service, the Department of the Interior converted the Service to its new financial system, the Financial and Business Management System (FBMS). FBMS is designed to incorporate the majority of DOI's financial management functions into one system. The conversion to FBMS, along with the need to deobligate the obligated but unexpended grants in the BOEMRE system and obligate them anew in the Service system, delayed the Service's ability to award grants and amendments until January 2012. Since this time, the Service has awarded 38 grants and grant amendments for a total of about \$41.3 million, a rate of about \$25 million per month. MMS/BOEMRE administered the program from FY 2007 through FY 2011, for a total of 60 months, a period that included the program start-up and development of State plans. During this time they obligated approximately \$402 million, an average of \$6.7 million per month. The Service, working with the States, has also created a new framework to administer the program, including centralizing staff and providing more technical guidance through State Liaisons, which should increase the obligation funding rate compared to levels prior to FY 2012.

Calvert Q3: Do you believe that, if given more time, FWS could effectively and efficiently obligate these funds on projects?

Answer: The Service's Wildlife and Sport Fish Restoration Program has a proven track record of working with States and others to award approximately \$1 billion per year in cost-shared grants associated with the Pittman-Robertson Wildlife Restoration Act; the Dingell-Johnson Sport Fish Restoration Act; State Wildlife Grants; the Coastal Wetland Planning, Protection, and Restoration Act; the Clean Vessel Act and others. The Service plans to incorporate similar administrative practices and processes that have been shown to be effective in these programs to manage CIAP. This will also provide greater transparency and public accountability. The Service has the experience and expertise to effectively and efficiently obligate grant funds while working with the recipients to achieve national CIAP goals for projects that meet the program's eligible purposes.

Endangered Species Act

In my home county of Riverside County, CA, we have established a multispecies habitat conservation plan that establishes a plan for landscape level conservation of endangered species in the region. These plans provide clear conservation goals as well as facilitate infrastructure development.

Calvert Q4: Given that the Endangered Species Act lists ecosystem conservation as its first goal, even before providing for the conservation of endangered species, what is the FWS doing to promote the establishment of these MSHCPs that support ecosystem level conservation?

Answer: The Endangered Species Act of 1973 (ESA) was established to save species at risk of extinction and to protect the ecosystems upon which they depend. Toward that aim, the ESA makes it unlawful for any person to "take" a listed species. In 1982, the ESA was amended to authorize

incidental taking of endangered species by private landowners and other non-federal entities, provided they develop habitat conservation plans (HCP) that minimize and mitigate the taking.

Across the nation, Fish and Wildlife Service Offices work hand in hand with city planners to help municipalities understand both the benefits of the ecosystem approach and of the comprehensive planning for streamlining compliance with ESA. In the Pacific Southwest Region, which includes California, Nevada and the Klamath Basin of Oregon, the Service is committed to the development of landscape level plans.

Since 1983, when the first HCP was permitted on San Bruno Mountain, there have been 139 HCPs completed in California and 8 HCPs in Nevada ranging from .015 acres to 5 million acres of habitat. The duration of plans also varies widely, from 1 year for the Shimboff plan in Vacaville to 80 years for the El Sobrante Landfill plan in Riverside County, depending on the activities and conservation actions and can cover from as few as one species to as many as 140 species.

Because HCP's involve take of endangered species, they must include information about the *status* of populations and habitats of the species, an assessment of how many individuals and how much habitat will be *taken* under the plan, and what *impact* that take will have on the species overall. As a result, these plans can take many years to complete and involve complicated negotiations between applicants (seeking 'take' coverage for listed species – to comply with the Endangered Species Act "ESA") and the Service.

A crucial measure for the success of HCPs is the choice and implementation of measures to avoid, minimize, and mitigate impacts on the species included in the permit. If the appropriate measures are chosen and implemented in a timely fashion, the impact on the species in question might be effectively mitigated, justifying the issuance of an incidental take permit.

Many plans are initiated by commercial companies, or local municipalities looking to develop in some way or to maintain their operations. Examples of activities included in HCPs: residential development, logging, energy development, industrial development, maintenance of energy facilities, etc. Most plans involve NGO's, local, state, and federal agencies.

Habitat Conservation Plans cover greater than 6.5 million acres in California and greater than 6.7 million acres in Nevada for a total of greater than 13.2 million acres. HCPs seek to protect and improve priority habitats for both listed and sensitive species. The conservation strategy of each HCP varies, but often focuses on protecting a key/limited habitat type or key ecological functions. Each plan relies on the principals of conservation biology and contributes to landscape level needs by connecting conservation areas or by adding to existing reserves. Examples of conservation provided in HCPs include: maintaining connectivity between populations, protecting limited habitat types (e.g. streams), enhancing ecosystem function, reducing/eliminating non-native species, and others. The conservation planning process is complex, but incorporates the needs of many species to identify and to protect important areas and/or enhance ecosystem function.

The Service demonstrates its' commitment to landscape level HCP's in many ways; one of which is through the ESA Section 6 funding. Every year a national competition is conducted to fund HCPs in two ways: 1) the development of new plans and 2) the acquisition of lands to complement preserves in existing HCPs. Throughout the competition for Section 6 funds the emphasis is on funding plans that provide the biggest benefit to ecosystems and landscape level conservation. The criteria for

choosing which plans to fund are heavily weighted towards plans that can provide large scale ecosystem benefits. The tables below illustrate the Service's commitment to fund HCPs using Cooperative Endangered Species Conservation Funds.

Cooperative Endangered Species Conservation Fund Request and Award Totals since 2006, U.S. Fish and Wildlife Service

1. HCP Land Acquisition (dollars)

F.Y.	Requested		Awarded	
	National	CA/NV	National	CA/NV
2011	72,603,630	30,000,000	28,631,600	16,463,936
2010	60,329,000	18,000,000	40,944,474	18,000,000
2009	75,297,000	22,000,000	36,008,000	14,407,200
2008	125,214,920	74,528,850	35,031,843	12,613,122
2007	114,611,031	55,842,050	47,158,967	31,645,592
2006	175,632,703	105,469,000	46,158,967	21,639,054

2. HCP Planning (dollars)

F.Y.	Requested		Awarded	
	National	CA/NV	National	CA/NV
2011	10,771,660	5,838,335	10,771,660	5,838,335
2010	16,416,505	6,462,448	10,002,010	1,726,839
2009	17,316,695	4,064,612	7,449,103	1,886,576
2008	8,757,383	2,138,096	8,634,573	2,103,896
2007	7,125,335	1,763,116	6,610,856	1,763,116
2006	9,833,026	2,917,824	7,530,533	1,727,465

Calvert Q5: Do you believe that the most efficient way to focus conservation resources is on a species by species basis, as is the current model, or can more effective use of conservation funds be realized through the broader application of landscape level conservation plans?

Answer: We believe that we can be more effective through the broader application of landscape level conservation plans. The overall condition of natural systems and many species of fish and wildlife that inhabit them is declining. With the multitude of stressors on the landscape such as climate change, urbanization, energy development, human population growth, spread of invasive species, to name a few, we can no longer rely on small achievements to stem the tide of biodiversity loss, habitat degradations, and encroaching development. Recognizing the complexity and scale of today's conservation problems, the Service has committed to a partner-based, landscape-scale approach in our conservation efforts. We must be strategic, collaborative, science-based and aim for landscape-scale successes. Biological, social, and financial realities demand that the Service and conservation community work as a singular force for conservation. We will continue to work with State fish and wildlife agencies and other partners to identify comprehensive conservation strategies that benefit a broad number of species. However, it is important to recognize that landscape level conservation plans will not fulfill all our responsibilities or the conservation needs of all species. Where necessary, we will continue to work on priority issues on a species by species basis, such as

where required under the Endangered Species Act, Migratory Bird Treaty Act, or Bald and Golden Eagle Protection Act.

Calvert Q6: Should more resources be dedicated to analyzing comprehensive and coordinated ecosystem level conservation strategies?

Answer: At the requested funding level, the Service will continue to strategically build the National LCC Network. In FY 2012, the Service is working with its LCC partners to complete administrative underpinnings and work plans for each LCC and identify conservation outcomes. Each LCC will establish targets and then prepare biological plans and conservation designs capable of achieving those targets. In FY 2013 more attention will be directed toward establishing landscape-scale conservation targets for the priority species and habitats collaboratively identified by LCC steering committees. As a result, we expect that partners will align their funding and personnel to implement specific activities laid out in the conservation designs. LCCs leverage resources for the conservation delivery activities of partners which will provide significant benefits for fish and wildlife and help sustain those resources in critical landscapes across the country. As this occurs, LCCs will devote more time and resources to designing and implementing monitoring and evaluation efforts capable of determining the extent of those successes, while refining and improving science and planning tools which will benefit future biological planning and conservation delivery.

Santa Ana Sucker

Secretary Salazar, as I'm sure you are aware, the Fish and Wildlife Service has designated expanded critical habitat on the Santa Ana River for the ESA-listed Santa Ana sucker fish. While this action was locally viewed as having the potential to be overly restrictive of future water supply development projects in the region and with little scientific underpinnings to support the designation, I was encouraged to hear that the Service was also reaching out to and participating with local water agencies in a collaborative effort to find common ground on protecting locally developed water supplies and endangered fish in the process.

I encourage you and the Service to continue to work with our local water agencies in identifying actions that can protect both wildlife and our region's important water resources for future generations.

Calvert Q7: Can you please provide the Subcommittee with an update on the progress of this collaborative effort?

Answer: The Fish and Wildlife Service appreciates your comments. The Service continues to regularly meet and provide technical assistance with all members of the collaborative group. To assist in their project planning efforts, the Service will soon be providing the collaborative group with an interim conservation strategy that will help identify short-term and long-term conservation needs of the fish.

Questions for the Record from Mr. LaTourette

Northern Spotted Owl

In February 2011, U.S. Fish & Wildlife Service (FWS) issued a “Protocol for Surveying Proposed Management Activities that May Impact Northern Spotted Owls” that requires two years of surveys be conducted for listed species, 6 visits per year. In order for landowners to be able to harvest timber in Northern Spotted Owl range, I understand that the FWS needs to be involved in the process to provide Technical Assistance (TA), which would allow biologists to review the site specific information and issue a “not likely to take” opinion. However, some landowners have been informed that certain local FWS field offices (Arcata, CA and Yreka, CA) do not have funds to conduct the TA reviews, which prevents them from harvesting timber in these areas.

LaTourette Q1: I see that you are requesting \$64.1 million for Endangered Species Consultation, which is a \$3 million increase from what you received for this program in FY12. If you receive this increase, would that allow local FWS offices to move forward on these technical reviews?

Answer: Of the \$2.8 million increase requested in FY 2013 for program changes, \$1.5 million would be directed towards consultations related to renewable energy projects, \$1.0 million would be directed towards developing and implementing consultations with EPA on pesticide registrations, and the \$300,000 would be directed towards better integration of various environmental reviews and ecological information through the development of a decision support system to assist federal agencies and project proponents with their resource management decisions. Regarding technical assistance for spotted owl surveys, the Service has been working closely with the State of California agency, CALFIRE, to help landowners successfully survey their timber harvest plans. The Service has produced written recommendations on how to survey for spotted owls and how to avoid taking spotted owls during timber harvest. The Service also holds multiple workshops with landowners and CALFIRE annually to educate the public and equip CALFIRE as they assist landowners during the State’s timber harvest plan permit process under the Forest Practice Rules. The written recommendations produced by the Service have enabled landowners to survey for and avoid taking spotted owls, thus eliminating the need for direct technical assistance from the Service.

Questions for the Record from Mr. Cole

Cole Q1: The FWS recently moved the Lesser Prairie Chicken from a priority 8 to a priority 2 on the Endangered Species Priority List. What justifies such a severe jump after 10 years as an 8 and what scientific data was used to make that decision?

Answer: On June 9, 1998, the Service announced in the *Federal Register* the outcome of the lesser prairie-chicken status review. In that publication, we provided our determination that listing of the lesser prairie-chicken was warranted under the ESA. However, the immediate listing of the lesser prairie-chicken was precluded by the need to first list other species that were higher priority for protection. A "warranted but precluded" finding must be reviewed every 12 months to determine if the listing priority for the lesser prairie-chicken has changed.

In 2008, as part of the annual review, we updated the listing priority number of the lesser prairie-chicken and changed the priority from an 8 to a 2, thereby elevating its listing priority. The change reflected an increase in the overall magnitude of threats to the species throughout its range, primarily from wind energy development and its associated infrastructure and the anticipated conversion of CRP (Conservation Reserve Program) lands to croplands. These activities are ongoing and continue to affect the long-term viability of the lesser prairie-chicken. The most recent candidate assessment form for the lesser prairie-chicken is posted (<http://ecos.fws.gov/speciesProfile/profile/speciesProfile.action?spcode=B0AZ>) and contains a list of the referenced scientific literature. The assessment form has not been updated since 2010, as the Service funded work on the listing proposal in early 2011.

Cole Q2: Does the FWS have reliable population counts for Lesser Prairie Chickens in Oklahoma, Texas and New Mexico?

Answer: The most recent candidate form for the lesser prairie-chicken found at <http://ecos.fws.gov/speciesProfile/profile/speciesProfile.action?spcode=B0AZ> contains population estimates current at that time. In 2012, State fish and wildlife agencies in Colorado, New Mexico, Texas, Oklahoma, and Kansas will work cooperatively to conduct a comprehensive range-wide survey effort for the lesser prairie-chicken. Information from these surveys will be used by the Service in partnership with other State and Federal agencies and non-government organizations to monitor population trends and manage the lesser prairie-chicken. Information will also be used to identify and provide conservation opportunities to landowners and private industries to conserve the lesser prairie-chicken. The Service will use the best available scientific data in the development of its proposed listing rule.

Cole Q3: If the Lesser Prairie Chicken is listed what tangible measure of recovery is realistic?

Answer: The Service recognizes the vital role the States, private landowners and other partners play in the conservation of the lesser prairie-chicken, and we have been involved in a number of conservation efforts with our partners over many years and we continue to make these efforts a high priority.

Recovery planning in the context of the ESA is a process that reverses the decline of an endangered or threatened species by removing or reducing threats identified when the species becomes listed. A

“Recovery Plan” pursuant to the ESA is not required until a Federal listing occurs. In the event the lesser prairie-chicken becomes listed, a recovery team will be appointed to draft a Recovery Plan. A Recovery Plan must identify objective and measurable criteria to enable the Service to remove the species from the Federal list when met.

Cole Q4: What impact does the Fish and Wildlife Service FY13 budget have on Indian Country?

Answer: The FY13 budget provides approximately \$10.0 million for Native American Programs, the same as the FY12 enacted level, including \$4.3 million in Tribal Wildlife Grants to develop and implement programs supporting wildlife and habitat conservation on Indian Country. In addition, the FY13 budget funds Native American fisheries, wildlife, and refuge management efforts that include resources for marine mammals, the Great Lakes Consent Decree, Nez Perce Wolf Monitoring, and the Yukon Flats NWR. In the FY13 budget, the Service continues its support of Native American programs and projects that employ tribal youth and provide career-enhancing work experience in conservation and natural resources management.

Cole Q5: In your FY 13 Budget, you propose a \$3.7 million cut to the fisheries program. How would this affect tribal fisheries?

Answer: The Service has over 230 formal agreements with Native American governments. The Service is committed to delivering our federal trust responsibilities and expects to operate as close to 2012 enacted levels as possible to deliver these priority services to our tribal partners. However, the Service has had to make difficult funding decisions in FY 2013 to ensure adequate resources are available for high priority programs such as Asian carp control. As a result, the fisheries program has experienced some funding reductions which have both direct and indirect impacts on its ability to assist Tribes in managing, protecting and conserving their treaty-reserved and statutorily-defined trust natural resources. In addition, the Service will have reduced capacity to assist Tribes with the development of their own conservation delivery capabilities.

Despite these negative impacts, the fisheries program continues to work closely with Native American governments to conserve and protect their trust natural resources.

Questions for the Record from Mr. Flake

Endangered Species Act & the Border Patrol

During last year's budget process, I noted that an October 2010 GAO study reported that "Five Border Patrol stations reported that as a result of consultations required by section 7 of the Endangered Species Act, agents have had to adjust the timing and specific locales of their ground and air patrols to minimize the patrol's impact on endangered species and critical habitat." I noted that many are familiar with the Endangered Species Act consultation process being used when federal or other construction projects could have an impact on an endangered species or critical habitat, but these are consultations having to do with Border Patrol operations.

Flake Q1: When asked if the Service anticipated continued use of the section 7 consultation process when it comes to Border Patrol operations, it was noted that a programmatic approach to section 7 consultations on border operations would best serve the interests of both agencies. Has any progress been made on a programmatic approach to section 7 consultation?

Answer: The Service is currently working with Border Patrol/Customs and Border Protection on a programmatic consultation for maintenance and repair of border infrastructure in Arizona (except that infrastructure already covered by previous consultations or for infrastructure covered by a waiver issued by the Secretary of Homeland Security). This programmatic consultation will be a model for other consultations to be conducted for similar activities in the other southern border states: California, New Mexico, and Texas. While the Service has suggested that Border Patrol request a programmatic consultation for its operations in Arizona (and other states), this would be a complicated endeavor (due to the necessarily dynamic nature of the Border Patrol's operations) and to date, the Border Patrol has not requested this approach.

The Service performs consultations on individual projects (e.g., installation of infrastructure such as Integrated Fixed Towers, Remote Video Surveillance System towers, Forward Operating Bases, helipads) as requested by the Border Patrol. These requests for project-specific consultation are made by the Border Patrol as they complete their planning for each phase of infrastructure construction. Consultations are completed in Texas as operations are submitted for review, such as Operation Rio Grande, Operation FORDD, and national guard deployment and training exercises.

Wildfires and Endangered Species

It is well known that Arizona's forests are host to a number of species on the endangered species list. It is also well known that Arizona has faced catastrophic wildfires in recent years. Last year, a Fish and Wildlife spokesman noted in reference to the fires that raged "'The natural fires are good for a healthy forest, but these fires – where the debris has been allowed to build up and it just hasn't been addressed – they come out very hot and just scorch everything."

Flake Q2: Given that our land management has prevented the natural fire regimes and litigation regularly halts important thinning and fuel reduction projects, do the recovery goals for forest-dependent endangered species reflect the fact that they are living in arguable un-natural habitats that can experience catastrophic fires like in Arizona have seen?

Answer: The Mexican spotted owl (*Strix occidentalis lucida*) is likely the best known forest-dependent species in Arizona, and the danger of high-severity, stand replacing wildfire is recognized as one of two primary reasons for listing the owl as threatened in 1993 (69 FR 53182; August 31, 2004). The Service is currently in the process of revising the 1995 Recovery Plan for the Mexican spotted owl and released a draft for public comment in 2011. Both the 1995 and the revised Recovery Plan for the Mexican spotted owl (*In Draft*) acknowledge that recent forest management has moved from a commodity focus and now emphasizes sustainable ecological function and restoring fire-adapted ecosystems, both of which have the potential to benefit the owl. However, the revised Recovery Plan also notes that Southwestern forests have experienced larger and more severe wildfires from 1995 to the present than those fires recorded in history, and that climate variability, combined with unsustainable forest conditions and the intensification of natural drought cycles are likely to increase the negative effects to habitat from fire. The revised Recovery Plan, and the Service, support landscape-level initiatives such as the Southwest Jemez Mountain Restoration Project in New Mexico and the Four Forest Restoration Initiative in Arizona, that are focused on addressing forest sustainability through thinning and prescribed fire across large, fire-prone areas. These projects will aid in recovery efforts for the Mexican spotted owl, Jemez Mountains salamander, and other sensitive forest-dwelling species.

Flake Q3: Are you aware of any recovery goals that have been changed or revisited as a result of the reality that catastrophic fires have burned in Arizona?

Answer: Recovery planning documents can be revised in response to new information on the species, threats to the species, or other factors. The original Apache Trout Recovery Plan (USFWS 1983) did address wildfire, noting that intensive wildfire could result in major losses of existing Apache trout habitat, and that fuel reduction in high risk areas should be considered. The revised Apache Trout Recovery Plan (USFWS 2009) recognizes the increase in wildfires, noting that drought, wildfire, and post-fire flooding are on the rise, and that Apache trout are vulnerable to these threats because the small remaining populations are in areas most likely to be impacted by these climatic effects (Williams and Meka Carter 2009). The revised Apache Trout Recovery Plan (USFWS 2009) now includes a specific action item (1.5) which provides for salvage and development of refuge facilities for populations of Apache trout that are affected by wildfire, among other impacts. This action item indicates that wildfire was considered in development of the most recent recovery plan, the impacts of wildfires have been revisited for this species, and that action items within the plan have been developed to address catastrophic wildfires.

U.S. Fish and Wildlife Service. 1983. Apache trout recovery plan. Albuquerque, New Mexico. Available online at <http://www.fws.gov/southwest/es/arizona/ApacheTrout.htm> U.S. Fish and Wildlife Service. 2009. Apache trout (*Oncorhynchus apache*) recovery plan, second revision. Albuquerque, New Mexico. Available online at <http://www.fws.gov/southwest/es/arizona/ApacheTrout.htm>

Williams, J.E., and J. Meka Carter. 2009. Managing native trout past peak water. *Southwest Hydrology* 8(2): 26-27, 34.

Flake Q4: Specifically, with the Southwest Region having initiated the revision of the 1982 Mexican Wolf Recovery Plan, will the recovery criteria, goals, and objectives of wolf species recovery in Arizona be informed by an objective review of factors influences their habitat?

Answer: Yes, factors that influence wolf habitat will be incorporated as appropriate into the revised Mexican wolf recovery plan. Habitat factors will be incorporated in the following ways:

- The revised recovery plan will contain an analysis of habitat-related threats to the Mexican wolf. Per recovery planning guidelines established by FWS and NOAA Fisheries based on section 4 of the ESA, recovery plans should include a “five factor analysis” of threats to the species. Factor A assesses “present or future destruction, modification, or curtailment” of a species’ habitat or range. For the Mexican wolf, this will likely include assessment of habitat modifications such as increasing human development, prey availability, and catastrophic wildfire (e.g., the Wallow Fire in Arizona).
- Any significant threats identified in the five factor analysis will be accompanied by the development of recovery actions in the implementation portion of the plan aimed at lessening or alleviating those threats. Therefore, the revised recovery plan may include recovery actions to address identified habitat-related threats.
- Recovery criteria must be “objective and measurable” (section 4 of the ESA). The recovery team is currently developing draft recovery criteria based on demographic and genetic information that will be considered within the context of the quantity and quality of habitat in the southwestern United States and Mexico.
- Specifically, the recovery team has collated previously unstandardized data on ungulate distribution and abundance in the Southwest to ensure criteria are achievable.
- Specific to the Wallow Fire, we did not document any wolf mortalities from the fire. Further, the Apache-Sitgreaves National Forest summarizes the Wallow Fire impact to the Mexican wolf as follows:

Fire impacts on Mexican gray wolves are expected to be most pronounced immediately following the fire, and are directly related to fire impacts on wolf prey species abundance and distribution. Prey species abundance, primarily elk and deer, will respond favorably as forage and browse within the fire perimeter recover. It is further anticipated that deer abundance will exceed pre-fire conditions within five years as browse, including aspen, respond to reduced competition from fire killed conifers.

Although prey numbers are expected to recover quickly, prey distribution may be slower to return to pre-fire conditions. An important factor will be wildlife water availability. Through increased ash and sediment flow from high and moderate severity burn areas, water catchments utilized by wildlife as well as livestock will experience reduced capacity. Reduced water availability is likely to impact Mexican gray wolf pup recruitment through decreased availability of prey in the vicinity of denning sites.

To address this need, prioritization of water catchment cleaning, rebuilding, and refurbishment activities within the fire perimeter must incorporate Mexican gray wolf prey base needs. As described in the range section of this document, a total of fourteen water catchments are considered high priority for rebuilding and refurbishment within the next five years (Wallow Fire 2011: Large Scale Event Recovery Rapid Assessment Team Wildlife Report, Apache-Sitgreaves National Forests, July 29, 2011, p. 3).

Twenty Percent Reduction in Administrative Spending

The written testimony submitted by the Service for the FY13 budget hearing noted that that “the Department of the Interior’s goal is to reduce administrative spending by 20 percent or \$207 million from the 2010 levels by the end of 2013.”

Flake Q5: Is this a realistic and attainable goal?

Answer: The Service is aggressively working to achieve its administrative spending reductions by the end of FY 2013. Our target reduction goals include realistic cuts to travel, transportation, supplies, printing, advisory contracts, and equipment. By continuing efforts that ensure administrative functions are performed more efficiently and effectively, FWS will meet its 20% reduction target without programmatic impacts by the end of 2013.

Flake Q6: Given that we are working on the Fiscal Year 2013 budget proposal, what actions to date have been taken by the Service to reduce administrative costs?

Answer: The Service has taken action to identify specific activities where administrative savings will be realized in Fiscal Year 2013. In Fiscal Years 2011 and 2012, efforts were focused on reductions being achieved in travel and transportation costs that included reduced expenses associated with meetings, conferences, and employee relocations. Reductions also targeted cutbacks in supplies, and advisory and assistance contracts associated with consultants, IT and other communication support services. In FY 2013, the Service continues these reduction efforts with specific actions to reduce equipment costs (computers, printers, etc.).

Revision of the 1982 Mexican Wolf Recovery Plan

It is my understanding that the U. S. Fish and Wildlife Service is in the process of updating the Mexican gray wolf recovery plan. Further, it is my understanding that in the process the Service has created a Tribal Liaisons Subgroup, Stakeholder Liaisons Subgroup, Agency Liaisons Subgroup, and a Science and Planning Subgroup. Given the persistent controversy surrounding wolf recovery and the regulatory issues the program has engendered for Arizona residents, the recovery planning process is important.

Flake Q7: Can you please detail for the opportunities for public involvement, both for the general public as well as for stakeholders that may or may not be represented in the various groups you have convened, in the recovery planning process?

Answer: Due to the overwhelming interest in recovery plans, it is not possible to include all interested parties in our recovery planning efforts for any species. However, for the Mexican Wolf Recovery Team, our stakeholder members (New Mexico Cattle Growers Association, Arizona Wool Producers Association, Arizona Cattle Growers Association, Defenders of Wildlife, The Rewilding Institute, Coalition of Arizona and New Mexico Counties, New Mexico Council of Outfitters and Guides, Grand Canyon Wildlands Council, and Arizona Wildlife Federation) serve as conduits for communication to the broader public. During the development of the plan, some information is considered deliberative in nature and we request that sensitive information not be shared with the

public by recovery team members until a draft document has been approved by the Service. However, these stakeholder members can update their broader constituencies on the general findings of the team, its progress, and issues under deliberation. Further, we have established a Recovery Planning webpage on the Mexican Wolf Recovery Program website to keep the public apprised of the Team's activities. The draft recovery plan will be available for public comment in 2013. All comments received from the public comment period will be considered during the finalization of the plan by the Team and the Service. In addition, we are conducting a multi-faceted effort to engage tribes in the Southwest through working group meetings and outreach activities.

TUESDAY, MARCH 6, 2012.

**BUREAU OF LAND MANAGEMENT 2013 BUDGET
REQUEST**

WITNESSES

**ROBERT ABBEY, DIRECTOR, BUREAU OF LAND MANAGEMENT
KAREN MOURITSEN, BUDGET OFFICER, BUREAU OF LAND MANAGE-
MENT**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The hearing will come to order. Director Abbey, I would like to welcome you to today's Subcommittee hearing addressing the fiscal year 2013 budget priorities for the Bureau of Land Management. First, I would like to thank you and the BLM for complying with the prohibition on funding for wild lands as included in the fiscal years 2011 and 2012 bills. As you know, this is a very big issue for many western elected officials.

My colleagues and I hope to cover a lot of ground with you today on many different issues. While I do not agree with all of the BLM's priorities in this budget, I appreciate the fact that we can have productive conversations about these issues. I would like to begin by making several points on a few specific issues before we receive your testimony.

I am very disappointed with the proposed decrease in range management and the new fee of \$1 per animal unit per month. Back in 2009, we talked about the importance of permanently reducing the backlog of grazing permits, which has been a problem for the BLM for years. Now, the BLM has gone from completing 84 percent of the grazing permits for renewal in 2009 to completing 36 percent in 2011 and only planning to complete 33 percent in fiscal year 2013. This is simply unacceptable. While I understand the workload of permit renewals fluctuates from year to year, this level of compliance is inexcusable, particularly given this subcommittee's focus on the issue.

Further, the \$1 per AMU is a 74 percent increase, which is totally unreasonable. I am not opposed to discussing the AMU fees. We all know it is very low. However, a 74 percent increase violates the executive order mandating the fee cannot be raised by more than 25 percent in 1 year. There is a reason for this. Livestock producers just like other small businesses need certainty. They need to know their grazing permits will be renewed in a timely fashion and that fees will not dramatically increase from year to year.

Despite the fact that range management is a large part of BLM's responsibilities and that state and local offices in Idaho and other areas have stepped up to address these challenges in spite of major hurdles thrown their way, it does not seem to be a priority with the Bureau. Director Abbey, I need your help to change this. The

Congress provided an increase for range management in 2012 and we expected results.

Secondly, it seems that this budget chooses increased funding for land acquisition and America's Great Outdoors at the expense of other important programs that actually support private sector jobs and grazing, forestry, mining, and oil and gas development. As you know, I support the Land and Water Conservation Fund, but it does not make sense to me that we would increase funding for land acquisition by diverting monies from land management accounts. Considering many of the challenges the BLM faces just managing the land it already holds, the Bureau should focus on solving existing problems.

I am also disappointed with the budget gimmicks that now seem to be a mainstay in the BLM budget. From grazing fees to numerous oil and gas fees, this makes our jobs difficult as we have to find the funds to offset these proposals, many of which are simply non-starters in the House of Representatives. Each year, the long list of legislative proposals seems to grow. I prefer to work in a constructive way with the Bureau to solve problems rather than engage in these political games. I suggest these games come from OMB and not from the BLM itself.

I commend the BLM for taking a proactive approach on the conservation of sage grouse and this priority is rightly reflected in the proposed budget. That said, I want to make sure this investment is actually improving sage grouse habitat and preventing the species from being listed in 2015, which would be devastating across the West. Now more than ever we need to see a return on this investment and not just waste this funding on planning exercises that do not help us reach our goal.

Some of the greatest threats to sage grouse are invasive species and wildfire. How will this investment be used to control cheatgrass, for example, and prevent fires that destroy sage grouse habitat? Director Abbey, preventing this listing is a top priority for me and it will require close partnership with federal agencies, and state and local land users. We have to get this one right.

Finally, I could not hold a BLM hearing without mentioning litigation. I continue to be very concerned about the cost of litigation to the Bureau and the taxpayers. The Department is finally starting to track equal access to address those payments, but we still need much more sunlight on this issue. We need to know the true cost of litigation to the Bureau, and this should be part of the budget justification submitted every year. Americans deserve to know these costs and how their tax dollars are being spent.

In closing, I look forward to working with you on many of these issues and thank you and your staff for their hard work and assistance in drafting this proposal and for working with us on trying to address the issues that we have differences of opinion on.

With that, I am happy to yield to the gentleman from Virginia, Mr. Moran, for any opening statement he might have.

OPENING REMARKS OF CONGRESSMAN MORAN

Mr. MORAN. Thanks very much, Mr. Chairman.

And good morning, Director Abbey, and Budget Director Mouritsen. Nice to see you both.

All public lands have a long and storied history. They have provided the land base for the settlement and economic development of the United States. Our national parks and forests were carved from the public land base but by 1946, when the Bureau of Land Management was formed, our remaining public lands were almost an afterthought. The BLM has come a long way from the days when it was referred in some quarters—it may still be referred in those quarters—as the Bureau of Livestock and Mining. But today, the BLM is a modern agency with a multiuse mandate to serve present and future generations. I am glad to see some representatives of future generations standing in the back here.

In 1976, Congress laid out this mandate when it passed the Federal Land Policy and Management Act that was called FLPMA, which I think we ought to figure out a better acronym than that. But anyway, FLPMA was the result of years of discussion and debate on what is the appropriate way to manage these remaining public lands. The final legislative product advances responsible stewardship of our public lands drawing guidance from this Nation's first conservation president, a good Republican, Theodore Roosevelt. And it was Teddy Roosevelt who, in his 1907 message to the Congress—and since we do have some young people, I am going to quote it—“to waste, to destroy our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness will result in undermining in the days of our children the very prosperity which we ought, by right, to hand down to them amplified and developed.” Well said by President Roosevelt.

Mr. SIMPSON. You were there for that, were you not?

Mr. MORAN. Well, no, but I trust you were, Mike.

It is very interesting to see that with a budget of 1.1 billion, the BLM manages about 245 million acres. That works out to an expenditure of \$4.50 an acre per year. These same lands are estimated to generate almost 6 billion in revenue in fiscal year 2012, with about half of that going to the States.

Director Abbey, you and the employees of the BLM have your work cut out to manage multiple and sometimes conflicting uses. I appreciate the work that BLM does to protect resources and manage the use of public lands. And, of course, as you would recognize, there is always room for improvement. I look forward to your testimony this morning on how the BLM plans in fiscal year 2013 to carry out its responsibilities.

And I thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Abbey, I look forward to your testimony.

OPENING REMARKS OF DIRECTOR ABBEY

Mr. ABBEY. Well, thank you, Mr. Chairman and Congressman Moran. It is always a pleasure to be in front of this committee and talk about something that I care very deeply about, and that is our public lands and the uses that take place on these public lands.

As you already noted, with me today is Karen Mouritsen, who is BLM's budget officer extraordinaire. She has done a lot of work working with her staff to put together a very sound and defensible budget proposal.

As you already also noted, the Bureau of Land Management is responsible for managing 245 million acres of public lands, pri-

marily in the 12 Western States, as well as approximately 700 million acres of onshore mineral estate nationwide. The BLM's unique multiuse management of public lands includes activities as varied as energy production, mineral development, livestock grazing, outdoor recreation, and conservation of key natural, historical, cultural, and other important resources.

The BLM is one of a handful of federal agencies that generates more revenue than it spends. BLM's management of public land, resources, and protections of public land values result in extraordinary economic benefits to local communities and to this Nation. We estimate that in 2011, the BLM's management of public lands contributed more than \$120 billion to the national economy and supported more than 550,000 American jobs. BLM's total fiscal year 2013 budget request is \$1.1 billion, which is \$500,000 below the 2012 enacted budget.

Congressman Moran, you also noted in your statement that the Bureau of Land Management has brought in an estimated—well, in fiscal year 2011—almost \$5 billion for the \$1 billion that was invested by Congress. I think that is a pretty fair return to the American taxpayer. In the 2012/2013 proposal, we also estimate that revenue that will be generated for both states as well as our National Treasury will be increased.

Our budget proposal reflects the Administration's efforts to maximize public benefits while recognizing the reality of the current fiscal situation. The proposed BLM budget makes strategic investments in support of important Administration and Secretarial initiatives, which will reap benefits for years to come.

I would like to take a few moments to just highlight a few of these investments that we are proposing. The America's Great Outdoors Initiative promotes the BLM's multiple-use mission by expanding opportunities for recreation including hunting, fishing, and off-highway vehicle use while enhancing the conservation and protection of BLM-managed lands and resources. Our budget request calls for \$6.3 million in increases to support this initiative and includes funds for managing national monuments and national conservation areas, national scenic and historic trails and wild and scenic rivers, as well as off-highway-vehicle-use designated areas.

The New Energy Frontier Initiative recognizes the value of environmentally sound, scientifically grounded development of both conventional and renewable energy resources on public lands. The conventional energy resources continue to play a critical role in meeting the Nation's energy needs. During 2011, the BLM held 32 onshore oil and gas leases sales, which generated around \$256 million in revenue. Total onshore mineral revenues, including leasing, bonus bids, and royalties are estimated to be \$4.4 billion in 2013.

The 2013 budget strengthens the BLM's oil and gas inspection capability through a proposed fee on oil and gas producers. This will generate an estimated \$48 million in funds to improve safety and production inspections for oil and gas operations.

President Obama, Secretary Salazar, and this Congress have stressed the critical importance of renewable energy to the Nation's energy security and long-term economic development and to the protection of the environment. To date, Secretary Salazar has approved 29 commercial-scale renewable energy projects on public

lands, including 16 solar, 5 wind, and 8 geothermal projects that represent more than 6,500 megawatts and 12,500 jobs. The BLM intends to reach its goal of permitting 11,000 megawatts in 2013. The BLM's 2013 budget proposes a \$5 million increase for these efforts.

The 2013 budget proposes an increase of \$15 million to implement broad-scale Sage-Grouse conservation activities to ensure the long-term sustainability of Sage-Grouse and to help prevent the future listing of this species for protection under the Endangered Species Act, thereby allowing multiple-use activities to continue on BLM-managed lands.

While complicated and certainly controversial, reforming the Wild Horse and Burro Program to make it fiscally sustainable is also one of our top priorities. To that end, the proposed 2013 budget includes \$2 million for efforts to research and improve herd fertility control. The National Academy of Sciences report assessing the BLM's management of wild horses and burros on our rangeland is expected to be completed in 2013 and we look forward to their recommendations on how we could possibly improve our program.

Funding of the Land and Water Conservation Fund Program also remains a priority. The BLM's 2013 budget request for the Land and Water Conservation Fund is \$29 million to fund 12 acquisition projects in 9 States.

And finally, the budget proposes legislative initiatives to reform hard rock mining, remediate abandoned mines, and encourage diligent development of non-producing oil and gas leases. The budget also proposes a 3-year pilot program to allow BLM to recover some of the cost of issuing grazing permits and leases on public lands. Our 2013 budget request provides funding for the Agency's highest-priority initiatives, maximizes public benefits, and reflects difficult choices.

Mr. Chairman and members of the committee, thank you again for the opportunity to appear before you and to talk about our budget proposal.

[The statement of Robert V. Abbey follows:]

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

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

**Hearing on the FY 2013 Budget Request
Of the Bureau of Land Management**

March 6, 2012

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to testify on the President's Fiscal Year (FY) 2013 budget request for the Bureau of Land Management (BLM).

The BLM, an agency of the U.S. Department of the Interior (DOI), is responsible for managing our National System of Public Lands, which are located primarily in 11 western States. The BLM administers over 245 million surface acres, more than any other Federal agency. The BLM also manages approximately 700 million acres of onshore subsurface mineral estate throughout the Nation. The BLM's unique multiple-use management of public lands includes activities as varied as energy production, mineral development, livestock grazing, outdoor recreation, and the conservation of natural, historical, cultural, and other important resources. The BLM is one of a handful of Federal agencies that generates more revenue than it spends.

Providing For Our Nation's Needs

The BLM's multiple-use management and protection of public land resources results in extraordinary economic and other benefits to local communities and to the Nation. The economic output associated with the public lands is considerable. Commodity, recreation, and conservation uses on the public lands generated an estimated combined economic output of more than \$120 billion nationwide and supported more than 550,000 American full and part-time jobs, according to the *Department of the Interior Economic Contributions* report of June 21, 2011.

One element of these economic benefits is the BLM's contribution to America's energy portfolio. During calendar year 2011, the BLM held 32 onshore oil and gas lease sales – covering nearly 4.4 million acres – which generated about \$256 million in revenue for American taxpayers. Onshore mineral leasing revenues are estimated to be \$4.4 billion in 2013. The 2011 lease sale revenues are 20 percent higher than those in calendar year 2010. There are currently over 38 million acres of oil and gas under lease, and since only about 32 percent of that acreage is currently in production, the BLM is working to provide greater incentives for lessees to make production a priority. In FY 2011, the Department of the Interior collected royalties on more than 97 million barrels of oil produced from onshore Federal minerals. Moreover, the production of nearly 3 trillion cubic feet of natural gas made it one of the most productive years on record. BLM-managed Federal coal leases, meanwhile, power more than 20 percent of the electricity generated in the United States.

The BLM also is leading the Nation on the new energy frontier, actively promoting solar, wind, and geothermal energy development. Under Secretary Salazar, BLM has approved permits for 29 commercial-scale renewable energy projects on public lands or the transmission associated with them since 2009. This includes 16 solar, five wind, and eight geothermal projects. Together, these projects represent more than 6,500 megawatts and 12,500 jobs, and when built will power about 1.3 million homes. In addition, the Department has identified more than 3,000 miles of transmission lines for expedited review. Enhanced development of wind power is a key component of our Nation's energy strategy for the future. There are currently 437 megawatts (MW) of installed wind power capacity on BLM-managed public lands, but there are 20 million acres of public lands with wind potential. Additionally, nearly half of U.S. geothermal energy production capacity is from Federal leases. The 2013 budget reflects a goal of permitting a total of 11,000 MW of clean renewable energy by the end of 2013.

The BLM contributes to local communities and the national economy in many ways other than energy production. The Department estimates that more than \$5 billion in annual economic benefits are estimated to result from timber- and grazing-related activities and non-energy mineral production from BLM-managed forest, range, and mineral estate lands. Conservation lands, meanwhile, are valued for their outstanding recreational opportunities as well as for their important scientific, cultural, and historic contributions. Protecting these places preserves the careful balance in management mandated by law, a balance that we need on our public lands. Public land recreational activities also provide major economic benefits to economies in nearby communities. Nearly 58 million recreational visits took place on BLM-managed lands in 2011 alone. In 2010, recreation on BLM lands supported an estimated 59,000 jobs and resulted in about \$7.4 billion in economic output. Recreational hunters, off-road vehicle enthusiasts, mountain bikers, backpackers, anglers, and photographers discover endless opportunities on BLM-managed lands. These and many other recreational opportunities are vital to the quality of life enjoyed by residents of the increasingly urbanized western states, as well as national and international visitors.

FY 2013 Budget Overview

The BLM's budget makes significant investments in America's economy, while making difficult choices to offset priority funding increases. Investments in this budget will promote America's energy production at home and grow America's outdoor economy. The budget request allows the BLM to advance a number of important initiatives, including America's Great Outdoors and the New Energy Frontier, and to implement a number of BLM priorities such as restoring landscapes and conserving habitat for sage grouse, expanding research into population controls for wild horses, and reforming hardrock mining on public lands.

The total FY 2013 BLM budget request is \$1.1 billion in current authority, which is essentially level with the 2012 enacted level. The budget proposes \$952.0 million for the Management of Lands and Resources appropriation and \$112.0 million for the Oregon and California Grant Lands appropriation, the BLM's two main operating accounts. The budget makes strategic funding shifts to target high-priority initiatives, scales back on lower-priority programs, and sustains and expands energy program activities. The budget also includes several important legislative proposals linked to the uses of lands and resources, including proposals to fund the

remediation of abandoned hardrock mines; to provide a fair return to the taxpayer from the production of several hardrock minerals on Federal lands; to encourage diligent development of oil and gas leases; to repeal a prohibition on charging oil and gas permitting fees along with associated mandatory funds; and to reauthorize the Federal Land Transaction Facilitation Act.

A crucial factor in the BLM's ability to fulfill its diverse mission and many responsibilities continues to be strong engagement with partner organizations and volunteers in the management of the public lands. Reciprocal partnerships and volunteer contributions are critical. Through partnerships with organizations and local communities, and through the generosity of volunteers, the BLM effectively leverages external resources, and expands its ability to meet public land management goals. Partnerships also foster an enhanced sense of stewardship and community for the people most closely connected to those lands.

Growing Our Outdoor Economy & Protecting Special Places – America's Great Outdoors

In the rapidly urbanizing west, over 40 million Americans living in more than 4,000 nearby cities and communities can access BLM-managed public lands right in their own backyards. Within a day's drive of 16 major urban areas there are over 100 million acres of BLM-managed public lands. Given the proximity of the public lands to these population centers, the BLM is in a unique position to contribute significantly in advancing the President's initiative to reconnect Americans and our youth to the great outdoors. The America's Great Outdoors (AGO) Initiative promotes the BLM's multiple-use mission by expanding opportunities for recreational activities – including hunting, fishing, and off-road vehicle use – while enhancing the conservation and protection of BLM-managed lands and resources. All of these activities have a place at the multiple-use table and strengthen the BLM's connection to western communities and to visitors to the public lands. The BLM's FY 2013 budget request includes \$6.3 million in program increases for various AGO-related programs in BLM's operating accounts. The 2013 budget also includes increases for programs funded through the Land and Water Conservation Fund, a vital component of the America's Great Outdoors initiative. The BLM's total 2013 budget request for the LWCF land acquisition program is \$33.6 million, an increase of \$11.2 million over the 2012 enacted-funding level.

National Landscape Conservation System – Acts of Congress and/or Presidential proclamations have designated more than 27 million acres of public land into the BLM's National Landscape Conservation System (NLCS). These areas are managed to conserve, protect, and restore the conservation values for which they are designated, while allowing for appropriate multiple uses. National Monuments and National Conservation Areas, Wilderness Areas, Wilderness Study Areas, Wild and Scenic Rivers, and National Scenic and Historic Trails are all included as NLCS units. These areas are amazingly diverse, ranging from broad Alaskan tundra to red-rock deserts and from deep river canyons to rugged ocean coastlines. While some of these special places are surprisingly accessible, many others remain remote and wild.

The NLCS units include over 2,700 recreation sites and 22 visitor centers that serve some 13 million visitors annually. Approximately one-fourth of recreation use of BLM lands occurs within units of the NLCS. Thus, the NLCS contributes to the sustainability of economies in local communities in a variety of ways. Near Las Vegas, Nevada, for example, the extremely popular

Red Rock Canyon National Conservation Area is visited by over 1 million people each year. In FY 2011, visitors to this NCA generated nearly \$2 million in recreation fees that were re-invested in the area, directly contributing to the regional tourist economy and supporting 50 private-sector jobs. The BLM also emphasizes the creation of recreation facilities in nearby communities outside of NLCS units. Finally, in addition to recreation, the NLCS supports opportunities for scientific research, the protection of critical habitat for threatened and endangered species, and the protection of nationally-significant cultural resources.

The BLM's 2013 proposed budget includes a \$3.0 million increase for National Monuments and National Conservation Areas. The increase will allow the BLM to increase a variety of activities, including enhancing law enforcement, enhancing visitor safety and experiences, and expanding interpretation programs and products.

Recreation Management – Visitors to BLM-managed lands enjoy a broad range of recreation opportunities such as hunting, camping, fishing, hiking, horseback riding and shooting sports; many motorized activities such as boating and OHV riding; as well as extreme sports and special events. These activities are essential components of western communities' economies and quality of life. The BLM manages more than 600 Special Recreation Management Areas, along with 3,500 recreation sites, campgrounds, day-use areas and other facilities, and 40 major visitor centers and visitor contact stations. In addition, the agency provides recreation opportunities and protection of resource values on more than 10,000 miles of BLM-administered waterways, including over 2,400 miles in 69 designated Wild and Scenic Rivers. The BLM also manages 15,000 miles of recreation-use trails and another 98,000 miles of Back Country-Scenic Byways and public access roads and routes, and oversees 3,400 commercial and competitive use permits and concessions, supporting thousands of businesses and communities across the West. Most BLM-managed lands and recreational areas (over 95 percent) are free to the public.

In FY 2013, an increase of \$2.2 million in the Recreation Resources Management program is proposed to allow the BLM to continue to develop and implement more travel management plans (\$1.1 million) and also strengthen management of the National Scenic and Historic Trails (\$700,000) and the Wild and Scenic Rivers (\$400,000).

Cultural Resource Management – The FY 2013 budget proposes an increase of \$1.1 million for the inventory, protection, and interpretation of places of special meaning to the diverse communities of the American West, and will allow the BLM to conduct regional ethnogeographic landscape assessments; engage underrepresented groups in heritage resource stewardship; repatriate to Native Americans human remains and cultural items held in BLM collections; and implement the Paleontological Resources Preservation subtitle of the Omnibus Public Lands Act of 2009.

Land Acquisition – The 2013 Federal Land Acquisition program builds on efforts started in 2011 and 2012 to strategically invest in interagency landscape-scale conservation projects while continuing to meet agency-specific programmatic needs. The Department of the Interior and the U.S. Forest Service collaborated extensively to develop a process to more effectively coordinate

land acquisitions with government and local community partners to achieve the highest priority shared conservation goals.

A portion of the funding allocated from the LWCF to each of the bureaus targets a collaborative effort to focus acquisition projects from each bureau in high-priority landscapes. This effort leverages acquisition funding for larger-scale goals of collaborative landscape management. The proposed budget funds two collaborative acquisition projects within the Department's high-priority landscape areas. The BLM's core acquisition program is aligned with the larger Departmental collaborative initiative; 97 percent of BLM's acquisitions in its core program in 2013 will occur in the Department-designated collaborative priority landscapes with two projects located in two of the three high-priority ecosystems. The budget funds 10 high-priority core land acquisition projects in seven states and includes \$2.5 million for acquisition of lands or interest in lands for hunting and fishing access on BLM lands. These projects will provide access to public lands; improve river and riparian conservation and restoration; conserve or protect wildlife habitat; preserve open spaces; provide for historic and cultural resources preservation; and create opportunities for public recreation at landscape or ecosystem levels.

Federal Land Transaction Facilitation Act Reauthorization – The President's budget also includes a legislative proposal to reauthorize the Federal Land Transaction Facilitation Act (FLTFA), which expired in July of 2011. Under the FLTFA, the BLM was able to sell public lands identified for disposal through the land use planning process prior to July 2000, and retain the proceeds from those sales in a special account in the Treasury. The BLM then used those funds to acquire, from willing sellers, environmentally sensitive land inholdings with exceptional resources. During FLTFA's 11-year history, the BLM sold approximately 27,000 acres under this authority and acquired approximately 18,000 acres of remarkable landscapes.

The 2013 budget includes a proposal to reinstate the FLTFA and allow lands identified as suitable for disposal in recent land use plans to be sold using the FLTFA authority. FLTFA sales revenues would continue to be used to fund the acquisition of environmentally sensitive lands and the administrative costs associated with conducting sales. The Department strongly urges the Congress to reauthorize this important tool which provides for a rational process of land disposal that is anchored in public participation and sound land use planning, while providing for land acquisition to strengthen our Nation's most special places.

Promoting American Energy Production at Home

The Secretary's New Energy Frontier Initiative emphasizes the value of scientifically-based, environmentally-sound development of both renewable and conventional energy resources on the Nation's public lands. The BLM's proposed FY 2013 budget advances the goals of the initiative by including priority funding for both renewable and conventional energy development on public lands.

Renewable Energy – President Obama, Secretary Salazar, and the Congress have stressed the critical importance of renewable energy to the future of the United States. Success in attaining the Nation's goals to reduce greenhouse gas emissions, mitigate climate change, and protect the global environment relies on sustained efforts to develop renewable energy resources.

Renewable energy production is vital to our Nation's long-term economic development and energy security. The development of renewable energy creates American jobs and promotes innovation in the United States while reducing the country's reliance on fossil fuels.

The BLM continues to make significant progress in promoting renewable energy development on the public lands in 2012, including working to approve additional large-scale solar energy projects and complete a draft Solar Programmatic Environmental Impact Statement to provide for landscape-scale siting of solar energy projects on public lands. The agency is working on wind development mitigation strategies with wind energy applicants and other Federal agencies, and is currently reviewing over 45 wind energy applications. Additionally, the transmission infrastructure required to deliver renewable energy from production facilities to major markets relies on corridors across BLM-managed lands.

The 2013 budget request includes a total program increase of \$7.0 million in the Renewable Energy Management program, including \$5.0 million in new funding. This will support additional environmental studies to accelerate the identification of prime areas for utility-scale renewable energy project development. It will also enable the BLM to continue ongoing program management responsibilities associated with geothermal energy development by replacing mandatory funding previously provided by the Geothermal Steam Act Implementation Fund, for which new deposits have ceased. The remaining \$2.0 million increase is a transfer of geothermal funds from the oil and gas management program to the BLM's renewable energy program.

Conventional Energy – Secretary Salazar has emphasized that conventional energy resources on BLM-managed lands continue to play a critical role in meeting the Nation's energy needs. Conventional energy development from public lands produces 41 percent of the Nation's coal, 13 percent of the natural gas, and 5 percent of the domestically-produced oil. The Department's balanced approach to responsible conventional energy development combines onshore oil and gas policy reforms with effective budgeting to provide appropriate planning and support for conventional energy development.

The President's FY 2013 budget proposes \$13.0 million in oil and gas program increases to provide industry with timely access to Federal oil and gas resources, backed by the certainty of defensible environmental analysis. Of that increase, a \$5.0 million program increase will restore the BLM's leasing and oversight capacity to the 2011 enacted level. An additional \$3.0 million will be used for large, regional-scale studies and environmental impact statements for oil and gas leasing and development issues. Finally, an additional \$5.0 million programmatic increase will allow the BLM to fully implement its leasing reform strategy without sacrificing other important program goals.

An additional \$10 million, to be offset by new industry fees, is requested to ensure that oil and gas production is carried out in a responsible manner as a primary BLM commitment. The BLM conducts inspections to confirm that lessees meet environmental, safety, and production reporting requirements. The BLM recently initiated a program using a risk-based inspection protocol for production inspections, based on production levels and histories. Success realized in

this program will support expansion of this risk-based strategy to the other types of inspections the BLM performs. The risk-based strategy will maximize the use of inspection staff to better meet BLM inspection goals and requirements in the future.

The 2013 budget proposes to expand and strengthen the BLM's oil and gas inspection capability through new fee collections from industry, similar to the fees now charged for offshore inspections. The fee schedule included in the budget is estimated to generate \$48.0 million in collections, which would offset a proposed reduction of \$38.0 million in BLM's appropriated funds, while providing for a net increase of \$10.0 million in funds available for this critical BLM management responsibility. The increased funding is aimed at correcting deficiencies identified by the Government Accountability Office in its February 2011 report, which designated Federal management of oil and gas resources including production and revenue collection as high risk. The \$10.0 million increase will help BLM achieve the high priority goal of increasing the completion of inspections of Federal and Indian high risk oil and gas cases by nine percent over 2011 levels. The BLM will also complete more environmental inspections to ensure environmental requirements are being followed in all phases of development. Fee levels will be based on the number of oil and gas wells per lease so that costs are shared equitably across the industry.

To encourage diligent development of new oil and gas leases, the Administration is proposing a per-acre fee on each nonproducing lease issued after enactment of the proposal. The \$4-per-acre fee on non-producing Federal leases (onshore and offshore) would provide a financial incentive for oil and gas companies to either put their leases into production or relinquish them so that tracts can be re-leased and developed by new parties.

Sage-Grouse Conservation

The 2013 BLM budget proposal includes an increase of \$15.0 million to implement broad-scale sage-grouse conservation activities to ensure the long-term sustainability of sage-grouse and to help prevent the future listing of this species for protection under the Endangered Species Act. The BLM – which manages more habitat for the Greater sage-grouse than any other Federal agency – has been working proactively on this issue on a number of fronts, including issuing guidance to its field offices that calls for expanding the use of new science and mapping technologies to improve land-use planning. With the increase, the BLM will strengthen its regulatory mechanisms for managing the sage grouse habitat. The increase will also support monitoring and restoration efforts. To better focus its sage-grouse habitat conservation efforts, BLM has partnered with the U.S. Fish and Wildlife Service (FWS), the Natural Resource Conservation Service, the Agricultural Research Service, and State fish and wildlife agencies to share information and develop better management strategies.

Two-thirds (\$10.0 million) of the requested increase will support regulatory certainty for future land-use planning. Through 2015, the BLM will put in place the necessary mechanisms, through the agency's land-use planning process, to address conservation of sage-grouse. This will require the incorporation of conservation measures into as many as 98 land use plans in 68 planning areas within the range of sage-grouse to designate priority sage-grouse habitat. Within these priority areas, the BLM will set disturbance thresholds for energy and mineral

development, develop and implement specific best management practices for livestock grazing, establish restrictions for OHV use and other recreational activities, and implement aggressive fire suppression and post-fire restoration tactics. Amending these land use plans will provide the regulatory certainty requested by the FWS and will involve the following actions: land-use plan amendments (\$6.5 million); landscape-level project environmental assessments (\$2.0 million); travel management planning (\$1.0 million); and candidate conservation agreement development (\$500,000), for a total of \$10.0 million. The remaining \$5.0 million would be spent in the following manner: \$2.5 million for habitat restoration and improvement projects and \$2.5 million for habitat mapping, assessment, and monitoring. The BLM will implement monitoring activities to ascertain the effectiveness of habitat management and the effect of various land-use authorizations. This new broad-scale monitoring effort will fill critical data and information gaps necessary for sage-grouse habitat protection and restoration. Conservation efforts implemented on BLM-managed land will be of limited benefit if conservation practices are not monitored and applied uniformly across jurisdictional boundaries.

Managing Across Landscapes – Cooperative Landscape Conservation Initiative

Unprecedented, widespread environmental and human influences are shaping ecological conditions across the public lands. Major large scale stressors include the effects of climate change, catastrophic wildland fire, invasive species, population growth, and conventional and renewable energy development. The Secretary recognizes the need to understand the changing conditions of BLM-managed landscapes on a broad level and continues to promote the Cooperative Landscape Conservation initiative. Working with State, Federal, and non-governmental partners, the BLM is developing a landscape approach to better understand these challenges and support balanced stewardship of the public lands. The BLM is coordinating its efforts with other DOI bureaus and partners through its participation in the network of Landscape Conservation Cooperatives (LCCs).

The BLM's FY 2013 budget request of \$17.5 million, while unchanged from the 2012 enacted level, continues to support the work of its resource managers through the LCCs. Funding will enable managers to conduct additional eco-regional assessments to provide a better understanding of adverse impacts to the health of BLM lands and the larger western landscapes of which they are a part, and to implement various land health treatments to help combat the effects of these impacts. A landscape approach fosters broader understanding of the environment to inform, focus, and integrate the BLM's national and local resource management efforts. This offers a framework for integrating science with management; for coordinating management efforts and directing resources where they are most needed; and for adapting management strategies and actions to changing conditions and new information. It also provides an important foundation for developing coordinated management strategies with partner agencies, stakeholders, and American Indian Tribes.

Other Priority Increases

Wild Horse & Burro Program – Reforming BLM's Wild Horse and Burro Management program to make it fiscally sustainable is one of Secretary Salazar's and the BLM's top priorities. To that end, the 2013 budget includes a program increase of \$2.0 million over the 2012 enacted level for efforts to research and improve herd fertility control. The goal of the

research will be to develop additional methods to minimize wild horse population growth and maintain herd health. The increase, a result of the tough choices made in the 2013 budget, invests in R&D to protect the health and environment of the Nation.

In FY 2013, the BLM intends to remove 7,600 animals from the range, consistent with FY 2012, and to continue to pursue public-private partnerships to hold excess horses gathered from Western public rangelands. The current strategy also aims to significantly increase the number of mares treated with fertility control, from 500 in 2009 to a target of 2,000 in 2012 and in 2013, and to remove additional mares to adjust herd sex ratios in favor of males. The long-term goal is to slow the annual population growth rate for wild horses, while at the same time maintaining herd health, in order to decrease or eliminate the need to remove excess animals. The BLM is awaiting the results of a study by the National Academy of Sciences (NAS) to review previous wild horse management studies and make recommendations on how the BLM should proceed in light of the latest scientific research. The NAS expects to provide its report in early 2013. Congress has asked the BLM to find ways to manage these much-loved symbols of the West in a cost-effective, humane manner, and the Bureau is committed to accomplishing this goal.

Resource Management Planning – The BLM’s FY 2013 budget proposal includes an increase of \$4.4 million to support high-priority land-use planning efforts, including the initiation of several new plan revisions in 2013. The planning process encourages collaboration and partnerships which help the BLM determine how to manage public lands to balance the needs of adjacent communities with the needs of the nation.

Secretary’s Western Oregon Strategy – The 2013 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 through support of timber sale planning, layout and design, engineering, and sale appraisal; support key resource management planning objectives; increase surveying for rare, uncommon, or endangered species; provide for landscape-level timber sale project environmental analysis; and facilitate joint development and implementation of a revised recovery plan for the northern spotted owl.

Abandoned Mine Lands & Hardrock Mining Reform Proposals

The budget includes legislative proposals to address abandoned mine land (AML) hazards on both public and private lands and to provide a fair return to the taxpayer from hardrock production on Federal lands. The first component addresses abandoned hardrock mines across the country through a new AML fee on hardrock production. Just as the coal industry is held responsible for abandoned coal sites, the Administration proposes to hold the hardrock mining industry responsible for abandoned hardrock mines. The proposal will levy an AML fee on all uranium and metallic mines on both public and private lands that will be charged on the volume of material displaced after January 1, 2013. The receipts will be distributed by BLM through a competitive grant program to restore the Nation’s most hazardous hardrock AML sites on both public and private lands using an advisory council comprising of representatives of Federal agencies, States, Tribes, and non-government organizations. The advisory council will recommend objective criteria to rank AML projects to allocate funds for remediation to the sites with the most urgent environmental and safety hazards. The proposed hardrock AML fee and

reclamation program would operate in parallel to the coal AML reclamation program, as two parts of a larger effort to ensure that the Nation's most dangerous coal and hardrock AML sites are addressed by the industries that created the problems.

The budget also includes a legislative proposal to institute a leasing process under the Mineral Leasing Act of 1920 for certain minerals (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 a leasing process and subject to annual rental payments and a royalty of not less than five percent of gross proceeds. Half of the royalty receipts would be distributed to the states in which the leases are located and the remaining half would be deposited in the Treasury. Pre-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. However, holders of pre-existing mining claims for these minerals could voluntarily convert their claims to leases. The Office of Natural Resources Revenue in the Department of the Interior will collect, account for, and disburse the hardrock royalty receipts.

Grazing Administrative Processing Fee

The Budget includes proposed appropriations bill language authorizing a three-year pilot project to allow BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. BLM would charge a fee of \$1 per animal unit month, which would be collected along with current grazing fees. The budget estimates the fee will generate \$6.5 million in 2013, and that it will assist the BLM in processing pending applications for grazing permit renewals. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Reductions

The BLM's FY 2013 budget proposal reflects many difficult choices in order to support priority initiatives and needs. The following are among the program reductions in the proposed budget:

- ***Rangeland Management Program*** – A \$15.8 million decrease in funding is proposed to be partially offset by a 3-year pilot program to recover some of the costs of issuing grazing permits/leases permit and lease renewals through a \$1 per animal unit month administrative processing fee levied upon grazing permittees.
- ***Alaska Land Conveyance Program*** – A reduction of \$12.4 million is proposed in an effort to reevaluate and streamline the Alaska land conveyance process. Interim or final conveyance is complete for approximately 96 percent of the original 150 million acres, and the BLM continues to explore opportunities to further streamline the program and to focus applicable resources on completing the final transfers.
- ***Public Domain Forestry*** – A general program decrease of \$3.3 million would reduce lower-priority activities and an additional reduction of \$150,000 is proposed for healthy landscapes restoration projects in lower priority public domain forested areas.

- **O&C Reforestation** – A general program decrease of \$1.2 million would reduce lower priority forest vegetation inventories, reforestation treatments, stand maintenance and improvement treatments, monitoring, and inventory for the presence of noxious or invasive weed species. The reduction would not affect the Secretary’s Western Oregon Strategy for forest management.
- **Abandoned Mine Lands** – In 2013, the BLM is requesting a decrease of \$2.0 million for its abandoned mine lands program. The BLM will continue to fund the highest priority sites, as determined through its ongoing ranking process. Red Devil Mine reclamation activities remain a high priority.

Conclusion

The BLM’s Fiscal Year 2013 budget request provides funding for the bureau’s highest priority initiatives, and reflects the need to make tough choices at a time when Federal spending must be restrained. Our public lands and resources play an important role in American lives, economies, and communities and include some of our Nation’s greatest assets. Under this budget proposal, the BLM is targeting investments to advance the bureau’s mission of protecting these lands for multiple uses, including recreation, conservation, and safe and responsible energy development.

Thank you for the opportunity to present this testimony on the proposed FY 2013 BLM budget.

BLM Director Robert Abbey Biographical Information

Robert Abbey, nominated by President Barack Obama to serve as the Director of the Bureau of Land Management, was confirmed by the U.S. Senate August 10, 2009.

As BLM Director, Abbey provides direction and oversight for more than 245 million acres of public land and 700 million acres of on-shore subsurface mineral estate managed by the agency. In addition, BLM has trust responsibilities on 56 million acres of Indian trust lands for mineral operations and cadastral surveys. These public lands cover about 13 percent of the total land surface of the United States and more than 40 percent of all land managed by the Federal government, making BLM the Nation's largest public land manager. He oversees 11,000 employees and manages an annual operating budget of more than \$1 billion. Since becoming Director, Abbey has worked closely with other Federal, tribal, state and local governmental entities in pursuit of common goals related to the management of our Nation's natural and cultural resources.

Prior to his appointment, Abbey was a partner in Abbey, Stubbs, & Ford, LLC, a private consulting firm with offices in Las Vegas and Reno, Nevada. Abbey also served for more than 32 years in public service working with state and Federal land management agencies. He earned numerous performance awards during his career, including the prestigious Secretary of the Interior's Executive Leadership Award in 2004. After devastating wildfires burned more than 1.7 million acres in the Great Basin in 1999, Abbey served as the principal Federal agency proponent for the Great Basin Restoration Initiative, aimed at improving the long-term ecological diversity and stability of the region's ecosystems. For his work, he was recognized in 2004 by the U.S. Senate with a certification of commendation for his work on behalf of the Great Basin.

Abbey began his natural resource career with the Mississippi State Park Commission. He has served in a number of Federal positions with the U.S. Army Corps of Engineers and the BLM, including eight years as the BLM's Nevada State Director. Abbey, a native of Clarksdale, Mississippi, is a graduate of the University of Southern Mississippi where he earned a Bachelor of Science degree. He and his wife Linda have been married for 33 years and have one daughter, Leigh.

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

Biographical Information

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

Mr. SIMPSON. Thank you, Director. I appreciate that statement. If you can find an answer to the Wild Horse and Burro Program, you can retire a hero. In fact, we will name the program after you if you find a solution to that.

Jim.

Mr. MORAN. Thanks, Mr. Chairman.

OIL AND GAS DEVELOPMENT

Director Abbey, there have been some claims that the Administration is blocking production of oil and gas on public lands, yet I understand that there are a large number of approved permits to drill that are not being used by the oil and gas industry. Can you tell us how many of these approved permits to drill are sitting unused by the oil and gas industry?

Mr. ABBEY. Yeah, I can, Congressman. You know, the last time I looked at our statistics, it reflected a little over 7,000 applications for permits to drill that we have approved that are yet to be developed.

Mr. MORAN. Over 7,000 approved but not developed?

Mr. ABBEY. Yes.

Mr. MORAN. I saw in your testimony that more than 38 million acres of public land are under oil and gas leases, yet only about a third—or 12 million—of those acres are currently in production. Can you tell us what you are doing to encourage production on the approximately 26 million acres of public land that are under lease but not in production?

Mr. ABBEY. Well, certainly, there are a lot of factors that come into play relative to when an oil company or a natural gas company decides to move forward and develop on the leases that they have acquired, but in order to encourage more timely development, in our 2013 budget request we are proposing a \$4 per acre fee on the companies who are not putting into production the leases that they have under their control.

WILD HORSES AND BURROS

Mr. MORAN. Very good. The chairman mentioned the issue with regard to horses. The number of cattle grazing on public lands numbers in the millions while the number of wild horses and burros grazing on these same lands numbers less than 40,000. Can you tell us how the BLM goes about making forage and removal decisions to reflect the disparity in the use of public lands?

Mr. ABBEY. Well, again, consistent with the law of the Wild Horse and Burro Act that was passed by Congress, we are to manage wild horses where we found those horses at the time that that legislation was passed. So we call those areas herd management areas. And we had used our land use planning process to not only allocate forage for the wild horses that existed at the time of the enactment of that legislation but to also allocate forage resources for the wildlife that uses the same areas, as well as livestock grazing.

So through our land use planning process we make decisions along with public input that we receive during that very public process and allocate the limited forage in some cases to livestock, to other wildlife species, as well as wild horses.

Mr. MORAN. Well, I know you do that. I guess it is an art as much as a science.

Recently, BLM announced that you were doing an environmental review of a private land site that was proposed. It was a location for a wild horse ecosanctuary. I think that is Madeleine Pickens' site. When do you expect to have that kind of review finished?

Mr. ABBEY. Well, the private land site is actually a ranch up in Wyoming. It is not owned by Ms. Pickens. We have reached, at least we have made a decision to move forward to work closely to complete the analysis on that proposed private land ecosanctuary, and again, working with the landowner to move forward and place horses on that private land.

We continue to work with Ms. Pickens on a private-public land proposed sanctuary in Elko County, Nevada. We have recently completed our economic analysis to determine the cost effectiveness of such a proposal. That information will be released shortly, probably within the next 2 weeks relative to our findings of that economic analysis. We have worked closely with Ms. Pickens over the last year and a half to 2 years on a proposal. She has been very good about providing the information that we have requested from her. And so we, at this point in time, have sufficient information for us to move forward and make the final decision regarding her proposal probably this year.

OIL SHALE

Mr. MORAN. Very good. And lastly—this will be my final question—last month, you issued a programmatic environmental impact statement for oil shale and tar sands. Your agency has been criticized for proceeding too slowly on developing oil shale and tar sands. Can you tell us some of the issues that you are looking at with a resource that today is far from being economically and commercially viable? That will conclude my questions.

Mr. ABBEY. I will be happy to. Again, our preferred alternative that was recently released as part of our draft programmatic EIS would make more than 461,000 acres available for future oil shale leasing. This includes approximately 35,000 acres in Colorado, 252,000 acres in Utah, and 174,000 acres in Wyoming.

Congressman Moran, you indicated that we have received some criticism relative to that acreage figure. We believe that that is appropriate as far as making available appropriate public lands for research and development of oil shale when there is no existing technology that has been proven to date. And so the criticism that has come to us or that has been directed to the Bureau of Land Management for our preferred alternative has been that we have not made enough public lands available for oil shale development. And until we have a proven technology, we are going to focus our attention on the research and development aspect of this program working very closely with those companies who have secured RD&D leases on these public lands to develop whatever technologies that either exist today or may exist in the future so that if there is an opportunity to develop such a resource out there that we will make sure that additional lands can be made available to develop that resource. But until that technology exists, we believe 461,000 acres is sufficient for research and development.

Mr. MORAN. Thank you, Mr. Director.

And thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Flake.

Mr. FLAKE. Thank you.

RECREATIONAL SHOOTING

I appreciate the testimony with regard to some of the multiple-use issues and recreational shooting in particular. Last November, a directive was issued that made two things pretty clear. It said the Department would support recreational shooting as a safe and legitimate use of public land and that the BLM ought to ensure that it facilitates opportunities for that activity in the management of public lands. That is a pretty good statement, but it seems inconsistent with the action on the ground. BLM is moving to ban recreational shooting across 600,000 acres in two national monuments in the State of Arizona. How does that earlier statement jibe with what is actually happening?

Mr. ABBEY. Congressman Flake, thank you for the question and thank you for the opportunity that you have given me to respond. You know, over 98 percent of the 245 million acres that are managed by the Bureau of Land Management are available for recreational shooting. Over 99 percent that we manage are available for hunting and fishing. We believe that that is, again, an appropriate amount of acreage that we manage on behalf of 300 million Americans for that type of recreational activity. And as we go forward and work to identify issues that come before us as part of our land use planning process, what we are finding in some areas—certainly not all areas—but in some areas there are some potential conflicts between recreational shooting and protecting some of the features that exist in some of the national monuments or national conservation areas along with some of the conflicts that exist with the safety of the users or in the recreation, et cetera, or pursuing recreational activities on those same lands.

So through our land use planning process, we identify such issues that are brought to our attention. We do an analysis and make a determination as to how best manage the acreage within national monuments and national conservation areas. To date, most of those areas continue to be available for recreational shooting and I would say that in the future most of those national conservation areas and national monuments will continue to be available for recreational shooting.

Mr. FLAKE. That is all fine and good but 600,000 acres in two national monuments? And it is fine to say, you know, 90-some percent across the country of all the lands managed by the BLM are available for shooting, but for individuals in Tucson who want recreational shooting opportunities close to them to find that 600,000 acres are being put aside and no multiple use of that type just seems incongruent with the statement and the purpose.

Mr. ABBEY. Well, again, as one of the factors that come into play as far as our analysis is that we have looked very closely as to where alternative areas exist near Tucson for such activities where it would probably be more appropriate for that activity to take place than in an area that is heavily visited by recreationists or in areas where we know that there is an existing problem with rec-

reational shooting and the destruction of some key vegetation species out there.

GRAZING ADMINISTRATIVE FEE

Mr. FLAKE. Thank you. With regard to the imposition of the \$1 per AUM fee on permits, that is about a 60 percent increase I guess in grazing fees. Was that contemplated prior to the 2013 budget submission and realized there were cutbacks or is this a way to backfill or was there some other purpose for this so-called pilot project?

Mr. ABBEY. You know, I would have to say, Congressman Flake, that routinely, the subject of increasing grazing fees comes up from year to year, so this certainly was not anything new. But let me just clarify that we are not proposing to increase the grazing fee. What we are proposing to do is assess a \$1 per AUM as a grazing administration fee. The grazing fee is set by a formula that was passed by Congress back in the late 1970s and is also consistent with an Executive Order I think that came out in the mid-1980s. So the \$1 per AUM fee that we are proposing is an administration fee that would help to capture the cost of processing documents and authorizations for permittees who are economically benefitting from the uses of these lands. The fee would offset some of the proposed reductions that we have as part of our fiscal year 2013 budget.

I would say, too, that we have over 18,000 permittees in grazing leases on these public lands that we manage. Of the 18,000 permittees that are using these lands for grazing purposes, 83 percent of those permittees are grazing 1,000 AUMs or less. So the actual effect to 83 percent of the permittees would be an increase in their grazing bill so to speak of \$1,000 a year or less.

Mr. FLAKE. Why call it a pilot project here? Pilot project is typically by definition something that you try out and see if that works or whatever, but already in the language it talks about BLM would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost-recovery fee after the pilot expires. So that suggests that it is not a pilot project at all; it is simply a new way to assess fees to backfill part of the budget. Why are we going through the exercise of calling it a pilot project?

Mr. ABBEY. Well, I think the primary purposes of calling it a pilot project is because we will learn along the way. It will take us a good 18 months to 2 years to actually write a draft regulation that would then be submitted to the public for review and comment before we would finalize a regulation that would place this administration fee on our grazing permittees. So it would take us a good 2 to 3 years to actually have a final regulation in place. In the meantime, we would move forward, with the approval of this Congress, to begin this pilot project to assess what processes and procedures will work so that we can incorporate those lessons into the proposed rule.

Mr. FLAKE. All right. It sounds like we have already decided to me. But thank you.

Mr. ABBEY. Thank you.

Mr. SIMPSON. If I can just follow up on that before Steve, we are creating essentially a distinction without a difference, and the reason we are doing it is because under the law you cannot increase the AUM fee by more than 25 percent a year and you want to go 74 percent so we call it a permitting fee. Why is it assessed per AUM rather than by permit? In other words, if it is a permitting fee, why not assess this fee based on the cost recovery of doing the permit rather than on how many cows you have on it?

Mr. ABBEY. Well, we do have some language that we are entertaining relative to looking at full cost recovery of processing permits. But it is not necessarily what we are proposing to do this fiscal year. As we look to the grazing fee, if I remember correctly, 50 percent of those grazing fees go to local and state governments. The other 50 percent goes into our Range Improvement Fund. So there is really no money that we collect from our grazing permittees that offsets the cost administering those permits and managing for those permits, including the necessary monitoring in order to go forward and issue new permits or renew existing permits. So what we are trying to do, Mr. Chairman, is to actually implement a grazing administration fee that would come back to the Bureau of Land Management to pay for those costs of managing for those permits, including the necessary monitoring and issuance of permits and the NEPA associated with those permits and also in defending litigation that is fairly significant in this particular program.

As we look at the cost to the American taxpayers for managing our grazing program, we have estimated—and based upon past experience—that it costs us about \$38 million to manage our grazing permit program and we get a return of around \$12.5 million in fees.

Mr. SIMPSON. Well, I noticed you said that for the \$1.1 billion that we are investing in BLM that we return I think it was \$120 billion in value to the taxpayer nationally and stuff. It seems like we do pretty well.

Mr. ABBEY. We do fair.

Mr. SIMPSON. I have one other thing about the grazing fee increase—I will be really honest with you, I think most people believe that the grazing fee is too low and I do not think most people have a problem with recovering what it costs to do a permit, but in your budget you propose to reduce range management by \$15 million and you only plan to complete 33 percent of the grazing permits. Now, I will tell you that most cattle operations that I talked to or sheep or whatever, their problem is not being able to get a permit done and it drags out forever and ever and it has been one of our priorities to make getting at the backlog a higher priority for BLM. And we are increasing the backlog in this budget at the same time we are increasing the fee. I think that is a hard sell.

Mr. ABBEY. Well, I think it is a legitimate concern that you express and it is certainly one that I am also concerned with. I will say this: that it takes us entirely too long to issue permits. We need to do a better job. We need to try to find efficiencies in the way that we are managing for this particular permit program. You know, issuing permits, it takes several years before we get sufficient data through monitoring in order to move forward and make

a decision whether or not there needs to be changes in a particular allotment based upon the new information that is gathered from the monitoring.

I would also like to use this opportunity to say that we firmly believe that grazing is a legitimate use of these public lands. When done correctly, grazing can benefit these public lands in many, many ways, including improving some of the wildlife habitat that we are managing for like the Sage-Grouse. So we want to work and have worked for a number of years with our grazing permittees to accomplish some mutual goals and we will continue to do so. What we are trying to achieve is reduce the impacts to the American taxpayer by assessing an administration fee to the people who are benefitting economically from the use of these lands. And our proposal in 2013 is to assess a \$1 per AUM fee to these grazing permittees.

Mr. SIMPSON. Mr. LaTourette.

Mr. LATOURETTE. Thank you, Mr. Chairman.

HYDRAULIC FRACTURING

Mr. Director, Secretary Salazar was with us a couple weeks ago and this afternoon I think we have USGS coming in and I just want to talk to you for a minute about hydraulic fracturing.

Mr. ABBEY. Yes.

Mr. LATOURETTE. The Secretary intimated that you and your agency are going to be tasked this year with doing a study of some sort in terms of developing what technologies and so forth and so on. USGS is for public lands. USGS is also I think going to tell us this afternoon that they are embarking on a study for nonpublic lands. Could you describe for us what it is that you think your agency is going to do in this regard over the next year? I would in particular be interested in the coordination that exists or does not exist between your agency and USGS and in addition with the Groundwater Protection Council and their FracFocus Program.

Mr. ABBEY. Be happy to, and again, an excellent question.

The Bureau of Land Management is not conducting any studies as it relates to fracking. The Environmental Protection Agency as well as USGS are working on such studies. I think what the Secretary was referring to at the time of his testimony was the fact that the Bureau of Land Management has a proposed rule that is under review right now by the Office of Management and Budget that would implement some new regulations that relate to fracking on public lands. As you may already know, 90 percent of all drilling that is taking place on public lands today use the fracturing technology that has been around for a number of years.

So as we go forward with our new rule, our new rule is designed to focus on three areas. First is the disclosure of the chemicals that are used in fracking. Several States already require that. The second aspect of our rule would address wellbore integrity. And then the third aspect of our rule would address wastewater management. All three areas were identified as critical components of recommendations that were made by the Secretary of Energy's taskforce on hydraulic fracturing. So we took to heart their recommendations. We included many of their recommendations as part of our rulemaking. We have consulted with state governments;

we have consulted with the industry; we have consulted with the environmental groups to come up with something that we believe makes sense, that will augment what is already required by some States and not duplicate what is required by some States, and we are also very sensitive to the fact that FracFocus has worked well for disclosure of chemicals and we hope to be able to adopt that as part of our rules.

Mr. LATOURETTE. What about the portion where USGS and EPA are going to be conducted—they apparently are going to conduct a study and I think that their hope is to get it done this year. Is your agency coordinating at all with USGS? And the reason I ask the question is that, as you correctly point out, hydraulic fracturing has been around for a long time. However, as a result of some bad operators, some bad integrity of wells, improper wastewater disposal, a number of urban legends have sprung up about hydraulic fracturing, and some people are acting like it is something new.

I made the observation to the Secretary, there was an earthquake in Youngstown, Ohio, a little while ago and there are some people who actually believe that it is hydraulic fracturing that caused the earthquake in Youngstown, Ohio. So I very much welcome the fact that USGS is moving forward and you are moving forward, but what I think would be a step backwards for the recovery of this research, which in my part of Eastern Ohio and Western Pennsylvania, really has the opportunity to move us towards energy independence as well as employ a lot of people. We have to have one set of rules and they should be a set of rules that protects the environment to the best science that is available. It would be a shame if your regulations and the direction you were going somehow was counter to what USGS is doing. I would hope that you would all put your heads together, and my experience is once people know what the rules are, most of them follow it. And for those that do not, you go get them. So are you talking to USGS?

Mr. ABBEY. We are. We are talking to not only USGS but also the EPA. Again, we are sharing with them the data that we have relative to the monitoring of the wells that have been developed on public lands. You know, certainly the primary interest is on the potential impacts to groundwater, especially the water that is used by communities as their primary source of drinking water. So the key, as it relates to technology or the fracking technology, is to make sure that there is integrity to the wellbore; and then, second, is that that wastewater is appropriately managed and disposed of.

You know, one of the concerns and certainly one of the challenges that the industry faces is the amount of water that it takes in order to do fracking. That is certainly a concern to members of the public. It is certainly a concern that the industry recognizes and they are taking action to actually reduce the amount of water that is part of their operations, and we applaud them for that effort.

The fracking technology is a tremendous, tremendous tool for this Nation and to the industry to allow us to continue to make progress to reduce our dependency on foreign fuels. And again, we are going to work very, very closely with the industry as well as many, many others to ensure that the drilling that takes place—

at least on public lands that are managed by the Bureau of Land Management—is environmentally sound.

Mr. LATOURETTE. Okay. Well, I thank you for that. My view is there should be the same rules for nonpublic land as there is for public land.

Mr. ABBEY. I would hope.

Mr. LATOURETTE. I appreciate it.

And Mr. Chairman, did I miss a quote from Mr. Moran?

Mr. SIMPSON. One in 1907 by—

Mr. MORAN. Do you remember Teddy Roosevelt?

Mr. LATOURETTE. I am familiar with Teddy Roosevelt.

Mr. SIMPSON. It was a very important one and—

Mr. LATOURETTE. Really?

Mr. SIMPSON. Yeah.

Mr. LATOURETTE. Was it relative to fracking or public lands or the Panama Canal? Or what is—no? Okay. Well, I am sorry I missed it.

Mr. SIMPSON. We will get you a copy.

Mr. LATOURETTE. I will be here this afternoon. Thank you.

Mr. SIMPSON. We will get you a copy of it if you would like.

Mr. LATOURETTE. I thank you. I yield back.

Mr. SIMPSON. Ms. Lummis.

Mrs. LUMMIS. Thank you, Mr. Chairman, and good morning, Mr. Abbey.

Mr. ABBEY. Good morning.

OIL AND GAS DEVELOPMENT: WYOMING

Mrs. LUMMIS. In 2010, 43 percent of all federal onshore oil and gas royalties came from Wyoming. It was a total in excess of \$1 billion. Your fiscal year 2013 budget request for the entire BLM is \$1.1 billion, roughly equivalent to the onshore oil and gas royalties you get from my State alone. So really, my State's oil and gas production alone is paying for the entire BLM budget.

Mr. ABBEY. And we really appreciate that.

Mrs. LUMMIS. You are welcome but that prompts a couple of questions on my part.

Despite that, Wyoming only receives about 11 percent of the total BLM national budget. And because we only get 11 percent of the budget but product 100 percent of the revenue, there are inefficiencies in developing the resources in Wyoming in a timely manner that is contributing to the fact that this Nation is down in terms of its production on federal lands of oil and gas, even though it is up in its production of oil and gas from private lands. Why do you allocate only about 11 percent back to the State to move environmental reviews and process APDs?

Mr. ABBEY. Well, most of the cost associated with processing applications for permits to drill are actually cost-recovery or based upon fees that are assessed for each of the applications that we receive. I think our APD fee—and Karen, correct me if I am wrong—is around \$6,500. So much of the work that is being done in Wyoming as far as it relates to coal or oil and gas is really addressed through cost-recovery programs. And therefore, the amount of appropriated dollars that they need for their minerals program is not that great.

OIL AND GAS DEVELOPMENT: ROYALTY RATE INCREASE

Mrs. LUMMIS. My next question is about the proposed rule to rate increase and I spent part of our last Congressional work period in Norway studying their system for producing and taxing and then distributing the revenues from their extraordinary oil and gas resource offshore. And what Norway does—and I would encourage you to go look at it. In fact, there were people from the successors to the MMS there the same day I was there looking at their system. But one of the things I learned when I was there is that Norway actually up-fronts money to the companies to produce and then recovers their greater share at the end of the process. So Norway has skin in the game from the get-go.

If you look at the GAO report that the Department commissioned, that IHS CERA study—first of all, let me ask are you familiar with that study?

Mr. ABBEY. I am, yes.

Mrs. LUMMIS. Okay, great. The report included this conclusion: “any of the suggested alternative rates like 18¾ for Wyoming federal lands will deteriorate their competitive position in the market, which is rather weak as it is.” And that is the quote from the report. The average take for federal lands in Wyoming is 66 percent but it ranges from 53 percent to 93 percent, much higher than what I found even in Norway. In light of that study, why call for an increased royalty rate?

Mr. ABBEY. Well, the reason behind looking at our royalty rates is, first and foremost, it has not been adjusted in many, many years—several decades. One of the things that we are trying to do not only in the oil and gas program but across the board is to make sure that there is a fair return for the use of these public assets. Certainly, the extraction of mineral resources, whether it is mining or oil and gas or even coal, we want to make sure that there is a fair return to the American taxpayer. We are very familiar with the study that you referenced and we have taken, again, a lot of the information that has been generated through our analysis to heart. We have yet to finalize any type of rule. We have not submitted any kind of royalty increase to the Office of Management and Budget for their review as part of any rulemaking at this point in time. So I think we are several months out before we actually even have a draft that we can submit to OMB for their review and concurrence and then for us to put it out for public review and comment.

Mrs. LUMMIS. Okay. Well, I will look forward to looking at it since Wyoming provides all of BLM’s revenues.

And I have another question. Secretary Salazar told Senator Lisa Murkowski last week that there is another big study underway on royalties and the concept of fair share. So what is that study? This is in addition to the CERA study. Do you know what he was talking about?

Mr. ABBEY. The only thing, again, that I can think that he was referencing is the work that we are continuing to do to use the existing information that we have collected through the various references that we have compiled to come up with our recommendation that we can then submit to Office of Management and Budget

for concurrence and then to issue a proposed rulemaking for public comment.

So there really are no additional studies that we are engaged in at this point in time as far as the Bureau of Land Management. We do have what I believe to be sufficient information before us to make some good decisions and to move forward with the proposal.

Mrs. LUMMIS. And thank you very much.

HYDRAULIC FRACTURING

Now, with regard to regulations on fracking, you have a preapproval process that would require an operator to submit its fracking plan 30 days in advance of drilling. How does the BLM plan to administer a preapproval process for fracking? Like are you going to have somebody on every rig so you can preapprove changes or is an operator locked into whatever the preapproval formula was? Or do you have enough technical expertise on staff to make those decisions, especially since, you know, when I asked you before about—the 11 percent of your budget that is allocated, do you have that technical expertise? And when the oil and gas commissions around the country are already, you know, involved in these issues and involved on federal lands I mind you, is this not duplication, especially in States like Wyoming that we are way out in front on these issues?

Mr. ABBEY. Well, the preapproval process would actually take advantage of the application for a permit to drill. There is a lot of information that we request from an oil and gas company prior to approving a drilling operation on these public lands. At that point in time, under our proposed rule for chemical disclosures, as part of their application they would also include the type of chemicals that they intend to use as part of their fracking operation if fracking is going to be part of that operation.

Mrs. LUMMIS. So that would be in a State like Wyoming duplicative of what the oil and gas conservation commission is already doing?

Mr. ABBEY. Duplicative or consistent with what they are requiring. In fact, we could possibly even use the same disclosure system so that it is not redundant. But I would say this, too, that we also recognize that what the companies may plan to use as far as their formula for fracking does change based upon some of the things that they encounter once drilling commences.

Mrs. LUMMIS. That is absolutely right. So are you going to have someone on every rig so you can preapprove changes on the fly? Like if they are already in the process of drilling and they decide in order to complete a frack that they have to make an adjustment, are you going to be there to do that?

Mr. ABBEY. We will not have an individual on every rig during the time of the drilling. Last year, we completed—and Karen, it was, what—30,000 inspections on operations on public lands as far as oil and gas operations. But I will say this: no, we will not have anyone on site to actually have to approve any changes to their formula, but we would require them to come back to us and report on the actual chemicals that were used—

Mrs. LUMMIS. Okay.

Mr. ABBEY [continuing]. If changes were made.

Mrs. LUMMIS. Okay. That is helpful.

Mr. Chairman, are you going to have a second round?

Mr. SIMPSON. If you want one.

Mrs. LUMMIS. Okay. I do and I will hold my questions until then.

SAGE GROUSE CONSERVATION

Mr. SIMPSON. Okay. Let me ask a couple of questions relative to sage grouse. I mentioned in my opening statement ESA listing of sage grouse would be devastating to States and land users across the West and preventing that is one of my top priorities. I know it is yours, too. The BLM has \$15 million in its proposal for the fiscal year 2013 budget for new Sage Grouse Conservation Initiative. Can you outline your plans for this funding? Is this funding adequate to ensure BLM has the resources necessary to do everything it can to prevent the listing in 2015? Making this happen will require buy-in from the States as well and they are also facing budgetary challenges. What kind of incentives or assistance are you able to provide to States like Idaho to implement their own plans? And how is BLM coordinating with Fish and Wildlife Service and the States to address this issue? And how confident are you that this strategy will work?

Mr. ABBEY. Would you like to repeat that? Mr. Chairman, first and foremost, whether we get the increase in funding—and I hope you see the wisdom of providing us that increase—we are going to do everything possible to provide the Fish and Wildlife Service with some assurances that we are taking action that would lead them hopefully by 2015—that the listing of the Sage-Grouse is not warranted.

But if we are successful in getting the additional monies that we are requesting as part of our fiscal year 2013 budget, we will continue down the path of the strategy that we have in place right now, and that is working very closely with the state game and fish agencies, with the Fish and Wildlife Service, and many, many other stakeholders to identify best management practices that we can incorporate not only in our approvals of actions that come before us on a routine basis but also to incorporate best management practices into our land use planning processes that would give the Fish and Wildlife Service that regulatory assurance that we have something in place, a mechanism in place that would provide consistency across the range of the Sage-Grouse. That was one of the issues that they had with the management of public lands when the issue of Sage-Grouse listing came up in the first place.

So we have developed a very close working relationship with the western governors. We just had a phone call yesterday with Governor Mead in Wyoming and Governor Hickenlooper from Colorado who share a working group along with myself whose members include all the western States and game and fish agencies, as well as the Fish and Wildlife Service and others who are working with us very closely to identify core Sage-Grouse habitat areas that are being mapped so that those maps can be shared with anyone who has an interest relative to where those core sage grouse habitats are and also that we will then incorporate into our land use plans. We will be using the increase in funding to amend 68 land use

plans, and I believe the U.S. Forest Service has 12 forest plans that they would also be amending as part of our planning effort.

So again, what we are trying to do is to take action now on the proposals that come before us based upon the best management practices to protect those core habitat areas, at the same time continuing to make available other areas that the Bureau of Land Management manages for multiple uses.

As far as Idaho, we have worked very closely to look within our own existing budget to make available some monies to the State of Idaho, not the \$500,000 that they asked for, but we are working to share with the State of Idaho some base monies or some monies that would allow them, along with other funding sources that they have been able to tap, including the U.S. Fish and Wildlife Service and I think the NRCS to come up with some federal monies to supplement what they had been able to identify within their own state budgets to move forward with statewide planning consistent with what the State of Wyoming has already accomplished to identify core Sage-Grouse habitat areas and then to identify measures that need to be taken on the ground to protect such habitats.

Mr. SIMPSON. How confident are you that this strategy will work?

Mr. ABBEY. It has got to work. And it is our highest priority, Mr. Chairman, let me reassure you that. We do know that the greatest threat to Sage-Grouse habitat is from wild land fire. For example, we have taken actions over the last couple of years to actually place fire personnel around these core habitat areas to protect them in case wild land fire does break out. We can provide immediate suppression activities on there to prevent the spread of that fire into some of these core habitat areas. So we pre-position our fire crews based upon the forecast and based upon the knowledge of the resource. We also have identified as part of all of our fire planning that protection of core habitat areas is one of the highest priorities we have for our fire crews. We have also incorporated that into our Fuels Management Program, to build protective space, green space, around some of the core habitats so that, again, if there is a fire that breaks out that we have a chance to catch that fire before it destroys some of these key habitat areas.

Mr. SIMPSON. Thank you. I hope it is successful also. It has to be, as you said.

EXHAUSTION OF ADMINISTRATIVE REVIEW

In the 2012 Interior and Environment Appropriations Act, we included a provision requiring litigants to exhaust administrative review before going to court. Have you had an opportunity to implement that yet and what are your thoughts on that?

Mr. ABBEY. We are implementing that part of the appropriation and I want to personally thank you for your efforts and for your support in providing us with an administrative remedy to the challenge that we face. And that is ever-increasing litigation as it relates to our grazing programs on these public lands.

I have already mentioned the legitimacy of grazing on these public lands. I will be the first to let you know that not everyone believes that public lands should be made available for grazing, and therefore, many of our decisions that we make relative to range-

land management are challenged either through protests, appeals, or are litigated. It is a very costly part of our program. It could be easily avoided by the Bureau of Land Management doing a better job as part of our NEPA but also to make sure that we win some of these court cases. And maybe by winning more court cases we can provide a lack of incentive for people to challenge grazing as a legitimate use of these public lands.

Mr. SIMPSON. Thank you.

Ms. McCollum.

WYOMING MINERAL REVENUE

Mr. MORAN. Mr. Chairman, I am going to leave it to Ms. McCollum now because I have got to get over to another hearing. But if I could just take a moment to make a comment. . . It is an interesting observation. . . Wyoming, a State that has been the focus of much of our discussion here, seems to get \$1.1 billion in federal revenue just from mineral revenue payments alone, which is far and away more than any other State. It appears to be about 80 percent of the entire state budget. So I only make that point because there does seem to be some reciprocity there. It does not seem to be totally a one-way street.

But with that, I do not have any further questions, Mr. Chairman, and Ms. McCollum will represent our side of the aisle. Thank you.

Mr. SIMPSON. Thank you.

Ms. McCollum.

Ms. MCCOLLUM. Thank you, Mr. Chair.

LAND ACQUISITION—ACCESS

My predecessor, Congressman Vento, back in the 1990s had a GAO report that said that there was more than 45 million acres of public land that was landlocked and it had no public access available. And you have a request in for \$2.5 million to require easement. I have two other shorter questions but maybe if you do not have that with you, could you share that with the Committee later or tell us what your plans are?

Mr. ABBEY. I do. And again, thank you for the question.

Part of our fiscal year 2013 request for land and water conservation funds does include the \$2.5 million for access. What we are finding across the western United States, especially in areas like Montana and even in Idaho where the public has historically had public access to vast acres of BLM-managed lands are being closed now when some of those key private lands are being sold to different families. And so where we have had close working relationships with some of the people that have been on those private lands for a number of years, when they start selling their lands to other individuals, then we are seeing some of those individuals coming in and closing access to large acreages that are managed on behalf of the public. And so our desire is to work before this becomes kind of a crisis situation, to use the \$2.5 million kind of as seed money beginning in 2013 to give greater attention to acquiring public access to make sure that these public lands that we manage on behalf of the 300 million Americans remain accessible to those people who would like to use and visit those lands.

The \$2.5 million will allow us to acquire some of the highest-priority needs that we have relative to access, again, where we have willing sellers—

Mr. ABBEY [continuing]. And then once we acquire those public easements, our conservation easements, our access to these public lands that they will remain accessible forever.

Ms. MCCOLLUM. Well, Mr. Chair, one of the other things in our book is what you are working on with the National Landscape Conservation System. In fact, 11 percent of the bill amends acreage, but it generates more than 25 percent of the recreational visits. So you do have high-priority areas where people who live in the area, in that neighborhood, in that State, that is where they like to recreate, so you are working with willing sellers and that is part of your priority list?

Mr. ABBEY. It is as far as acquisition of holdings within those units of the National Landscape Conservation System.

Ms. MCCOLLUM. Well, I am glad to see that you are working on it with the community at large in identifying those, because we should have done a better job, Mr. Chairman, with some of our lakes and river access. Because now we have people who used to be able to go back, generation after generation, to access natural waters and public areas now sometimes are very fearful that that will not be able to happen again, as families change and land is purchased by others. So creating a public access system, I think is great.

CONSULTATION WITH TRIBES AND STATE HISTORIC PRESERVATION OFFICERS

Last month, you signed a national programmatic agreement on tribal and historic consultations in regard to the renewable energy. And that got brought up a little bit, in one of our other hearings, about some work being done on tribal lands. Could you maybe tell us how you see, going forward with modern technology for generating power, but at the same time protecting historic, culturally significant, resources?

Mr. ABBEY. Again, an excellent question. You know, we value our relationships with tribal governments. We are required by law to consult with tribal governments prior to making key decisions affecting ancestral lands. And so, the agreement that we signed with the State Historic Preservation Officers again—it formalizes the process that we are using to consult with Native Americans. It incorporates our goals in making sure that we move forward with smart-from-the-start type of activities to make sure that we have the full information before us before we commit resources for particular uses, whether that is renewable energy or conventional energy or development of recreation science, that we have the full range of information that is available to us to make those key decisions and good decisions.

And then through consultation not only with Native Americans but also with State Historic Preservation Officers and where people have identified significant historic or cultural resources, that we take that into account as part of our analysis and determine what might be an appropriate mitigation if there is appropriate mitigation to protect such historical or cultural resources on these public

lands prior to allowing certain uses to proceed. So again, the purpose of that agreement was to formalize a process and to, again, remind our own employees of what their obligations are by law and also what our expectations are relative to consultations.

Ms. MCCOLLUM. Well, thank you, Mr. Chair. It is a good mission, when you remember that not only do we work for the public, but we need to work with the public. So thank you for formalizing that.

Mr. SIMPSON. Thank you.

Ms. MCCOLLUM. That is all I had, Mr. Chair.

Mr. SIMPSON. Ms. Lummis.

Mrs. LUMMIS. Thank you, Mr. Chairman.

OIL AND GAS DEVELOPMENT: BUDGET PROPOSALS

I preface these next remarks by saying that the gentleman from Virginia stated exactly why I am concerned about these oil and gas issues and the costs of producing oil and gas on federal land and the royalties that are received. Heck, we have got skin in the game. Wyoming receives an important component of our revenue from this. So these are not attack questions. These are questions from somebody who shares an interest in having revenue appropriately maximized from federal land in that Wyoming receives 48 percent of that. So we want to keep the costs low, we want to keep the integrity of the process solid as to conserving the resource both on the surface and the subsurface, as well as producing revenue.

So my question, sir, in that spirit, Mr. Abbey, so thanks so much, you have proposed an increase in the royalty, a reduction of 26 million for oil and gas operations, an increase on inspection fees, a fee on nonproducing leases, new regulations on fracking. You know, when I look at that, it looks like the goal may be to reduce energy development on federal lands. Is that your goal?

Mr. ABBEY. Definitely not. You know, you make reference relative to the State of Wyoming having skin in the game. I would say that all Americans have skin in the game because they all greatly benefit from production that is occurring on these public lands. You know, we understand the significance and the value of conventional energy that can be developed domestically. The public lands do play a role, not the only role, but they do play a role in providing 13 percent, I think, of the natural gas that is produced in this country comes from public lands. I believe the amount of oil that comes from public lands managed by BLM is something in the neighborhood of 5 percent. But nonetheless, we do play a role and it is a significant role to those States who do benefit. Their treasuries do benefit from the royalties that are collected.

The actions that we are taking pertaining to oil and gas development on these public lands are designed for a couple of reasons. One is to ensure a fair return to the American taxpayer for the use of the assets that are being produced from their lands. The second is to make sure that any leasing that takes place on these public lands is done so after we have had good information developed to analyze and formulate a good decision to make sure that whatever lands that we might offer up for leasing are the lands that likely have the highest chances of being developed and in a more timely manner.

You know, back in 2009 when I came into this role, almost 50 percent of all the parcels that we were offering up for leases that were managed by BLM were being protested. I do not think anyone was being well served by that type of percentage. Since the implementation of our leasing reforms which requires us to go out and use an interdisciplinary-type team to assess parcels of lands that are being considered for offering of leasing that it is the right parcels. And again, once we make that decision to lease it that we have a high confidence that those parcels will be developed timely.

OIL AND GAS DEVELOPMENT: DILIGENCE FEE AND ROYALTY RATE
INCREASE

The other aspect of our oil and gas program that we have included as part of our fiscal year 2013 budget is a diligence fee or a fee to make sure that the leases that are being offered and that are being acquired will be developed.

Mrs. LUMMIS. You know what we do in the State of Wyoming on our state lands? If they are not leased within the lease period, the lease term, we would require the companies to come back before the Board of Land Commissioners and explain why that land has not been produced. And then the Board of Land Commissioners would decide whether they were willing to extend the lease or whether to let the lease expire. Have you considered a system like that rather than this fee?

Mr. ABBEY. Well, our leases are good for 10 years. And so companies have what I believe to be appropriate amount of time in order to do the necessary engineering, to do the necessary exploratory drilling, to put together a drilling plan, to submit an application for a permit to drill and then to drill. What we are seeing more and more is that the lands are being leased and the companies will sit on that lease until it becomes marketable or at least more, I guess, valuable to them to develop their resource. Sometimes they will never develop that 10-year lease after a significant amount of work—

Mrs. LUMMIS. That happens on—

Mr. ABBEY [continuing]. Has gone into leasing and to approve applications for permits to drill to see that work be—

Mrs. LUMMIS. And that happens on private land as well, so I hear you.

I think that that is why Norway does it the way they do. They do not require the company. They have skin in the game at the beginning and instead of having all of the burden on the companies to produce what is a resource of the people—

Mr. ABBEY. Um-hum.

Mrs. LUMMIS [continuing]. Thereby making it more expeditious for a company and more financially attractive for a company to develop that resource and then the sharing part comes as soon as production comes in. What I am wondering here is, is the goal to increase revenue? Because the CERA study indicates you would be better off encouraging development by not raising the royalty, thereby having more jobs, having more production, and having more revenue as a result of more production.

Mr. ABBEY. Um-hum.

Mrs. LUMMIS. Hence my question. What is the goal here? Is it to boost production or increase jobs? Is it to decrease production and jobs? Is it to raise revenue? What is the ultimate goal?

Mr. ABBEY. Well, I think one thing that we need to remember is that there is an assumption in our fiscal year 2013 budget request that there is going to be a royalty increase. It is an assumption that was built into this request but we have not issued any kind of decision relative to how we are going to proceed to increase any royalty, whether it is going to be applied to oil and natural gas or one or the other. I will say this—

Mrs. LUMMIS. But what is the goal? Is it to increase revenue?

Mr. ABBEY. The goal is to make sure that the lands that we offer for leasing will be developed in a more timely manner—

Mrs. LUMMIS. So by increasing the—

Mr. ABBEY. It will increase production and it will increase revenue.

Mrs. LUMMIS. Even though the CERA study shows otherwise?

Mr. ABBEY. Well, you have not seen our rule, you know? You have seen the study, you have seen what has been built into our fiscal year 2013 budget request, but you have not seen our rule yet.

Mrs. LUMMIS. Okay. And I appreciate that.

Let me tell you something else we do in Wyoming. We raised our royalty rates for the State on state lands, production on state lands, and if they are not leased in a competitive process, if a parcel goes un-leased, then we allow companies to come in and lease them over-the-counter at a lower royalty—

Mr. ABBEY. As we do.

Mrs. LUMMIS. You do that, too?

Mr. ABBEY. Yes. Yes.

Mrs. LUMMIS. Okay. What are those rates now and would that process be retained in this—is it proposed to be retained in this proposed federal rule?

Mr. ABBEY. Well, first, we do not have a final rule or even a draft rule at this point in time that we have completed our work on.

Mrs. LUMMIS. Oh, well, then does that mean you are waiting to see whether we approve authorization for a royalty—

Mr. ABBEY. No.

Mrs. LUMMIS [continuing]. Rate increase?

Mr. ABBEY. No. We are going to move forward with the rule.

Mrs. LUMMIS. So you built into your budget a proposed rate increase without having drafted the rule?

Mr. ABBEY. We have used several assumptions building this budget. That was an assumption that was used, again, to build our estimate of oil and gas revenues.

Mrs. LUMMIS. Did you assume a higher royalty would apply to the same amount of production you have now? I mean because you have got declining production. Oil and gas production on federal lands is down, 11 percent for oil, 6 percent for gas. So are you trying—

Mr. ABBEY. We could debate that figure.

Mrs. LUMMIS. But are you trying to make up the difference by raising royalties?

Mr. ABBEY. No.

Mrs. LUMMIS. So you have the same amount of revenue and you are going to—

Mr. ABBEY. Now, let me—

Mrs. LUMMIS [continuing]. Increase revenue, increase jobs—what is the goal? That is my question. What is the goal?

Mr. ABBEY. Well, I would be happy to tell you.

Mrs. LUMMIS. Okay.

Mr. ABBEY. Okay. The assumption that was built into our 2013 budget request was based upon the royalties that are being collected from offshore drilling, 18¾ percent. Right now, onshore we are collecting 12½ percent I believe in royalties.

Mrs. LUMMIS. And if that is what it is, if you are still at 12½—

Mr. ABBEY. Um-hum.

Mrs. LUMMIS [continuing]. That is low, Mr. Chairman. I acknowledge that is not what the market is now. So I am not here to—as I said, these are just—I want to know what is driving your decisions here.

Mr. ABBEY. Well, first and foremost, we do not want to do anything that would slow down development of these public assets as appropriate. The work that we are doing and the efforts that we are expending is intended to improve our program, including again, as you have cited the Norway example, the description of the Norway program is very similar to what we have in place right now under our leasing reforms, where the American taxpayers are actually investing in the leasing analysis prior to committing those resources to the industry.

OIL AND GAS DEVELOPMENT: LEASING REFORMS

In the past, we have deferred to the industry to actually identify areas that they would like to see lease, and in many cases the industry would actually pay for the environmental impact statement prior to us leasing those parcels. Under our leasing reforms, what we are doing is taking the initiative on behalf of the American taxpayer to go out, to review these lands, to make sure that the lands that we are going to be leasing are the ones that have a chance of being developed and being developed timely. We are investing taxpayers' money to conduct that type of analysis rather than deferring to the industry to do that analysis for us.

OIL AND GAS DEVELOPMENT: DILIGENCE FEE

Mrs. LUMMIS. Okay. So let me ask, then, about the goal of the fee on nonproducing leases. What is the purpose of that? Is it to get them to surrender those leases so you can release them?

Mr. ABBEY. The goal is for them to develop that resource if it is under lease and if they are not going to develop that resource is to relinquish the lease so that we can offer them up for others.

Mrs. LUMMIS. Okay. And is that fee an annual fee?

Mr. ABBEY. Yes.

Mrs. LUMMIS. And is that something that is also going to show up in these draft rules or is that something you are moving forward with?

Mr. ABBEY. That would be—

Ms. MOURITSEN. Legislative.

Mr. ABBEY. That would be a legislative action.

Mrs. LUMMIS. Okay. Mr. Chairman, you have been extremely indulgent, as has Mr. Abbey—

Mr. ABBEY. Thank you.

Mrs. LUMMIS [continuing]. And I want to thank you both for your indulgence. Thank you, Mr. Abbey. Thank you, Mr. Chairman.

LANDSCAPE CONSERVATION COOPERATIVES

Mr. SIMPSON. I have one last question and it is just a frustration for me with the Department—not the Bureau but the Department in general. I am still trying to understand what we are doing with LCCs. These involve the Fish and Wildlife Service, the Bureau of Land Management, the Park Service, all these different agencies.

Last fall, the director of Fish and Wildlife came out to Idaho and we went out with the Fish and Game people from the State of Idaho and landowners and stopped at various sites and looked at some of the conservation things that had been done—conservation easements, protecting land, and some really good work had been done. And as the Director of Fish and Game said, these were all done before LCCs ever came about, but they were showing them to me as a demonstration of why LCCs were necessary. Well, apparently they were not necessary in order to do the work that had been done. And I am trying to figure out—and I will tell you that most—I should not say most—many state officials see this as another level of bureaucracy that is just going to eat up money that would traditionally go on the ground to do work. And I am wondering if that is what it is and if it adds value to the overall system and how it does that or if we are just adding another layer of bureaucracy on everything.

Mr. ABBEY. Well, again, I think the jury is still out quite honestly. You know, there have been partnerships that have existed for a number of years among all agencies. In some cases we have worked well together and in some cases we have not. One of the general goals of the LCC is to bring everybody to the table, to provide that opportunity for all related agencies or agencies who have something at stake or have something to contribute to be able to have a forum where they can bring that information to the table so that it can be used by all who are making some key decisions that will have repercussions for years to come.

So the LCC is a good program, but as far as its effectiveness, I think, you know, we are a couple of years out from making that determination. But it is not just the Federal Government that is at the table. You know, we have participation by state game and fish agencies, as well as other natural resource agencies and other conservation groups. We have universities that participate as part of LCCs, other research-type agencies who all have something to contribute and who all have something at stake. Again, one of the goals is that we benefit from one another's knowledge and that as we go forward we can make better decisions based upon the science that exists.

Mr. SIMPSON. I would hope that was the way agencies were working together without an LCC.

Mr. ABBEY. Well—

Mr. SIMPSON. Not a formal process.

Mr. ABBEY. I would have hoped, too, but that was not always the case because everybody was doing their own thing in some respects, collecting their own science based upon different types of methodologies. So when you got into an issue where there are conflicting opinions, you have different people's ideas, you had different people's sciences, and it came into play and then we were not resolving too much at that point in time.

Again, I think this is an opportunity to formalize in some respects partnerships that have existed for a number of years and to provide that type of forum so that it is not only transparent but then we can also share skills, we can leverage resources relative to monitoring requirements based upon decisions made and then come back to the table and everybody is using the same set of data to make an informed decision.

Mr. SIMPSON. Some people suggest that since 1990, or whenever it was, when the science base was moved to USGS out of the agencies that this is an effort to regain the science base, essentially reverse the decision that was made in the 1990s. Do you see it that way?

Mr. ABBEY. I certainly would not describe it that way, no.

Mr. SIMPSON. OK. Is there anything else?

Mrs. LUMMIS. Thank you very much, Mr. Chairman.

Mr. SIMPSON. Thank you for being here today and for your testimony. We look forward to working with you as we have in the past. I have to say that your agency has been very cooperative in working with us in trying to address what we both consider some of the real problems facing the BLM. And I appreciate the work that you have done and that your agency has done in working with us on trying to address these things. Look forward to working with you as we set the '13 budget.

Mr. ABBEY. Thank you, Mr. Chairman. Thank you.

The Subcommittee notes that the QFR responses from the Agency did not arrive in enough time to inform the FY 13 Appropriations bill. The Department of the Interior, Bureau of Land Management received questions from the Subcommittee on April 2nd and did not submit OMB-cleared responses to the Subcommittee until June 13th.

Hearing Questions for the Record (QFR) Prepared for the Department of Interior, Bureau of Land Management

Hearing: Bureau of Land Management FY 13 Budget Oversight
Tuesday, March 6, 9:30am Rayburn B308

Questions for the Record from Chairman Simpson

Range Management

Simpson Q1: The proposed \$1 fee per AUM is a 74% increase on grazing permittees. How did the BLM come up with this number?

Answer: The BLM analyzed several options to recover some of the costs of processing grazing permits/leases from the permittees who are economically benefitting by their use of the public lands. The BLM evaluated the proposed Permit Administration Fee based on a standard fee scenario, an actual permit-processing cost, and a fee based on amount of grazing use. The "standard fee" puts a disproportionate burden on the small permittees; an "actual cost of processing" fee would often be based on issues outside of the permittees' control; so a fee based on actual usage seems most appropriate. The fee, as proposed, would allow BLM to recover a portion of the costs of issuing grazing permits/leases on BLM lands that are tied to resource use.

The fees are proposed to assist the BLM in processing its backlog of pending applications for grazing permit renewals and to cover other costs related to administering grazing permit-related activities, such as monitoring and land health evaluations. There is a wide variability in costs to process a permit depending on location, intensity of public interest, and complexity of issues rather than on the amount of resources used. Some permittees have multiple permits in high-cost areas. Consequently, the average cost of processing permits in each State currently ranges from \$900 to \$40,000. The proposed fee spreads out the costs over the life of the permit and charging a fee based on AUMs ties the fee to the actual use of the resource and would be more equitable for all permittees.

There is an average of 8.5 million AUMs permitted each year. A \$1-per-AUM fee, which would generate \$8.5 million, would cover about one-third of what BLM expends each year for processing grazing permits. A "standard" fee to cover one-third of the cost of processing permits would be about \$4,000 per permit. For a large permit, this would be less than the \$1 per AUM fee. For a small permit, it would be around \$4 per AUM or more. On an "actual cost" basis, a small permit (less than 100 AUMs) in a high cost area could cost as much as \$40 per AUM per year. To cover one-third of the actual cost would be as much as \$13 per AUM per year for a small permit. There are advantages and disadvantages to either a "one time" processing charge or an "actual use" fee, but an "actual-use-based fee" appears most equitable for all permittees.

The pilot period and development of regulations with participation by permittees and interested public gives us an opportunity to assess that the proposed “per AUM” basis of the fee is the most equitable.

Simpson Q2: The BLM states it would like the authority to collect an additional \$1 per AUM for three years until it can complete cost recovery regulations. Do you have a current estimate of what the cost recovery fee might be?

Answer: No. During the period of the pilot, the BLM will develop regulations for cost recovery.

Simpson Q3: Why does the BLM’s proposed grazing fee charge per AUM rather than per permit when the fee is supposed to offset the cost of permits (similar to oil and gas permits)?

Answer: The proposed Permit Administration Fee would allow BLM to recover a portion of the costs of issuing grazing permits/leases on BLM lands. These fees will assist the BLM in processing pending applications for grazing permit renewals and cover other costs related to administering grazing permit-related activities, such as monitoring and land health evaluations.

The Federal grazing fee for 2012 is \$1.35 per animal unit month (AUM) for public lands administered by the BLM. The annually-determined grazing fee is computed by using a 1966 base value of \$1.23 per AUM for livestock grazing on public lands in Western states. The figure is then calculated according to three factors – current private grazing-land lease rates, beef cattle prices, and the cost of livestock production. In effect, the fee is tied to market conditions; livestock operators pay more when the market is up and less when it’s down.

To calculate the proposed permit administration fee, the BLM analyzed several fee proposals. There are advantages and disadvantages to either a one-time processing charge or an “actual use” fee, but a fee charged on the basis of AUMs (“actual use”) is the most equitable for permittees. A one-time “standard fee” charges every permittee the same amount for each permit processed. This puts a disproportionate burden on small-AUM permits. A one-time fee based on “actual cost” to process a permit is based on issues outside of the permittees’ control. There is wide variability in costs to process a permit, and charging a fee based on AUMs ties the fee to the actual use of the resource. In addition, the proposed fee spreads out permitting costs over the life of each permit. If fees were charged on an “actual cost” basis, the costs would range from \$900 to \$40,000, which is the range of costs for processing permits. The costs depend on location, intensity of public interest, and complexity of issues, rather than on the amounts of resources used.

On an “actual cost” basis, a small permit (less than 100 AUMs) in a high cost area could cost as much as \$40 per AUM per year. There is an average of 8.5 million AUMs used each year, and a \$1 per AUM fee would cover about one-third of what BLM expends each year for processing grazing permits. To cover one-third of the actual cost would thus be as much as \$13 per AUM per year for a small permit. A “standard” fee to cover one-third of the cost of processing permits would be about \$4,000 per permit. For a large permit, this would be less than the \$1 per AUM fee. For a small permit, it would be about \$4 per AUM.

The pilot period and development of regulations with participation by permittees and the interested public provides the BLM opportunities to assess whether the proposed “per AUM” basis of the fee is the preferred alternative.

Simpson Q4: The BLM budget request recommends a reduction for range management and only plans to complete 33% of grazing permit renewals. How is the funding increase for FY12 is being utilized?

Answer: The BLM is using the \$15.8 million increase provided in FY 2012 to address numerous challenges, including continuing to reduce the backlog of grazing permit renewals; monitoring of grazing allotments; and strengthening the BLM’s environmental documents. In FY 2012, BLM will focus on the most environmentally sensitive grazing permits, using the authorities provided in the FY 2012 Appropriations Act concerning grazing permit renewals and transfers. These authorities, and the \$15.8 million increase, will allow the BLM to renew an estimated 2,396 permits, compared to 1,945 in FY 2011.

Simpson Q5: How much funding would it take to catch up on the permit backlog?

Answer: The needs of the program are articulated in the President’s FY 2013 Budget Request. The renewal of livestock grazing permits and leases (permits) is the highest priority for the BLM’s Rangeland Management program, and the agency is working diligently to process grazing permits as they expire and after a transfer of grazing preference. The BLM is continuing to improve permit renewal procedures by prioritizing allotments in environmentally sensitive areas. However, the BLM is facing several challenges that are impacting the agency’s ability to reduce the number of unprocessed permits. The processing of permits for allotments with land health concerns or resource conflicts is time intensive and often requires land health evaluations, Endangered Species Act Section 7 consultations, and possible administrative appeals and litigation. Additionally, court decisions affect the time BLM allocates to process permits and complete other work.

Sage Grouse

Simpson Q6: The BLM has \$15 million in its proposed FY13 budget for the new sage-grouse conservation initiative. Can you outline your plans for this funding?

Answer: The BLM will use \$10 million for land use planning. The BLM will put in place the necessary mechanisms, through the land use planning process, to address conservation of sage-grouse before the U.S. Fish and Wildlife Service’s (FWS) 2015 deadline to make a final decision on whether or not to list the greater sage-grouse. This will require the amendment or revision of 98 land use plans in 68 planning areas within the range of sage-grouse to designate priority sage-grouse habitat.

Within these priority areas BLM will set disturbance thresholds for energy and minerals development, develop and implement specific best management practices for livestock grazing, establish restrictions for OHV use, and other recreational activities, and implement aggressive fire suppression and post-fire restoration tactics. The \$10.0 million for land use planning-related

activities to provide the regulatory certainty requested by FWS includes \$6.5 million to amend 98 land use plans, \$2.0 million to conduct landscape-level project environmental assessments, \$1.0 million for travel management planning and \$500,000 for developing Candidate Conservation Agreements.

Of the remaining \$5.0 million, BLM will use \$2.5 million to conduct on-the-ground projects to restore and improve key sage-grouse habitat.

An additional \$2.5 million will be used for habitat mapping, assessment, and monitoring. In 2013, the BLM plans to continue the intensification of data collection across thirty populations of greater sage-grouse in the West to begin to understand the impacts of use authorizations across sage-grouse habitats.

Simpson Q7: Amending resource management plans will require buy-in from states—many of which are also facing budgetary challenges. What kind of incentives or assistance are you able to provide states to implement their own plans?

Answer: The BLM's objective is to work together with State governments on our respective State and Federal processes for the greatest degree of consistency possible while ensuring the conservation of Greater Sage-Grouse in order to avoid listing under the Endangered Species Act. The western States, through the Western Governors' Association and the Western Association of Fish and Wildlife Agencies, have worked for decades to collaboratively address challenges to sage-grouse and their habitat. Partnerships established through local working groups, with BLM representation, have been operating to accomplish conservation objectives throughout the sage-grouse range. Governors Meade and Hickenlooper, at the Secretary's request, are chairing a task force that continues and expands this partnership. The BLM understands that States have substantial budgetary constraints and has worked with the Western Association of Wildlife Agencies to fund some State fish and wildlife agency travel to engage in the planning process.

Simpson Q8: How is BLM coordinating with the FWS and the states to address resource management plan amendments?

Answer: The BLM is working with the FWS and the States in all levels of its Greater Sage-Grouse planning strategy and realizes this coordination is critical for the success of this effort. The States, Forest Service and FWS actively participate in sub-regional interdisciplinary teams, two regional teams, and a national policy team. The purpose of these teams is to ensure consistent interim policy on conservation measures to protect habitat across the range of Greater Sage Grouse and the timely revision of land use plans on BLM and Forest Service lands that contain conservation measures sufficient to protect sage-grouse habitat over the long term with the goal of precluding the need for listing under ESA. The BLM also conducted a webinar with the Forest Service, FWS, and the States aimed at fostering collaborative partnership throughout this effort.

Grazing and Administrative Review Process

Simpson Q9: The FY12 Omnibus Appropriations Act included a provision requiring would-be litigants to first exhaust the administrative review process before litigating on grazing decisions. Has BLM implemented this provision yet?

Answer: In the time since this provision took effect, the BLM is not aware of any instances where a person has attempted to bring a civil action challenging a BLM grazing decision without first exhausting the administrative hearings and appeals procedures.

Wild Horse & Burros

BLM's budget justification shows that the BLM continues to lose ground on keeping wild horse and burro herds at the Appropriate Management Levels (AML). In 2008, 55% of the Herd Management Areas were at the AML level. In 2011, only 39% were at the AML and the projection for 2013 reduces that percentage to 31%.

Simpson Q10: BLM has stated this new strategy will contain costs--but what cost will it have to the rangeland managed by BLM?

Answer: The overarching goal of the BLM's Wild Horse and Burro Management program is to manage wild horse and burros in a way that achieves and maintains a thriving natural ecological balance and allows for multiple uses of the public lands. Achieving and maintaining AML is essential to the BLM's multiple-use mandate in the semi-arid lands where wild horses and burros are found. In recent years the cost to remove and care for excess horses has become unsustainable. The BLM acknowledges that it must make major changes in the management of the program. To that end, the BLM has contracted with the National Academy of Sciences to provide recommendations for improving management of the wild horses and burros and the need for more research, and is finalizing the development of a new strategy to manage the program in the interim. At the 2013 request level, BLM would continue a plan to temporarily reduce removals which began in FY 2012, so as to have the resources to apply population growth suppression methods to an increased number of animals.

The BLM will temporarily reduce the number of wild horses and burros removed from the range from an average of 10,000 to 7,600 per year beginning in FY 2012, a level that will maintain the current number of animals on the range and that is compatible with enacted funding and available holding space. Removals will continue to be conducted in areas of highest ecological priority and where safety concerns exist. The BLM believes that we must temporarily reduce gathers while assessing new methods of population growth suppression, so that we can obtain information to keep wild horse and burro numbers at an acceptable level in the future. The BLM is confident that land and ecological health will benefit in the long run from this approach.

Simpson Q11: If wild horses are over-grazing the range, how can BLM say it's achieving its duty to keep rangelands healthy?

Answer: If rangeland monitoring, assessments, and/or a land health evaluation indicate that land-health standards are not met or over-grazing is occurring due to AML not being achieved on a broad basis within an allotment, then the BLM will determine the appropriate action to take, which could include planned gathers, an emergency gather if warranted, or making adjustments in livestock grazing authorized use.

Simpson Q12: This strategy could also be adverse to the sage grouse. Wild horses can easily overgraze the range and damage sage grouse habitat. Is the BLM favoring wild horses over other wildlife?

Answer: The BLM's goal is to achieve and maintain appropriate management levels (AML) in all areas. Even though the BLM is temporarily reducing removals from 10,000 to 7,600 annually in FY 2012 and 2013 for the reasons outlined in the answer to question number 10, in FY 2012 and 2013 the BLM will continue to conduct gathers in the highest-priority areas, those that are driven by wild horse over-population, sage-grouse, water and forage availability, and public safety issues. In addition, the BLM is increasing the use of population growth suppression applications which will help reduce annual population growth. Levels of grazing that are within AML are likely to have a neutral impact on sage-grouse habitat, meaning this land use can be compatible with healthy sage-grouse habitat. Achieving horse populations within AML is necessary to maintain a thriving ecological balance within which most species would thrive, including sage-grouse.

Simpson Q13: The BLM is also proposing an increase of \$2 million for birth control research on wild horses. While the current vaccine may have some limited success, it certainly doesn't seem to be a reasonable answer to the population explosion. How will the BLM address this issue? Is the \$2 million for research grants? Please explain.

Answer: The proposed increase of \$2 million would be used for increased research opportunities for all forms of population growth suppression. The BLM will initiate an open request for Request for Proposals (RFPs) to increase the scope and opportunity for research entities to expand the use of existing fertility control agents, develop existing technology into longer-lasting agents, and explore new approaches to population growth suppression through research using established or as yet undeveloped technologies. New research will also be responsive to recommendations that the National Academy of Sciences may provide to the BLM in their June 2013 report.

Simpson Q14: What is the cost to administer the fertility vaccine?

Answer: The BLM has several Herd Management Areas that are being treated with ZonaStat-H, a one-year liquid vaccine, and the cost to administer the vaccine is minimal because these HMAs are being treated with the assistance of volunteer organizations. The cost to administer the PZP-22, the longer-lasting 22-month vaccine, is higher because the animals need to be captured in order to administer the drug. The cost is approximately \$850 per horse to gather and \$310 per horse for the vaccine. Since mares of the appropriate age for fertility control treatment cannot selectively be gathered, more wild horses (such as stallions and younger-age horses) must be

gathered than are actually treated. The cost to treat one mare during a “Catch, Treat and Release” gather is approximately \$2,000 per mare.

Simpson Q15: How much does the vaccine cost per animal?

Answer: The cost of ZonaStat-H, the one-year liquid vaccine is \$20 per dose. The cost of PZP-22, the 22-month vaccine, is \$310 per dose.

Simpson Q16: How many animals will be treated?

Answer: The goal in FY 2013 is to apply population growth suppression to 2,000 wild horses. This includes fertility control vaccine application and other forms of population growth suppression, including returning geldings and stallions to the range to increase the proportion of males in the population and to reduce the proportion of females in the population.

Simpson Q17: How effective is fertility control in wild horses?

Answer: Research conducted on ZonaStat-H, the one-year liquid, has concluded that foaling rates can often be reduced by approximately 90–95%, but this vaccine requires a yearly application to continue the contraceptive effect. PZP-22, the 22-month vaccine, was initially shown in published research to be 94% effective the first year, 84% effective the second year, and 64% effective the third year. However, in other research, the results have not proven to be as effective.

Simpson Q18: What studies exist to show the efficacy of fertility control?

Answer: The Humane Society of the United States, in cooperation with the BLM, is currently conducting studies on the Cedar Mountain HMA in Utah and the Sand Wash Basin HMA in Colorado. Results of those studies are not yet published. Preliminary results to-date for the same PZP-22 agent have shown efficacy rates much lower than those reported by Turner et al. in 2007. There are additional published papers addressing the effectiveness and potential side effects of fertility control in feral horses. Citations for a few of the publications are as follows:

Gray, M.E., D.S. Thain, E.Z. Cameron, and L.A. Miller. 2010. Multi-year fertility reduction in free-roaming feral horses with single-injection immunocontraceptive formulations. *Wildlife Research* 37:475–481.

Gray, M.E., D.S. Thain, E.Z. Cameron, and L.A. Miller. 2011. Corrigendum: Multi-year fertility reduction in free-roaming feral horses with single-injection immunocontraception formulations. *Wildlife Research* 38:260.

Killian, G., D. Thain, N.K. Diehl, J. Rhyan, and L. Miller. 2008. Four-year contraception rates of mares treated with single-injection porcine zona pellucida and GnRH vaccines and intrauterine devices. *Wildlife Research* 35:531–539.

Kirkpatrick, J.F., and A. Turner. 2008. Achieving population goals in a long-lived species (*Equus caballus*) with contraception. *Wildlife Research* 35:513–519.

Ransom, J.I., J.E. Roelle, B.S. Cade, L. Coates-Markle, and A.J. Kane. 2011. Foaling rates in feral horses treated with the immunocontraceptive porcine zona pellucida. *Wildlife Society Bulletin* 35:343–352.

Turner, J.W., Jr., I.K.M. Liu, D.R. Flanagan, A.T. Rutberg, and J.F. Kirkpatrick. 2007. Immunocontraception in wild horses: one inoculation provides two years of infertility. *Journal of Wildlife Management* 71(2):662–667.

Simpson Q19: When will the National Academy of Sciences study be published? How does the proposed \$2 million increase coordinate with this study?

Answer: The National Academy of Sciences review is due to be delivered to the BLM in June of 2013. BLM anticipates that the National Academy of Sciences will recommend that the BLM increase its research into some existing population growth suppression techniques and also expand research into other techniques and fertility control agents.

Simpson Q20: What is the BLM doing to control wild horse populations in the mean time?

Answer: The BLM plans to gather and remove 7,600 wild horses annually in FY 2012 and FY 2013 and administer population growth suppression application to 2,000 animals in FY 2013 to maintain the existing population until the National Academy of Sciences evaluation of the program is completed in 2013. To-date in FY2012, the BLM has been conducting population growth suppression via fertility control in mares and adjusting sex ratios by returning proportionately more males to the range.

These population growth suppression techniques have been applied to 1,042 animals this fiscal year. Population growth suppression techniques however, will not assist the BLM in attaining AML in the short-term because this method does not remove excess animals from the population. Population control techniques are a longer-term solution. Once AML is attained on a particular HMA, population growth suppression techniques will assist in maintaining that AML and reducing future gather, holding, and adoption costs.

The BLM is aggressively pursuing the research required to implement fertility control. In March of 2011, the BLM, in collaboration with research scientists, initiated two separate pen trial studies to evaluate the effectiveness of two potentially longer-acting fertility control agents. Two field locations are being identified for gelding and SpayVac research in conjunction with USGS studies starting this summer. The National Academy of Sciences report to be delivered in 2013 is expected to assist the BLM in developing more effective long-term WHB management strategies.

Landscape Conservation Cooperatives (LCCs):

Simpson Q21: Please explain what the Department's Landscape Conservation Cooperatives do.

Answer: Landscape Conservation Cooperatives (LCCs) are self-directed partnerships focused on conservation at a landscape scale.

LCCs provide science support for management activities that address a variety of broad-scale land use pressures and landscape-scale stressors – including but not limited to climate change – that affect wildlife, water, land, and cultural resources. The LCCs seek to identify best practices, connect efforts, identify gaps, and avoid duplication through improved conservation planning and design. Partner agencies and organizations coordinate with each other through LCCs while working within their existing authorities and jurisdictions.

The 22 LCCs collectively form a national network of land, water, wildlife, and cultural resource managers, scientists, and interested public and private organizations – within the US and across our international borders – that share a common need for scientific information and interest in conservation.

Simpson Q22: How are they funded through BLM's budget?

Answer: The BLM is currently participating in 11 western LCCs and is funding projects through multiple subactivities that directly and indirectly support the work of the LCCs. For example, the BLM is currently funding 10 Rapid Ecoregional Assessments (REAs) covering over 600 million acres of public and non-public lands in 7 separate LCCs. These REAs will synthesize existing information (including non-BLM data) about resource conditions and trends; highlight and map areas of high ecological value; gauge potential risks from stressors such as climate change; and establish landscape-scale baseline ecological data to gauge the effect and effectiveness of future management actions. The BLM is also funding the development of a monitoring framework for the 23-million-acre National Petroleum Reserve - Alaska (NPR-A) that will assist the work of the Arctic LCC.

Simpson Q23: What are their performance measures?

Answer: There are two performance measures for LCCs: The number of LCCs formed within a given quarter in Fiscal Years 2010, 2011, and 2012, and the number of LCCs that have completed a management/operating plan within a given quarter in Fiscal Years 2010, 2011 and 2012.

Simpson Q24: What accomplishments and goals are they meeting?

Answer: The LCCs are helping the Department accomplish its overall climate change high-priority goal: By September 30, 2013, for 50 percent of the Nation, the Department of the Interior will have identified resources that are particularly vulnerable to climate change and will implement coordinated adaptation response actions.

Western Oregon (O&C Lands)

Secretary Salazar recently announced plans to develop new Resource Management Plans for the BLM-managed forests in western Oregon, including the O&C lands. The last resource management plan, completed in 2008 and withdrawn by the Secretary in 2009, took approximately five years and \$18 million to develop. The only deficiency identified by the Secretary was a lack of formal ESA Section 7 consultation by the BLM.

Simpson Q25: Why doesn't the BLM initiate consultation on those plans rather than spending tens of millions to develop new plans?

Answer: The BLM Oregon is initiating revisions to its existing resource management plans (RMP) which guide the uses of 2.6 million acres of land in western Oregon administered by the BLM. The purpose of the revisions is to determine how the BLM should manage these lands to accomplish broad policy objectives, which include furthering the recovery of threatened and endangered species; providing clean water; restoring fire adapted ecosystems; producing a sustained yield of timber products; and providing for recreation opportunities. The BLM's revised RMPs address three main issues: the recent U.S Fish and Wildlife Service recovery plan (2011) and proposed critical habitat designation (March 2012) for the Northern Spotted Owl; new science information related to forest health and resiliency; and the socioeconomic needs of western Oregon communities. This new information is best analyzed and used to inform decisions as part of a land use planning process where we can comprehensively examine the mix of land use allocations and planning decisions.

Simpson Q26: Is the Department going to draft a new plan for the O&C lands? If so, does the BLM have the budget to complete this? What is the timeline for a new plan?

Answer: The BLM intends to revise Resource Management Plans for six Western Oregon districts. The Bureau has placed a high priority on working on these plans and is allocating available funds from the appropriated budget. The President's proposed budget for Fiscal Year 2013 includes funds for planning in Western Oregon. The BLM Oregon has initiated the planning effort and anticipates a completion date in late 2015.

Simpson Q27: While the BLM's FY 2013 budget request for the O&C lands includes an increase of \$1.5 million for a number of new initiatives, it does not request the funding necessary to develop new resource management plans. How would the BLM develop resource management plans without additional funding while maintaining the critical timber sale program in western Oregon?

Answer: The President's budget for FY2013 proposes an increase in the base of \$1.5 million with a corresponding increase in timber production of 4 million board feet (MMBF) in timber sale volume offered, from 193 MMBF in 2012 to a total of 197 MMBF in 2013. At this stage in the planning process, the FY 2013 request accurately reflects the amount required for early plan revision.

Oil & Gas

In the FY13 budget you propose higher inspection fees than proposed in FY12. If Congress approved this, the BLM would have an additional \$10 million for inspections.

Simpson Q28: Why did the proposed fee go up and what is the logic behind this?

Answer: The proposed inspection and enforcement fees totaling \$48 million would largely replace existing appropriated dollars (approx. \$38 million) that currently fund the inspection and enforcement activity while providing an additional funding increment (\$10 million) to improve the BLM's I&E capabilities without the need for an increase in appropriated funds.

This proposal mirrors similar fees Congress has enacted for the inspection activities of the Bureau of Safety and Environmental Enforcement (BSEE - formerly part of MMS) for Outer Continental Shelf facilities. The net increase of \$10 million is aimed at correcting deficiencies identified by the GAO in its February 2011 report, which designated Federal management of oil and gas resources, including production and revenue collection, as high risk. The BLM will also complete more environmental inspections to ensure requirements are being followed in all phases of development.

Charging inspection fees is consistent with the principle that users of the public lands should pay for the cost of both authorizing and oversight activities. In addition to being comparable to current offshore inspection fees, this proposal is also consistent with cost-recovery fees charged for other uses of Federal lands and resources.

Simpson Q29: Given the numerous proposals in the budget for new oil & gas fees combined with the royalty rate increase, current taxes, bids and bonuses, has BLM analyzed the overall comprehensive impact of an increased royalty on the industry?

Answer: There have been no specific studies of the impacts of an increase in the standard onshore royalty rate (the specifics of which have not yet been determined) as it relates to other oil and gas budget proposals, such as fees for inspecting oil and gas operations and the non-producing oil and gas lease fee.

It is worth noting that the non-producing lease fee is intended to encourage development of oil and gas leases. To the extent it is successful in doing so, the overall economic impacts would be positive, resulting in higher domestic production and increased royalty revenues which are shared with the States and which contribute significantly to Federal government revenue collections. Likewise, the intent of any royalty rate increase would be to improve the return to taxpayers from this activity, so the Administration will carefully consider the various potential impacts from this change as it evaluates specific options.

Simpson Q30: Will this discourage domestic development on public lands?

Answer: The BLM's recent lease sales suggest that there is significant interest in domestic development on public lands. In fiscal year 2011, the BLM held 28 lease sales for onshore parcels, selling 1,253 parcels comprising 880,895 acres and generating nearly \$241 million in total revenue for American taxpayers. This figure includes \$66 million received in a record lease sale for BLM Montana-Dakotas, the second most successful onshore lease sale in the history of the BLM. The proposed I&E fees are very small compared to the value of oil and gas produced on Federal lands, so the effect of the fees on the incentive for companies to produce these resources is expected to be negligible. As noted in the previous response, the Administration

will carefully consider the various potential impacts from a royalty rate change as it evaluates specific options.

Simpson Q31: Could this lead to the US losing many of the small 'mom and pop' businesses that bid on and develop onshore leases?

Answer: On average, the fees are expected to represent a very small share of the overall cost of producer operations, and will be very small relative to the value of the oil and gas produced from those operations. However, it is also worth noting that the proposed inspection and enforcement fees are tiered in such a way that producers with a smaller number of leases and wells per lease will pay less than producers with a larger number of leases and wells per lease. For example, a producer with one lease with five wells would pay a \$1,450 inspection fee, while a producer with one lease with over fifty wells would pay \$6,800.

Collection of these fees is consistent with the principle that users of the public lands should pay for the cost of both authorizing and oversight activities. These fees are similar to fees now charged for offshore inspections, and to numerous cost-recovery fees charged for other uses of Federal lands and resources.

Simpson Q32: When will the BLM release its draft fracking regulations?

Answer: The proposed rule was published in the Federal Register on Friday, May 11, 2012, and is available for public comment until July 10, 2012.

Public Domain Forestry

The BLM has proposed to reduce the Public Domain Forest Management program by almost 40%, which will lead to reducing timber FTEs by 40%, reducing timber products offered by 60%, reducing biomass sales by 50%, reducing the number of stewardship contracts by 80%, and reducing the acres treated by 75%.

Simpson Q33: How does the BLM justify those levels of reductions in light of management needs, fire potential, susceptibility to bark beetle epidemics, and the importance to timber outputs to businesses and individuals?

Answer: In order to maintain funding for programs at the constrained request levels, difficult choices were made during the formulation of the FY2013 budget. The BLM is continually exploring ways to achieve efficiencies.

Simpson Q34: Has the BLM evaluated the effect of the proposed reduction on local businesses and local residents in Wyoming or other Public Domain Forestry States?

Answer: Development of the President's FY 2013 Budget Request required many difficult choices and tradeoffs. The Department of the Interior budget continues the third year of aggressive efficiencies to achieve \$207 million in administrative savings from 2010 to 2013. The Department's budget also reduced funding for several programs in the BLM, including the

Public Domain Forestry program. We are aware that some of these budget decisions may have some impacts to local economies.

Mining

The Department's proposed 2013 budget includes \$86 million "to maintain capacity to review and permit new renewable energy projects on federal lands and waters, with the goal of permitting 11,000 megawatts of new solar, wind and geothermal electricity generation capacity on DOI-managed lands by the end of 2013." Yet, the budget does nothing to encourage the domestic production of minerals that are critical to renewable energy technologies. For example, a single 3MW wind turbine needs 335 tons of steel, 4.7 tons of copper, 3 tons of aluminum, 700+ pounds of rare earths as well as significant amounts of zinc and molybdenum.

Simpson Q35: How do you reconcile the BLMs significant investments in renewable energy on public lands with the failure to address barriers to domestic development of minerals that are the building blocks of wind, solar and other renewable technologies?

Answer: The BLM has a leading role in the Administration's goals for a new energy frontier, based on a rapid and responsible move to large-scale production of solar, wind and geothermal energy. The BLM also manages Federal onshore oil and gas, minerals and coal, including critical minerals needed for many industries. For all of these resources, the BLM has an obligation to ensure that the potential impact to water, air, and other natural resources are analyzed and properly addressed before the resources are developed. Not all lands with energy or mineral potential are appropriate for development, but the BLM works with permittees and applicants to ensure that proposed projects meet all applicable environmental laws and regulations.

For minerals, the Federal agencies have established systems that ensure adequate reviews of proposals to prospect, explore, discover, and develop valuable minerals on Federal mineral rights. Coordination between Federal land management agencies and regulatory and permitting agencies is encouraged to ensure efficient and timely review of any exploration or mining plans, including the analysis of the environmental impacts required by the National Environmental Policy Act and any similar laws.

Simpson Q36: The length of time it takes to get a permit to mine on BLM land in the United States is generally twice as long as in other major mining countries with similar environmental standards. What steps does the BLM intend to take to make permitting more efficient and the US mining industry more competitive?

Answer: The BLM processes a plan of operations for exploration and mining as expeditiously as possible. In 2011 the BLM exploration and mining plan processing time averaged 22 months. In an ongoing effort to increase efficiency the BLM will continue working with State agencies to streamline multiple agency processes and minimize the time necessary to authorize exploration and development activities.

Simpson Q37: Why does the BLM continue to defend the multi-month 14 step Federal Register process for review of notices related initiation and preparation of environmental analyses?

Answer: While the BLM is taking steps to streamline the review and processing of *Federal Register* notices, we remain committed to providing opportunities to involve the public in the NEPA process. In some cases, notices announcing the BLM's intent to prepare environmental analyses or notices announcing the availability of environmental analyses have cleared the Washington Office review process in as little as a few weeks. Recognizing the importance of these notices, we will continue to seek efficiencies in the review process.

Simpson Q38: The budget contains a proposed tax, applicable to mining operations on private and public lands, that goes beyond a tax on the amount of minerals removed from the ground to a tax on dirt, rock and other materials moved during the extraction process. The new proposed tax is estimated to cost the mining industry \$180 million/year.

What steps should the Department/BLM take to reduce our reliance on foreign sources of minerals that are critical to renewable energy and could be produced in the United States?

Answer: In general, the Federal government works to foster and encourage private enterprise's development of the Nation's mineral resource endowment. In pursuit of this objective, Federal agencies, including BLM, have established systems that ensure adequate reviews of proposals to prospect, explore, discover, and develop valuable minerals on public lands.

With regard to the introductory statement, the 2013 Budget proposes to address abandoned hardrock mines across the country through a new abandoned mine lands (AML) fee on hardrock production. Hardrock AML sites pose a serious threat to human health and safety and the environment, and as a matter of fairness, the Administration believes that industry, which has benefitted financially from hardrock mining in the United States, should bear the cost of remediating and reclaiming these sites for which it was ultimately responsible for creating. This is the same basis for the existing AML fee that is levied on the coal industry to support the reclamation of abandoned coal sites. The legislative proposal will levy an AML fee on all uranium and metallic mines on both public and private lands. The proposed fee will be charged per volume of material displaced after January 1, 2013. The receipts will be distributed by BLM through a competitive grant program to restore the most hazardous hardrock AML sites on both public and private lands using an advisory council comprised of representatives from Federal agencies, States, Tribes, and nongovernment organizations. The advisory council will recommend objective criteria to rank AML projects to allocate funds for remediation to the sites with the most urgent environmental and safety hazards. The proposed hardrock AML fee and reclamation program would operate in parallel to the coal AML reclamation program as part of a larger effort to ensure the Nation's most dangerous abandoned coal and hardrock AML sites are addressed by the industries that created the problems.

Questions for the Record from Mr. Flake

Increase in Grazing Fees

The BLM budget would enact a pilot program that would impose a 1 dollar per AUM fee on all permittees starting in 2013.

Flake Q1: Was this nearly 75 percent increase in grazing fees carefully contemplated prior to the Fiscal Year 2013 budget submission, or is it merely a spur-of-the-moment plan to backfill the cuts made to BLM's budget for this coming year?

Answer: The current grazing fee remains unchanged. The Budget proposes a Permit Administration Fee by including appropriations language for a three-year pilot project to allow the BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. The BLM would charge a fee of \$1 per Animal Unit Month, which would be collected along with current grazing fees. The goal of the Permit Administration Fee is to recover some of the cost of processing grazing permits/leases from the parties (permittees) who are economically benefitting from use of the public lands and resources. This is the same concept as used in the Oil and Gas program and Rights-of-Way program, where the users of the public lands pay a fee for the processing of their permits and related work. The BLM will use collections from the fee to assist in processing pending applications for grazing permit renewals and cover other costs related to administering grazing permit-related activities, such as monitoring and land health evaluations. During the period of the pilot, the BLM would work through the process of promulgating regulations for the continuation of the Permit Administration Fee as a cost recovery fee after the pilot expires.

Flake Q2: During the Fiscal Year 2013 budget hearing, Director Abbey distinguished between the grazing fee currently applied to permittees and the proposed grazing administrative fee. Could you please detail the difference between these two fees (e.g., what are they collected for, who receives them, what are they used for)?

Answer: Consistent with cost recovery fees in the Oil and Gas and Rights-of-Way programs, the proposed Permit Administration Fee would allow the BLM to recover a portion of the cost of issuing grazing permits/leases on BLM lands. This fee will assist the BLM in processing pending applications for grazing permit renewals and capture other costs related to administering grazing permit-related activities.

The current grazing fee, which charges permittees for the use of forage, is \$1.35 per AUM. The formula for calculating the fee was established by Congress in the 1978 Public Rangelands Improvement Act, and continued under a presidential Executive Order issued in 1986. The receipts from these fees are distributed according to legislative requirements. The funds are returned in part to the U.S. Treasury, in part to State governments and counties where the grazing takes place, and in part funds a separate BLM-managed program called the Range Improvement Program. Range Improvement funds are used for on-the-ground projects intended to improve land health and resource conditions. Range Improvement funds are not used for renewing or

transferring grazing permits and leases or other administrative activities relating to the grazing program.

Flake Q3: Please detail the authority by which the Department is raising grazing fees.

Answer: The BLM is not raising the current grazing fee. Rather, the BLM is requesting appropriations language that will allow the BLM, beginning in 2013, to collect a Permit Administration Fee, under a pilot program lasting for three years. During the three-year time period, the BLM will develop regulations under its current authorities that will provide for the continuation of this Permit Administration Fee as a cost recovery. The BLM will use collections of the Permit Administration Fee to assist in processing pending applications for grazing permit renewals and cover other costs related to administering grazing permit-related activities, such as monitoring and land health evaluations.

Flake Q4: The testimony provided for the Fiscal Year 2013 budget hearing indicated that the grazing fee will be initially a pilot program during which the “BLM would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.”

Please explain the use of the term “pilot project” in connection with the increased grazing fee.

Answer: This “pilot project” is a test or trial period. The BLM requested Congress provide authority to collect this fee for a three year test period. During this time, the BLM will develop regulations for recovery of costs to process grazing permits.

Flake Q5: During the Fiscal Year 2013 budget hearing, Director Abbey said “it takes us entirely too long to issue a permit.”

Please detail steps that are being taken to reduce the amount of time grazing permit processing is taking. Is the increased grazing fee associated with any of these steps and, if so, is there an estimated amount of time that permittees can expect the process to be reduced by?

Answer: Processing permits is a multi-year process to collect monitoring data, conduct land health evaluations, conduct NEPA, conduct Section 7 ESA consultation if needed, and issue the permit. The 2012 general provision related to grazing permit renewals specifies that a permit issued as a result of a grazing preference transfer can be issued for the remaining years of the pre-transferred permit, if there is no change in the mandatory terms and conditions required. This will significantly streamline the work process on approximately 10 to 15 percent of BLM’s annual permit workload, and allow the BLM to process permits originally scheduled to expire. This will reduce the permit renewal workload in 2013 by about 700 permits. It will also allow the BLM to focus on the most environmentally sensitive allotments.

Focusing on the most environmentally sensitive allotments will increase attention on land health assessments and quantitative data collection; improve the usefulness of both the RMP/EIS and site-specific NEPA analyses; and result in grazing management decisions guiding land health solutions for the future. This strategy will assist in ensuring that the backlog of unprocessed

permits consists of the least environmentally-sensitive allotments that are more custodial in nature and/or are already meeting land health standards.

The goal of the Permit Administration Fee is to recover some of the cost of completing grazing permit renewals, monitoring of grazing allotments, and strengthening the BLM's environmental documents.

Shooting on Federal Lands

The issue of recreational shooting on federal lands, notably at national monuments managed by BLM is one that impacts many Arizonans. Last November, the Secretary issued a directive that made two things very clear: the Department will support recreational shooting as a safe and legitimate use of public land and that the BLM ought to ensure that it facilitates opportunities for that activity in management of public lands.

Flake Q6: The justification for the proposed bans 600,000 acre in two national monuments in the state of Arizona according to land planning documents is that recreational shooting is a danger to every living or inanimate object within the boundaries of these desert monuments. How is one to come away from that with any other than the conclusion that, for some at least, recreational shooting is simply inconsistent with public lands management?

Answer: Through the BLM's land use planning process, management decisions on uses of the public lands are informed by public input and extensive analysis. When lands are closed to recreational shooting, those restrictions are often implemented to comply with State and local public safety laws and ordinances, or are implemented at the request of local communities or adjacent property owners. In extremely limited circumstances, the BLM must restrict recreational shooting to ensure public safety or protect fragile resources. The preferred action in the Ironwood National Monument is to close the area to recreational shooting.

However, in most cases, recreational shooting is consistent with multiple-use activities and management efforts. The BLM recognizes that recreational target shooting is an important recreational resource that, with a comprehensive suite of administrative actions and mitigation measures, can be consistent with the protection of national monument objects as well. In the case of the Sonoran Desert National Monument, a final decision has not been made. However, BLM is looking at developing and implementing stipulations with the Arizona Department of Fish & Game to assure the public's safety without closing the area to recreational shooting.

Flake Q7: An oft cited rationale for the proposed ban on recreational shooting on a considerable number of acres in two national monuments in the state of Arizona is the potential for damage to protected species. To what extent are protections afforded by existing laws and regulations taken into account when the Bureau considers closing areas to recreational shooting?

Answer: The BLM considers all applicable laws, regulations, and policies when developing resource management plans. In some instances, legal uses of public lands can inadvertently cause resource damage, depending on the intensity of the use and other factors. One of the

primary reasons the BLM develops allowable use restrictions and other management prescriptions is to avert resource damage.

Solar Power

Your testimony indicated that you are “working to approve additional large-scale solar energy projects and complete a draft Solar Programmatic Environmental Impact Statement to provide for landscape-scale siting of solar energy projects on public lands.” Started in December of 2010, nearly a year later the Department issues a supplemental EIS to address some additional issues.

Flake Q8: What is the time from for the Department to finalize the solar programmatic EIS? What will be the practical implications of this endeavor for western states?

Answer: DOI is scheduled to release the Final Solar Programmatic Environmental Impact Statement (Solar PEIS) by late July or early August, 2012 and sign the Record of Decision in September.

The Solar PEIS would establish a solid foundation for long-term, landscape-level planning for solar-energy development on public lands that involves States, local governments, and Tribes. The Solar PEIS will help facilitate better, smarter siting of utility-scale solar projects that would serve to generate clean energy that avoids or minimizes conflicts with important wildlife, cultural and historic resources, while providing economic and employment opportunities to local communities. The preferred alternative in the Solar PEIS identifies and prioritizes development areas called solar energy zones (SEZs) in locations within the six-state study area that are best suited for utility-scale solar energy development (i.e., high resource value and low [or limited] resource and/or environmental conflicts). Under the preferred alternative, BLM would also develop incentives for solar developers who site projects in solar energy zones – offering reduced permitting times – but maintain a sufficiently flexible variance process to allow development of well-sited projects outside of zones.

Hydraulic Fracturing Regulations and Tribal Involvement

The Bureau is moving forward with hydraulic fracturing regulations, which are under review by the Office of Management and Budget.

Flake Q9: Please describe the process by which you have taken to consult with the Tribes on these draft regulations.

Answer: As explained more fully in response to the following question, BLM has undertaken an extensive outreach process with Tribes in the development of the hydraulic fracturing rule. The BLM has engaged and continues to engage Tribes extensively in an ongoing effort designed to provide Tribes with significant opportunities to provide input into the development of the rule. In conducting this outreach process, BLM identified appropriate tribal governing bodies and individuals from whom to seek input. This included all Tribes that are currently receiving oil and gas royalties and also all Tribes that may have had traditional surface use.

Flake Q10: What sort of process did you go about informing the Tribes that you were holding a consultation on a potential rule that could have implications on their ability to produce oil and natural gas on their lands and what feedback have you received since the consultations took place?

Answer: As part of the hydraulic fracturing rulemaking outreach process, BLM identified appropriate tribal governing bodies and individuals from whom to seek input. A broad and inclusive interpretation of appropriate tribal interests was used in order to gain wide-ranging input from many sources that could be affected by the proposed hydraulic fracturing rule. The BLM identified all Tribes that are currently receiving oil and gas royalties and also included all Tribes that may have had traditional surface use.

Earlier this year, BLM conducted regional meetings with Tribes on the hydraulic fracturing proposal and offered to hold follow-up meetings with any Tribe that desires to have an individual meeting. The BLM held four regional tribal meetings, to which over 175 tribal entities were invited. These meetings were held in Tulsa, Oklahoma on January 10, 2012; in Billings, Montana on January 12, 2012; in Salt Lake City, Utah on January 17, 2012; and in Farmington, New Mexico on January 19, 2012. Eighty-four tribal members representing 24 Tribes attended the meetings. BLM participation included both senior policy makers from the Washington Office as well as the local line officers that have built the relationship with the Tribes in the field. These four informational meetings were a starting point for obtaining tribal input. All meetings ended with an emphasis to continue the dialogue, using the established local relations with the BLM field office managers.

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 leaders 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. One of the outcomes of these meetings is the proposed requirement in this rule that operators certify that operations on tribal lands comply with tribal laws.

Additional individual meetings with tribal representatives have taken place since January. The BLM has met with the United South and Eastern Tribes (USET) to provide information to the 25 assembled member Tribes regarding hydraulic fracturing and the effect that the rule may pose to the way oil and gas activities are authorized on their lands. In March and April the BLM met with the Coalition of Large Tribes (COLT) and the Mandan, Hidatsa and Arikara Nation (MHA Nation) to discuss hydraulic fracturing. In the near future the BLM will be meeting with representatives from several Tribes in Montana including the Blackfeet, Chippewa Cree, Fort Belknap, and Flathead regarding hydraulic fracturing. On May 11, 2012 the BLM sent an invitation for continued outreach and dialogue to exchange information on the development of the hydraulic fracturing rule. These regional meetings are planned for early June in Salt Lake City, Utah; Farmington, New Mexico; Tulsa, Oklahoma; and Billings, Montana. The BLM will

continue to keep multiple lines of communication open during the tribal outreach process.

The information already gathered and that we continue to gather from tribal interests is an important factor in defining the scope of acceptable hydraulic fracturing rule options. The tribal outreach sessions will continue to seek tribal views regarding the potential impacts of hydraulic fracturing on trust assets and traditional tribal activities. Our efforts include outreach to these Tribes through letters, hosting outreach meetings, and encouraging further dialogue as needed, especially using the established local relationships with the resident BLM field office managers.

Questions for the Record from Ms. Lummis

Public Domain Forest Management

According to the BLM Budget Justification (page VIII-45-50), the Public Domain Forest Management program implements forest restoration projects to improve forest health, salvages dead and dying timber, and provides personal use and commercial forest products. Those are all important objectives when so many of our federal forest acres are overstocked and at risk from catastrophic fires and the insect epidemics that are devastating our western forests. I realize the Public Domain Forest Management program is not a large program, but nearly all of the volume offered is sold, and is important to sustaining our forest products companies. So, I am disappointed that the BLM has proposed to heavily cut the Public Domain Forest Management program, by reducing funding by almost 40%, which will lead to reducing timber FTEs by 40%, reducing timber products offered by 60%, reducing biomass sales by 50%, reducing the number of stewardship contracts by 80%, and reducing the acres treated by 75%.

Lummis Q1: Have you evaluated the effect the proposed cuts would have on forest health within your jurisdiction? If so, what are the results? If not, why not?

Answer: The Public Domain Forest Management program conserves, restores, and sustainably manages over 58 million acres of forests and woodlands in 12 western states, including Alaska.

The Public Domain Forest Management program coordinates with other BLM programs and partner organizations to achieve integrated vegetation management at the landscape scale. Foresters prescribe treatments to create species-diverse, multi-aged forests, with proper stocking densities to promote resilience in response to environmental stresses including changes in climate, insect and disease attack, and wildfires.

In 2013 the Public Domain Forest Management program will reduce program capacity and outputs. However, emphasis will remain on using sales contracts to achieve desired future conditions on the 58 million acres of forests and woodlands in the Public Domain. The BLM will offer 12 MMBF of timber and other forest products for sale, offer seven stewardship contracts for sale, restore and treat through sales 5,500 acres, evaluate and treat 4,000 acres of forest and woodlands, and issue 12,000 permits to individuals and small businesses for fuelwood and non-timber forest products.

Lummis Q2: Have you evaluated the effect the proposed cuts would have on local businesses and residents in Wyoming or other Public Domain Forestry States? If so, what are the results? If not, why not?

Answer: Development of the President's FY 2013 Budget Request required many difficult choices and tradeoffs. The Department of the Interior budget continues the third year of aggressive efficiencies to achieve \$207 million in administrative savings from 2010 to 2013. The Department's budget also reduced several programs in the BLM, including the Public

Domain Forestry program. We are aware that some of these budget decisions may have some impacts to local economies.

Hydraulic Fracturing Regulations

The BLM's Hydraulic Fracturing regulations, as proposed, would result in lengthy delays in public lands energy development projects. While this is a challenge for public lands states, the proposed regulations are an even bigger burden on Tribes. The proposed regulations would, by some estimates, increase the length of time for approval to drill to as much as 4 years.

Lummis Q3: Did you undergo the statutorily required tribal consultations before promulgating rules that would affect tribes? If so, which tribes did you consult and what were the results? If not. Why not?

Answer: As part of the hydraulic fracturing rulemaking outreach process, BLM identified appropriate tribal governing bodies and individuals from whom to seek input. A broad and inclusive interpretation of appropriate tribal interests was used in order to gain wide-ranging input from many sources that could be affected by the proposed hydraulic fracturing rule. The BLM identified all Tribes that are currently receiving oil and gas royalties and also included all Tribes that may have had traditional surface use.

Earlier this year, the BLM conducted regional meetings with Tribes on the hydraulic fracturing proposal and offered to hold follow-up meetings with any Tribe that desires to have an individual meeting. The BLM held four tribal meetings, to which over 175 tribal entities were invited. These meetings were held in Tulsa, Oklahoma on January 10, 2012; in Billings, Montana on January 12, 2012; in Salt Lake City, Utah on January 17, 2012; and in Farmington, New Mexico on January 19, 2012. Eighty-one tribal members representing 27 Tribes attended the meetings. BLM-participation included both senior policy makers from the Washington Office as well as the local line officers that have built the relationship with the Tribes in the field. These four informational meetings were a starting point for obtaining tribal input. All meetings ended with an emphasis to continue the dialogue, using the established local relations with the BLM field office managers.

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 leaders 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. One of the outcomes of these meetings is the proposed requirement in this rule that operators certify that operations on tribal lands comply with tribal laws.

Additional individual meetings with tribal representatives have taken place since January. The BLM has met with the United South and Eastern Tribes (USET) to provide information to the 25 assembled member Tribes regarding hydraulic fracturing and the effect that the rule may pose to

the way oil and gas activities are authorized on their lands. In March and April the BLM met with the Coalition of Large Tribes (COLT) and the Mandan, Hidatsa and Arikara Nation (MHA Nation) to discuss hydraulic fracturing. In the near future the BLM will be meeting with representatives from several Tribes in Montana including the Blackfeet, Chippewa Cree, Fort Belknap, and Flathead regarding hydraulic fracturing. On May 11, 2012 the BLM sent an invitation for continued outreach and dialogue to exchange information on the development of the hydraulic fracturing rule. These regional meetings are planned for early June in Salt Lake City, Utah; Farmington, New Mexico; Tulsa, Oklahoma; and Billings, Montana. The BLM will continue to keep multiple lines of communication open during the tribal outreach process.

The information already gathered and that we continue to gather from tribal interests is an important factor in defining the scope of acceptable hydraulic fracturing rule options. The tribal outreach sessions will continue to seek tribal views regarding the potential impacts of hydraulic fracturing on trust assets and traditional tribal activities. Our efforts include outreach to these Tribes through letters, hosting outreach meetings, and encouraging further dialogue as needed, especially using the established local relationships with the resident BLM field office managers.

Lummis Q4: Delays for energy development on tribal lands are legion because the BIA and the BLM require duplicative approvals. Did you work with the BIA in development of these regulations? What was the outcome of those discussions?

Answer: The BLM worked with the BIA to develop the proposed hydraulic fracturing rule. The resultant effect is more cooperation with BIA in addressing issues that may be of concern to the Tribes. For example, the Tribes wanted the rule to clearly distinguish between Federal and Indian lands. The Tribes also asked that the rule preserve the tribal governing authority. The proposed rule clearly addresses these issues.

On February 15, the BLM submitted draft regulations to OMB for interagency review. The draft regulations were revised following the interagency review and initial tribal consultation. A proposed rule incorporating the feedback received to date was published in the Federal Register on May 11, 2012 and initiated a 60 day comment period, during which feedback from industry, State, local and tribal governments, individual citizens and all other interested parties will be solicited.

Questions for the Record from Mr. Pastor

Bureau of Land Management consultations with Indian Tribes

We are aware that much of the potential for both renewable energy production and energy transmission will include enhanced activities on lands of cultural or spiritual significance to Indian Tribes. There is strong potential that, in the pursuit of such projects, sacred sites or ancient artifacts could be discovered or uncovered.

Pastor Q1: What steps has BLM taken to develop a process by which consultation with Indian Tribal governments occurs at the outset of any such initiative? What is BLM doing to ensure that there is adequate timing necessary for Tribes and the Federal government to have full consultation in this planning process?

Answer: Since conclusion of the first series of renewable energy priority projects in late 2010, the BLM has been working intensively with the Advisory Council on Historic Preservation (ACHP) in developing a new set of Best Practices for satisfying the project review requirements of Section 106 of the National Historic Preservation Act and corresponding tribal consultation to better tailor consultation and assessments to the unique nature of large infrastructure projects. These Best Practices were informed by a series of meetings with tribal leaders in early 2011 and were implemented immediately. These Best Practices were further reassessed for the 2012 projects in recent months. A cornerstone of the Best Practices is the initiation of tribal consultation at the very early stages of an application for project right-of-way by the project proponent.

Pastor Q2: When a project has begun on lands of historic or cultural significance to Tribes and items of significance are discovered, what procedures, processes, or methodology has BLM established to work with the developer and Tribal governments to resolve any findings? What is BLM doing to ensure that there is adequate timing necessary to adjudicate any such issues that arise?

Answer: Both the Section 106 compliance process, as spelled out in the Advisory Council on Historic Preservation's regulations (36CFR800), and the tribal consultation process are designed as deliberative processes. The deliberative approach is based upon iterative exchanges of information allowing for discussion of issues surrounding proposed projects, as tribal concerns become clearer and new discoveries are made through the project review process.

Pastor Q3: Does BLM have adequate funding to establish these procedures? Does BLM have the personnel necessary to oversee the administration of the processes described above?

Answer: The BLM has been readjusting priorities and workforce allocations to better monitor the processes and working with ACHP and others in making improvements.

TUESDAY, MARCH 6, 2012.

U.S. GEOLOGICAL SURVEY 2013 BUDGET REQUEST

WITNESSES

MARCIA K. MCNUTT, DIRECTOR, U.S. GEOLOGICAL SURVEY
SUZETTE KIMBALL, DEPUTY DIRECTOR, U.S. GEOLOGICAL SURVEY
CARLA BURZYK, ASSOCIATE DIRECTOR, OFFICE OF BUDGET, PLAN-
NING, AND INTEGRATION

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The hearing will come to order. Good afternoon, Dr. McNutt and Director McNutt. I would like to welcome you, along with Deputy Director Suzette Kimball and Associate Director for the Budget, Carla Burzyk, and she has the real tough job, the budgets. Thank you all for being here today.

What a difference a year makes.

Just a year ago, this Subcommittee was sent a USGS budget proposal that would have cut \$89 million and 230 FTEs from core science programs, largely to pay for an ill-conceived plan for the future of LandSat.

I think it is fair to say that Congress roundly rejected last year's proposal, and that the Administration has paid attention. I want to thank you for sending us a fiscal year 2013 proposal that I think we can work with.

The fiscal year 2013 proposed budget for the USGS is a net \$34 million increase over the fiscal year 2012 enacted level, including an increase of \$11 million for fixed costs and \$123 million in total program increases and decreases. Major increases are proposed for hydraulic fracturing research and the WaterSMART initiative, ecosystems science, disaster response, and climate change.

Funding these increases once again creates holes that this Subcommittee will likely have to fill, but I want to work with you to see if we can do so in a way that is sensitive to both the strategic direction of the agency and the program priorities of Congress.

For example, water programs are looking at a net decrease of \$4.8 million and 45 FTEs in this budget proposal. But contained within that net decrease is over 45 million in total program changes. Clearly you are trying to take water programs in a different direction. I hope that we can talk today and in the coming months about where you are trying to go with this and whether and how you are consistent with your strategic plan, and how you are measuring success.

Another area I think we need to take a hard look at is the Mineral Resources Program, which is cut by 4.3 million in the proposal. The USGS is mandated to collect, report, and analyze data on the supply of minerals critical to the Nation's economic and defense needs. I question whether the cuts taken in fiscal year 2012 and

the additional cuts proposed in fiscal year 2013 will compromise the USGS's ability to carry out this important mission.

Finally, I hope that we can talk about the direction of biological research at the USGS in relation to the other Interior bureaus. When Interior's biological science capacity was moved to the Biological Resources Division of the USGS in the 1990s, the program was charged with providing research support for Interior bureaus, including the independent, peer-reviewed science needed for the threatened and endangered species listings, permitting, and de-listings.

Today the Biological Resources Division of the USGS has been replaced by an Ecosystem Program. Interior bureaus either have already re-built their biological science capacity, as is the case with the Park Service, or are in the process of doing so, as is the case with the Fish and Wildlife Service, and out of a \$177 million ecosystem budget and a \$68 million climate change budget, there is but one line item of \$9 million for the Science Support for DOI Bureaus.

It may well be that this train has already left the station, and if so, I might be well advised not to stand in front of it. However, I do think it is fair, in light of where we seem to be headed, to evaluate the direction of the USGS's Ecosystem Program, where it is headed and why, and how it will measure success.

These are just a few of the areas of the proposed budget where I have questions and concerns, and so I look forward to our discussion today, and I appreciate your help in providing the committee with the information it needs to do its job.

Mr. SIMPSON. With that I am happy to yield to the gentleman from Virginia, Mr. Moran, for any opening statement he might have.

OPENING REMARKS OF RANKING MEMBER MORAN

Mr. MORAN. Thanks very much, Mr. Chairman, and nice to see you, Dr. McNutt, Director Burzyk, and Dr. Kimball.

Among the bureaus and agencies of the Department of Interior, the mission of the Geological Survey is unique. The USGS manages no lands, nor does it regulate any activities. What it has been since 1879, is to carry out scientific research to advance our knowledge of the world we live in or as the USGS logo states; it, "provides science for a changing world."

The fiscal year 2013 budget request is a substantial improvement over the fiscal year 2012 request. Last year saw numerous cuts. As the Chairman mentioned, proposed important programs and the budget proposal for the next generation of LandSat that by its third year was projected to take up more than 40 percent of the USGS budget.

So, fortunately in my opinion, the Subcommittee on a bipartisan basis rejected the redirection of funds to the LandSat Program, as well as the proposed cuts to many science activities. I am pleased to see that the USGS is now working with other federal agencies to examine alternatives for providing land remote sensing data in a cost-effective manner. While there are concerns with some of the proposed funding allocations this year, it is a budget that I think we can work with.

Mr. Chairman, normally as you know, I include a quote in my remarks, but on page four of Dr. McNutt's prepared statement she quotes an important 19th century American geologist and a long-time USGS employee, Mr. Gilbert, on the importance of the knowledge of nature. So I am going to leave it to Dr. McNutt to supply us with the quote this afternoon, and thank you, Mr. Chairman, and look forward to your testimony, Dr. McNutt.

Mr. SIMPSON. Thank you. Jim, I feel at a loss. I do not know that we can go on.

Dr. McNutt, welcome, and I look forward to your testimony.

OPENING REMARKS OF DIRECTOR MCNUTT

Dr. MCNUTT. Good afternoon, Mr. Chairman and members of the Subcommittee. Thank you for the opportunity to discuss the Administration's 2013 budget request, which is \$1.1 billion or \$34.5 million above the 2012 enacted level.

The proposed increase, and even more actually, is targeted to new research and development because modest investment in new science solutions and technologies holds the best hope for addressing the major resource challenges of today and tomorrow. Our new R&D activities are focused first on hydraulic fracturing, second on rapid disaster response to earthquakes, volcanic eruptions, and floods, and third on water availability and use, and fourth, on the restoration of targeted landscapes where specific problems threaten the economic vitality of places where people live, work, and play.

In the 2½ years that I have been USGS Director, I have learned that there are two aspects of the USGS that are worth protecting at all costs. One is our reputation for scientific integrity, and the second is our ability to deliver scientific information free of any real or perceived bias because as Mr. Moran has just explained, we have no regulatory or management responsibilities.

Sometimes we deliver good news, sometimes not, but it is what it is. About a year ago Senator Murkowski got some bad news when the USGS undertook a reassessment of the National Petroleum Reserve Alaska, the NPRA, using new information from exploratory wells not in the public domain to test our original interpretation based on geologic and geophysical data.

Unfortunately, the estimated amount of oil was down substantially. Much of the resource that had been proposed to lie within the oil maturation window had actually crossed over into the gas window.

This was critical information for us to reveal, as there was no point in wasting industry investment on gas holes absent a gas pipeline.

Now, fast forward to last Friday. The USGS was able to deliver good news to the Senator. We undertook the first ever assessment of unconventional shale oil and shale gas on the Alaskan North Slope. The shale oil alone is estimated to be as much as two billion barrels, which makes it second only to the Bakken formation.

Of course, the Senator was pleased, but the USGS takes no credit because the resource is what it is. Except, of course, we did have the foresight to undertake the assessment before anyone was even thinking of these formations as a resource. The first exploratory hole spuds in later this month.

But this is just one example of how USGS science has been at the forefront of relevant and timely issues this past year. From discovering the cause of the deadly White-Nose Syndrome in bats to responding to natural hazards such as the 5.8 magnitude earthquake that struck the Nation's capital to the historic flooding on the Mississippi River, USGS was there swiftly, objectively, and without error.

It is the ongoing support of Congress that enables these scientific achievements. I want to highlight that in the proposed 2013 budget we are moving some of our highest-priority budget items such as critical streamgages from partner co-funded programs which are vulnerable in tough fiscal times to more stable funding.

We are also requesting funding to improve rapid disaster response capabilities. This funding will avoid diverting funds from longer-term investments every time a disaster occurs, which lately is several times every year.

With the focus on R&D to address some of the Nation's most pressing issues, our budget request includes funding for science to safely and prudently develop unconventional natural gas resources using hydraulic fracturing, a national groundwater monitoring network, water availability and use efforts, science for understanding priority landscapes including Chesapeake Bay, control for invasive species such as Burmese python and Asian carp, research in White-Nose Syndrome in bats, science and monitoring efforts for rapid response to natural disasters such as earthquake and floods, and support for coastal and ocean stewardship and the National Ocean Policy. These requests build on investments you have provided and uses the broad expertise of the USGS well to address complex questions.

Now I will finish with the quote that Mr. Moran wanted to hear, which is in the written testimony, and G.K. Gilbert said, "Knowledge of nature is an account at bank, where each dividend is added to the principle and the interest is ever compounded; and hence, it is that human progress founded on natural knowledge advances with ever-increasing speed."

So thank you very much, and I am happy to take questions.
[The statement of Marcia K. McNutt follows:]

Statement of

Dr. Marcia K. McNutt, Director

U.S. Geological Survey

Department of the Interior

before the

Committee on Appropriations,

Subcommittee on Interior, Environment and Related Agencies

U.S. House of Representatives

March 6, 2012

Good morning, Mr. Chairman and Members of the Subcommittee. Thank you for the opportunity to appear before you today to discuss the Administration's 2013 budget request for the U.S. Geological Survey (USGS).

In the year since we last sat together in this room to discuss funding for the important science the USGS does for this great Nation, USGS science and its scientists have been at the forefront of a variety of issues. As the Nation's largest water, Earth, and biological science and civilian mapping agency, the USGS collects, monitors, analyzes, and provides scientific understanding about natural resource conditions, issues, and challenges. For more than a century, its diversity of scientific expertise has enabled the USGS to carry out large-scale, multi-disciplinary investigations and provide impartial scientific information to resource managers, policymakers, and the public. The last year is filled with examples of the relevance and timeliness of USGS science.

In the last year, USGS scientists and their partners discovered the cause of the deadly White-Nose Syndrome (WNS) in bats. This discovery is important because it enables decisionmakers to develop management strategies to preserve vulnerable bat populations. Bats play an important role in the functioning of ecosystems, providing pest control services to the agricultural industry in the United States that save the U.S. agricultural industry at least \$3 billion a year.

USGS scientists and technicians responded to a number of natural hazard events over the last year, including the magnitude 5.8 earthquake that struck the National Capital Area on August 23, 2011. Timely information from the USGS helped other Federal, State and local government agencies immediately assess the impact of the earthquake to both people and infrastructure. USGS hydrologists responded to historic flooding on the Mississippi River as well as devastating floods in the Northeast caused by Hurricane Irene. As new record levels were set on rivers and streams from Maine to Puerto Rico, USGS information helped other Federal agencies manage dams, levees, and spillways to minimize flood damage to communities across much of the United States. In the United States, losses due to natural disasters are in the billions of dollars each year. USGS science supports efforts to minimize losses to life and property associated with such hazards.

Another example of the relevance and timeliness of USGS science is the USGS assessment of gas resources in the Marcellus Shale in the Appalachian Basin released in August 2011, which revealed the

occurrence of about 84 trillion cubic feet of undiscovered, technically recoverable natural gas and 3.4 billion barrels of undiscovered, technically recoverable natural gas liquids. These estimates are significantly greater than the estimates of the last assessment released in 2002 due to the availability of new geologic information and engineering data. Technological improvements have led to growth in commercial gas production, particularly in the rapid development of natural gas in the oldest producing petroleum province in the United States, the Appalachian Basin. The USGS assessments are important because they provide impartial, robust scientific information about energy resources and support the U.S. Department of the Interior's (Interior) mission of protecting and responsibly managing the Nation's natural resources.

From G.K. Gilbert's sentinel climate research to the development of on-demand water information served through tools such as WaterAlert, the USGS has provided an invaluable scientific foundation that has informed decisions for more than a century. This point is well-illustrated by USGS scientist Paul Hsieh's work in the aftermath of the Deepwater Horizon oil spill. He used a 25-year-old groundwater flow program as a tool to simulate the results of the well integrity test when the Macondo well was capped in order to resolve the controversy of whether intermediate pressures indicated a leaking well or a depleted reservoir. Based on his conclusion that the well was not leaking, the decision was made to leave the well cap in place. Dr. Hsieh's efforts helped put an end to the national catastrophe and he was honored as the 2011 Federal Employee of the Year.

Investments in research and development (R&D) promote economic growth and innovation to ensure U.S. competitiveness in a global market. Research and development is at the core of the USGS mission and fuels advancement in areas such as natural disasters and understanding the U.S. energy and mineral resource endowment. This testimony provides but a few of the many examples of USGS science at work to support the national economy, reduce risk from natural hazards, and provide a solid scientific foundation for decisions. To address the President's priority on fiscal responsibility, the USGS 2013 budget request balances investments in monitoring, research, and assessments with targeted program reductions while maintaining the diverse expertise necessary to respond to evolving science needs. The 2013 budget request for the USGS represents the Administration's commitment to supporting these activities as a means to providing the very best science available to support decisionmaking.

The 2013 budget request for the USGS is \$1.1 billion, an increase of \$34.5 million from the 2012 enacted level. The budget includes \$73.2 million in targeted increases that are offset by \$49.5 million in targeted decreases. Fixed costs to address the 0.5 percent pay raise, GSA rent increases, and IT transformation are funded collectively at \$10.8 million. This request represents a 3.2 percent increase above the 2012 enacted level and supports a balanced science investment portfolio that is essential to a healthy science agency.

Budget Highlights

The 2013 budget request for the USGS includes increases in a number of priority areas. The funding request to address issues associated with hydraulic fracturing is \$18.6 million, which is a \$13.0 million increase over the 2012 budget. The USGS, the Department of Energy, and the Environmental Protection Agency are engaged in developing a collaborative interagency R&D effort to address the highest priority challenges associated with safely and prudently developing unconventional natural gas resources. The goal of this effort is to understand and minimize potential environmental, health, and safety impacts associated with hydraulic fracturing. Through this effort, the three agencies will build on current work and collaboratively identify and coordinate priority R&D activities to provide policy-relevant science to support resource management and development decisions.

Funding for WaterSMART totals \$21.0 million and represents a \$13.0 million increase from 2012. WaterSMART is a multi-disciplinary effort designed to further understand the complex linkage among water quantity, quality, and the environment, and improve management of this finite resource. Among efforts identified for implementation in 2013 is establishment of a National Groundwater Monitoring Network as called for by the SECURE Water Act (P.L. 111-11). Water quality enhancement is key to the WaterSMART effort in 2013 and will result in a national synthesis of knowledge on the degree to which water quantity and quality intersect to influence water resource availability for both human and ecosystem uses.

The 2013 budget request includes an increase of \$16.2 million that will expand science in priority ecosystems including Chesapeake Bay, California Bay-Delta, Columbia River, Everglades, Klamath River Basin, and Puget Sound. The increase also includes funding to address ecosystem science needs related to Asian Carp control and prevention in the Great Lakes and the Upper Mississippi River Basin and provides funding to apply land use science, build data and information access and decision tools, engage Tribes in their ecosystem challenges related to climate change and advance efforts to sustain environmental capital. Another \$2.0 million is requested to expand research efforts on brown tree snakes, White-Nose Syndrome in bats, and coral reef health.

In 2013, the USGS proposes to expand and enhance its science efforts for rapid response to natural disasters, such as earthquakes and floods. An increase of \$8.6 million over 2012 is requested to expand science and monitoring efforts required by the Nation's emergency managers and public officials for understanding the risks hazards pose to human and natural systems and how to reduce losses and improve response. The USGS is faced with rising expectations for rapid, robust information in response to hazard events. This funding will allow the USGS to better meet those expectations.

The 2013 budget includes an increase of \$6.8 million over 2012 that will allow the USGS to expand its efforts in support of coastal and ocean stewardship and the National Ocean Policy. Accordingly, the USGS will expand efforts in those regions where coastal and marine science and management objectives intersect with Interior's responsibilities for energy resource development, adaption to climate change, ecosystem sustainability, and resilience of vulnerable native and indigenous communities.

Summary by Budget Activity

The 2013 budget includes a total of \$177.9 million for the Ecosystems Mission Area. The request includes increases across all mission area programs to support research and development efforts focused on ecosystem priorities such as California Bay-Delta, Chesapeake Bay, Columbia River, Everglades, Klamath River Basin, and Puget Sound.

The Climate and Land Use Change budget activity request totals \$153.7 million and includes increases in funding for Science Support for DOI Bureaus, research and development that enhances resource management, and funding to support the Northwest and Northeast DOI Climate Science Centers, which work closely with tribal partners to identify key resource management science needs in the Columbia River and Great Lakes ecosystems, respectively. Funding is also provided that will allow the USGS to better assess the causes and consequences of land cover change.

In 2013, the total request for Energy, Minerals, and Environmental Health is \$97.1 million, to support programs that conduct research and assessments on the location, quantity, and quality of the Nation and world's mineral and energy resources. Programs within this activity also conduct research on environmental impacts of human activities that introduce chemical and pathogenic contaminants into the environment and threaten human, animal (fish and wildlife), and ecological health.

The total requested funding level for Natural Hazards in 2013 is \$144.8 million, or \$10.3 million above the 2012 enacted level, which will allow the USGS to strengthen its natural hazards research and assessment capabilities both before and after disasters strike.

The 2013 budget request includes \$209.8 million for Water Resources which reflects a reduction of \$4.8 million from the 2012 enacted level. The budget request for Water Resources reflects difficult choices that had to be made in order to advance hydrologic science priorities. The request includes enhanced funding for WaterSMART and the resources necessary to establish the National Groundwater Monitoring Network, as well as a substantial investment (\$5.5 million) in the National Streamflow Information Program that will advance USGS streamgages and hydrologic modeling to reduce flood damages.

In 2013, the total budget request for Core Science Systems is \$120.4 million. This includes increases in each of the Core Science Systems programs to support Administration priorities such as science for coastal and ocean stewardship, hydraulic fracturing, and ecosystem priorities. Increases are focused on research, synthesis, and analysis of information and data, development of information access and decision tools, the creation of geologic maps and a synthesis of available science on hydraulic fracturing through the John Wesley Powell Center. This also reflects an internal transfer of funds from Administration and Enterprise Information, which aligns programs and activities to best reflect the mission of the Science Synthesis, Analysis, and Research program.

The funding requested for Administration and Enterprise Information in 2013 is \$99.1 million and reflects a net program reduction of \$3.7 million in addition to the internal transfer mentioned previously.

The 2013 budget request for Facilities is \$99.7 million to provide a safe, functional workspace for accomplishing the bureau's scientific mission. Resources support basic facility operations, security costs, and facility maintenance in compliance with Federal, State, and local standards.

Conclusion

The 2013 USGS budget request addresses issues that are important to the Administration and Interior. This budget reflects the Administration's commitment to R&D and its support for USGS science as a foundation for resources management decisions, while recognizing constrained fiscal resources. This budget reflects careful and tough decisions while balancing USGS research, assessment, and monitoring activities to ensure its continued ability to address a broad array of natural resource and natural science issues facing the Nation.

The author of the first USGS monograph, G.K. Gilbert, is quoted, "Knowledge of Nature is an account at bank, where each dividend is added to the principal and the interest is ever compounded; and hence it is that human progress, founded on natural knowledge, advances with ever increasing speed." The science and information provided by USGS scientists and professionals, past and present, provides the foundation for what we now know and what we will learn in the future. The 2013 budget request for the USGS supports this continued legacy of world class science to support decisionmaking.

This concludes my statement, Mr. Chairman. I will be happy to answer the questions you and other Members have. I appreciate this opportunity to testify before you and this Subcommittee and look forward to our continued collaboration.



Marcia K. McNutt, Director

Dr. Marcia K. McNutt is a distinguished geophysicist and experienced administrator. She previously spent 15 years on the faculty of MIT and for 12 years served as president and chief executive officer of the Monterey Bay Aquarium Research Institute (MBARI), in Moss Landing, CA. She also serves as the Secretary of the Interior's science advisor.

As a scientist, Dr. McNutt's own research has involved field work on land and sea across several continents and numerous ocean basins. She has published nearly 100 peer-reviewed scientific articles. In 2010, she spent May through August working directly with BP, DOE, and the U.S. Coast Guard in Houston evaluating options to contain the oil and cap BP's Macondo well after the Deepwater Horizon explosion. She also led the Flow Rate Technical Group which estimated that the total spill was 4.9 million barrels of oil. For her work during the crisis, the US Coast Guard awarded her their Meritorious Service Medal, the second highest honor for public service.

McNutt's honors and awards include membership in the National Academy of Sciences, the American Philosophical Society, and the American Academy of Arts and Sciences. She served as President of the American Geophysical Union from 2000-2002. She is a fellow of the American Geophysical Union, the Geological Society of America, the American Association for the Advancement of Science, and the International Association of Geodesy. She holds honorary degrees from the University of Minnesota, Colorado College, Monmouth University, and the Colorado School of Mines.

McNutt received a BA degree in Physics, summa cum laude, Phi Beta Kappa, from Colorado College in Colorado Springs. As a National Science Foundation Graduate Fellow, she studied geophysics at Scripps Institution of Oceanography in La Jolla, California, where she earned a PhD in Earth Sciences in 1978. She then spent three years with the USGS in Menlo Park, CA, working on earthquake prediction.

Dr. McNutt joined the faculty at MIT in 1982 where she became the Griswold Professor of Geophysics and served as Director of the Joint Program in Oceanography & Applied Ocean Science & Engineering, offered by MIT & the Woods Hole Oceanographic Institution.

McNutt is a native of Minneapolis, MN, where she graduated class valedictorian from Northrop Collegiate School (now the Blake Schools) in 1970.



Suzette Kimball, Deputy Director

Dr. Suzette Kimball is internationally known for work in coastal processes and has served as Deputy Director for the past two years following a year serving as Acting Director.

Dr. Kimball was named Associate Director for Geology in 2008, coming to that position from being the Director of the Eastern Region since 2004

Dr. Kimball joined the USGS as Eastern Regional Executive for Biology. In that position, she built many partnerships, helped shape programs, and led the establishment of the USGS Florida Integrated Science Center. She came to the USGS from the National Park Service in Atlanta, where she was Associate Regional Director.

She entered the National Park Service as a research coordinator in the Global Climate Change Program, became Southeast Regional Chief Scientist, then Associate Regional Director. She was assistant professor of environmental sciences at the University of Virginia, co-director of the Center for Coastal Management and Policy and marine scientist at the Virginia Institute of Marine Science, and managed coastal morphology and barrier island studies in the U.S. Army Corps of Engineers.

She serves on executive boards and many State and national committees, including the DOI Climate and Energy Task Force, the U.S. National Committee on GeoScience, the National Academy of Science Roundtable on Environmental Health, The DOI Senior Ocean Policy Team, and the International Steering Committee for "OneGeology." She was on the board of directors of the Coastal Society and has served as secretary of the American Geophysical Union's Ocean Sciences Section.

She has authored numerous publications on barrier island dynamics, coastal ecosystem science, coastal zone management and policy, and natural resource exploration, evaluation and management. She has twice received the Presidential Rank Award and twice received the Secretary of the Interior's Gold Level Award for Executive Leadership, and the Secretary of the Interior's Meritorious Service Award.

Dr. Kimball has a doctorate in environmental sciences with a specialty in coastal processes from the University of Virginia, a master's in geology and geophysics from Ball State University, and a bachelor's in English and geology from the College of William & Mary.



Carla M. Burzyk

Associate Director, Budget, Planning and Integration

Carla Burzyk has responsibility for developing the USGS's annual budget proposals, reviewing and synthesizing USGS budget execution activities and overseeing USGS performance management and planning activities.

She serves as the chief adviser to the Director and Bureau leadership team on all matters related to the budget, accountability, performance management and planning. She leads a staff comprised of senior budget and finance analysts, statisticians, economists and scientists. She serves as a member of the Director's Executive Leadership Team.

She was the Budget Officer for USGS from May 1999 to September 2001, responsible for development of the annual budget, serving as an advisor to the Director on budget formulation issues for the Nation's largest water, earth, and biological science and civilian mapping agency.

Ms. Burzyk has spent her professional career in the Department of the Interior. Prior to joining the USGS, she served as Special Assistant to the Assistant Secretary for Water and Science, advising on budget and program issues for the Bureau of Reclamation and USGS.

From 1988 to 1998, Ms. Burzyk was a budget analyst in the Department of the Interior, Office of the Secretary. In this capacity, she advised the Secretary of the Interior on issues and programs related to Departmental science programs.

During her tenure in the Office of the Secretary, she was selected to serve on assignment to the Senate Appropriations Subcommittee on the Department of the Interior and Related Agencies. Prior to 1988, Ms. Burzyk was a budget analyst in the Office of Surface Mining, an architectural historian for the Federal Energy Regulatory Commission and an historian for the National Park Service.

Ms. Burzyk received a Bachelor of Arts degree with honors from Trinity College where she was a Thomas J. Watson Fellow nominee. She has completed graduate work at the George Washington and American Universities. She is a native of the Commonwealth of Massachusetts, and resides in the Commonwealth of Virginia.

Mr. SIMPSON. Thank you, and I like her quotes better than yours, Jim.

I do not know if I said during the hearing last year, but I think on behalf of myself and this Subcommittee I do want to thank you for all the work you put in during the Gulf oil spill, and I know that USGS did some great work down there as well as other federal agencies, but particularly the USGS did some great work. So thank you for that.

Dr. McNUTT. Thank you.

Mr. SIMPSON. Jim.

TOXICS SUBSTANCES HYDROLOGY

Mr. MORAN. Thank you, Mr. Chairman.

I am concerned about the proposed cut in the Toxic Substances Hydrology Program of \$2 million for methods development and assessments. Quoting the budget justification, the reduction would substantially decrease activities that characterize environmental contamination by pharmaceuticals, endocrine-active chemicals, pesticides, and other priority and emerging environmental contaminants. With environmental contaminants as serious and growing an issue as I know you recognize, why would we be decreasing research in that area?

Dr. McNUTT. Yes, Mr. Moran, we agree this is a very substantial cut to this program. It is a 19 percent cut to the Toxics Program, \$2 million. What basically will happen as a result of this is we will have to decrease field activities and focus on interpretations and publishing of data that we already have in hand.

We have made substantial progress on research in this area, and we do have some interesting results to publish on research on both bass and on zebra fish, which we believe will advance understanding, but as I think you know well, the way this goes forward is that across all of our mission areas we are required to put forward percentage cuts across the board. Not all of them are taken equally, and with this program, given how healthy our budgets are in other areas, it is a shame that this program is being cut so severely given how much people across the country are concerned about this particular issue.

CONTAMINANT BIOLOGY

Mr. MORAN. Well, I agree with your response, a 19 percent cut when we are increasing in other areas. I am afraid that the data is going to be outdated when it is actually published, but along the same lines, the budget for contaminant biology includes a proposed \$500,000 cut on the impact of environmental contaminants. Budget justification says that the proposed cut would, "reduce research in assessing impacts of environmental contaminants, including endocrine-disrupting chemicals on human, animal, and ecosystem health."

Again, why are you targeting research on endocrine-disrupting chemicals and environmental contaminants when we are only now beginning to realize what a major factor they are probably being shown to be in terms of the fish that are clearly malformed or show evidence of endocrine disruption, crustaceans, and the like? It just

seems inconsistent with the kind of data that we are finally coming up with.

Dr. McNUTT. I will say that in our WaterSMART Program we do have additional funding for basic research in water quality that I think will help give a national perspective on some of these chemicals. It will not be directly related to the problem of targeting the impact on the specific species of concern, but it will help us put some of these chemicals in a more national context so that ideally we will be in a better position to understand the distribution and the frequency where these chemicals are coming from and their prevalence in the environment.

One of the big targets of the WaterSMART Program is understanding water quality and the tradeoff between water quality and water availability and how it affects water availability for ecosystem use, but it will not be exactly what you are looking for.

WATER RESOURCES

Mr. MORAN. Oh, not at all, and you propose significant decreases in programs like the National Water Quality Assessment Program and elimination of support for the Water Resources Research Institutes. So, you know, I do not know how you assess whether water resources funding is being put to the highest and best use, and I would hope you would have some advisory committees or working groups to help assess your efforts on that.

Dr. McNUTT. We do.

Mr. MORAN. Yes, but it is of concern in a budget that otherwise makes a lot of sense.

Thank you, Dr. McNutt. Mr. Chairman.

Mr. SIMPSON. Mr. Cole.

HYDRAULIC FRACTURING

Mr. COLE. Thank you, Mr. Chairman. Thank you for being here. Appreciate the testimony.

If you could, you mentioned in your opening statement your work in hydraulic fracturing.

Dr. McNUTT. Yes.

Mr. COLE. Could you give us a little more in terms of what the scope of the study is, the cost, what the objectives are?

Dr. McNUTT. Absolutely. The USGS will be working on the science of hydraulic fracturing, and this is going to be coordinated with the Department of Energy and EPA through a memorandum of understanding such that we can be sure that there will not be duplication of effort across the agencies. The USGS, budget has an additional \$13 million. We have about \$5.6 million in for this activity in the 2012, budget and this 2, \$13 million increases the amount that can be put to this effort.

The great strengths that the USGS brings to this partnership are in several areas that I think are clearly USGS expertise. The first is the USGS has a long history of being the Nation's agency that works on seismic problems, and we have seen many instances around the Nation where the public has been both literally and figuratively rattled by earthquakes that have been induced not by the hydraulic fracturing process itself but by wastewater injection.

We believe that this is a problem that can be effectively addressed and that best practices can be put forward by looking at both the formations where wastewater is injected, by looking at the regional state of stress where it is injected, and by looking at operational parameters.

Mr. MORAN. Has the memorandum of agreement that you mentioned that defines what different agencies are going to be doing that, has the been written yet?

Dr. McNUTT. Yes, it has.

Mr. MORAN. Can we get a copy of that for the record? Is that something to be shared?

Dr. McNUTT. It is in final signoff right now. I know that it has been agreed to by OSTP and by the agencies, and it is in final signoff at the Deputy Secretary's level.

Mr. COLE. Whenever it is it will be available?

Dr. McNUTT. Yes.

Mr. COLE. I appreciate that, because the chairman often mentions in context of climate change that we have a lot of this research going on, not a lot of coordination. I am glad you are avoiding that pitfall evidently.

Can you tell me, and I may be asking you in more detail than you have the ability to answer on the spot, I am curious what the peer review process is for this particular piece of research.

Dr. McNUTT. Yes. All USGS science must go through peer review. That is part of the USGS fundamental science practices. All of our research has to go out into the public domain, and it all must be peer reviewed.

Mr. COLE. Last question. Do you have yet a sort of timeline? I mean, how long do you envision this taking to complete the study?

Dr. McNUTT. Well, of course, there will be a number of studies. We will also be working, for example, on flow paths of water, which is another area of expertise of the USGS, and so there will be different timelines for the different projects. Some we expect will be done fairly quickly. Some will take a little bit more time depending on the complexity of the task.

Some of these problems we hope to tackle within months, but others might take a year or a little bit more.

Mr. COLE. Okay. Thank you. Thank you very much, Mr. Chairman.

Mr. SIMPSON. Mr. Hinchey, I think you are next.

ENERGY ASSESSMENTS

Mr. HINCHEY. Thank you very much, and it is a great pleasure to be here with you. I deeply appreciate your coming by, and it is nice to be listening to what you have to say and send you a few questions.

I first of all want to say that I am very pleased that your budget request includes new funding for research on key issues involving shale gas drilling. We are in the midst of a shale gas rush, but in many ways I believe that independent research on this process is lagging. It is lagging way behind, and I look forward to seeing what USGS produces in this area.

In your testimony you noted ways in which you express this situation, you noted that last summer USGS released new gas reserve

estimates for the Marcellus Shale. Not surprisingly this estimate was significantly higher than the last one that was produced in 2002 because it reflects the technological advancements of the last decade, specifically high volume hydraulic fracturing combined with horizontal drilling.

However, this new estimate is about one-fifth the amount that the Energy Information Administration has calculated. USGS put Marcellus Shale gas reserves at 84 trillion cubic feet, while the EIA had estimated 410 trillion cubic feet. So obviously that is a very significant, huge difference.

I understand that EIA will adopt your agency's figure, but can you tell us a little bit about how and why there was such a huge difference between the two estimates? Any indication of that, any knowledge of it? Have you looked into it at all?

Dr. MCNUTT. Yes, we have. Clearly we have looked very closely into it, and from what I understand, and I am actually going to allow Ione Taylor, who is our Associate Director for Energy and Minerals, to give you more details on this, but this was a situation where EIA initiated their own assessment on this rather than waiting for the USGS to release theirs, and when the USGS came out with theirs, of course, they were concerned about the differences. So we sat down with them and opened up our books on how we had done our assessment, and we came to a reconciliation and based on that EIA said, yes, we will take your numbers, and Ione can talk a little bit more about this reconciliation.

Mr. SIMPSON. Name and position, please.

Dr. TAYLOR. My name is Dr. Ione Taylor. I am the Associate Director at USGS of Energy and Minerals and Environmental Health.

So the Energy Resources Program falls within my portfolio, and yes, I will echo and elaborate just slightly on what Marcia has said. USGS typically does technically recoverable resources, that is what is economically recoverable given technology of today to a few years out into the future.

Mr. HINCHEY. Uh-huh.

Dr. TAYLOR. And we also look at reserve and reserve growth, whereas the Energy Information Administration looks at in place resources. So an in place number is, for any resource, going to be typically much larger than what is technically and economically recoverable, what the market will bear at any particular point in time.

But to Marcia's point, we realized when the USGS number came out that it is confusing to the American public and to policymakers, that there were two different numbers from two different agencies. So we have been in discussions, we met with them, we have an upcoming meeting with the senior person at EIA to make sure that we are crystal clear on the terminology and the labels associated with all these numbers so that everybody really understands what is going on, and we are not adding confusion but we are adding knowledge about the resource for the American public and policymakers.

Mr. HINCHEY. Good.

Dr. TAYLOR. Does that respond to your—

Mr. HINCHEY. Yes, it is.

Dr. TAYLOR. All right.

Mr. HINCHEY. That is good, and I deeply appreciate what you are doing because obviously it seems to be that you are much more accurate and you are changing the numbers of others to be, you know, confirmed in what you are putting together.

Dr. MCNUTT. And I think that it is good for the American public to understand that no one will ever get every molecule of gas out of the ground.

Mr. HINCHEY. Yes.

Dr. MCNUTT. But ours is geologically based, based on a lot of knowledge of the geology, not projections or statistics, but the geology and our knowledge of that changes with time. So the resource numbers evolve with time.

Mr. HINCHEY. Absolutely. Yes. Very much. You have to be on top of it and stay attentive to it. No question.

Dr. MCNUTT. And that is why we do reassessments.

Mr. HINCHEY. Yes indeed. Very good.

So just, if I may, follow up on that topic. I understand that part of your new research on shale gas will include new reserve assessments. Over the past year there has been a lot of discussion about this topic. The "New York Times" reported that industry analysts believe that production estimates in the Barnett and Fayetteville Shale plays in Texas and Arkansas, that that has been inflated. These analysts argue that while initial well production levels are high, they experience a deep decline in just a few years, much deeper than what the industry tell us.

Will USGS look at data on well performance and so-called decline curves as part of this new research?

Dr. MCNUTT. When we do our reassessments, one thing that is an advantage of the USGS assessments is that we do get access to a lot of proprietary industry data that otherwise industry does not even share with each other. And that gives us an advantage of sanitizing some of this data, rolling it up, making it releasable in a way that does not violate any proprietary nature of it, and getting it out on a larger scale such that it is useful for the resource reassessment and for planning for both the energy policy and for industry to plan ahead.

And so, yes, that sort of data is part of our reassessments—

Mr. HINCHEY. Uh-huh.

Dr. MCNUTT [continuing]. And can help separate fact from fiction.

Mr. HINCHEY. Thank you. Thanks very much. Appreciate it.

Mr. SIMPSON. Ms. Lummis.

HYDRAULIC FRACTURING

Mrs. LUMMIS. Thank you, Mr. Chairman, and thanks for coming today, Dr. McNutt. It is nice to see you. I really appreciate that you come by and swing by our offices before the hearing. It always makes it a more thoughtful conversation because we have had a chance to ruminate a little bit on what we have heard from you earlier, so appreciate that. Also neat to see a bunch of smart gals from USGS at this table, so good for you.

With regard to the fracking study, you did mention that DOE, EPA, and USGS will do a memorandum of understanding, and I would ask, Mr. Chairman, that when that MOA is executed, if you

all could forward a copy to this committee's staff. I am fairly obsessive compulsive about government duplication, and so what will be interesting for me is just to see how it breaks down among the agencies.

Dr. McNUTT. We are obsessive as well. We do not have enough money to duplicate what anyone else does.

Mrs. LUMMIS. Excellent, and when we visited last week, you had mentioned that your part of the study is probably going to be more about wastewater injection wells, which actually transcends. It is not fracking. Even conventional drilling involves—

Dr. McNUTT. About that and also water use. For example, can brackish water be used for fracking rather than using clean water that could be used for so many other purposes? That is another thing we want to be looking at.

Mrs. LUMMIS. Yes. That is good stuff. So I do not want you to think I am dissing the notion of some good solid information on these things.

Now, I know that you have some studies of wastewater injection previously because you are aware that some of these complaints about tremors actually when you looked at it, after wastewater re-injection stopped, the tremor stopped. So there can be some shifting depending on the geological structure of the site in which a re-injection occurs. It sounds perfectly logical to me.

What will these new studies add? Because we have got the Federal Government permitting reinjection, you have got state governments permitting reinjection. You have some information. What do you hope to gain in these additional studies on wastewater reinjection?

Dr. McNUTT. What we would hope to gain after we do these studies are best practices, and these best practices, first of all, we could transfer to our sister DOI agency, the Bureau of Land Management, which is, of course, in the process of doing their own permitting of fracking on federal land and looking at what can they do in terms of being a leader on best practices to make sure that any wastewater injection that happens on federal lands does not start triggering earthquakes.

So if we can make sure that we give BLM good advice as to what they can do in their sighting of wells and setting for operational parameters for wastewater injection that no earthquakes happen, this can then even pass over into work that we might be doing in geothermal energy production. Because I think anything we learn from this is also going to help us in work we might do with geothermal energy as well because induced earthquakes are also going to be a factor in that.

NATIONAL MINERALS INFORMATION CENTER

Mrs. LUMMIS. Thank you, and now I am going to switch gears a little bit.

I have received a copy of a letter that was written to you by the aggregate's industries, National Stone, Sand, and Gravel Association, and they had expressed some concern about the fiscal year 2013 budget cuts that would cut money from the National Minerals Information Center.

And so I am just following up on their letter to you. Can NMIC absorb more cuts and still produce the data that is used by industry, government, and academia in your opinion?

Dr. MCNUTT. Certainly our Mineral Resources Program is scheduled to take a hit. It is a \$5 million cut. It will be——

Mrs. LUMMIS. Which one?

Dr. MCNUTT. Our Mineral Resources Program.

Mrs. LUMMIS. Mineral Resources. Thanks.

Dr. MCNUTT. And it is not clear in terms of the minerals information, specifically how much of the cut would go to that particular program. That would still need to be worked out, but right now our thought is that in terms of minerals information, some of it is done on a national scale and some of it is done internationally. We would prioritize in terms of minerals information the work that is done to help us understand the national basis as opposed to the international picture because there is a lot of concern that perhaps we are too reliant internationally, and we need to build more national capacity.

That is where we would probably focus. For the international picture we would give that information out still, but maybe not as frequently.

Mrs. LUMMIS. Uh-huh.

Dr. MCNUTT. So we would get that information instead of having it updated annually, it might be updated every other year, so biannually.

Mrs. LUMMIS. Uh-huh.

MINERAL RESOURCES

Dr. MCNUTT. The cuts to our Mineral Resources Program is not just to Minerals Information but to the larger program. We are going to focus on the economic portion of it and put less emphasis on the environmental portion of it because we are coming out of a recession, and the important thing is to get the economic part of the program going, and then we can, again, focus on the environmental part.

RARE EARTH ELEMENTS

Mrs. LUMMIS. And Mr. Chairman, one more question about that.

Is your international work in areas like rare earth minerals, or can you give me an example?

Dr. MCNUTT. Absolutely. As you and I, think everyone who is not in a coma is well aware, our rare earth supply is nearly 100 percent international——

Mrs. LUMMIS. Uh-huh.

Dr. MCNUTT [continuing]. And almost entirely from China, and that has to do with largely economic reasons because rare earths are produced as a byproduct as part of China's iron manufacturing so they produce rare earths very cheaply as this waste string from their iron production.

But as China wants to use more and more of their own rare earths and threatens to cut off the supply here, what we would like to do with the one million in new money that we have received in our Rare Earths Initiative is focus on mapping rare earth deposits in this country and helping to support a domestic rare earth supply

and less focus on where are we getting rare earths overseas, because we know where they come from.

Mr. SIMPSON. Ms. McCollum.

ASIAN CARP

Ms. MCCOLLUM. Thank you. Welcome back. I had an opportunity to in my office commend the work that the U.S. Geological Service has been working on, and I want to do it publicly and for the Committee.

They were called upon from the State of Minnesota and local governments to figure out why water levels in White Bear Lake dropped; we have gone out even from other regional lakes in the area where we are following. Thanks to some critical groundwater analysis and mapping, USGS was able to figure out the cause of the low-level waters and basically we are tapping into our aquifer a lot faster than we thought. And this aquifer, along with the Mississippi River and the Twin Cities, provides a lot of drinking water.

So this leads to my two questions, and I will combine them together. We have research on groundwater systems, and last year I talked to you about what your role would be in establishing a national groundwater monitoring system we have been working on a lot in Minnesota. Some states have, other states have not, and I want to thank you and the President for including that first-time funding for a national groundwater monitoring network. We need to do that. I mean, wars, we fought over water as we watch the California delegation struggle with things last week on the Floor.

So I want to thank you for moving forward on the groundwater research, but I am kind of concerned about why the Administration has chosen once again to zero out the budget for Water Resources Research Institutes. It is the only federal mandate research network that is dedicated to apply water resources, education training, and outreach. If you could, tell me a little bit about that.

But I am going to literally use a bad pun and jump around the Asian carp. Did you get that? We have them. Big news this weekend. There is no season on them because they are not listed by the DNR, so Asian carp have arrived and commercial fisherman Tim Adams caught himself a silver carp last week in pool six of the Mississippi River. The Department of Natural Resources sadly said, yes, he did.

So last week I had the privilege of meeting with, who we affectionately refer to, John Gross, as our carp czar. He told me his mandate was to prevent the introduction of carp into the Great Lakes. Now, I care deeply about the Great Lakes, but we have carp in the Mississippi River, which means the Minnesota River, which means the St. Croix River; we are interconnected.

The Chairman wants to do some real deep thinking on what we do about invasive species, and I am all there, but while you are here I see that you have \$3 million increased funding for research and monitoring Asian carp in the Great Lakes and the upper Mississippi Basin. So could you maybe tell us just give us a little flavor for what your role is, because I know the chairman is going to be pulling together what everybody is doing.

Dr. McNUTT. Let me do those questions in reverse order. In terms of the carp work, the USGS role is the basic R&D, coming

up with the science and the technology solutions that would then be applied by Fish and Wildlife or Park Service or the state agencies, the DNRs or basically the boots on the ground agencies that have the responsibilities.

The USGS has been working on a number of creative solutions for it. For example, the carp cannon, which basically are big air guns that are deployed near the locks and if the carp get close to them, it blows their swim bladders to smithereens and they die, so you do not want other fish around.

We have also come up with the carp kill pill, which is designed to only react to the enzymes in the carp's stomach. So only the carp's enzymes can actually digest the pill, which is the beauty of it. You can throw these pills in the water, other fish can eat them, but they just pass the pills through because they cannot digest the coating in the pill. So it is a way to deliver a fish toxicant that will only kill the carp.

We have lots of creative solutions. Also pheromones that attract the carp so that you can actually bring them in to either collect them or to deliver the toxicants. We have done a radar imaging to find all the little nooks and crannies where they get from the rivers into the Great Lakes.

So, there are lots of creative solutions that we are working on to address this problem. The sad truth is once you have populations that are as well established and as prolific breeders as these, eradication is probably not going to happen. It is control that we are working on.

Mr. SIMPSON. Mr. Serrano.

Mr. SERRANO. Thank you, Mr. Chairman. I made a career of defending, you know, people at the bottom. Should I be defending the carp?

Dr. McNUTT. No.

Mr. SERRANO. Because I am not hearing anything in favor of the carp here.

Dr. McNUTT. These carp rise to the top unless you want to put them on the school lunch program.

URBAN WATERS

Mr. SERRANO. I do not think there is any carp in the Bronx River. Not yet. Right? Thank you for joining us today, and I echo everybody's thanks for visiting our offices and taking care of two-thirds of the public hearing in private, you know, which makes a lot of sense to me.

Many agencies and departments across government are taking part in the American Great Outdoors Initiative. In your budget documents it seems that USGS is taking part in this initiative through its focus on ecosystem restoration and various watersheds, an activity for which you have requested an additional \$16.2 million.

My local rivers, the Bronx and Harlem Rivers, were selected as pilots for the Urban Waters Federal Partnership, which seeks to reconnect urban communities, particularly those that are overburdened or economically distressed. Reconnect them with their waterways.

I understand the need to work on the biggest and most important watersheds like those you laid out in your budget, but I would like to know how you could plan to help with the Urban Waters Federal Partnership Program and its pilot locations. Your expertise in science are particularly helpful, and I would like to know what is in store for that particular program.

Dr. McNUTT. I think I am going to call on Dave Russ, who is our Regional Executive for the Northeast, and Dave has been our lead for that particular project, and I think he could probably give a lot of insight as to what is actually in store for that. So, Dave Russ.

Mr. SIMPSON. Name and position, please.

Dr. RUSS. Yes, sir. My name is David Russ. I am the Regional Executive for the Northeast in the USGS, and yes, we have been involved quite a bit with the Urban Waters Initiative and Federal Partnership, helping to pull together six to seven pilots across the Nation, including in the Bronx River and in the Harlem River areas. Our role, in addition to working with the National Park Service, which for the Department of Interior has the lead for that particular study and that pilot in New York, is to enhance what we can do in terms of our water quality monitoring and understanding the character of the waters in the Bronx and in the Harlem Rivers but also working with a number of the local watershed associations and understanding better what the status of the water quality is and how we can improve that.

I am looking at a request we put forward and the characterization that we might be able to do with the Environmental Protection Agency and the High Bridge Community Life Center, and to better understand some of their goals and concerns about water quality in the Harlem River and in the Bronx River.

So we are really just launching this forward, but we have great hopes for it.

Mr. SERRANO. So this may take care of my follow-up question. Is it your intent, and I know this is already local, Mr. Chairman, but everything is local at times, to meet with the group you mentioned there? Is there a chance there, because my follow up was what are the chances you could come and meet with them and see what their needs are and what they would like to see happen.

Dr. RUSS. Yes: Certainly meeting with the local associations and cooperators is very much a part of the plan.

SCIENCE EDUCATION

Mr. SERRANO. Okay. So we would follow up on that for that to happen.

Also, you mentioned that you like the USGS to engage in educational activities like many of the other science agencies do. I understand that you need authorizing language to carry out those activities, and of course, we on the Appropriations Committee cannot do such a thing. I had to say that for the record. We have our ways.

That question aside, if you were provided the ability to carry out these educational programs, what do you foresee as your key areas where you could quickly and efficiently begin to help the children and adults understand more of the science you carry out and potentially inspire them to careers in science of a greater appreciation for our Nation's natural resources?

And as I mentioned to you in private, I stated to the committee members as recently as last week, there has been a whole different behavior in places like the Bronx where a river, where the coastline was something people just took for granted were always going to be in the shape they were, and it has created a whole new behavior to the point where people are visiting us from other places about, you know, the transformation of the river and all the things that are happening.

So, you know, what are the chances that we could continue to grow that with the youth?

Dr. MCNUTT. Well, thank you for that question. Right now I sit as the Department of the Interior's representative on the government-wide planning committee for STEM (Science, Technology, Engineering and Mathematics) education that is going to be coordinated across the science agencies in the Federal Government, and what we are identifying in that coordinated Federal Government-wide STEM education plan is perhaps not unique, but very high purpose for the Department of the Interior is to connect youth to science through outdoor experiences.

Something that is very important for the USGS, being DOI's science agency, is to use our national parks, our urban parks, because let's face it, where are the kids? They are mostly in the cities, and it would be a wonderful opportunity because, you know, certainly they visit places like Yellowstone and the Grand Canyon and Yosemite, but on a day-to-day basis their accessibility is to the urban parks, and that is why it has been such a high priority to Secretary Salazar to establish more urban parks, and this would be an opportunity for the USGS to connect children to nature and to science through these urban parks.

Mr. SERRANO. In closing, Mr. Chairman, I am not sure that I have ever heard it so well said. You know, most of the children do live in the inner city, and we always dream of getting them to the great outdoors. Well, maybe we also have to be them to the great nearby and just get them involved, and I will follow up, and Mr. Chairman, I know there are about 550 caucuses in Congress. I am sending out to join the Save the Carp Caucus. It will be a lonely battle, I understand, but I have been known for that all my life.

Mr. SIMPSON. Not just any carp, the Asian carp.

Thank you and we have got a vote going on. We have got about 2 minutes left in the vote, and we will be gone for a half hour, so I am not going to keep you around for that time. I appreciate you being here today.

I have some questions that we will submit for the record, but as you mentioned in your opening statement, I think the number one priority is maintaining the integrity and the reliability of the science of the USGS.

I appreciate all that you do. I look forward to working with you on your budget, and as we have questions that come up, we will call you and work with you to try to make sure it is a budget that addresses all of our concerns.

Thank you.

Dr. MCNUTT. Thank you, Chairman Simpson.

Mr. SIMPSON. Thank you.

Dr. MCNUTT. Thank you very much.

Mr. SIMPSON. Thank you.

The Subcommittee notes that the QFR responses from the Agency did not arrive in enough time to inform the FY 13 Appropriations bill. The Department of the Interior, U.S. Geological Survey received questions from the Subcommittee on March 14th and did not submit OMB-cleared responses to the Subcommittee until May 21st.

Hearing Questions for the Record (QFR) Prepared for the Department of Interior, U.S. Geological Survey

Hearing: U.S. Geological Survey FY 13 Budget Oversight Tuesday, March 6, 1:00pm Rayburn B-308

Questions for the Record from Chairman Simpson

Water Resources

As I mentioned in my opening statement, the FY13 budget proposes a net reduction of \$4.8 million and 45 FTE, but there are over \$45 million in program changes contained within that \$4.8 million net decrease. Included are cuts to programs that have been important to our constituents, such as the Cooperative Water Program and the Water Resources Institutes. I'd like to avoid if we can this continued back and forth game of your budget proposing to cut these popular programs while we wrestle with finding the money to restore them.

Simpson Q1: Please take a few minutes to help the Committee understand where you're trying to go with water programs at the USGS.

Answer: The mission priorities of the USGS Water Resources programs are focused on providing basic science research and monitoring tools to better understand and respond to water-related hazards and for managing water quality and quantity to meet human and environmental needs. Working in concert, the USGS Water programs address these issues as a whole. Each program individually contributes to addressing these priorities and together they provide comprehensive data, information, and tools for managing the Nation's water resources. USGS activities outside the traditional Water Resources research areas also contribute to these priorities, and include such activities as rapid response to natural hazards effort, the WaterSMART Initiative, research on priority ecosystems, and efforts to better understand and minimize potential environmental, health and safety impacts of hydraulic fracturing.

The water program portfolio of USGS includes the following component programs:

- *Cooperative Water Program*—Provides science to understand floods and droughts; develops tools to better understand and document these events; develops regional assessments of floods and droughts; conducts local assessments of water availability that, when combined, provide regional and national pictures of water availability; and supports important data networks.
- *Groundwater Resources Program*—Quantifies the availability of water in the Nation's 30 principal aquifers, which provide drinking water to about half of the Nation's population; forecasts the effects of withdrawals on the long-term sustainability of these aquifers; develops

methods to better understand the effects of groundwater withdrawals on streamflow; and increases understanding of the effects of energy development on groundwater resources.

- *Hydrologic Networks and Analysis*—Supports the infrastructure to disseminate and archive USGS water data and selected partner data; provides national consistency so that data are readily comparable from any USGS site in the Nation; and supports key monitoring networks that document atmospheric deposition and water-quality conditions (background conditions) in undeveloped watersheds.
- *Hydrologic Research and Development*—Develops tools to document, help understand, and forecast changes in the hydrologic system, including effects on water availability and hydrologic hazards of changes in land-use, water management, energy development and use, and climate; and develops methods for tracking the effects of energy development on water supplies.
- *National Streamflow Information Program*—Provides a stable, Federally-supported backbone of key streamflow gauges across the Nation that provide real-time information about streamflow conditions for flood forecasting, drought monitoring, documenting water-quality and ecological conditions, and understanding groundwater contributions to streamflow.
- *National Water Quality Assessment*—Documents water-quality and ecological conditions in the Nation's streams and aquifers; develops tools for forecasting changes to water-quality from changes in land management; and maintains critical water-quality monitoring networks that document export of sediment, nutrients, and other contaminants from the Nation's watersheds to the coastal ocean.

Alone, each program provides important water-resources information. Together, these programs combine to give a more comprehensive picture of the Nation's water resources than any single program alone.

Simpson Q2: What is the WaterSMART initiative, and how smart is the strategy of cutting other water programs in order to fund it?

Answer: The WaterSMART Initiative is a Departmental initiative on water availability and use. It encompasses both the Bureau of Reclamation (Reclamation) and in the U.S. Geological Survey. The WaterSMART Initiative as implemented by Reclamation includes, among other things, the Title XVI program, the WaterSMART Grants, and the River Basin Supply and Demand Studies. The USGS implementation of WaterSMART involves multiple USGS mission areas and is coordinated with Reclamation. As competition for water resources grows for irrigation of crops, growing cities and communities, energy production, and the environment, the need for information and tools to aid water resource and land managers grows.

WaterSMART is founded in the requirements of the SECURE Water Act (P.L. 111-11), Section 9508, which calls for the USGS to establish a national water availability and use assessment program. It is a multidisciplinary effort designed to further understand the complex linkages between water quantity, quality, and the environment--in order to improve management of this finite resource. The goal of this initiative is to provide a well-integrated and thorough understanding of how water

quantity and quality combine to influence water availability for human and ecosystem uses. USGS expertise in understanding the hydrologic cycle, water geochemistry, land use effects on water, human water use, and the ways in which water quality and quantity affect the natural environment make the USGS the premier science agency to address this issue. WaterSMART, through the combined efforts of Reclamation in the West and the USGS throughout the entire Nation, provides science and decision support tools for a sustainable water strategy. This effort contributes to the Nation's strategic ability to maintain water resource sustainability through synthesis of knowledge about and consideration for water quantity, quality, and uses, including ecological uses.

The 2013 Budget reflects efforts to prioritize the development of these critically important tools for managing our Nation's water, while maintaining the water science, monitoring, and interpretative studies that have been at the core of the USGS mission for over a century. In a time of severe fiscal constraints, tough decisions were made in order to balance the core science needs of the Nation as a whole with the need to develop new tools to manage the Nation's waters in the 21st century. As a result, the \$210 million included in the FY 2013 budget for Water Resources programs, represents both net increases for some programs and net decreases for others.

The net increases include an increase of \$3.1 million for the National Streamflow Information Program to bring more stable funding to the backbone of permanent Federal streamgages utilized by water managers in every State and for a Rapid Disaster Response initiative that will provide rapid deployable streamgages for use in flood response. The budget includes an increase of \$2.7 million for the Groundwater Resources Program for development of a national groundwater monitoring network. The Budget also includes an increase of \$3.8 million for Hydrologic Research and Development to support research in restoring priority ecosystems and to understand and minimize potential environmental, health, and safety impacts of hydraulic fracturing.

Among the decreases, there is a net decrease of \$730,000 from the FY 2012 enacted level for the National Water Quality Assessment, a \$2.6 million decrease for Hydrologic Networks and Analysis, and a \$4.7 million decrease for the Cooperative Water Program. The Water Resources Research Act program (\$6.5 million) is not funded in the budget request.

The 2013 budget request reflects the Administration's commitment to Research and Development and the Administration's support for USGS science as a foundation for resource management decisions, while recognizing constrained fiscal resources. This budget also reflects careful and difficult decisions that balance USGS research, assessment, and monitoring activities to ensure USGS's continued ability to address a broad array of natural-resource and natural-science issues facing the Nation, now and into the future. The 2013 budget request for the USGS supports a continued legacy of world-class science to support decision-making.

Your budget proposes increases for streamgages under the National Streamflow Information Program, while at the same time decreasing streamgage funding under the Cooperative Water Program.

Simpson Q3: What's the strategy there?

Answer: The President's budget for FY 2013 proposes \$59.3 million for the Cooperative Water Program (CWP), which provides funds that are leveraged by State and local partners to fund interpretative studies and other needs such as local streamgages. The CWP is a cost-share program with 1,550 cooperators who contribute significantly (70 percent) to total CWP funding. Decisions are made jointly in the context of USGS interests and local, State, and tribal needs. The capacity for local partners to leverage these Federal funds depends on cooperator budgets remaining stable. Many CWP agreements are multi-year, resulting in committed funding with cooperators in 2013 and out-years.

In a time of fiscal austerity, difficult decisions were made to maintain support for programs that balance the science needs of the Nation as a whole. Proposed reductions in the CWP could impact streamgaging, groundwater, and water quality monitoring stations operated through these cooperative partnerships.

However, a \$3.0 million increase in funding for the National Streamflow Information Program (NSIP) would provide stable Federal funding for about 100 NSIP streamgages. Decisions about the exact sites to receive NSIP funding for streamgages are made at the State level in collaboration with partners. USGS national leadership is committed to working with the 48 USGS Water Science Centers that implement NSIP and CWP activities with localities, States, and Tribes, and will prioritize critical monitoring stations to the extent possible.

Simpson Q4: What is the current state of the streamgage program? How will it be strengthened under the proposed budget?

Answer: There are currently about 7,800 active streamgages funded by the USGS and over 850 other Federal, State, Tribal, and local partners. More than 95 percent of the streamgages provide the streamflow information on the web in real-time. Over the last two decades (1990 to 2010) the number of streamgages in operation has been highly variable, with a mean of 7,275 streamgages, a minimum of 6,769 streamgages (1997) and a maximum of 7,884 streamgages (2009). During the same time period, about 1,600 streamgages with more than 30 years of record were discontinued. Approximately 3,100 of the existing streamgages are designated as National Streamflow Information Program (NSIP) "Federal-needs streamgages." At current funding levels, fewer than 500 streamgages are fully funded and about 1,000 are partially funded by the NSIP. In addition, there are another 1,724 NSIP-designated streamgages that need to be established (or reactivated) to have the complete NSIP Federal-needs streamgage network in place.

The Cooperative Water Program (CWP), other Federal agencies, and other partners provide about 83 percent of the current streamgage network funding and fully or partially fund a large portion of the active NSIP-designated streamgages. Because of changes in partner funding priorities and budgets, network stability is not ensured, as indicated by the larger fluctuation in the number of gages during the last decade. There are currently nearly 669 streamgages that are at risk, threatened, or have been

recently discontinued because of changes in priorities and availability of funding (see <http://streamstatsags.cr.usgs.gov/ThreatenedGages/ThreatenedGages.html>).

The SECURE Water Act of 2009 provided authorization for the NSIP and called for a 10 year ramp-up to fully implement the NSIP network. Proposed funding increases in the 2013 budget for NSIP will help to bring more stable Federal funding to about 100 streamgages, which are part of the Federal backbone but are currently funded through the CWP. The 2013 budget for the streamgage program also provides for funds to be invested in activities that will help protect life and property from hazards. These activities would include developing and producing streamgages that can be rapidly deployed to locations that are currently or forecast to be in flood or drought conditions to provide more spatial streamflow information. This information could be used by first responders, those responsible for making decisions regarding activities related to the event, and to provide a better understanding of the hydrologic extremes. The 2013 proposed budget also provides for additional activities related to producing flood inundation maps, a library of maps that shows the extent and depth of flood waters to assist home owners, business owners, and first responders.

The 2013 NSIP budget also provides funds for ecosystem restoration activities that likely will include providing streamflow information for use in the design and implementation of techniques and processes to restore ecosystems.

Once again the Water Resources Institutes are proposed for termination.

Simpson Q5: What do these institutes do and why are they not a priority for the USGS?

Answer: The Water Resources Research Institutes (WRRIs), located at 54 land-grant universities across the Nation, use their 2:1 (non-Federal to Federal) matching grants to support over 250 research and technology transfer projects annually. These projects are developed in response to priorities set by the institutes' individual State Advisory Committees and address a wide variety of water resources issue and problems. The research projects provide support and training to over 700 students nationwide each year, contributing to the development of the next generation of water resources scientists, engineers, and technicians. The Water Institutes' program is described at <http://water.usgs.gov/wrri/>.

Federal funding for WRRIs is often highly leveraged by multiple sources of State and local funding. With diverse sources of funding and stakeholder involvement in WRRi decision-making, the priorities of individual Institutes are not solely driven by the Federal government. As a result, their priorities have not always been aligned with the national priorities of the USGS water programs. This is not a comment on the overall excellence or quality of the Institutes, which produce research products and students that can directly benefit the USGS mission. The USGS is currently evaluating different ways in which the work of the Institutes can become more aligned with National priorities, while retaining a local focus.

Though the USGS recognizes and appreciates the contributions of the Institutes, in a time of severe fiscal constraints, tough decisions were made in the formulation of the 2013 budget to meet the science needs of the Nation as a whole. The 2013 budget reflects efforts to balance USGS research,

assessment, and monitoring activities to ensure the USGS's continued ability to address a broad array of natural resources and natural science issues that face the Nation. The budget supports a continued legacy of world-class science to support decision-making.

Simpson Q6: What could these institutes be doing differently that would make them a higher budget priority for the USGS?

Answer: Though the USGS recognizes and appreciates the contributions of the institutes, the 2013 budget represents careful and difficult decisions that seek to balance USGS research, assessment, and monitoring activities to ensure USGS' continued ability to address a broad array of natural resources and natural science issues facing the Nation.

Research projects that demonstrate a direct contribution to advancing knowledge in support of national water priorities in the 21st century, in addition to priorities set by the Institutes' State Advisory Committees as currently required by the Water Resources Research Act, would provide a stronger connection to the USGS mission.

The budget for the USGS requests a \$6.3 million decrease for the National Water Quality Assessment Program. The Congress established this program in 1991 to provide answers to some fundamental questions that are important to the Nation's health and well-being such as: "What is the status of the Nation's water quality, and is it getting better or worse?" Your testimony indicates that you have given priority to preserving long term data networks in this budget. Yet, the number of stream monitoring sites and wells that NAWQA samples has eroded substantially since the first decade of the program.

Simpson Q7: What is the USGS doing to address this problem and what will be the impact of this budget on the long term water quality monitoring that the Nation needs to answer the aforementioned types of questions?

Answer: The President's FY 2013 Budget includes \$62.2 million for the National Water Quality Assessment (NAWQA) program. That is a \$730,000 decrease from the 2012 Enacted level of \$62.9 million for the program. The impact of the proposed decrease would be to diminish restoration of a number of long term water quality monitoring sites as specified in the Cycle 3 Science Plan for the period 2013-2022. NAWQA will only be able to meet about 25 percent of the 2013 planned performance measure to complete 10 percent of the decadal national assessment of streams and groundwater in support of water resources decision-making. The decrease allows for a redirection of funds to address the priority issues identified in WaterSMART, which provides an additional \$3.5 million to the NAWQA program.

The USGS designed NAWQA to provide nationally consistent data and information on the quality of the Nation's streams and groundwater, to measure water-quality changes over time, and to determine how natural features and human activities affect water quality. As population and threats to water quality continue to grow and change, this information continues to be used by national, regional, State, tribal, and local stakeholders to develop more effective, science-based policies and regulations for water-quality and ecosystem protection and management.

A new decade of monitoring and assessment activities for the NAWQA program will begin in 2013. In planning the work for the next 10 years, the USGS sought recommendations from Federal and State agencies and private organizations that use the information and the National Research Council on the highest priority water-quality issues facing the Nation. Collectively, these groups recommended that NAWQA restore and enhance its national water-quality monitoring networks for streams and groundwater. These monitoring sites have been reduced in number over the last 15 years. These networks provide the only nationally consistent, long-term water-quality monitoring of its kind. They are essential in enabling the NAWQA program to track changes in water quality and for developing analytical tools to predict how the quality of groundwater, surface water, and ecosystems will respond to changing management practices, climate, and land use.

To meet the priority water-quality information needs of the Nation as recommended to NAWQA, a network of 313 sites—each actively monitored every year—has been proposed. Stakeholders strongly support this type of intensive assessment, because year-to-year tracking is critical for assessing short-term changes as well as long-term trends in nutrients, pesticides, sediment, and other contaminants. Data from these networks are also essential to assess runoff to local streams and rivers and to more distant receiving waters, such as in the Great Lakes, Gulf of Mexico, Chesapeake Bay and San Francisco Bay.

The Nation has spent billions of dollars investing in upgrades to wastewater treatment facilities and tackling problems associated with nonpoint source pollution to restore and maintain the quality of the Nation's water resources. Yet, recent reports by USGS show that nutrient levels in the Nation's streams are not getting better and the quality of groundwater is getting worse.

Simpson Q8: This year marks the 40th anniversary of the Clean Water Act—without adequate monitoring and assessment how will we know whether current investments are working?

Answer: Monitoring by the USGS, the EPA, and States has shown that increased release of nutrients into the environment due to human activities has had profound and widespread impacts on streams, groundwater, and coastal waters. Because the impacts of nutrients are widespread nationally, monitoring is needed across a wide range of scales, from small targeted scales to large rivers, including those that discharge to estuaries. Such coverage is needed to ensure that the effects of nutrient management programs can be observed as early as possible (smaller scales) and in downstream locations (e.g., cities, entry points to reservoirs, estuaries) that matter for human uses of water (larger scales).

Monitoring efforts to date need to continue in order to ensure that investments in the Clean Water Act continue to provide relevant and timely data on the status of nutrient levels in the waters of the U.S.

Simpson Q9: Will we have the information needed to make wise investments for the future?

Answer: There are numerous reports concluding that water quality monitoring currently is not adequate to provide a comprehensive assessment of the Nation's water resources (Federal Interagency Panel on Climate Change and Water Data and Information, 2011; Subcommittee on

Groundwater, 2009; U.S. Government Accountability Office, 2004). Particularly detrimental to the tracking performance in the management of nutrients is the fact that the number of long-term nutrient monitoring sites suitable for assessing nutrient trends and calibrating water quality models has declined substantially over the past two decades. Using the USGS as an example, the number of water quality sites with adequate streamflow and nutrient data available from large river sites operated by the USGS National Stream Quality Accounting Network (NASQAN) declined from about 500 sites in the mid-1970's to about 275 in 1994 to the current network of 33 sites (U.S. Geological Survey, 2011a). Since 2001, monitoring of nutrients by the USGS National Water Quality Assessment (NAWQA) Program also has declined, from 145 nutrient trend sites monitored every year to 113 sites monitored in 2011. Of these, only 12 of the 113 sites are being monitored every year, and the majority of sites are monitored only one out of every four years. This type of rotational monitoring design does not yield data suitable for reliably evaluating the effectiveness of nutrient management programs, especially in smaller streams and watersheds. Although nutrient data from other sources can partly fill the void created by the decline in Federal agency monitoring, water quality monitoring at State and local long-term sites has also declined in recent years.

New networks and major upgrades to existing water-quality monitoring networks have been recommended to meet the deficiency in monitoring data. The most comprehensive of the recommendations is the National Water Quality Monitoring Network (NWQMN) that was proposed in 2008 by the National Water Quality Monitoring Council, which is a national forum for coordination of consistent and scientifically defensible methods and strategies to improve water quality monitoring, assessment and reporting. If implemented, it would provide information on the Nation's water quality from headwaters to the coasts and would include monitoring in small streams, large rivers, lakes and reservoirs, groundwater, and estuaries and offshore coastal zones. The network design is consistent with the National Ocean Council's Strategic Action Plan (2011) and was endorsed by the Federal Interagency Panel on Climate Change and Water Data and Information (2011).

A major objective of the recommended network is to assess the loads of nutrients and other key contaminants to coastal waters. Assessing the impacts of nutrient management programs would be difficult at this large scale, given the current level of stream monitoring and the patchwork nature of nutrient management programs and best management practices across the country.

The National Research Council supports the proposed upgrade of the USGS surface-water quality monitoring network as part of NAWQA's third decade (Cycle 3) of assessment activities. One of the principal reasons for the recommendation is to provide the data and information necessary for the States, EPA, and USDA to better manage nutrients in the Nation's streams and estuaries. The Science Plan recommends upgrading the current network of 113 rotational sites on streams and rivers to a network of 313 sites that would be sampled for nutrients 18 to 24 times per year every year. This monitoring network—the National Fixed-Site Network—represents a combination of NASQAN, NAWQA, and proposed NWQNM stream sites.

Included in the proposed network are wade-able stream sites that represent watersheds that range in size from a few tens of square miles to a few hundred square miles, which is the scale at which most nutrient management programs are implemented. The proposed network also would utilize continuous water-quality monitoring technology at about half the sites to better document changes in nutrient concentrations and loads in response to short term hydrologic events or implementation of

best management practices. Monitoring would include use of new sensor technology to continuously monitor for nitrate, dissolved organic matter, and turbidity.

The USGS recommends four actions that will enable long-term evaluation of the success of nutrient management programs locally and nationally:

- 1) Restore and enhance multi-scale, long-term monitoring of nutrients in the Nation's surface water and groundwater resources.
- 2) Improve existing water-quality models for extrapolation of nutrient occurrence in space and time.
- 3) Establish a network of targeted watershed studies that track nutrients from source areas to receiving waters and groundwater discharge locations across a representative range of nutrient management programs.
- 4) Improve the detail and reliability of information on sources of nutrients, and establish requirements that all nutrient management programs document the type, location, and extent of practices implemented in each watershed or aquifer.

Accomplishing these tasks would require substantial rebuilding and enhancements of current monitoring and assessment activities to address these critical public issues.

Mineral Resources

I mentioned in my opening statement that I have some concerns about the cuts taken in FY12 for minerals programs and the additional cuts proposed for FY13. As you know, the United States requires a sustainable supply of mineral commodities that are critical to the Nation's economic and national security. These mineral commodities are increasingly important for clean-energy industries, defense applications, and consumer electronics. A geographic concentration in global supply for some of these mineral commodities introduces issues of supply risk. A \$4.3 million cut in FY13 and the loss of 34 FTE is significant, especially considering that one area cut will be the "dissemination of international minerals information".

Simpson Q10: Given the Nation's heavy reliance on minerals from overseas, and given the importance of minerals to our economy and national defense, why should we be cutting this program?

Answer: The 2013 budget request for the Mineral Resources Program reflects difficult choices in a time of fiscal constraints. The proposed budget reduction will impact research on the relationship between minerals and human health. The reduction will impair collection of basic geologic and mineral deposit data in Alaska; collection, analysis, and dissemination of international minerals information and material flow studies; and reduce analytical capabilities, requiring consolidation of analytical facilities supported by the Mineral Resources Program. The reduction will also require a phased initiation of the new domestic mineral resource assessment in 2013, which will proceed with stepwise implementation that will extend the time required to complete the assessment.

While the USGS Mineral Resources Program budget request includes a reduction in 2013, funding has been prioritized to address a significant resource issue facing the Nation, the availability of critical materials such as rare earth elements that are essential for U.S. technology development,

national defense, and economic development. Rare earth elements are critically important in the development of renewable energy technology such as wind turbines, solar cells, and advanced hybrid vehicles. The USGS leads the world in unbiased scientific research on the availability of critical materials and documenting world supplies in an era of resource constraints. The USGS will be doubling its investment in rare earth elements with this increase.

Simpson Q11: How will the reductions taken in FY12 and proposed for FY13 impact the Minerals Information component of the program?

Answer: The 2013 budget request for the Mineral Resources Program reflects difficult choices in a time of fiscal constraints. The reductions taken in 2012 and those proposed for 2013 will reduce the timeliness and scope of the collection, analysis, and dissemination of minerals information and material flow studies. All parts of the Mineral Resources Program will be affected by the proposed budget reduction, but due to the priority of the work in the Minerals Information component, other parts of the Mineral Resources Program will be impacted to a greater extent.

The Mineral Resources Program recently started a new effort it calls “Critical Mineral Resources for the 21st Century”. This effort includes (1) analysis of vulnerabilities of global critical mineral supply chains, (2) assessment of undiscovered critical domestic mineral resources, and (3) information of the impacts of mineral resources on human health.

Simpson Q12: How will USGS be able to continue this initiative given the proposed \$4.3 million cut in FY13?

Answer: The 2013 request for the Mineral Resources Program reflects difficult choices that had to be made due to fiscal constraints in order to balance science needs and priorities in the budget. While the USGS Mineral Resources Program budget includes a net reduction in 2013, a \$1.0 million increase is proposed to address the significant issue facing the Nation concerning the availability of critical materials such as rare earth elements. Rare earth elements are essential for U.S. technology development, national defense, and economic development. The USGS leads the world in unbiased scientific research on the availability of critical materials and in documenting world supplies in an era of resource constraints. The “Critical Mineral Resources for the 21st Century” initiative will continue with an increased focus on these critical mineral resources.

Conventional Energy

The FY13 budget proposes a \$1 million cut to a State cooperative program focused on coal and oil shale resource assessments. According to the budget proposal, the funds instead are being directed to a \$1 million increase for wind energy.

Simpson Q13: How is this proposal consistent with the president’s remarks this past weekend that “We have to pursue an all-of-the-above strategy that develops every source of American energy”?

Answer: The USGS Energy Resources Program studies virtually all geologically based energy resources including oil, gas, coal, methane hydrates, geothermal, uranium, heavy oil, and oil shale. The Energy Resources Program will continue research and assessment activities on these energy commodities. However, budget constraints required the USGS to make targeted reductions so that funds could be used to support priorities elsewhere in the budget, including the Secretary's New Energy Frontier, which focuses on renewable energy resources. The Nation's "all of the above" approach to energy development is taking advantage of the USGS' expertise in wildlife and ecosystems to minimize negative impacts from wind and solar energy developments prior to the installation of this energy infrastructure.

Hydraulic Fracturing

An increase of \$13 million is proposed for hydraulic fracturing research in conjunction with the Department of Energy and the EPA.

Simpson Q14: Please explain who is coordinating this interagency effort, whether there is a strategic plan driving the effort, what USGS's unique role is, and what are the end outcome measures of success.

Answer: The U.S. Geological Survey (USGS), the Department of Energy (DOE), and the Environmental Protection Agency (EPA) are developing a collaborative, multi-agency hydraulic fracturing research initiative to address the highest priority challenges associated with safely and prudently developing unconventional shale gas and tight oil resources. USGS research activities will be carefully coordinated with DOE, EPA, other Federal agencies (including the Interior bureaus of the Bureau of Land Management, the U.S. Fish and Wildlife Service, and the National Park Service), State agencies, academia, and non-governmental organizations.

On April 13, 2012, the President signed an Executive Order creating the Interagency Working Group to Support Safe and Responsible Development of Unconventional Domestic Natural Gas Resources. On the same day, the USGS, the DOE, and the EPA, signed a Memorandum of Agreement (MOA) initiating a multi-agency collaboration on unconventional oil and gas research. The objective of this collaborative effort is to better understand and address the potential environmental, health, and safety impacts of natural gas development through hydraulic fracturing. The MOA establishes the structure and process that will drive this effort. Over the next nine months, a robust and strategic R&D plan will be developed by the three agencies, working in collaboration with the White House Office of Science and Technology Policy. The plan will build on recommendations of the Secretary of Energy Advisory Board (SEAB) Natural Gas Subcommittee and emphasize the fundamental core competencies of each agency in synergistic ways that lead to complementary and non-duplicative work. This plan will prioritize and guide the agencies in the R&D work they will carry out.

The USGS has a unique role because of its diverse scientific expertise and ability to carry out large-scale, multi-disciplinary investigations that provide impartial scientific information to resource managers, planners, and other customers for decision-making purposes. The USGS is the Nation's largest water, Earth, and biological science and civilian mapping agency. It works across a wide range of Earth and life science disciplines to address multi-faceted issues such as hydraulic

fracturing. The USGS' role in this interagency effort is to enhance existing research and undertake new policy-relevant research that focuses on:

- potential impacts of hydraulic fracturing and related activities on water quality and availability;
- monitoring and characterization of stray gas (gas that migrates upwards from one or more subsurface sources to near-surface aquifers and streams, rivers, and lakes);
- characterizing the gas resource and related geologic framework;
- impacts on landscapes, habitats, and living resources;
- induced seismicity;
- socioeconomics of community changes; and
- comprehensive data integration.

The results of USGS studies will provide stakeholders with scientific and technical data and information required for making sound policy, planning, regulatory, technical, and resource management decisions to minimize the potential environmental, health, and safety risks of natural gas development.

The following are a sampling of USGS hydraulic fracturing research projects that will be conducted:

The USGS will develop methodologies to quantitatively determine water requirements for hydraulic fracturing of major unconventional oil and gas plays. New techniques will be applied to undiscovered resources, which will be beneficial for predicting water requirements in advance of drilling for a given play. The study will involve water budget assessments to determine where the water used in hydraulic fracturing is obtained and where it goes. Since brackish water has the potential for use in hydraulic fracturing, but is often not viable for human consumption or agricultural use, the USGS proposes to use geophysical methods and water quality data to estimate the volumes and spatial distributions of brackish water resources and to assess the potential issues associated with using these fluids for hydraulic fracturing activities.

The USGS will use its specially-designed techniques and equipment to collect and geochemically fingerprint time-series fluid samples from major unconventional oil and gas plays. Since flowback fluids and brines produced from hydraulically fractured wells have been poorly characterized thus far, and may be difficult to distinguish from other potential sources of contamination in shallow aquifers, the USGS study will be important for understanding potential contamination as well as for providing baseline information that has not yet been developed for any of these producing reservoirs.

The USGS will continue to study the occurrence of natural gas in private water wells using chemical and isotopic techniques to determine the nature and source of natural gas. This "stray gas" can emanate from one or more of a variety of anthropogenic sources including abandoned oil and gas wells, subsurface fluid injection wells, and water wells. Geologic mapping and subsurface geological and geophysical surveys will also be conducted by the USGS to improve our understanding of the geometry and structure of the rock formations that contain unconventional oil and gas resources.

The USGS also plans to conduct induced seismicity studies, since earthquakes have occurred in areas of significant shale gas production and hydraulic fracturing over the last two years. Proposed studies will seek to understand the complex interaction of fluid pressures and subsurface stress.

Research on living resources and landscapes will also be conducted. Studies will provide an improved understanding of the sensitivity of aquatic organisms to the chemical components of hydraulic fracturing fluids and flowback water; evaluate best management practices used in shale gas development for protecting sensitive aquatic and terrestrial species; determine cumulative impacts of shale gas development on the landscape to develop strategies to prevent, minimize, or mitigate ecosystem level disturbances over time; evaluate the socioeconomic effects of shale gas development on communities; and develop a framework for assessing the impact of hydraulic fracturing on ecosystem services.

The USGS John Wesley Powell Center for Analysis and Synthesis will also develop an atlas of United States unconventional hydrocarbon production areas, resources, and environmental impacts and a spatially explicit approach for assessing the full life cycle of shale gas production and produced waters.

LandSat

As I mentioned in my opening statement, the budget for LandSat is markedly different from the proposal just a year ago. While this Committee rejected the large increases proposed for LandSats 9 and 10, we did provide \$2 million in support of maintaining continuity in a LandSat program. The FY13 budget proposes only \$250,000 for LandSats 9 and 10.

Simpson Q15: Please give us an update on the status of LandSats 5, 7, 8, 9, and 10.

Answer:

LandSat 5: The USGS suspended Landsat 5 imaging activities on November 18, 2011 to explore possible solutions to problems with the satellite's image-data transmitter and to investigate the feasibility of operating a secondary multispectral payload on the 28-year old mission. The USGS turned on the Landsat 5 Thematic Mapper (TM) in late April, 2012 to determine the state of the electronics problem that suspended operations. Unfortunately, several alternate methods of acquisitions did not alleviate the problem, which severely limits any further TM acquisitions. The USGS is determining the best strategy for acquiring the final TM scenes. The second instrument on Landsat 5, the multi-spectral scanner (MSS) instrument has been reactivated and MSS data are being collected over the United States.

LandSat 7: This satellite has been operating with a scan-line corrector failure since May 2003, which causes the loss of 23 percent of the image pixels in each 12,000 square-mile scene. Nonetheless, the USGS continues to collect over 350 Landsat 7 scenes per day of the Earth's land surface and users continue to download tens of thousands of Landsat 7 scenes each week from the USGS satellite-data archive. Launched in 1999, Landsat 7 is now 8 years beyond its 5-year design life.

LandSat 8: The 2012 enacted budget includes a total of \$35.5M for the USGS to develop the ground system, in step with the NASA development of the Landsat 8 satellite, in preparation for launch in January 2013.

Landsats 9 and 10: The 2012 enacted budget includes \$2.0 million to support program development activities for Landsat satellites 9 and 10. These funds are being used to consider options to obtain, characterize, manage, maintain, and prioritize land remote sensing data and to support the evaluation of alternatives for a Landsat 9 mission and other means for acquiring data. In 2013, the budget request includes \$250,000 to continue these activities. The evaluation of these alternatives will help inform the 2014 budget formulation process.

Simpson Q16: Are you considering new partnership and technology approaches that could lower the cost of future LandSat missions?

Answer: Yes. The USGS is working closely with the Landsat user community, the Department of the Interior, the Office of Science and Technology Policy, and other agencies to identify and consider all available options for ensuring continuity of moderate-resolution land observation for the Nation. The USGS is evaluating the results of a Request for Information (RFI) to solicit industry insights on providing a dependable, long-term source for Landsat-like data to follow Landsat 8. The RFI called for information on mission concepts that could include revolutionary “clean-slate” technical approaches, as well as evolutionary upgrade approaches. Approaches may involve single- or multiple-satellite acquisitions, commercial data buy arrangements, public/private partnerships, hosted payloads, international collaboration, small satellites, and architectures utilizing combinations of space-based sensors. The USGS is also supporting a National Research Council study on programmatic and operational alternatives for establishing a long-term source of Landsat-like data for the Nation. These efforts include a “Gathering of Experts” to examine the feasibility of new and emerging technologies that might be applicable for sustaining global land observations.

Climate Variability

The FY13 budget proposes an +\$8.8 million increase to the climate change program. As I’ve said before, I’m not a climate change naysayer, but I do question the federal government’s ability to coordinate and account for the rapid increases in so-called climate change spending since FY08. So far I haven’t received the kinds of answers that would put my mind at ease.

Simpson Q17: Please summarize for us what USGS is trying to learn with respect to climate change, and explain why we need to know it.

Answer: Successful development of strategies for adapting to climate change impacts on water, land, fish, wildlife, and other Department of the Interior management priorities requires a long-term, strategic approach aimed at understanding causes and patterns of climate change and their impacts on the Earth system and the Nation’s resources. Through an integrated set of science programs, USGS climate change research advances understanding of climate change and provides tools to support sound resource management decisions and adaptation strategies.

USGS climate change programs produce fundamental science to advance understanding of global change and its effects on the Earth system. For example, the USGS conducts integrated research to reconstruct regional-to-national patterns of climate variability (e.g., temperature, precipitation, and hydrology) during the last 2,000 years. These efforts aim to better understand regional responses to

climate events such as sustained drought and determine magnitudes and rates of climate change associated with natural climate variability. The paleoclimate reconstructions are compared with climate model results to test and verify model simulations of past and current climate. The regional to national reconstructions also provide a context to evaluate potential climate changes and impacts associated with altered greenhouse gas emissions and land use.

USGS climate change programs also apply scientific data and research to inform decisions on adaptation and mitigation and aid assessments of the Nation's capacity to respond to impacts and vulnerabilities associated with climate and land use change. One example is USGS research to develop an integrated model to forecast how climate may affect wildfire, permafrost, and vegetation patterns in Alaska. The research components necessary for development of this model include evidence of long-term patterns (such as permafrost variability over several millennia) and shorter-term records of changes in critical habitats and species composition. This comprehensive understanding enables development of models that simulate changes in permafrost patterns and associated plant and animal species under different climate scenarios. By integrating data generation with modeling efforts, the capability of models will be maximized to accurately forecast impacts of different climate and land use scenarios on the Alaskan landscape and provide tools to help managers develop sustainable management options and ensure the long-term sustainability of Interior resources.

USGS programs provide the platform for addressing these important questions. The primary activity supporting this work is the Climate and Land Use Change (CLU) mission area, but other mission areas, especially Water and Ecosystems, provide crucial related research and monitoring capabilities. The CLU mission area includes:

- The core Climate Research and Development program that focuses on fundamental processes by which global changes occur and how these changes affect natural resources;
- The National Climate Change and Wildlife Science Center, which manages the eight Department of the Interior Climate Science Centers, works closely with regional and local resource managers to provide scientific information and tools for understanding and adapting to change;
- A Congressionally-mandated initiative to assess the potential for sequestering carbon in both geologic and biologic reservoirs in the United States;
- The Land Remote Sensing program, which includes the Landsat satellite. This program provides high-quality terrestrial image data used by Federal, State, and local governments and the private sector to assess and manage natural resources. A critically important example is the use of these data to calibrate use of water for irrigation in the western United States. It is estimated that this satellite-based technique annually saves businesses and States \$100 million; and
- The Geographic Analysis and Monitoring program, which conducts research and assessments to understand the patterns, processes, and consequences of changes in land use, land

condition, and land cover at multiple spatial and temporal scales, resulting from the interactions between human activities and natural systems.

These climate and land use change programs allow the USGS to assess changing climate and changing land use, which are intimately connected. The consolidation of these programs into one mission area in 2010 was an important and logical step for the USGS. Strategic Science Plans for each mission area have been developed to both guide overall efforts and ensure that complementary efforts are effectively linked.

Simpson Q18: What is the proposed FY13 increase going to be spent on and why?

Answer: Proposed increases in the Climate Variability subactivity for 2013 will support:

- Tribal climate science needs - a key research component of the Department of the Interior Climate Science Centers (DOI CSCs) in the Northwest and Northeast regions. Proposed increases for these DOI CSCs are meant to address priority tribal research issues in the Columbia River and Great Lakes ecosystems, such as surrounding fisheries and forest adaptation planning.
- Fundamental research to advance scientific understanding of patterns of climate variability and change and its impacts on the Earth system. Priority topics include: paleoclimate research to document natural climate variability over multiple temporal and spatial scales and the response of different components of the Earth system; the carbon cycle and processes influencing carbon flux; patterns, causes, and impacts of hydrologic extremes; impacts of climate and land-use change on terrestrial and marine systems; rates, causes, and consequences of land-use and land-cover change; and sea-level rise and coastal regions. These research efforts provide data needed to test and verify models used to simulate current and past climates and to forecast future climate under different scenarios. The data also serve to inform policymakers and planners during development of resource management strategies.
- Completion of initial assessments of biologic and geologic carbon storage potential as mandated by the Energy Independence and Security Act of 2007.
- High priority tactical science needs identified by the Fish and Wildlife Service, the National Park Service, and the Bureau of Land Management. Funding increases for providing this science support will go toward integrating results from research projects, such as the Alaska integrated ecosystem model being done at the Alaska DOI CSC, and applying them to key bureau concerns, such as wildfire management and adapting to changes in permafrost and habitats.

These increases provide resources to continue both the highest priority and legislatively mandated activities as identified by the USGS and Interior.

Simpson Q19: Are these priorities that were identified and tasked to USGS by a larger government-wide climate change coordination group such as the U.S. Climate Change Science Program?

Answer: Priorities for the Climate Variability Subactivity for 2013 were guided by input from needs expressed by several external bodies, including the U.S. Global Change Research Program (USGCRP, previously the U.S. Climate Change Science Program) and Interior partners. *The National Global Change Research Plan 2012-2021*, which is a strategic plan for the USGCRP, includes four strategic goals:

- *Advance Science* – advance scientific knowledge of the integrated natural and human components of the Earth System;
- *Inform Decisions* – provide the scientific basis to inform and enable timely decisions on adaptation and mitigation;
- *Conduct Sustained Assessments* – build sustained assessment capacity that improves the Nation’s ability to understand, anticipate, and respond to global change impacts and vulnerabilities; and
- *Communicate and Educate* – Advance communications and education to broaden public understanding of global change and develop the scientific workforce of the future.

Priorities of the USGS Climate Research & Development Program directly address the need to advance the scientific knowledge of the Earth system and inform decisions by conducting fundamental multidisciplinary research to:

- Improve understanding of natural patterns of climate variability and impacts on terrestrial, coastal, and marine habitats;
- Distinguish patterns influenced by natural climate variability from those related to human-induced changes that include land-cover and climate changes;
- Better understand impacts of climate and land use change on ecosystems and habitats over different temporal and spatial scales; and
- Improve understanding of the influence of different processes on sea level rise, such as melting ice sheets, oceanographic changes, and natural climate variability. Such fundamental research is needed to improve the capability of models to forecast sea-level patterns under different climate scenarios.

These topics are identified in the USGCRP Strategic Plan 2012-2021 as necessary to inform future decisions and responses to the societal challenges associated with climate and global change.

The National Climate Change and Wildlife Science Center (NCCWSC) and the DOI Climate Science Centers (CSCs) are stakeholder-driven science organizations. As such, their science priorities are developed based on the science needs of numerous organizations, such as the Landscape Conservation Cooperatives, other Interior bureaus, and other Federal government programs, such as the NOAA Regional Integrated Science and Assessment program. This stakeholder-driven approach ensures that the NCCWSC and the CSCs meet climate science needs related to adaptation planning for fish and wildlife and their habitats. Equally important is assurance that this science fills identified gaps and needs and does not duplicate existing climate science activities. NCCWSC and CSC efforts help provide the scientific basis to inform and enable timely decisions, as outlined in the USGCRP Strategic Plan 2012-2021, and they participate in the National Climate Assessment as required by the U.S. Global Change Research Act.

Simpson Q20: What do you think are some of the largest impediments to climate change coordination across the federal government?

Answer: The largest impediment to a coordinated response to climate change in any sector, including the Federal government, is the complex, multi-faceted nature of global change resulting from climate variability. As the Earth's natural history reveals, changes in climate can have far-reaching impacts on natural systems and the human societies that inhabit them. Responding and adapting to these changes and mitigating their impacts requires coordination among government entities with varying missions and mandates, such as the management of natural and cultural resources or the building of infrastructure and provision of services. Responding to global change requires a Federal government that is well-equipped with robust data, tools, and governance capacities.

Coordinating climate change efforts across the Federal government is challenging because of the complex nature of global change, the differing missions and cultures of branches of government and agencies within them, and the need to develop science, strategies, and institutions that are adaptive to diverse needs. Both existing and new institutions and arrangements are being marshaled to meet these needs. They include:

- The United States Global Change Research Program (USGCRP) coordinates research programs across the Federal government to avoid duplication and fill gaps. This government-wide, long-term coordination effort has recently developed a new strategic plan that places much greater emphasis on advancing science that is relevant to the needs of decision-makers facing adaptation challenges. These efforts address both fundamental science questions and the methods to ensure tight linkage between user needs, delivery of science to users, and the research community. The USGS is an active member of multiple working groups of USGCRP and a USGS senior executive serves as the backup Department of the Interior representative to the USGCRP Principals, the 13 agencies that lead the program;
- The Interagency Climate Change Adaptation Task Force (ICCATF), co-chaired by the Council on Environmental Quality (CEQ), the Office of Science and Technology Policy, and the National Oceanic and Atmospheric Administration (NOAA), is working to implement President Obama's directive to agencies to develop strategic climate adaptation plans. The CEQ has issued implementation instructions to agencies and final plans were due to the CEQ in March 2012. USGS senior executives serve on several ICCATF workgroups, representing both the USGS and the Department of the Interior; and
- Several sectoral efforts complement these government-wide strategies. These include:
 - the development of a *National Action Plan* by Federal agencies and stakeholders for managing freshwater resources in a changing climate;
 - significant attention to resiliency and adaptation to climate change in the National Ocean Council's draft *National Ocean Policy Implementation Plan*; and

- the upcoming completion of a *National Fish, Wildlife, and Plants Climate Adaptation Strategy*, developed by Federal, State, tribal, and local representatives with significant stakeholder input.

USGS scientific staff and senior executive leadership as committee co-chairs were involved in all three of these efforts.

- Finally, individual agencies, and often their subunits, are preparing agency-specific plans, strategies, and coordinating processes. For example, Secretary Salazar has convened a high level Climate and Energy Task Force as a forum for interagency coordination to help transfer climate science into adaptation management planning in the Department of the Interior's resource management bureaus. Additionally, the implementation of the Department of the Interior Climate Science Centers (DOI CSCs) and the Landscape Conservation Cooperatives (LCCs) helps provide a coordinated, science-based management approach for adaptation across Interior's bureaus. In both of these efforts, significant attention focuses on reducing duplicative activities. For example, the DOI CSC host universities were chosen in part to maximize the collocation with NOAA's Regional Integrated Science and Assessment locations. Similarly, the LCCs bring together Federal, State, tribal, and other partners to address high priority global change issues, with a goal of ensuring appropriate science is available and maximum leverage is obtained from scarce resources.

Ecosystems

The USGS budget includes a \$16.2 million increase for "science in support of ecosystem management for priority ecosystems." I thought that was basically the mission of Interior's Landscape Conservation Cooperatives, which are funded through the Fish and Wildlife Service.

Simpson Q21: Why the need for both? Please explain.

Answer: The 2013 budget request for the USGS includes a \$16.2 million increase for fundamental science research activities in support of priority ecosystem restoration initiatives. This increase will support science research across the breadth of the USGS science mission areas. Research will support efforts to control invasive species such as pythons in the Everglades and Asian carp in the Great Lakes and Upper Mississippi, manage flow conditions and water quality in the San Francisco Bay-Delta, and understand and manage water availability, water quality, and fish habitats in the Klamath Basin. This information is available for application by the Landscape Conservation Cooperatives and other resource management entities in conservation planning and landscape level resource management.

LCCs, on the other hand, are established to institutionalize the kind of landscape-level ecosystem management being undertaken in the priority ecosystems initiatives, across all ecological landscapes in the U.S. The LCCs are entities with a mission that includes the coordination of conservation planning and management activities at a landscape level, application of science to high priority conservation needs, and identification of key science needs. In general, the LCCs are designed to

focus on application of science rather than generating fundamental science, which is the role of USGS.

The issues facing today's decision-makers--energy development, climate change, and water availability--are increasingly complex. A broad array of scientific expertise is necessary to understand both the biotic and abiotic systems that drive landscape change. The USGS has a unique range of capabilities to conduct the type of landscape-scale, systems-based science that will be applied by the Landscape Conservation Cooperatives (LCCs).

USGS research provides important fundamental science to enable resource managers to make informed decisions, to help resolve and prevent resource management conflicts, and to support Interior's public trust stewardship responsibilities for the Nation's lands and waters. USGS studies are designed to serve local ecosystem management needs and provide knowledge and approaches transferable to similar ecosystems across the Nation. These efforts have a much broader geographic scope than any individual LCC.

Simpson Q22: Is it fair to say that the LCC's are more partnership-based than the USGS research program? If so, shouldn't we be investing in the LCC's primarily?

Answer: USGS research activities are extensively partnership-based to ensure both efficient use of scarce funds and close matching of results to management needs. Research focused on the restoration of economically and socially important ecosystems across the United States is a prime example. USGS science at these locations is based on established and extensive partnerships between Federal, State, local, tribal, NGO, and academic partners. For example, USGS science is being applied in the Chesapeake Bay as part of a broad coalition of Federal, State, and local partners in support of the implementation of the Chesapeake Bay Executive Order. In the Great Lakes region, USGS Asian carp research in early detection and control technologies is being conducted in support of the Asian Carp Regional Coordinating Committee, which consists of Federal, State, and local agencies, and other stakeholders.

The purpose of the Landscape Conservation Cooperatives (LCCs) is to institutionalize formal partnerships and enduring relationships across the Nation's ecosystem landscapes to strengthen the links between science and management. The role of the LCCs is to define science needs and apply scientific results. This role is complementary to, rather than duplicative of, USGS programs as the LCCs draw upon the fundamental science produced by these programs.

The Fish and Wildlife Service hasn't been shy about trying to re-build the science capacity it lost to the National Biological Survey and eventually the Biological Resources Division at the USGS.

Simpson Q23: Is it just not working, this model of having all of Interior's biological science housed in the USGS?

Answer: Making sound policy and management decisions in the stewardship of natural resources requires robust scientific data and tools. The science needs of Federal resource management agencies are vast and diverse. Sound decision-making depends on long-term monitoring and assessment of

ecosystems and their components, the continued development of knowledge about ecosystem function and species, studies on questions of immediate management concern, and tools to examine and predict the impacts of potential decisions and ecological change.

The USGS produces an array of multi-disciplinary science that does all of the above. The USGS maintains vast National networks of long-term monitoring and data collection on ecosystems, species, water, geology, and seismology. All the USGS mission areas carry out fundamental, peer-reviewed laboratory and field science that contributes to our knowledge of the Earth's systems and is the basis for applied science in support of management. All of the mission areas, but particularly the Ecosystems mission area, carry out a multitude of science research and development driven by national and Interior bureau needs. Much of this research is driven by the applied management needs of the bureaus in the field.

Efforts by resource management agencies to develop specific science in support of specific mission needs, is an indication of the growing need for science data and tools in making complex resource management decisions. Coordination across bureaus and agencies to prevent duplication and promote synergies is absolutely essential to ensure that resources are being prioritized and utilized in the most effective manner.

Natural resource management agencies such as the Fish and Wildlife Service, the National Park Service, and the Bureau of Land Management are science-based organizations, and they require trained scientists in order to apply scientific findings to decisions. The USGS, as a policy-neutral, non-regulatory agency, has a different but complementary role to conduct long-term objective research, to develop modeling and forecasting capability to support decisions, and to maintain large-scale, long-term monitoring and data efforts.

There are many examples of this complementary role:

- **Energy and Renewables.** The USGS has made substantial efforts to provide new tools, based on decades of research, to Interior decision-makers to support science-based energy decisions. For example, the USGS developed habitat suitability models and maps for multiple species for siting decisions including the lesser prairie chicken in Kansas and sage grouse in Wyoming. The USGS also developed models for assessing cumulative impacts on golden eagles, ferruginous hawks, northern harrier and prairie falcons in Wyoming. A risk map of the effects of wind energy development and infrastructure on sage brush ecosystems in Nevada is used in *Energy Development Guidelines* and *Guidelines for Transmission* tower designs in Nevada. The USGS developed a rapid assessment methodology in collaboration with FWS to assist with management decisions for Bird Conservation Region (BCR) 11, which is transferrable to other BCR Primary Objectives.
- **Golden Eagles.** Building on decades of long-term research, the USGS has developed maps of long-term eagle use of wind energy space and the relationship to golden eagle occurrence on the landscape. The USGS is also providing direct technical assistance to FWS on the Eagle Task Force, developing survival estimates, migration and wintering information, mortality estimation, and other data for use in decision-making. Finally, the USGS is developing a mortality estimation framework that can be used by FWS to determine take and survey/monitoring designs that can be used by industry and FWS. This is a good example of the USGS providing the long-

term research results and decision tools to FWS scientists and managers to provide the scientific foundation decisions, applied by FWS personnel on the ground.

- **Sage Grouse.** The USGS has a broad research program on the ecology and conservation of sage-grouse and sagebrush habitats that addresses the science needs of resource management agencies. These studies have focused on renewable energy and oil/gas development, species conservation, land use planning, invasive species management, habitat restoration, and fire prevention and recovery. USGS science was extensively used in the 2004 and 2010 sage grouse status reviews and was key to the endangered species listing decisions made by FWS in those years. It was also used in developing the *Greater Sage Grouse Comprehensive Conservation Strategy*, and is used by BLM for national policies and resource management plans.
- **White-nose syndrome.** Research and monitoring efforts on white-nose syndrome (WNS) in bats is critical to the mission of Interior to protect and manage the Nation's natural resources and to provide scientific information about those resources to the public. The USGS plays a lead in WNS monitoring and research, and has made numerous discoveries to advance our understanding of this disease, including the initial description of the disease, discovery of the pathogen, and demonstration of causality. A collaboratively developed management plan, "National Plan for Assisting States, Federal Agencies and Tribes in Managing White-Nose Syndrome in Bats," was developed in 2011 by a team of Federal, State, tribal, and NGO scientists. This plan provides a framework for the coordination and management of the national WNS investigation and response. USGS research is an essential component of this plan, providing critically needed science information to Interior, State, and tribal wildlife management agencies. Ongoing and future USGS research and monitoring activities are geared towards providing enhanced disease surveillance, improved diagnostic tools, and a better understanding of WNS disease ecology and its effects on populations of bats. The ultimate goal of these efforts is to develop practical management solutions to reduce the impacts of this devastating disease.
- **Invasive species.** USGS science has informed FWS rulemaking and control of invasive species for years. For example, FWS has used environmental risk assessments and background information developed by USGS scientists to support listing various non-native species as injurious under the Injurious Wildlife Provisions of the Lacey Act. This includes the listing of nine giant constrictor snakes, four species of Asian carps, and 29 species of snakehead fish. The USGS has also provided research necessary to develop and improve targeted control methods for invasive species to support FWS management efforts. For example, the USGS has worked to improve sea lamprey control chemicals applied by FWS agents to improve their effectiveness and efficiency, and more specifically target sea lampreys. The USGS continues to develop control methods to target Burmese pythons in the Everglades to support FWS efforts to reduce the python population. With input from FWS and other partners, and using unique talents and expertise found within the USGS, scientists are also working to develop a variety of methods to kill or affect the distribution of Asian carp. Once ready for the field, these new tools can be used by FWS and other partners to reduce Asian carp populations.
- **Polar bear.** The USGS conducted seminal research assessing the global status of polar bears in relation to changing sea ice habitat conditions, now and into the foreseeable future, under varying climate scenarios. The USGS created models to integrate physical and biological knowledge with climate forecasts in direct support of specific FWS listing decision factors. This work also clearly

defined areas of uncertainty. The FWS used this work to establish that sea ice conditions were, and would continue to be, the primary determinant of polar bear status. Factors such as energy development, disease, and harvest had minimal effects relative to sea ice habitat factors. USGS research provided underlying science in support of FWS' finding that sea ice would continue to decline and that listing of polar bears as threatened under ESA was warranted. Today, the USGS model functions as a framework for FWS management actions under their Conservation/Recovery Plan. This approach developed by the USGS has subsequently been used by the USGS and FWS as input to ESA decisions for walrus, another ice-dependent species.

In each of these cases, USGS conducted, over many years, fundamental research that was used by Interior bureaus in decision-making, and in each case USGS' broad range of capabilities complemented and supported the science mission of those bureaus.

As for the desire of FWS to build more science capacity, there are currently not enough resources within the USGS to meet all of the needs of FWS for science in support of their mission. Even before FWS biology programs were moved to the National Biological Service and subsequently to the USGS, there were not enough staff biologists to meet FWS needs. This is not a new problem. If there are resources available to build science capacity, the USGS supports the current model in which those resources are placed within FWS if the purpose is to apply USGS solutions on the ground to the problems at hand, and those resources are placed within the USGS if the purpose is to develop new solutions to current and emerging problems that will then be available to FWS and the science community at large.

Simpson Q24: How did we get here, back to this decentralized biological research model, where does USGS go from here, how is it measuring success, and how does it manage to stay relevant to the needs of the other Interior bureaus?

Answer: The USGS' biological research is less decentralized now than the previous model of dispersed research capacity across several Interior bureaus. Moreover, DOI's fundamental biological research programs have been maintained throughout their history within the USGS. While there have been subtle changes in names since the incorporation of biological science into the USGS—*Investigations of Biological Resources* was changed to *Fisheries, Wildlife and Ecosystems* programs in 2010, for example—most programs have remained essentially unchanged for more than a decade. Overall, for these core biological capabilities, only the budget activity name has changed from Biological Resources to Ecosystems.

Centralization into a single organization has helped reduce redundancy and has ensured that USGS science serves multiple Interior bureaus. For example, the USGS' significant research and development activities for the sage grouse have been used by both the Fish and Wildlife Service (FWS) and the Bureau of Land Management (BLM) in their respective management decisions. In the Grand Canyon Adaptive Management Program, key findings about the population and habitat requirements of the endangered humpback chub have been used by multiple Federal, State, tribal and non-governmental entities. The USGS works collaboratively with FWS to monitor population numbers and trends of the endangered humpback chub (*Gila cypha*), and conducts scientific research to understand how dam operations influence humpback chub recovery.

The USGS' biological research remains vibrant and healthy, and is one of the largest and most comprehensive in the Nation. The biological programs that make up USGS' Ecosystems mission area are as follows (dollars are for the 2013 request):

- **Status and Trends** (\$22.2 million): measures, predicts and reports the status and trends of the Nation's biological resources.
- **Fisheries: Aquatic and Endangered Resources** (\$27.1 million): conducts biological investigations on fish and aquatic resources of national importance.
- **Wildlife: Terrestrial and Endangered Resources** (\$49.4 million): conducts biological research to determine factors influencing the distribution, abundance, and condition of wildlife populations, habitats, and their associated ecosystems.
- **Terrestrial, Freshwater, and Marine Environments** (\$42.6 million): provides information, models and tools that land and resource managers can use to understand how management alternatives will affect ecosystems and the services they provide under a variety of climate, land use, and other change scenarios.
- **Invasive Species** (\$17.7 million): provides information on early detection, monitors and assesses invaders, and develops methods and technologies needed for effective responses to invasive species threatening U.S. ecosystems and native species.
- **Cooperative Research Units** (\$18.9 million) is a unique cooperative relationship among the USGS, Federal, State, and university partners to promote research, education and technical assistance focused on fish, wildlife, ecology and natural resources.

It is important to note that the USGS realigned its core biological programs into an Ecosystems mission to ensure that its science evolves to meet today's challenges, not to replace our world-class biological capability. The objective was to build upon this capability to provide new tools and technologies for decision-makers. As noted above, the issues facing today's decision-makers—energy development, climate change, and water availability—are increasingly complex, requiring multiple disciplines and the ability to understand both the biotic and abiotic systems that drive landscape change. As described by FWS:

Conservation is expanding beyond individual project and site-specific borders to larger landscapes. It is pushing against the boundaries of other disciplines. It is shoving aside the idea that protection, restoration and management are ends unto themselves and carrying with it the idea that each is a means to a larger outcome — landscapes capable of sustaining abundant, diverse and healthy populations of fish, wildlife and plants. Sustaining populations at landscape scales requires understanding of the diverse and complex biological systems and processes upon which they depend. (*FWS Conservation in Transition: Leading Change in the 21st Century*; <http://www.fws.gov/home/feature/2009/pdf/ConsTransitionPublicsmJan2809.pdf>)

Regarding the question of where the USGS goes from here, the USGS will continue to maintain a robust biological science capacity and, combined with the interdisciplinary range of USGS scientific capabilities, make wise investments in science that will enable the USGS to be prepared when partners call or when an emergency arises. For example, USGS biological science capacities have been called on to respond to the Department's polar bear listing decision, to the growth in renewable energy, and to various diseases as they crop up. Scientists are developing new capacity in innovative solutions and in the use of technological advances, such as remote sensing and genomics, and continuing to invest in decision support tools and models. These directions are laid out in the *USGS*

Science Strategy, which outlines the major societal issues that USGS science is poised to address (<http://pubs.usgs.gov/circ/2007/1309/>).

Success has always been measured, and will continue to be measured, by the extent to which USGS science is used in decision-making. USGS science continues to provide scientific information to support Interior decisions.

The use of USGS science is inextricably bound to the relevance of USGS science. The USGS stays relevant by working closely with Interior bureaus at all levels of organization. This communication has been enhanced by the establishment of USGS regional executive positions across the landscape. Their focus is to work with the regional communities in partnerships on a variety of issues.

The following are some examples of USGS work with other Interior bureaus to address their needs:

- **National Park Monitoring Program.** The U.S. Geological Survey National Park Monitoring Project is a collaborative research effort in direct support of the National Park Service's (NPS) Inventory and Monitoring Program. The primary role of the NPS Inventory and Monitoring Program is to collect, organize, and make available information about natural resources in national parks. USGS scientists complement NPS efforts by developing and improving data collection techniques and monitoring protocols, analyzing data, and developing tools to synthesize and report data. As a collaborative program, headquarters staffs from the NPS and the USGS work closely to identify research priorities and subsequently review and select studies for funding.
- **Landscape Conservation Cooperatives.** USGS scientists and managers provide direct support to the LCCs. The USGS serves on steering committees, provides direct scientific support, and develops research proposals responsive to the scientific needs of the cooperating agencies of the LCCs. The USGS also serves on hiring panels for LCC staff recruitments, provides counsel on LCC science directions, works closely with FWS Science Coordinators, helps link LCC science needs to ongoing research activities, and develops data portals and provides spatial data for specific LCCs. The USGS hosts the Great Northern LCC and in Alaska, the USGS has two representatives on each of the five LCC Steering Committees in which common, high priority, interagency science needs are defined that directly contribute to the development of adaptation and mitigation strategies for species and habitats vulnerable to climate change.

Through the LCCs, the FWS presents their needs for landscape-scale science in the lands comprising the extensive National Wildlife Refuge System in Alaska, as well as for the range of their other missions, including Threatened and Endangered Species, Migratory Waterfowl, and Federal Subsistence Management. The USGS co-sponsored the Appalachian LCC Science Needs Workshop and provided both fiscal support and expertise to that meeting, another example of typical interaction with FWS. The USGS provided science project support for the Southeast Regional Assessment Project (SERAP), which included downscaled climate projections, urban land-use projections, and hydrologic projections as part of a large project that covers most of the southeastern United States.

- **Livestock Grazing at Sheldon-Hart Mountain National Wildlife Refuge Complex.** Since 2000, the USGS has worked with FWS to address the response of songbirds and their riparian

habitat to the removal of cattle on the Sheldon-Hart Mountain National Wildlife Refuge Complex in eastern Oregon and northern Nevada. The FWS is using the information to make decisions about livestock management on the complex and will incorporate the information in a forthcoming Comprehensive Conservation Plan. The FWS has asked the USGS to conduct another round of research beginning in 2012 to evaluate any additional responses.

- In the **Klamath Basin**, the USGS works closely with the FWS, Reclamation, and Tribes on a wide variety of water, restoration, and listed species research tailored to the specific question and needs of these partners. The USGS provides not only the research, but also a science-management liaison function to provide information transfer and interpretation, and to help partners articulate key science needs.
- **Desert Renewable Energy Conservation Plan (DRECP)**. The DRECP is a planning effort underway that is intended to provide binding, long-term endangered species permit assurances while facilitating the review and approval of renewable energy projects in the Mojave and Colorado deserts in California. Three of the eleven independent science advisors who produced recommendations for this important effort are USGS scientists.
- **White-nose Syndrome (WNS) Diagnostic Services and Research**. The National Wildlife Health Center (NWHC) has led and published efforts to characterize WNS, identify the fungus causing the disease (*Geomyces destructans*), define disease pathology, and develop diagnostic tests to facilitate disease research and surveillance. Other lines of research include: the complete genome sequencing of the fungus, its environmental reservoirs and persistence, its phylogeographic origins, investigating environmental conditions that led to the manifestation of the disease, and better describing the infection cycle and transmission of the disease. USGS senior staff and scientists serve on many working groups and committees under the auspices of the WNS National Plan.
- **Disease investigations of wildlife mortality and morbidity events**. NWHC works with partners to find solutions to wildlife health issues and provides training, on site assistance, and recommendations for management of disease outbreaks. The majority of disease investigations focus on Federal lands and resources; the USGS also receives requests for assistance from State and tribal wildlife management agencies. Information collected by NWHC and/or requested by cooperators during disease investigations comprises the largest existing long-term data set of wildlife disease in the United States.

Simpson Q25: Have you thought about adding a line item in the Ecosystems budget for science support for DOI Bureaus, as there is in the Climate Variability budget?

Answer: The USGS Ecosystems budget is currently structured into six budget subactivities:

- **Status and Trends:** measures, predicts and reports the status and trends of the Nation's biological resources.
- **Fisheries: Aquatic and Endangered Resources:** conducts biological investigations on fish and aquatic resources of national importance.
- **Wildlife: Terrestrial and Endangered Resources:** conducts biological research to determine factors influencing the distribution, abundance, and condition of wildlife populations, habitats, and their associated ecosystems.

- **Terrestrial, Freshwater, and Marine Environments:** provides information, models and tools that land and resource managers can use to understand how management alternatives will affect ecosystems and the services they provide under a variety of climate, land use, and other change scenarios.
- **Invasive Species:** provides information on early detection, monitors and assesses invaders, and develops methods and technologies needed for effective responses to invasive species threatening native species and ecosystems.
- **Cooperative Research Units:** a unique cooperative relationship between the USGS, Federal, State, and university partners to promote research, education, and technical assistance focused on fish, wildlife, ecology, and natural resources.

A large portion of the funding associated with these subactivities is used to provide services to Interior bureaus in the form of research, monitoring, and technical support. A conservatively estimated \$100.0 million out of the total \$161.0 million appropriated for the Ecosystems program in 2011 was spent on direct research support for Interior lands, priority ecosystems, and species of concern, such as endangered species, migratory species, inter-jurisdictional species, and invasive species. Interior bureaus supported include FWS, NPS, BLM, BOEM, Reclamation, and BIA. Many of these projects supported the needs of multiple bureaus, such as research on an endangered species (FWS) within a national park (NPS). In addition, much of this funding was leveraged to obtain additional financial support from partners and collaborators to expand the scope of research in support of bureau interests.

Within the Ecosystem programs there are 19 cyclical funding accounts that are targeted to short-term tactical needs of Interior bureaus. The 2013 budget provides \$28.0 million for these accounts. Bureau managers have direct input into the selection of these projects. In 2011, projects conducted with these funds included the NPS Natural Resource Preservation and Park Monitoring Program (\$3.9 million) and the FWS Science Support Partnership and Quick Response Program (\$4.3 million).

As science support for DOI bureaus is integral to all of the Ecosystems programs of the USGS, it is not shown as a separate line item in the Ecosystems budget. USGS is currently working to identify ways to improve the national coordination and management of these programs and to improve its capacity to deliver world-class science to meet the needs of Department of the Interior and the Nation.

WEDNESDAY, MARCH 7, 2012.

**BUREAU OF OCEAN ENERGY MANAGEMENT 2013
BUDGET REQUEST**

**BUREAU OF SAFETY AND ENVIRONMENTAL
ENFORCEMENT 2013 BUDGET REQUEST**

WITNESSES

**TOMMY BEAUDREAU, DIRECTOR, BUREAU OF OCEAN ENERGY MAN-
AGEMENT**

**REAR ADMIRAL JAMES WATSON, DIRECTOR, BUREAU OF SAFETY AND
ENVIRONMENTAL ENFORCEMENT**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The hearing will come to order.

Today, we meet to discuss the fiscal year 2013 budgets for the Bureau of Ocean Energy Management, or BOEM, and the Bureau of Safety and Environmental Enforcement, or BSEE. This is the ninth of sixteen budget oversight hearings this Subcommittee will hold this year.

The transition of the former MMS has been a long and expensive undertaking, but finally today we will discuss the budget of the two agencies charged with the management, safety, and environmental protection of energy production on the Outer Continental Shelf. I think we can all join in a collective sigh of relief that the last stage of this transition is over and the bureaus can move forward with their work. Knowing the time and effort it took for the Department and its staff, I would like to say thank you for the hard work and congratulations on getting this transformed.

I would like to start by going over what the Congress did last year in the fiscal year 2012 Omnibus Appropriations Act. Both bureaus received full funding as requested in the President's budget. This was not easy given the many cuts we had to make elsewhere to make this bill happen. Congress also included additional fees—to the tune of \$52 million—for the Bureau of Safety and Environmental Enforcement to help offset inspection costs. To ensure these fees were spent appropriately, we included language requiring at least 50 percent of these funds go toward approving permits. Today, I expect to hear how this is being implemented and how BSEE is moving forward to more quickly process permits.

Finally, the Congress also included language allowing the bureaus to hire highly skilled employees at a higher pay scale. We recognized both bureaus' difficulty filling many positions due to competition from the oil and gas industry, which can pay much higher salaries. So we gave the Department the authority needed to pay higher salaries for certain positions.

Collectively, these positions give the bureau what is needed to accomplish their mission. Gentlemen, there are no more excuses. And as I have stated before, there will be no blank checks coming from this Subcommittee. We expect results from appropriated dollars.

I am also concerned about the fiscal year 2013 requested increase of \$20 million for BSEE. After several years in a row of significant increases, the Subcommittee needs a thorough explanation of why another increase is necessary. Last year, I asked you if you would be asking for an increase in the following year; I am going to ask that again. How many years in a row will this agency ask for additional funds? Where is the Bureau in terms of the hiring process, and what is the long-term goal? How many inspectors are enough? What progress is fair for the Subcommittee to expect based on the amount appropriated? In this budget climate and until we see tangible results, the requested increase is difficult to consider.

Today, gas prices are again rising and reliable domestic sources of energy are more important for our economy and homeland security than ever before. We depend on you to help us produce domestic energy and domestic jobs in a responsible way. The revenue from oil and gas off the OCS is a significant boost to the treasury, but in the past 5 years, that number generally continues to go down while the demand for energy increases. With both bureaus fully functioning, we expect to see this revenue increase again.

Finally, I want to thank you for working with the Subcommittee on providing some of the information and transparency that has been lacking in the past several years. While we are still not completely satisfied, I do feel that both bureaus are moving in the right direction and doing a better job of accounting for appropriated dollars and answering the Subcommittee's questions. I look forward to working with both of you to continue building on this progress, and thank you for being here today.

With that, I am happy to yield to the gentleman from Virginia, Mr. Moran, for any opening remarks he may have.

OPENING REMARKS OF CONGRESSMAN MORAN

Mr. MORAN. Thank you, Chairman Simpson. And welcome, Director Beaudreau and Director Watson.

Next month, on April 20 will mark the second anniversary of the Deepwater Horizon oil spill disaster. For nearly 3 months in 2010, the public's attention was glued on the Gulf of Mexico as this tragedy unfolded. Lives were lost, the environment was severely damaged, and people and businesses far beyond the oil and gas industry were adversely affected. We learned a terrible lesson from that tragedy about overreliance on technology, the complacency of operations, and the laxity of regulation.

I commend Secretary Salazar and our President for recognizing and acting on the severe and systemic shortcomings in the government's regulation of what is a high-risk enterprise. The fact that Director Beaudreau and Director Watson are sitting before us today as the heads of two new agencies is emblematic of the changes that have been made and continue to be made by the Interior Department to protect the public and the environment.

That is more than can be said about the Congress. Except for the good work this subcommittee has done to approve the reorganization of the Interior Department's OCS leasing and safety operations and providing additional funds for inspector engineers and other personnel, there is little to show on Congress' part. I cannot help but be concerned that once the Macondo well was capped and the spotlight turned off, the urgency to correct the glaring problems and the disaster exposed declined.

In January of 2011, the National Commission on the BP Deepwater Horizon Oil Spill issued its report and recommendations. It was a ringing indictment of the oil and gas industry and the regulators who oversaw it. As the Commission reported, "while industry had devoted billions of dollars to the technologies required for deepwater drilling, it had devoted essentially nothing to creating alternative capabilities to deal with the foreseeable consequences of the disaster."

This was, however, just one part of a systemic failure that required a whole new safety and environmental protection culture to be developed if new drilling operations were going to proceed. Yet month after month last year I watched the Former BOEM director, Michael Bromwich, raked over the coals in so many quarters in the Congress for not quickly approving new drilling permits. To some, you would think that Deepwater Horizon never happened. As the BP spill commission forcefully stated, "to be allowed to drill on the Outer Continental Shelf is a privilege to be earned, not a private right to be exercised."

So, Director Beaudreau, from my perspective I do not want you to approve a lease or a plan until the operator has completely met all of the enhanced safety, environmental, and operational requirements. And, Director Watson, I do support you taking all necessary steps to see that safety and protection of the environment are the highest priorities in drilling operations.

And I thank you, Mr. Chairman.

Mr. SIMPSON. Thank you.

And again, welcome here today. We look forward to talking to you, Admiral Watson and Mr. Beaudreau, and the floor is yours, whoever is first.

Mr. WATSON. Go ahead, Tommy. We will conform to the planning and leasing process, so they will go first.

OPENING REMARKS OF DIRECTOR BEAUDREAU

Mr. BEAUDREAU. Chairman Simpson, Ranking Member Moran, members of the Appropriations Subcommittee on Interior, thank you for the opportunity to appear today to discuss the President's fiscal year 2013 budget request for the Bureau of Ocean Energy Management (BOEM) and for the opportunity to provide these brief opening remarks.

As we know, the Deepwater Horizon rig explosion and the oil spill in the Gulf of Mexico spurred the Administration to undertake the most aggressive and comprehensive reforms to offshore oil and gas regulation in U.S. history. With the guidance, support, and oversight of Congress, these reforms have substantially improved the safety and environmental responsibility of offshore oil and gas

development in U.S. waters and strengthened government oversight.

Central to these reforms are the structural changes we have made to federal oversight, including the establishment of three new, independent agencies with clearly defined missions to provide effective management and strong safety oversight of the development of our shared offshore energy and mineral resources. It is because of these changes that I sit here before you today as BOEM's first director at BOEM's first Appropriations hearing and why I am proud to have next to me Director James Watson, the head of the U.S. offshore safety authority, the Bureau of Safety and Environmental Enforcement.

Simply put, BOEM is responsible for overseeing the environmentally and economically responsible development of our country's abundant offshore conventional and renewable energy resources. This includes promoting responsible oil and gas development. BOEM's decision-making must closely consider the resource potential of geographic regions on the Outer Continental Shelf, the critical role offshore energy development plays in the mix of resources necessary to meet the Nation's energy demands, the significance of offshore oil and gas to the economy and employment, and the vital need for environmental protection and responsible stewardship. These are priorities and values shared by everyone in this room.

This budget request is designed to provide BOEM with the resources necessary to advance our commitment to a comprehensive, all-of-the-above strategy that encourages safe and responsible domestic oil and gas exploration and development, as well as push us forward with the development of clean, renewable energy resources such as offshore wind. The resources we have requested will allow BOEM to continue pursuing our programmatic priorities, which include finalizing and implementing the next 5-year offshore oil and gas leasing program, which, as proposed, will include 15 potential lease sales and make available more than 75 percent of the undiscovered but technically recoverable oil and gas resources offshore of the United States, conducting the rigorous scientific and environmental analyses that are necessary at all stages of the offshore energy development process.

Last December, we held the first lease sale following the spill, which was one of the most successful in the history of the western Gulf. We will hold a consolidated lease sale for the central Gulf of Mexico on June 20. Planning for both of these sales included rigorous analyses of available information concerning the environmental effects of the Deepwater Horizon oil spill. Moreover, all of our environmental assessment work builds on our robust environmental studies program that prioritizes funds and conducts the research necessary for responsible stewardship of the OCS resources.

Third, we continue to conduct efficient and thorough reviews of offshore exploration and development plans under new heightened standards, including site-specific environmental assessments on every deepwater exploration and development plan. We have worked closely with industry to ensure compliance with the heightened standards while also ensuring that our review process is both efficient and transparent.

Fourth, we have implemented innovative lease terms that ensured that the American taxpayer receives a fair return and that provide incentives for industry to diligently develop their lease holdings offshore to meet our Nation's energy needs.

Finally, we are on the forefront of development of offshore renewable energy resources. Over the next year and beyond, we expect to issue a number of commercial leases for offshore wind development, particularly along the Atlantic Coast. We are also paving the way for an Atlantic Wind Connection transmission line that has the potential to deliver up to 7,000 megawatts of wind turbine capacity to the grid. These are exciting times for BOEM as we help the United States secure its energy future through the responsible development of conventional and renewable offshore energy.

Thank you for your continuing support of our mission and our efforts through the appropriations process.

[The statement of Tommy Beaudreau follows:]

**STATEMENT OF TOMMY P. BEAUDREAU
DIRECTOR, BUREAU OF OCEAN ENERGY MANAGEMENT
UNITED STATES DEPARTMENT OF THE INTERIOR
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
U.S. HOUSE OF REPRESENTATIVES**

March 7, 2012

Mr. Chairman and members of the Committee, thank you for the opportunity to appear here today to discuss the President's Fiscal Year (FY) 2013 Budget request for the Bureau of Ocean Energy Management (BOEM) within the Department of the Interior (DOI).

This request is designed to provide the resources necessary to advance BOEM's commitment to effective and efficient management and oversight of the Nation's offshore resources as part of our comprehensive energy strategy to encourage safe and responsible domestic oil and gas exploration and development, as well as to expand development of clean and abundant renewable energy resources.

With the guidance, support, and oversight of Congress, the Obama Administration has been implementing the most aggressive and comprehensive reforms to offshore oil and gas regulation in U.S. history following the *Deepwater Horizon* explosion and oil spill in the Gulf of Mexico. The Minerals Management Service (MMS) was restructured into three new, independent entities, and the Bureau of Ocean Energy Management (BOEM) took on the role of effective and efficient management and oversight of the Nation's offshore resources as part of our comprehensive strategy to encourage safe and responsible domestic oil and gas exploration and development. BOEM is also committed to expand development of clean and abundant renewable energy resources. Both activities support job growth and healthy local economies, and this budget request is designed to provide the resources necessary to advance this commitment.

In order to ensure an efficient and integrated approach to offshore energy development, BOEM and BSEE work together closely and certain functions remain linked and require close coordination. As you will hear from my colleague, Director James Watson, the Bureau of Safety and Environmental Enforcement functions as the offshore safety authority, charged with enforcement of the strengthened safety and environmental standards implemented in the aftermath of *Deepwater Horizon*. We designed the reorganization to ensure that both agencies operate efficiently and without unnecessarily redundant bureaucracies. For example, BOEM and BSEE continue to share administrative infrastructure and functions that service both bureaus efficiently.

For FY 2013, BOEM is requesting an operating level of \$164.1 million, which includes a base appropriation of \$62.7 million and \$101.4 million in offsetting collections (\$98.8 million from rental receipts and \$2.6 million from cost recovery fees). The BOEM manages the Nation's offshore energy and mineral resources in a balanced way that promotes efficient and environmentally responsible energy development through oil and gas leasing, renewable energy

development, and a commitment to rigorous, science-based environmental review and study. BOEM's functions include offshore leasing, resource evaluation, review and administration of oil and gas exploration and development plans, renewable energy development, National Environmental Policy Act (NEPA) analysis, and environmental studies.

BOEM's organizational structure is designed to advance core elements of its mission including: strategic resource development, environmental analysis and applied science, and renewable energy development.

Key priorities and accomplishments

Since its establishment on October 1, 2011, BOEM has made substantial progress and achieved a number of important priorities. These priorities will continue to guide the agency's activities throughout the remainder of FY 2012, and form the basis of the budget request moving into FY 2013. These priority areas include:

Developing and Implementing the Five-Year Outer Continental Shelf (OCS) Oil and Gas Leasing Program for 2007-2012. In December 2011, BOEM held Western Gulf of Mexico (GOM) Lease Sale 218 – the last Western GOM sale scheduled under the current Five-Year program and the first sale conducted after completion of a supplemental environmental impact statement that considered the effects of the *Deepwater Horizon* oil spill. The BOEM has scheduled Consolidated Central GOM Sale 216/222, the final sale in the current Program, for June 20, 2012. In addition, BOEM is developing the next Five-Year Program. Last November, BOEM issued the Proposed OCS Oil and Gas Leasing Program for 2012-2017, which makes more than 75 percent of undiscovered technically recoverable oil and gas resources estimated in Federal offshore areas available for exploration and development. It advances an innovative, regionally-tailored approach to offshore oil and gas leasing designed to take into account the particular resource potential, environmental and social concerns, and infrastructure condition of each planning area. The BOEM will finalize the Program in FY 2012.

Conducting rigorous scientific and environmental analysis to support all stages of the OCS Lands Act process—from pre-sale planning through exploration and development. Rigorous scientific analysis underlies all of BOEM's decisions. For example, BOEM held Western Gulf of Mexico Lease Sale 218 after conducting necessary environmental analyses to evaluate available information concerning the effects of the *Deepwater Horizon* oil spill. BOEM recently completed a similar analysis with respect to the Central Gulf of Mexico Planning Area in preparation for Lease Sale 216/222. The BOEM has completed an extensive supplemental environmental analysis for the Chukchi Sea Planning Area that addresses key issues including the potential effects of a hypothetical, very large oil spill. The analysis supported the Secretary's decision to affirm Chukchi Sea Lease Sale 193, originally held in 2008. This analysis resulted in Chukchi Lease Sale 193 being judicially upheld, and the injunction of those leases being lifted. At the post-lease stage, BOEM currently conducts site-specific environmental assessments on all deepwater exploration and development plans, rather than relying on categorical exclusions as had been done historically.

Ensuring a Fair Return. The BOEM lease terms now include a range of fiscal and drilling

requirements to ensure that taxpayers receive fair value and encourage operators to undertake diligent development, consistent with the Administration's *Blueprint for a Secure Energy Future*. Recent changes made in lease terms include raising the minimum bid level from \$37.50 per acre to \$100 per acre in water depths of 400 meters or greater; promulgating policies that reduce the time a lease can be held without drilling activity by up to three years in water depths of 400 to 1,600 meters; and increasing rental rates to encourage faster exploration and development of leases. The higher minimum bid level strengthens the bidding process and supports the goal of ensuring a fair return. It discourages bidders from acquiring tracts with the intention to hold them undrilled for many years. Lessees who meet the shorter drilling time frames earn three additional years on the lease term as an added incentive for timely drilling. The BOEM has both increased base rental rates and established escalating rentals to encourage faster exploration and development of leases, or earlier relinquishment when exploration is unlikely to be undertaken by the current lessee.

Conducting Reviews of Exploration and Development Plans. The BOEM conducts efficient and thorough reviews of exploration and development plans. Consistent with strengthened standards for environmental analysis, BOEM is committed to ensuring that its process for reviewing and approving plans is rigorous, efficient, and transparent. The BOEM works collaboratively with industry throughout the review of plans, to ensure operators understand and comply with BOEM's stronger operational and environmental standards and that the review process is efficient.

Advancing Renewable Energy Leasing and Development through the "Smart from the Start" Initiative. BOEM has established a regulatory framework for renewable energy leasing and development on the OCS and has taken critical steps to support the development of an offshore wind industry. On April 19, 2011, Secretary Salazar announced the approval of the Cape Wind Associates' Construction and Operations Plan (COP). The Secretary signed the Cape Wind lease in 2010, and it is the first offshore commercial wind lease in the United States.

The Secretary's "Smart from the Start" initiative, announced in FY 2011, is intended to build on the existing regulatory framework and facilitate the efficient and environmentally responsible siting, leasing, and construction of new wind energy projects in the Atlantic. Recently, BOEM completed a number of important steps to advance additional lease sales in FY 2013 and beyond, including: developing a commercial lease form and conducting an analysis to determine auction formats; completing an environmental assessment to support leasing in wind energy areas off of four Mid-Atlantic states; and issuing Calls for Information and Nominations to gauge industry interest in the areas offshore Rhode Island, Massachusetts, Maryland and Virginia. The BOEM also is moving forward with the review for a potential Mid-Atlantic Wind Energy Transmission Line, which would enable up to 7,000 megawatts of wind turbine capacity to be delivered to the electric grid.

The FY 2013 request continues these efforts and supports ongoing collaboration between BOEM, intergovernmental task forces, industry, and stakeholders and a continued focus on environmental assessment, while developing formats and processes for renewable energy lease auctions. The BOEM expects to hold the first competitive lease sales for offshore wind in FY 2013.

Science Based Decision Making. A core principle of BOEM is the integration of science with decision-making through comprehensive research and rigorous analysis. The new Office of Environmental Programs establishes an umbrella organization that integrates applied scientific research and information with the environmental analyses that BOEM conducts in support of programmatic decisions. This structure facilitates top-quality research by talented scientists from a range of disciplines, as well as targeted scientific study to support policy needs and priorities.

Strengthening of the Environmental Review Processes. The BOEM is committed to setting high standards for analyses conducted in compliance with the National Environmental Policy Act (NEPA) and other governing statutes, and this budget request continues ongoing efforts to strengthen these processes. The BOEM is conducting a comprehensive review of its application of NEPA to ensure that environmental risks are thoroughly analyzed, appropriate protective measures are implemented, and the process is transparent and well-understood within the Federal government and by stakeholders. This review includes an ongoing assessment of the use of categorical exclusions. In the interim, BOEM is conducting site-specific environmental assessments for all new and revised exploration and development plans in deepwater.

Developing the first Geological and Geophysical (G&G) Programmatic Environmental Impact Statement (PEIS) for areas in the mid and south Atlantic. The BOEM is committed to conducting thorough, scientific reviews that facilitate a better understanding of potential conventional and renewable resources in the Atlantic, which is central to our strategy for evaluating potential future leasing in the mid and south Atlantic. This PEIS will evaluate potential environmental effects of multiple G&G activities, such as seismic surveys, conducted to inform future decisions regarding oil, natural gas, and renewable energy development on the OCS in the mid and south Atlantic planning areas. The BOEM will issue the draft PEIS this spring.

The FY 2013 Budget Request

This FY 2013 BOEM budget request is consistent with the direction set forth in the FY 2012 budget for BOEM and consists of limited funding increases reflecting difficult tradeoffs given the tight fiscal constraints. The BOEM's FY 2013 request of \$164.1 million includes careful analysis of the resources needed to develop the agency's capacity and to execute its functions carefully, responsibly, and efficiently. Consistent with the overall contours of BOEM's request, these targeted increases, which amount to \$3.3 million above the FY 2012 enacted level, reflect modest increases for renewable energy auction support services, environmental studies, and fixed costs – and are necessary to advance Administration priorities that are vital to BOEM's mission.

Renewable Energy Auction Support Services (+\$1,296,000; 0 FTE). In order to achieve the Secretary's renewable energy goal outlined in the "Smart from the Start" initiative, BOEM must accelerate the auction schedule of potential wind leases. Because it is not yet equipped with the technical support or expertise to manage these auctions, BOEM will contract those services and purchase wind resource data in the near term.

Environmental Studies (+\$700,000; 0 FTE). The requested increase will enable BOEM to initiate high priority baseline characterization and monitoring studies. With the release of the proposed Five-Year Program, establishing baseline information will become an increasing need in order to ensure a scientific basis for informed and environmentally responsible policy decisions.

Fixed Costs (+\$1,453,000; 0 FTE). Fixed costs in the amount of \$1,453,000 are fully funded in this request. These costs include increases needed to support employee pay, changes in Federal health benefits and Worker's Compensation, rent to the General Services Administration, and payments to the Department's Working Capital Fund.

Offsetting Collections and Cost Recovery (-\$322,000; +0 FTE). This requested change reflects a revised net estimate of BOEM's 2013 offsetting collections and cost recovery fees.

Administrative Reduction (-\$122,000; +0 FTE). This reduction offsets high-priority increases in the FY 2013 request and will be applied by reducing administrative costs within BOEM.

The FY 2013 request also includes legislative proposals that directly relate to BOEM's programs including:

Deep Gas 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 that 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 end up below current projections.

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 would provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so that the tracts can be leased to and developed by other parties. The proposed fee would apply to all new leases onshore and offshore and would be indexed annually. In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure that companies diligently develop their Federal leases. Although the report focused on administrative actions that 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.

Conclusion

The BOEM plays a vital role in advancing safe and responsible offshore energy development to secure our energy future. Given our environment where serious fiscal constraints demand difficult decisions, we appreciate the critical resources Congress has provided in recent appropriations – including investment in robust science to inform decisions relating to ocean

energy policy and management and appropriate environmental safeguards. It is imperative to sustain this investment moving into the next fiscal year and the FY 2013 request reflects a careful analysis of the resources needed to ensure our ability to carry out the important mission with which we are charged.

Thank you once again for the opportunity to testify here today, and for your consistent support throughout the reorganization process. I look forward to our continued work together, and to answering your questions today.

Tommy Beaudreau, Director



Tommy P. Beaudreau is the first director of the Bureau of Ocean Energy Management (BOEM), which is responsible for overseeing the environmentally and economically responsible development of the Nation's offshore resources. BOEM manages the conventional and renewable ocean energy and mineral resources on 1.7 billion acres of the U.S. Outer Continental Shelf (OCS).

Mr. Beaudreau joined the Department of the Interior in June 2010 to help develop and lead the Department's aggressive reforms of offshore energy management and oversight following the Deepwater Horizon blowout and oil spill, including the reorganization of the former Minerals Management Service. He served as the senior advisor to the director of the Bureau of Ocean Energy Management, Regulation and Enforcement, where he played an integral role in designing and implementing the Bureau's broad reform agenda with respect to the regulation of offshore oil and gas development.

BOEM was established in October 2011. The agency's responsibilities include leasing, plan administration, environmental studies, National Environmental Policy Act (NEPA) analysis, resource evaluation, economic analysis and the offshore renewable energy program.

Prior to his work at Interior, Mr. Beaudreau was a partner at the law firm Fried, Frank, Harris, Shriver & Jacobson LLP, where his practice focused on, among other things, internal investigations, including reviews of government agencies pursuing reform. Mr. Beaudreau is a graduate of Yale University and received his law degree from the Georgetown University Law Center.

Mr. SIMPSON. Thank you, Mr. Beaudreau.
Admiral Watson, the floor is yours.

OPENING REMARKS OF DIRECTOR WATSON

Mr. WATSON. Chairman Simpson, Ranking Member Moran, members of the Subcommittee, thank you for the opportunity to appear today to discuss the President's fiscal year 2013 budget request for the Bureau of Safety and Environmental Enforcement. I am pleased to appear before you for the first time as Director of BSEE and to discuss the tremendous strides that the Department has made in the past 2 years, as well as my vision and the Administration's vision for the future of this agency.

The U.S. Bureau of Safety and Environmental Enforcement has a critical mission—providing safety and environmental oversight of offshore oil and gas operations on the U.S. Outer Continental Shelf and leading positive changes in the safety culture of offshore operators. In the near term, our goal is to restore the confidence of the American people that offshore operations can be carried out safely and responsibly and without the tragic human and ecological cost that occurred as a result of the Deepwater Horizon tragedy. In the long term, our goal is to set the standards and build capacity for offshore safety assurance throughout this country and also to be a world leader and international pacesetter for safe offshore operations.

As many of you know, I was the federal on-scene coordinator for about 90 days in the summer of 2010. I saw firsthand the terrible impact that unsafe oil and gas operations can have on the environment, our communities, and on families. That Deepwater Horizon experience drives my commitment that BSEE will do everything possible so that such an event never happens again.

The 2013 budget request for BSEE strengthens and advances reform efforts begun in the aftermath of that tragedy. This request advances the President's vision of maintaining and expanding responsible oil and gas production on our OCS as part of the all-of-the-above approach to addressing the Nation's energy challenges while providing the funding necessary to be the world leader in offshore safety and environmental standards development and oversight. Congress has been instrumental in this effort providing the funding over the past 2 years to lay the foundation and build a framework for a revitalized and enhanced offshore regulatory regime. This request continues the development of that framework and will allow us to do the critical tasks and achieve the performance that the President, the Congress, and the American people have rightly demanded of us.

The reorganization of MMS by Secretary Salazar into BSEE, BOEM, and the Office of Natural Resources Revenue was designed to allow the employees of each agency to apply their expertise with clarity of mission. Over the past 3 months, I have met with BSEE employees from all of our offices. They have made it clear to me that they believe in and are passionate about our mission. They are unmatched in their knowledge of the offshore industry and are ready to make the best use of the resources at their disposal to advance the cause of safe and responsible offshore oil and gas operations.

Overseeing safety and environmental regulations on the OCS includes drilling permits and managing the orderly development of the Nation's offshore oil and gas resources. A lot of attention has been paid recently to our permitting pace, and I greatly sympathize with the people who depend on these permits for jobs, the same people who were so negatively impacted by the Deepwater Horizon tragedy itself. It is in our country's interest to have a robust offshore oil and gas industry, and I am pleased to hear from oil and gas industry leaders lately that they are increasingly optimistic about the future of their industry in the Gulf.

Permitting is an essential part of our safety mission. We issue permits only when companies have demonstrated that they can conduct their proposed operations safely and responsibly; they are meeting all of the safety enhancements put in place after the Deepwater Horizon; and they can respond effectively in the worst-case scenario. Those who believe that the pace of permitting should automatically be the same as before the Deepwater Horizon are ignoring the lessons of that disaster. I will commit to rooting out the inefficiencies and making the permitting process as straightforward, predictable, and understandable for the industry as possible, but not at the expense of safety. When coupled with increasing hiring and training of engineers, scientists, inspectors, and other personnel, these efforts will further enhance the permitting process and improve safe and responsible operations on the OCS.

BSEE and our predecessor agency, the Bureau of Ocean Energy Management, Regulation, and Enforcement, have made a tremendous amount of progress since our formation. In my written testimony, I provide a number of examples of how we have spent this time focused on hiring personnel, enacting safety reforms, improving our permitting process, and completing the reorganization of MMS. My written testimony also includes details of our fiscal year 2013 request, which builds on our existing efforts and continues essential initiatives in safety reforms, technology, hiring and training, and environmental enforcement. These are shared commitments as demonstrated by the 2012 enacted budget and we can all agree that continuing to fund our critical mission areas is essential to ensuring we can develop our Nation's offshore oil and gas resources responsibly.

Thank you again for the opportunity to testify. I look forward to answering your questions, sir.

[The statement of James Watson follows:]

**STATEMENT OF
JAMES WATSON, DIRECTOR
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
UNITED STATES DEPARTMENT OF THE INTERIOR
COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEE ON INTERIOR, ENVIRONMENT AND RELATED AGENCIES
HOUSE OF REPRESENTATIVES
March 7, 2012**

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear here today to discuss the President's Fiscal Year (FY) 2013 Budget request for the Bureau of Safety and Environmental Enforcement (BSEE) in the Department of the Interior (DOI).

The bureau has an enormously critical mission - providing safety and environmental oversight of offshore oil and gas operations on the U.S. Outer Continental Shelf (OCS). More fundamentally, however, our mission is to restore the confidence of the American people that offshore operations can be carried out without the tragic human and ecological costs that were borne by the people of the Gulf of Mexico region nearly two years ago.

The budget request for BSEE strengthens and advances the reform efforts begun in the aftermath of the *Deepwater Horizon* tragedy. This request advances the President's vision of maintaining and expanding responsible oil and gas production on our OCS as part of an all-of-the-above approach to addressing our Nation's energy challenges, while providing the funding necessary to be the world leader in offshore safety and environmental oversight. The resources provided by Congress over the past two years have been instrumental in laying the foundation and building a framework for a revitalized and enhanced offshore regulatory regime. This request continues the development of that framework, allowing us to continue the critical tasks that the President, Congress, and the American people have rightly demanded of us.

Let me be clear: the employees of the former MMS were, with isolated yet well-publicized exceptions, an extremely committed group of public servants that dedicated their lives to their communities and their Nation, often foregoing much higher salaries they could have earned in the oil and gas industry. The need for reform did not stem from the actions of these dedicated professionals. It arose from outdated regulations, an inability to match the pace and scope of the offshore industry's growth, and leadership that was often forced to focus on one of several fundamentally different priorities to the detriment of the others. The reorganization of MMS by Secretary Salazar into BSEE, the Bureau of Ocean Energy Management, and the Office of Natural Resources Revenue was designed to address these issues and allow the employees of each agency to apply their expertise with clarity of mission. The BSEE employees I have met in the past three months have made it clear to me that they believe in, and are passionate about, our mission, and I am fully confident that we have the right core of people in place to start this agency off in the right direction.

Overseeing safety and environmental regulations on the OCS includes issuing drilling permits, and managing the orderly development of the Nation's offshore oil and gas resources. A great

deal of attention has been paid to our pace of permitting recently, and I greatly sympathize with the people who depend on these permits for jobs. It is in our country's interest to have a robust offshore oil and gas industry, and I am pleased to see a constant stream of new rigs coming into the Gulf and an industry becoming increasingly optimistic about both the short and long-term outlook for their industry. However, I will not measure success for this agency by the rate at which we issue permits. Permitting is an essential part of our safety mission: we issue permits only when companies have demonstrated that they can conduct their proposed operations safely and responsibly. We will not rush permits out the door; we will conduct thorough reviews that ensure that the applicant is meeting all the enhanced safety standards put in place after the *Deepwater Horizon* explosion and oil spill, and that they can respond effectively in the event of a worst case scenario. Those who believe that the pace of permitting should automatically be the same as before the *Deepwater Horizon* are ignoring the lessons of that disaster. I will commit to rooting out inefficiencies and making the permitting process as straightforward and understandable for the industry as possible, and these efforts, when coupled with increased hiring and training of engineers, scientists, inspectors, and other personnel, may very well enhance the permitting process. But our primary responsibility is ensuring safe and responsible operations on the OCS.

In March 2011, the Director of the former Bureau of Ocean Energy Management, Regulation and Enforcement came before you to discuss the reforms that agency had implemented to address the many safety, environmental protection, and regulatory oversight weaknesses highlighted in many reviews of the *Deepwater Horizon* spill, including those identified in the final report of the National Commission on the BP *Deepwater Horizon* Oil Spill and Offshore Drilling (Commission). Congress responded by passing the FY 2012 Consolidated Appropriations Act that provided BSEE with new resources needed to institutionalize these fundamental reforms and implement additional regulatory measures needed to improve the safety of offshore drilling, as well as to enhance protection of the ocean and coastal environments. I would like to update you on the progress our agency has made in the last year.

Recruitment of Key Positions

Although BSEE began operations as an independent agency only a few months ago, the recruitment for key management positions began last year after the reorganization effort received Congressional support and resources. As a result, all key senior management positions have been filled. As part of our commitment to provide more comprehensive oversight of offshore oil and gas operations, we have increased the number of inspectors by 50 percent since April 2010, and the number of engineers, who also perform critical safety functions, by nearly 10 percent. There are still a considerable amount of positions yet to be filled, including additional inspectors, engineers, regulatory specialists, environmental specialists, and other critical disciplines. While recruiting is a time consuming process, we are confident that we will continue to show significant strides in building out the new organization.

Regulatory Change

We are continuing to update and enhance Federal regulations and ensure compliance through our offshore regulatory programs. We plan to update the Interim Drilling Safety rule, which was issued shortly after the *Deepwater Horizon* spill, in the near future to increase regulatory clarity while maintaining the same enhanced level of safety. Also, the Safety and Environmental

Management Systems rule, or SEMS, which was finalized in September 2010, will be enhanced with the completion of the “SEMS II” rule. We are currently addressing comments received on the SEMS II proposed rule. We are also reviewing recent recommendations from the National Academy of Engineering as we continue to update regulations and enhance safety requirements.

Permitting

With significant new safeguards designed to reduce the chances of a loss of well control, and a new focus on capping and containment capabilities in the event that one occurs, the permitting environment is completely different now than it was before *Deepwater Horizon*. Comparing the pace of permitting pre- and post-*Deepwater Horizon* does not consider the current reality that applications must now meet a suite of new requirements that receive extremely close scrutiny by the bureau’s engineers.

We have worked very hard to help industry better understand the requirements and improve the efficiency of the application process. Perhaps most significantly, BSEE held permit processing workshops for industry, which has improved the quality and thoroughness of applications. We published a permit application completeness checklist to make it clear to industry what information is required and to reduce the frequency with which operators submit incomplete applications. We have established priorities for reviewing permit applications – assigning the highest priority to permits for ongoing operations or emergency operations. We have begun to balance workloads for our engineers by taking some permit applications and moving them around to different districts. We have also allowed authorized users of our online permit application system to track the status of their applications. This answered the call from many operators for greater transparency in our permitting process. As a result of these steps, and the industry’s increasing familiarity with the process, permit review times have decreased significantly in the past year. Rigs that had left the Gulf of Mexico are returning, new rigs are being contracted, and we are starting to see a small inventory of unused drilling permits develop.

While staying focused on our primary objective – ensuring that enhanced safety requirements are met – we plan to continuously monitor and improve our permitting processes throughout the upcoming year, to give industry increased confidence in the timeliness of the process, while rebuilding the American people’s confidence that these permitted operations can be performed safely and responsibly.

Inspection and Compliance Program

The BSEE continues to expand its capacity to maintain a robust and fair inspection and compliance program. With the additional resources provided by Congress, BSEE has been able to add 28 new inspectors in the Gulf of Mexico region since the *Deepwater Horizon* spill, and we are continuing our efforts to hire additional inspectors. The bureau’s inspectors now witness far more activity on drilling rigs than before the *Deepwater Horizon* explosion and spill, including critical tests of blowout preventers.

The BSEE has also begun to set up its new National Offshore Training and Learning Center and has put two groups of new inspectors through a core curriculum in offshore inspections. We are also supplying our inspectors with new equipment and tools, including handheld computers, to make our inspection process more efficient and effective. Both of these initiatives were initiated

using the 2010 oil spill supplemental funding, but will need base resources to continue. Those resources are specifically requested in FY 2013.

Environmental Enforcement

The Environmental Enforcement program was established as a separate division within BSEE to elevate the importance and visibility of the program, both internally and externally, to a level on par with safety and regulatory compliance.

This program will ensure compliance with all applicable environmental requirements, ensuring that operators keep the promises they make at the time they obtain their leases, submit their plans, and apply for their permits. The funding requested in FY 2013 will support the full build-out of this critical function.

FY 2013 Budget Request Specifics

BSEE's FY 2013 request is \$222.2 million; an increase of \$24.8 million over the FY 2012 enacted level. The request is offset by \$52.5 million in eligible OCS rental receipts, \$8.4 million in cost recovery fees, and \$65 million in inspection fees, resulting in a net request of \$96.3 million in direct appropriated funds. These additional resources are essential to effectively protect our nation's natural resources as well as to address industry's need for an efficient, effective, transparent, and stable regulatory environment.

The BSEE 2013 budget fully supports the President's *Blueprint for a Secure Energy Future* by enabling the safe and environmentally responsible development of the Nation's vast offshore energy resources. Until offshore renewable energy facilities are constructed, BSEE will focus its resources on conventional energy programs. Funds will be used to recruit expert engineers, scientists, and oil spill response specialists to support the development of strong scientific information and timely and thorough review of permits. The 2013 budget request increases funding for operational offshore safety, oil spill response initiatives, environmental enforcement, and the development of modern electronic systems to increase the efficiency and effectiveness of offshore inspection and oversight activities.

The FY13 budget includes funding to maintain the gains made to date, and proposes the following specific changes:

Critical Funding Needs for the Environmental Enforcement Division (+\$4,177,000; +14FTE): BSEE will further develop and manage an expanded environmental oversight role arising out of efforts to reform offshore operations and regulations as recommended by many external national investigative reports.

Research and Development for Offshore Drilling Safety (+\$2,000,000; 0 FTE): BSEE will utilize this funding to perform additional, and more in-depth, research relating to safety systems and operations such as well cementing, blowout preventer (BOP) research, methods of shallow gas containment, and well control methods.

Operational Safety (+\$4,495,000; +29 FTE): Funds will support ongoing reorganization efforts identified as critical to the success of BSEE in strengthening post-*Deepwater*

Horizon regulatory and oversight capabilities. It represents a cross section of staffing for newly identified efforts and increased activities such as development of regulations, safety management, structural and technical support, and oil spill response.

National Offshore Training and Learning Center for Inspection Program (+\$3,685,000, +11 FTE): This will provide base funding for the National Offshore Training and Learning Center (NOTLC). The NOTLC supports the Bureau's goals by providing upfront and ongoing learning and development opportunities to Bureau staff.

e-Inspections for the Enforcement Program (+\$2,300,000; 0 FTE): This multi-faceted initiative would allow BSEE to replace the existing outdated paper-based process with a modern electronic system for conducting the inspections mandated by the OCS Lands Act.

Wellbore Integrity (+\$1,395,000; +9 FTE): The requested funding will provide resources needed for BSEE to meet current requirements to evaluate whether operators have submitted adequate information demonstrating access and deployment capabilities for surface and subsea containment.

Sustain Administrative Operations (+\$5,000,000; 0 FTE): Funding is needed to sustain the necessary level of support services for both BSEE and BOEM and to adjust the base to provide sufficient administrative services to both bureaus

Fixed Costs (+\$1,772,000; 0 FTE): This request fully funds increased personnel-related costs and other fixed costs such as rent.

Inspection Fees (-\$3,000,000; 0 FTE): This request partially offsets programmatic funding increases by increasing industry inspection fee revenue. This is not an increase in the amount of the fees, but rather increased revenue attributable to a full year collection at the current fee levels. The additional revenue will defray the cost of inspection and oversight activities.

Offsetting Collections (-\$1,800,000; 0 FTE): BSEE anticipates a net increase in offsetting collections including rental receipts and cost recoveries. These collections reduce the need for direct appropriations and offset the cost of programmatic funding increases.

In addition to its continued focus on operational and environmental safety and compliance, the FY 2013 request will further the completion of the reorganization of the former MMS and establish a base operating level consistent with the recommendations from the National Commission on the BP *Deepwater Horizon* Oil Spill and Offshore Drilling and the National Academy of Engineering's report on the *Deepwater Horizon* tragedy.

In FY 2012, Congress made a commitment to offshore safety and environmental protection by providing the necessary resources to complete our reorganization, hire additional people, and provide the necessary oversight to allow for the continued growth of offshore energy

development while giving the American people confidence that their government is doing everything it can to prevent another catastrophe like the *Deepwater Horizon*. The FY 2013 request builds on these efforts by providing necessary training for our employees, and the tools to increase the efficiency of our processes and operations. As the Nation looks to expanding domestic energy development, we must provide the leadership and the expertise to ensure offshore oil and gas development operations are conducted in a safe and environmentally responsible way. The BSEE provides that leadership and expertise, and we very much appreciate your commitment to the bureau's mission and success.

Thank you again for the opportunity to be with you today.

James Watson, Director

James Watson was sworn in as the Director of the Bureau of Safety and Environmental Enforcement on December 1, 2011. He is responsible for promoting safety, protecting the environment and conserving resources through the vigorous regulatory oversight and enforcement of offshore operations on the U.S. Outer Continental Shelf.

Prior to his appointment as Bureau Director, he served as the U.S. Coast Guard's Director of Prevention Policy for Marine Safety, Security and Stewardship where he was responsible for maritime investigations, quality traveling inspectors, waterways management, boating safety, commercial vessel safety and security, and ports and cargo safety and security. Watson served as the Deputy Commander of the Coast Guard Atlantic Area Command in April 2010, and, on June 1, 2010, was designated as the Federal On-Scene Coordinator for the government-wide response to the Deepwater Horizon oil spill in the Gulf of Mexico.

Watson began his career as a cadet at the U.S. Coast Guard Academy in 1974. Upon graduation in 1978, he received his commission as an Ensign in the U.S. Coast Guard. Over the course of his 33 year active duty career, Watson attained the rank of Rear Admiral, serving in a variety of both management and operational positions in Washington, D.C. and at field units across the country. His previous staff assignments include: Chief of Staff of the Seventh Coast Guard District in Miami, Fla.; Chief, Office of Budget and Programs; Program Reviewer - Office of Budget and Programs; Staff Naval Architect - U.S. Coast Guard Marine Safety Center; and Staff Engineer - Marine Technical and Hazardous Materials Division. His prior field assignments include: Commanding Officer Marine Safety Office Miami; Commanding Officer Marine Safety Office San Diego; Executive Officer Marine Safety Office Savannah; Chief of Port Operations, Marine Safety Office Puget Sound; and Engineering Officer on the U.S. Coast Guard Cutter Bibb.

A 1978 graduate of the U.S. Coast Guard Academy with a Bachelors of Science degree in Marine Engineering, Watson also earned two Master of Science degrees from the University of Michigan in 1985, one in Mechanical Engineering and the other in Naval Architecture. In 2001 he graduated from the Industrial College of the Armed Forces with a master's degree in Strategic Studies.

Mr. SIMPSON. Thank you.

Mr. Moran.

Mr. MORAN. Thanks very much, Mr. Chairman.

APPROVING OIL SPILL RESPONSE PLANS

None of us want an oil spill to occur, obviously, but I would like to hear about the changes that you have implemented in approving oil spill response plans in case we do have another one. I understand that BP's, for example, oil spill response plan in the Gulf was somewhat old and odd even. It included the walrus as a local species. Have you updated those plans and are you happy with them?

Mr. WATSON. Yes, sir. We have revamped the first step to that process, which is the calculation of the worst-case discharge. It is now based on a much more elaborate process that involves the use of geologists and geophysicists. And quite often, the sizes of a worst-case discharge before and after is dramatically increased. That drives these plans into oftentimes a whole other level from where they were before in terms of the equipment, the size of the organization that they need to have in readiness in case of a worst-case discharge.

We have reviewed all of the operators in the Gulf, including BP. We have also spent considerable time recently with the submission that we got from Shell up in the Arctic, and I think that is going to be a challenging area but we have put an extraordinary amount of effort into that review and we will continue to learn and have workshops with the industry on this particular subject. I was recently asked if we could have another workshop and agreed to have one this April down in the Gulf.

AIR QUALITY EVALUATION IN ALASKA

Mr. MORAN. You mentioned the Arctic. This Subcommittee transferred air quality permitting in the Arctic from the EPA to the Department of the Interior but conditions, of course, in the Arctic Ocean are quite different from those found in the Gulf of Mexico. Director Beaudreau, how do you take into account the remote location and fragile nature of the environment in the Arctic?

Mr. BEAUDREAU. Yes, the air permitting—and I will use permitting as a shorthand term—the air quality evaluations were transferred from EPA to our bureau last December. Immediately after the transfer of that authority, I brought in our Chief Environmental Officer as well as staff from the region to develop essentially an implementation plan, how we were going to go about exercising this authority. Threshold questions were exactly what you alluded to, Mr. Moran. What are the differences in the Arctic from the Gulf of Mexico in terms of air impacts and emission thresholds? We are still in the process of that review. Frankly, the most immediate issue will be an exploration plan submitted by ConocoPhillips, which we will have to evaluate and it will be the first time out of the box on air quality issues.

We believe we have the staff and the resources to make those air quality evaluations, both under our OCSLA authority and the NEPA process. But longer-term we will require additional expertise and frankly a study that will evaluate comprehensively the poten-

tial air impacts if additional development in the Arctic is to go forward.

COOPERATION BETWEEN FEDERAL AGENCIES

Mr. MORAN. Okay. Well, finally, the BP spill commission called for enhanced coordination and cooperation among federal agencies. You have talked about the cooperation between BOEM and BSEE. Does that also extend to NOAA and the Coast Guard?

Mr. BEAUDREAU. Yeah, absolutely. And Director Watson can speak a little bit to the Coast Guard because those interactions come more on the spill response level. But with respect to planning and environmental reviews, both conventional and renewable, we are very closely coordinated with NOAA. As you may be aware, last year, we formalized the working relationship between my agency and NOAA through a memorandum of agreement. It codified the ideal for the working relationship. We meet quarterly with Dr. Lubchenco and her staff to go over the interactions and take a step back and see how it is working. I have been extremely pleased so far on the level of input up front, as well as through the comment process, on our NEPA that we have been receiving from NOAA. And I also have been extremely pleased with the exchange of information going the other direction, providing our expertise, our scientific resources to NOAA in connection with the exercise of its responsibilities.

Mr. MORAN. Thank you.

And thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Lewis.

Mr. LEWIS. Thank you, Mr. Chairman.

OFFSHORE WIND ENERGY

Mr. Beaudreau, you suggest—let me paint a picture first. My own district is in Southern California and if you get on Interstate 10 about Redlands, where I live, and drive towards Palm Springs, shortly you start going through the pass and the entire pass is presently cluttered with windmills. I mean you cannot see the countryside anymore because of the windmills. You suggest that there is energy potential coming from windmills as you describe it off the coast in the Northeast. Tell me how that is going to work.

Mr. BEAUDREAU. Yeah, the example you raise is a perfect one, actually, as a foil for what we are trying to do offshore.

Mr. LEWIS. Okay.

Mr. BEAUDREAU. There are a lot of existing uses offshore. Those include military uses, fishermen, Coast Guard, equities that Admiral Watson is familiar with, and our job under “Smart from the Start”, the initiative announced by Secretary Salazar, is to, in a very proactive and upfront way, bring the stakeholders in early, understand what those uses are, what the alternative concerns are from all of the stakeholders, and make available areas for offshore wind that are de-conflicted, that already take into account all of those concerns. And therefore, we end up with relatively modest areas made available for offshore wind but we have done our utmost to de-conflict those areas and to ensure that they can move forward in a way that does not interfere with other uses, does not

end up tied up in litigation forever, and actually gives industry a concrete area to work with.

Mr. LEWIS. Goodness sakes, how you could even begin to project not being tied up with litigation immediately is amazing to me. But in the meantime, purely from a business standpoint how one can anticipate real-world placement of a windmill off a shore and go to the expense of making it viable, and at the same time with the lawsuits involved, are you certain we are not just spinning our wheels here? I mean we could spend a lot of money studying this and lead to nowhere.

Mr. BEAUDREAU. There have been a lot of doubts and a lot of naysayers along the way who are concerned about whether this is truly viable. What we have tried to do through this "Smart from the Start" process I described is again to try to eliminate as much of that doubt as possible and give industry and their financing as well as the States that are interested and have their own internal statutory goals for renewable energy consumption, to give all of them something concrete so that their site assessment, so that their evaluation of the true potential can go forward. We will see down the road. At this stage what we are providing leases for is for site assessment so that they can make an evaluation of what it is going to cost to build there, how much energy can come out, what the demand is, and what the proper configuration ought to be in light of all of those concerns. And so it is a relatively long-term process but who knows what the world is going to look like down the road. And we are providing that industry with the opportunity to plan for it.

SAFE OFFSHORE OPERATIONS

Mr. LEWIS. Okay. I hear you and obviously there is skepticism in the light of my questioning. But if we go forward and we are able to effectively develop at a maximum level alternative renewable energy sources—solar, wind, and others—we do know that at the other end of that, that leads to something at a maximum of like 20 percent of the potential energy that we need. The really important and viable resource is what can we tap in terms of fossil energy production? I would really be interested in what you have to say, Admiral Watson. Is it real world that we can in a safe and environmentally effective way tap into these sources and lead to a product that will help us with energy independence?

Mr. WATSON. Well, sir, I am not that big of a student on the large strategic policies, but I am certainly gearing up for expanded oil and gas exploration and production for the United States. I think that the trend has already been sort of illustrated in some of these lease sales and with some of the policies of the Administration to open up areas. And I think that I just need to focus on—the second part of your question, can it be done safely? And I think that there are some lessons learned from the Deepwater Horizon incident that if you get into deeper water with higher pressures or perhaps this area in Alaska, you are going to have to use the best minds of American ingenuity, risk management, management in general, both within the government and within the industry to be able to do this safely.

So what I am optimistic about is that the core of this future is already embedded in my bureau. I have engaged these people and I am absolutely convinced that we have the expertise in the Federal Government to build on to get to that future. Now, we are going to have to do some continued work to recruit new people and to expand and to build on the technology that is going to be needed to be the regulator of this. But I think we have got some great ideas started and there are some actual things embedded into our FY 2013 budget request that I think are going to bring us a little bit further down the road there, too.

Mr. LEWIS. OK. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Hinchey.

PERMITTING AND OFFSHORE SAFETY

Mr. HINCHEY. Mr. Chairman, thank you very much. Director Watson, Director Beaudreau, thank you very, very much. Thanks for being here and thanks for the things that you are doing.

As you know, we have come a long way since the BP spill disaster in the Gulf of Mexico, which is now almost 2 years ago. Since then, the Department of the Interior has implemented critically important safety reforms that we strongly support, very much strongly support. Operators must show that they can deal with massive blowouts. Permit applications for drilling procedures must meet new standards for well design, casing, and cementing. Drilling standards have been strengthened.

These are reforms that needed to happen and they took time to implement, yet since the implementation of new safety and environmental standards on June 8 of 2010, as I understand it, you have approved 115 new shallow-water well permits in the Gulf of Mexico. And for deepwater wells in the Gulf, since an application first successfully demonstrated containment capabilities in February of 2011, you have approved 322 permits for 98 unique wells requiring Sub C containment and another 62 permits for wells not requiring containment. And now you put forth a new 5-year plan to cover leasing for the entire U.S. Outer Continental Shelf that makes more than 75 percent of our offshore oil and gas resources available for development. What is your sense about all of this situation? What do you think the safety is? What do you think that there is some potential difficulties or potential disasters that could come about as a result of the opening up of all of this set of circumstances?

Mr. WATSON. Well, the first rule that I have is that no new well will be permitted unless it complies with all of these new standards. And I think that there is also an embedded requirement there that we have to have the capability to not just ensure that it is going to be safe on paper but actually it is going to be safe in real life where you have to send inspectors offshore. They visit a drilling rig, for example, monthly if not more often when you have to do a blowout preventer test, for example, which is done each and every time a rig moves from one location to another.

And so there is going to be times when, if you have a sharp increase in growth, that there may be a little bit of lag in the permitting and perhaps a need to throttle the situation until we can get more inspectors. And we have seen a little bit of that in this past

year and we have had to have a lot of dialogue with the industry as a result. But I think right now, I am seeing things coming pretty much into a balance where we have increased our capacity as a result of some resources, we need to bring some on, and we have caught up with the permits that had to be issued to ensure compliance with these new standards even though they were existing wells. About 30 of those 98 were in that particular category. And we will not have to do those again. Those happen to be operations that were stopped and then restarted. And so the actual number of new wells this past year was about 61 of those 98.

Mr. HINCHEY. Sixty-one put into place?

Mr. WATSON. Those were—

Mr. HINCHEY. Have they been overseen? Have they been carefully examined?

Mr. WATSON. Absolutely. We are not taking any shortcuts.

Mr. HINCHEY. Um-hum.

Mr. WATSON. And we are seeing efficiencies in this process but none of those efficiencies are going to be at the expense of safety or time saving. So I think it can be done. It will be like any other sort of economy where you have the ups and downs and sometimes it is challenging for a government regulator to adjust perfectly to that. But we have learned a tremendous amount from this experience of these last 2 years and we are building on that experience.

Mr. HINCHEY. Anything?

5-YEAR LEASING PLAN

Mr. BEAUDREAU. One of the key components you have mentioned are a 5-year plan. One of the key components of our strategy with respect to the areas we chose to include in the plan was whether or not some leasing development had already occurred in those areas. That is true of every area that we have included in the plan. That was a key concern for a couple reasons. First, these are the areas that also happen to have the greatest resource potential. And so our 5-year plan, as you mentioned, makes available 75 percent of the potential untapped resources on the OCS.

The other major concern we had in selecting the areas that we did was that there needed to be some presence, some infrastructure, some regulatory oversight already in place in each of these areas. We have that for each of the areas in the plan. With respect to areas not currently in the plan such as the Mid- and South Atlantic, we have a strategy for developing that understanding and that capacity in those areas. But we are not going to have a lease sale there until we have that in place.

Mr. HINCHEY. Thanks. I have got another question but I can wait.

Mr. SIMPSON. Let me see—Ken? Why do we not go to Ken first and then we will come back.

Mr. CALVERT. That is all right. I thank the chairman.

I am a former business man and I always tell people that work with me, “just because sometimes things take more time does not mean they are more effective.” Giving people more time, does not necessarily mean they are more efficient or more safe or more productive. It just takes more time.

Last month, I joined a number of Members—182 bipartisan Members of the House—in signing a letter to Secretary Salazar regarding the 2012-2017 proposed Outer Continental Shelf plan. Specifically, the letter expressed our concern that the new 5-year plan does not make any new areas of OCS available for assessment. Obviously, with gas prices approaching record levels and seemingly knows no end to increasing prices, I certainly believe we must begin taking necessary steps to expand the OCS energy production into new areas.

Generally speaking, America has been exploring the same areas of the OCS for the better part of a generation. I was on the Resources Committee years ago when it first started looking into deepwater exploration and its challenges and some people believed that there was not any oil out on the OCS. Well, that is obviously not the case. There is significant oil out there and we found it.

My first question is, why was the decision made not to include any new areas of the OCS for assessment as part of any 5-year plan?

Mr. BEAUDREAU. As I mentioned before, under the 5-year plan we make available the areas of the OCS that contain approximately 75 percent of those untapped resources that you were talking about. The central Gulf of Mexico, for example, to this day, despite 30, 40 years of exploration, still contains the most abundant resource potential of any area on the U.S. OCS by double. The central Gulf of Mexico has 30 billion barrels of potential untapped but recoverable resource.

The second-place planning area is the Chukchi, which is also in our 5-year plan, which has approximately 15 billion barrels of potential. This strikes people sometimes as interesting given the point you were making, which was there has been oil and gas exploration in the Gulf of Mexico for a long time. Do we not need new areas? The Gulf of Mexico, particularly the central Gulf of Mexico, truly is a frontier area in many important respects because it changes in seismic—

Mr. CALVERT. I certainly recognize the Gulf. The Gulf has been somewhat permissive of oil and gas exploration over the years. The States adjoining the Gulf have been supportive of this industry. It is a huge industry, especially in Louisiana and Texas. These areas have been very supportive of the industry in spite of concerns that industry has to make sure they drill safely and make sure that we do not have any future disasters. Even if the difficulties of exploring off the coast of California where I am from—I represent a coastal community—shouldn't we know what energy resources are out there? For instance, in the Santa Barbara canyon area, we are developing new ways of accessing these offshore energy resources from on shore.

Some people in the industry believe that there may be more oil in certain parts of that region than there is in other parts of the country. Should we at least know what is out there?

Mr. BEAUDREAU. I am all for gaining knowledge and understanding well the resource potential of other areas. For example, while in the current 5-year plan or our proposed 5-year plan, we do not include any lease sales in the Mid- and South Atlantic planning area, which has raised concern and upset some folks. We actu-

ally have a very specific strategy with respect to that area. And that includes doing exactly what you were suggesting, which is developing a better understanding of the resource potential of that area.

CUBAN EXPLORATION ACTIVITIES

Mr. CALVERT. Cubans are doing that for you right now, are they not, as far as trying to find out how much oil is in that region?

Mr. BEAUDREAU. Off of their shores, not off the shores of Virginia.

Mr. CALVERT. No, but certainly off the coast of Cuba. Some people believe that the Cubans will be trying to penetrate into our own resource holdings. Do you all look into that kind of concern?

Mr. BEAUDREAU. I can tell you with respect to Cuba there is broad attention and concern within the Administration about exploration activities happening off of Cuba on the safety side, on the emergency response side in terms of protecting our shores. I have no reason to believe and no information that any of the activity planned for offshore Cuba involves trans-boundary reservoirs that would encroach upon territories in the United States.

Mr. CALVERT. But there has certainly been talk about that?

Mr. BEAUDREAU. I have heard that talk.

Mr. CALVERT. What was the quote from that movie a number of years ago? The guy used a straw as an analogy to oil drilling, you know, "I drink your milkshake". Cuban encroachment on American resources is something we ought to keep a close eye on because the energy industry folks are very concerned.

Mr. BEAUDREAU. OK.

Mr. CALVERT. Certainly I think we ought to know what resources we have on the West Coast also. This is out of your lane, but I understand 66 percent of the oil shale in the United States is located in the State of California, which I was shocked by.

Mr. BEAUDREAU. Yeah.

Mr. CALVERT. Somewhere down the road, we may need that resource in the future.

So thank you, Mr. Chairman.

Mr. BEAUDREAU. I agree with you. We should understand the resource.

Mr. CALVERT. We should know where it is.

Mr. SIMPSON. Maurice, did you have one more question you wanted to ask?

Mr. HINCHEY. Yeah. It is not very long—

Mr. SIMPSON. OK.

LEASING TERMS

Mr. HINCHEY. But Director Beaudreau, in your recent testimony, you highlighted several incentives that you are pursuing to accelerate development once a lease sale has been approved. As I understand it, oil companies are currently sitting on roughly 26 million acres offshore where they already have leases. So do you have an estimate of how much oil and gas is contained in these unused offshore leases? And if not, can you provide that for us at some point as soon as possible on the record?

Mr. BEAUDREAU. Yeah—

Mr. HINCHEY. And also—

Mr. BEAUDREAU. Sorry.

Mr. HINCHEY [continuing]. Can you discuss the steps your bureau is taking to make sure development happens in a timely manner once a lease has been approved?

Mr. BEAUDREAU. Yeah. With regard to your first question, in terms of the estimate, I do not have the figure off the top of my head but we can provide that.

Mr. HINCHEY. OK.

Mr. BEAUDREAU. You know, part of the answer is when—and historically MMS, because of where the minimum bid was set on properties, essentially undervalued a lot of acreage, and so operators and we understand where the best prospects are, the highest potential prospects are. Those are very competitive properties and they get bid on very aggressively. Because the minimum bid historically was too low, industry would essentially warehouse a lot of property.

Mr. HINCHEY. Um-hum.

Mr. BEAUDREAU. And so those areas may have only marginal prospects in terms of the resource potential, but because the minimum bid was so low, why not acquire it and inventory it. We have changed that. We have increased the minimum bid significantly.

With respect to incentives following leases, we have built into lease terms, particularly in deepwater, strong incentives to develop promptly, meaning the base, for example, in deepwater, we established a relatively short base term.

Mr. HINCHEY. Um-hum.

Mr. BEAUDREAU. If an operator goes out, drills on that property, they will automatically get an extended period on their lease and that is valuable and we believe that presents a very powerful incentive to explore diligently.

We are also cracking down on lease extensions and very rigorously applying our regulations that require diligence before any lease extension will be granted.

Mr. CALVERT. If the gentleman would yield on that point—

Mr. HINCHEY. Sure.

Mr. CALVERT [continuing]. And I think you make a good point. You know, in private leases, as you know, in many cases there are sunset provisions with private landholders. If they do not do certain things in a certain time schedule, then they lose their lease and it goes back to the marketplace. So do you have those provisions in there?

Mr. BEAUDREAU. Yeah. There is a balance we have to do. There are significant technical challenges to developing any lease, particularly in deepwater. And so we want to provide sufficient time for an operator to do that, but at the same time, if for whatever reason that particular company, because of its particular capital plan, chooses not to develop that lease hold, we want it to go back into the mix as promptly as possible. And so to answer your question directly, yes, we have tried to build that into the lease terms while understanding the challenge this industry faces.

Mr. SIMPSON. Thank you. And I appreciate you being here.

We have got a series of votes that is going to take about an hour. We are not going to keep you around for that length of time. I

know you guys have important jobs to do. We will be submitting some questions in writing and if you could, please get the answers to those back to us within 4 weeks, which will help us develop the budget.

The questions are going to be dealing with hiring inspectors and engineers, how successful we have been, what we need in the future, those types of things, as well as the new fees on nonproducing leases and some other things that we would like some answers to.

I appreciate you both being here today. We are keeping a close eye on this new transition to BOEM and BSEE from MMS and we want it to be successful. And I applaud the Administration for their efforts in trying to separate what MMS did into two different agencies. I think it was the right way to go. We look forward to working with you to try to make sure that it is successful. We will be in touch and if you could get those answers back to us, we would appreciate it.

Mr. BEAUDREAU. Thank you, Chairman.

Mr. WATSON. Thank you.

Mr. SIMPSON. Thank you very much.

The Subcommittee notes that the QFR responses from the Agency did not arrive in enough time to inform the FY 13 Appropriations bill. The Department of the Interior, Bureau of Ocean Energy Management and Bureau of Safety and Environmental Enforcement received questions from the Subcommittee on April 4th and did not submit OMB-cleared responses to the Subcommittee until June 13th.

**Hearing Questions for the Record (QFR) Prepared for the
Department of Interior, Bureau of Ocean Energy
Management/Bureau of Safety & Environmental Enforcement**

**Hearing: Bureau of Ocean Energy Management/Bureau of
Safety & Environmental Enforcement FY 13 Budget Oversight
Wednesday, March 7, 1:00pm Rayburn B308**

Questions for the Record from Chairman Simpson

Hiring Inspectors & Engineers (BSEE)

Simpson Q1: My understanding is that the Department issues inspection fees regardless of if there are actual inspections. If the agency can't hire all the inspectors needed this year, how are those inspection fees used?

Answer: Pursuant to the FY 2012 Department of the Interior, Environment, and Related Agencies Appropriations Act, inspection fees are collected for all facilities, excluding drilling rigs, above the waterline in place at the start of the Fiscal Year. The Outer Continental Shelf Lands Act requires the bureau to provide for an annual scheduled inspection of all oil and gas operations on the outer continental shelf. The annual inspection examines all safety equipment designed to prevent blowouts, fires, spills, or other major accidents. Inspection fees for drilling rigs are collected on a per-inspection basis.

In addition to hiring inspectors, BSEE is also hiring engineers and other disciplines that will support inspection and permitting activities, primarily in the bureau's district offices. The bureau is applying fees to support initial costs associated with new hires including background investigations, computer equipment, furniture, and vehicles. In addition, as staffing increases, the bureau is funding other requirements such as the leasing of additional helicopters and provision of specialized training.

Simpson Q2: For this fiscal year, BSEE has stated its desired number of engineers is 228. The agency currently has 133.

How will BSEE hire the additional 95 engineers by the end of the fiscal year?

Answer: As of January 2012, BSEE employed 163 engineers across all disciplines. BSEE is committed to continuing its aggressive recruiting strategies with the goal of filling as many current openings as possible with qualified candidates by the end of the Fiscal Year. BSEE and BOEM have jointly initiated a targeted recruiting campaign

nationwide, which will include analyzing methods for recruiting hard-to-fill positions, designing materials in various media to promote employment with the bureaus, and supporting current recruitment activities such as career fairs. Both BOEM and BSEE websites will have an Employment Opportunities feature designed to attract potential candidates. Each bureau has a recruitment team that is targeting entry and mid-level engineers and scientists by visiting universities, their engineering departments, and university-sponsored conferences. Representatives from these teams have participated in various events held at universities and developed professional contacts with the engineering department heads.

Additionally, continued utilization of compensation flexibilities and recruitment strategies has helped to attract engineers and inspectors. These strategies include offering advanced pay grade steps to applicants with superior qualifications, repayment of student loans, relocation payments, exceptional benefits packages, additional training, opportunities for limited telework, and an overall worker and family-friendly culture. Additionally, the bureaus expect the recently implemented special salary rate authority provided by Congress for fiscal years 2012 and 2013 will help attract highly qualified candidates to fill these essential positions. Position advertisements are being placed in petroleum journals, scientific magazines and newspapers in order to increase the applicant pool.

Simpson Q3: BSEE does not state the type of engineers who will be hired—i.e. structural, environmental or petroleum. Why is this?

Answer: BSEE anticipates that approximately 82% of our engineering positions identified through FY 2012 will be petroleum engineers. The remaining 18% are a mix of other engineering categories, including engineering technicians (7%); structural engineers (5%); general engineers (5%); and other engineering disciplines (civil, mechanical, environmental; 1%). These percentages may change as the bureau assesses its performance and future requirements.

Simpson Q4: Has BSEE used the OPM hiring authority that was included in the FY12 Omnibus Appropriations Act yet?

Answer: BSEE has developed the necessary framework to establish the special salary rate and has recently implemented the higher minimum rates of pay for the mission critical occupations of Petroleum Engineers, Geologists, and Geophysicists in the Gulf of Mexico Region. The bureau expects the authority provided by Congress for fiscal years 2012 and 2013 will help attract highly qualified candidates to fill essential positions.

Simpson Q5: If not, when will you use this authority?

Answer: BSEE has developed the necessary framework to establish the special salary rate and has recently implemented the higher minimum rates of pay for the mission critical occupations of Petroleum Engineers, Geologists, and Geophysicists in the Gulf of

Mexico Region. The bureau expects the authority provided by Congress for fiscal years 2012 and 2013 will help attract highly qualified candidates to fill essential positions.

Simpson Q6: Similarly, BSEE states it needs 155 inspectors and currently has 91—needing an additional 64 in fiscal year 2012. In the FY13 budget request, you state the Bureau needs to hire 63 additional inspectors.

In the next two years, the Bureau plans to hire 127 new inspectors (63+64=127)?

Answer: The bureau currently has about 90 inspectors and plans to increase this total to approximately 155 by the end of 2013. Since the 2010 Deepwater Horizon event, the agency has undergone a significant restructuring, while continuing to address both the immediate needs of ensuring the safety of industry operations and planning for future requirements. The 63 additional FTEs requested in the FY13 budget represent a number of diverse disciplines in BSEE. These include instructors for the newly established National Offshore Training and Learning Center, regulatory specialists, environmental specialists, and engineers. Our program reforms and related workforce structure continue to evolve as we look to the future.

The requested resources in the FY 2013 Budget will allow the bureau to:

- develop and implement new performance-based risk assessment and management regulatory programs;
- supplement risk-management programs with rigorous prescriptive safety and pollution-prevention regulations and standards;
- lead the development and adoption of international standards and best practices involving drilling and production;
- provide adequate funding to support safety and environmental oversight, inspection, and enforcement activities; and,
- provide a much better trained response community equipped with better response tools.

Simpson Q7: Does this mean the total number of inspectors needed by BSEE is 218?--Will this number go up again next year?

Answer: The bureau currently has about 90 inspectors and plans to increase this total to approximately 155 by the end of 2013. Since the 2010 Deepwater Horizon event, the agency has undergone a significant restructuring, while continuing to address both the immediate needs of ensuring the safety of industry operations and planning for future requirements. The 63 additional FTEs requested in the FY13 budget represent a number of diverse disciplines in BSEE. These include instructors for the newly established National Offshore Training and Learning Center, regulatory specialists, environmental specialists, and engineers. Our program reforms and related workforce structure continue to evolve as we look to the future.

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Simpson Q8: Can you explain why you need that many inspectors and what they'll be doing?

Answer: The bureau currently has about 90 inspectors and plans to increase this total to approximately 155 by the end of 2013. Since the 2010 Deepwater Horizon event, the agency has undergone a significant restructuring, while continuing to address both the immediate needs of ensuring the safety of industry operations and planning for future requirements. The 63 additional FTEs requested in the FY13 budget represent a number of diverse disciplines in BSEE. These include instructors for the newly established National Offshore Training and Learning Center, regulatory specialists, environmental specialists, and engineers. Our program reforms and related workforce structure continue to evolve as we look to the future.

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Hiring Inspectors & Engineers (BOEM)

According to the FY13 budget request, it seems that BOEM has almost met its goal for hiring engineers—congratulations.

Simpson Q9: Is there additional personnel that needs to be hired by the Bureau?—or are you fully staffed?

Answer: Going into FY 2012, BOEM had a number of vacancies, and it is working diligently to fill as many of those vacancies as possible before the end of the fiscal year.

BOEM anticipates having sufficient staff to carry out activities planned in FY 2013, as identified in the President's Budget Request.

Simpson Q10: What can we expect from the \$3 million increase in funding you've requested?

Answer: The budget proposes a modest increase of \$3.3 million, or two percent, above the FY 2012 enacted level. The requested increases reflect careful analysis of the resources needed to develop the bureau's capacity and to execute its functions carefully, responsibly and efficiently. The increases will support renewable energy lease auctions, environmental studies, and fixed costs. Specifically, the requested increases are:

Renewable Energy Auction Support Services (+\$1,296,000; +0 FTE). In order to achieve the Secretary's renewable energy goal outlined in the "Smart from the Start" initiative, BOEM must accelerate the auction schedule of potential wind leases. Because it is not yet equipped with the technical support or expertise to manage these auctions, BOEM will contract those services and purchase wind resource data.

Environmental Studies (+\$700,000; +0 FTE). The requested increase will enable BOEM to initiate high priority baseline characterization and monitoring studies. With the release of the proposed Five-Year Program, establishing baseline information will become an increasing need to ensure a scientific basis for informed and environmentally responsible policy decisions.

Fixed Costs (+\$1,453,000; +0 FTE). Fixed costs in the amount of \$1,453,000 are fully funded in this request. These costs include increases needed to support employee pay, changes in Federal health benefits and Worker's Compensation, rent to the General Services Administration, and payments to the Department through its Working Capital Fund.

New Fees on Non-producing Leases (BOEM)

The Department has again proposed a fee of \$4 per acre on non-producing leases to encourage development of these leases. Most lessees pay rentals on a lease until that lease starts producing (and generating royalties). In deep water (400 feet and deeper), these rentals escalate each year to encourage development.

In BOEM's testimony, you state you increase the minimum rental in deep water from \$37 to \$100 per acre. You also include other incentives, such as lease extensions, for early development.

Simpson Q11: If lessees are also paying rentals from the time they have leased the parcel until the parcel either enters into production or is relinquished, what is the difference between a non-producing fee and a rental?

Answer: The fee on non-producing oil and gas leases is a legislative proposal that will further 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 an added financial incentive for oil and gas companies to either get their leases into production or relinquish them so that 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.

Simpson Q12: Why then, is the \$4 fee per acre necessary?

Answer: In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure that companies diligently develop their Federal leases. Although the report focused on administrative actions that 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 FY 2013 and \$783.0 million over ten years.

Simpson Q13: Can't BOEM handle this administratively as you explained in your submitted testimony?

Answer: Consistent with the Obama Administration's *Blueprint for a Secure Energy Future*, BOEM has already implemented significant administrative reforms to ensure fair return to taxpayers and encourage diligent development. These measures include:

- **Increasing rental rates to encourage faster exploration and development of leases:** In the Gulf of Mexico, during the initial term of a lease and before the commencement of royalty-bearing production, the lessee pays annual rentals which either step-up by almost half after year 5 – for leases in water 400 meters or deeper – or escalate each year after year 5 – for leases in less than 400 meters of water. The primary use of step-up and escalating rentals is to encourage faster exploration and development of leases, or earlier relinquishment when exploration is unlikely to be undertaken by the current lessee. Rental payments also serve to discourage lessees from purchasing tracts they are unlikely to develop, and provide an incentive for the lessee to drill the lease or to relinquish it, thereby giving other market participants an opportunity to acquire these blocks. In March 2009, in addition to implementing escalating rental rates, BOEM raised the base rental rates for years 1-5.
- **Tiered durational terms to incentivize prompt exploration and development:** Gulf of Mexico leases in certain water depths (400-1600 meters) are now structured to provide for relatively short initial periods, but followed by an additional period under the same lease if the operator drills a well during the initial period. The initial periods are graduated by water depth to account for technical differences in operating at various water depths. In addition, BSEE recently informed lessees of a decision from the Department's Office of Hearings

and Appeals that reaffirms the requirement that lessees demonstrate a commitment to produce oil or gas in order to be eligible for lease expiration suspensions.

- **Increased minimum bid:** In 2011, BOEM increased the minimum bid for tracts in at least 400 meters of water in the Gulf of Mexico to \$100 per acre, up from \$37.50, to help ensure that taxpayers receive fair market value for offshore resources and to provide leaseholders with additional impetus to invest in leases that they are more likely to develop. Analysis of the last 15 years of lease sales in the Gulf of Mexico showed that deepwater leases that received high bids of less than \$100 per acre, adjusted for energy prices at the time of each sale, experienced virtually no exploration and development drilling.

Outer Continental Shelf Resources (BOEM)

In the State of the Union, the President talked about allowing access to 75% of the offshore oil and gas resources. The Outer Continental Shelf is 1.76 billion acres. No one has done geologic seismic studies in the Atlantic in 30 years. The vast majority of the Pacific has not done seismic studies in 30 years and outside of the Arctic Ocean, nobody has a good clue what is off the Alaska coast.

Simpson Q14: While I am not quibbling with the 75% stated by the President, how do we know that we're offering 75% of oil and gas resources?

Answer: The 75% represents the portion of BOEM's estimated total "undiscovered technically recoverable resources" on the Outer Continental Shelf that underlie areas being considered for oil and gas leasing in the Five-Year Oil and Gas Leasing Program for 2012 to 2017. Essentially, undiscovered technically recoverable resources are quantities of oil and gas that are estimated based on comparisons with resources in existing fields that can be produced with current recovery technology and efficiency. By gathering and analyzing geological and geophysical data, BOEM geoscientists and engineers interpret seismic and well data along with other relevant information available in the respective OCS regions. The interpretations are coupled with analyses of reservoir properties from over 1,300 previously discovered OCS oil and gas fields to estimate the volume of undiscovered oil and gas resources.

To accompany the results of the Proposed Five-Year Program, BOEM released the *Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf*. This assessment provides a more detailed description of the methodology and technology used to calculate the estimates as well as an explanation of the results. It can be found at the following internet address: (http://www.boem.gov/uploadedFiles/2011_National_Assessment_Factsheet.pdf).

According to BOEM's findings, the Central Gulf of Mexico is estimated to hold more than 30 billion barrels of oil and 133.9 trillion cubic feet of natural gas of undiscovered resources. This is nearly double the resource potential of even the Chukchi Sea. The

Western Gulf of Mexico is just behind the Chukchi Sea with more than 12 billion barrels of oil and nearly 80 trillion cubic feet of natural gas. BOEM derived the 75 percent figure from an evaluation of the undiscovered technically recoverable resources estimated in the proposed lease areas as a function of this total estimated amount.

It is important to remember that all resource estimates are just that— estimates. All methods of assessing potential quantities of technically recoverable resources are efforts to quantify a value that will not be exactly known until the resource is nearly depleted.

Simpson Q15: Is BOEM investing in geologic seismic studies so the Department has the latest data on recoverable resources?

Answer: BOEM issues permits for pre-lease geological and geophysical (G&G) activity, and has the authority to acquire industry-collected G&G data from the U.S. Outer Continental Shelf (OCS). BOEM thus acquires significant amounts of new OCS seismic data as it becomes available.

BOEM's Resource Evaluation division – funded principally through the Conventional Energy activity – relies heavily on seismic data, which is critical to many aspects of BOEM's resource assessment work, including estimating undiscovered hydrocarbon resources and assessing environmental and operational constraints. The assessment process incorporates specific geologic information, mathematical and statistical analyses, risk and probability theories, economic scenarios, petroleum engineering data, and a variety of additional technical assumptions.

To facilitate these efforts, BOEM invests in the required software, hardware, and expertise necessary to interpret this data through complex computer models and methodologies. Currently, BOEM spends about \$3.5 million yearly on seismic data and associated analysis software.

One of the principal uses of this data and software is to ensure the U.S. Government receives fair market value for oil and gas leases on the OCS. U.S. Government income from lease sales often exceeds \$1 billion dollars per year. At the moment, BOEM is replacing its legacy fair market value determination software (called MONTCAR) and transitioning to a more dynamic software (called PetroVR) that will enable it to perform more sophisticated analyses and improve fair market value determinations.

Environmental Plans (EPs) (BOEM)

In the past we know there was a lot of delay with the completion of Environmental Plans. By law, the Bureau is supposed to complete these Plans within 30 days of the Plans being 'deemed submitted.' Based on the information in the FY13 budget request, BOEM seems to be falling short of completing these plans in a timely manner. I'm also concerned that only three sentences in your testimony are dedicated to EPs when they are such a large part of what BOEM does.

Simpson Q16: What have you done to speed up this process?

Answer: BOEM is committed to rigorous and efficient review of exploration and development plans—including our current policy of conducting site-specific environmental assessments on all exploration and development plans in deepwater. Consistent with strengthened standards for environmental analysis, BOEM is committed to ensuring that the plan review process is efficient and transparent to industry so that operators are positioned to comply with operational requirements.

BOEM continues to take concrete steps to facilitate this approach. For example, BOEM assigns a designated “plans coordinator” to work with operators and to provide them with a single point of contact throughout the review of each plan. Further, BOEM recently held a technical assistance workshop with industry operators to discuss heightened standards for offshore oil and gas exploration plans, share best practices, and obtain industry feedback regarding the plan review process – with the goal of promoting compliance and further increasing the efficiency of plan review. The program included a specific focus on identifying frequent errors in plan submissions and offering tips for resolution, addressing operator errors in submittals, particularly early on in the plan completion and review process, can increase efficiency by avoiding unnecessary review of incomplete plans, and reduce the need for BOEM to return materials to operators with requests for corrections and additional information

Simpson Q17: When can we expect to see progress?

Answer: BOEM is currently meeting all regulatory timeframes, and we are committed to the ongoing effort to increase efficiency, as described above. The review timeline for exploration plans is increasingly predictable to industry, and BOEM is improving collaboration with industry to improve the quality of plan submissions. We have already begun to see progress in the time it takes to process EPs. Since the beginning of FY 2012, BOEM has reduced by more than 40 percent the average number of days it takes from initial submission of an EP to final approval. From February 2010 to September 2011, it took an average of 192 days to process an EP. Since October 1, 2011, BOEM has reduced that average length to 109 days.

And while we are seeing increased efficiency in the review process, we are also working to improve the quality of the plans submitted by industry. Delays in the review process are often due to the need for revisions to submitted plans. Improving the quality of the initial plan submission enables not just a speedier process, but also a more efficient process. On its website, BOEM provides the status of EPs, as well as Plan development guidelines and a list of the most common problems found during the Plan completeness review. This information, found at <http://www.boem.gov/Oil-and-Gas-Energy-Program/Plans/index.aspx>, is publicly available so that offshore operators have the tools they need to submit complete and accurate plan applications, which will minimize plan processing delays within BOEM. In addition, several workshops have been held to further facilitate the proper submittal of Plan information. BOEM also routinely meets with individual operators concerning Plan application requirements.

Simpson Q18: What is your current backlog of Environmental Plans?—should you be dedicating more funding to this?

Answer: As described above, we are committed to reviewing exploration plans in a rigorous and efficient manner. As of June 11, 2012, BOEM received 41 shallow water (depths less than or equal to 500 feet) initial exploration plans for new wells since enhanced regulations were put in place on June 8, 2010 of which 32 have been approved. BOEM also received two initial exploration plans prior to June 8, 2010 for a total of 43 initial exploration plans to which the enhanced regulations apply. BOEM has requested modifications for two plans, four plans are pending, three plans have been deemed submitted, and two plans have been withdrawn.

As of June 11, 2012, BOEM received 41 deep water (depths greater than 500 feet) initial exploration plans for new wells since enhanced regulations were put in place on October 12, 2010 of which 38 have been approved. BOEM also received eight initial exploration plans prior to June 8, 2010 for a total of 49 initial exploration plans to which the enhanced regulations apply. BOEM has six plans pending and five plans have been deemed submitted.

On its website, BOEM tracks the progress of all Exploration Plans submitted (<http://www.boem.gov/Oil-and-Gas-Energy-Program/Plans/Status-of-Gulf-of-Mexico-Plans.aspx>). This chart is updated daily and reflects the most current statistics on the number of exploration plans received and processed by BOEM. Given that BOEM is meeting its regulatory requirements with regard to exploration plan reviews, resources currently dedicated to plan review and approval appear to be sufficient. However, BOEM continues to meet frequently with industry groups and individual operators regarding strategic and operational plans for the Gulf of Mexico over the coming months and years. We do this, in part, to align BOEM's resources with anticipated levels of industry activity.

FY13 Budget Request Increase (BSEE)

The FY13 budget request for BSEE includes a \$20 million increase for new staff and inspections.

Simpson Q19: How will these changes and the accompanying budget request create a safer offshore drilling environment that still produces significant revenues?

Answer: All the activities that BSEE undertakes are aimed at creating a safer offshore drilling environment, including development of new regulations, enforcement activities, inspections, and permit application review. Full staffing levels will enable the agency to better perform all of its duties and keep pace with the ever-changing technologies and practices in the offshore oil and gas industry.

BSEE's primary function is ensuring safe and responsible operations on the Outer Continental Shelf. Ensuring safe and responsible operations ultimately benefits workers, the environment, and the industry as a whole, by allowing for safe and uninterrupted operations. While the bureau is not charged with promoting increased oil and gas revenues, it does ensure ultimate recovery and efficient reservoir management of oil and gas discoveries and the prevention of waste in development, such as the excessive or unnecessary flaring of natural gas.

Simpson Q20: Where will you hire the qualified and competent staff needed to implement these changes?

Answer: BSEE currently has a plan to aggressively recruit qualified personnel in all of its units. The Director and senior managers from the Regional offices are directly involved in recruiting at universities and industry-sponsored career fairs. BSEE recruits both experienced professionals and recent college graduates in the fields of engineering, geoscience, and other disciplines. One of the bureau's highest priorities is hiring petroleum engineers in the Gulf of Mexico Region. The Gulf of Mexico Region is currently recruiting at universities with Petroleum Engineering curriculums and is planning a very active recruiting schedule for the fall of 2012. In addition to recruiting entry level Petroleum Engineers, BSEE will also aggressively recruit experienced Petroleum Engineers and other experts by attending a variety of professional conferences. To enhance BSEE's recruiting efforts, position advertisements will appear in oil and gas trade journals and magazines and other appropriate media. BSEE's goal is to establish sustainable recruiting, hiring, and training processes. This will support the ongoing development of employees ready to assume responsibilities as some of the bureau's workforce prepares for retirement.

Simpson Q21: What is the correlation between increased funding and the amount of completed permits issued? What can we expect based on the dollars we appropriate?

Answer: The pace of permit processes depends on many factors, including the submission of a complete application and detailed analysis to determine that the proposed activity is in compliance with regulations and ensures the safety of operations. As industry has improved its permit applications and the bureau has adjusted to the new processes instituted in the aftermath of the *Deepwater Horizon*, there has been a significant increase in the number of permits approved, and a significant decrease in the time needed for approval. However, such gains have required a considerable amount of overtime and exceptional effort by BSEE's personnel. Additional improvements require additional personnel and BSEE is actively recruiting new employees. Furthermore, the permit workload is expected to grow significantly in the coming years. The number of deepwater drilling rigs operating in the Gulf of Mexico is expected to grow to approximately 50 by early 2013, and could grow as high as 60 by the end of 2013. In addition to the nearly 40 deepwater rigs currently operating in the Gulf, there are over 30 rigs operating in the shallow waters of the Gulf of Mexico; more than the number of drillings rigs in operation prior to the *Deepwater Horizon*.

Engineers in the Gulf of Mexico Region (GOMR) and GOMR District offices have reviewed and approved 104 unique deepwater well permits with containment and the new drilling requirements from February 2011 through April 9, 2012. Additionally, 64 deepwater permits have been approved through April 9, 2012 without a requirement for subsea containment. BSEE has also approved 122 new shallow water well permits since the implementation of new safety and environmental standards on June 8, 2010.

Environmental Enforcement (BSEE)

The FY13 budget request doubles the budget for Environmental Enforcement (from \$4.1M in 2012 to \$8.3M in 2013). The extra \$4M will pay for employees and environmental inspections.

Simpson Q22: Knowing that funds are limited, how does BSEE determine where (which platforms or rigs) to conduct environmental inspections?

Answer: BSEE's newly-established Environmental Enforcement Division (EED) is responsible for enforcement of all environmentally-related provisions and regulations, including but not limited to, the Clean Water Act, the Oil Pollution Act, the Clean Air Act, the Endangered Species Act, the Marine Mammals Protection Act, and the National Historic Preservation Act. To ensure the best use of resources, EED concentrates on operations that are not generally overseen by the existing Safety Program, such as seismic surveys, pipeline installations, anchoring activities, decommissioning activities, and artificial-reef emplacements. For these activities, the EED's Environmental Enforcement Officers (EEOs) initially rely upon their review of existing environmental lease stipulations and the hundreds of environmental mitigation measures placed on oil and gas operations each year to narrow their focus to those activities that have the greatest potential for harm to marine species and ecosystems or create possible conflicts with other users of the Outer Continental Shelf. Since EEOs complement BSEE's Safety Program, they also accompany safety inspectors upon request or when assistance is needed for any air or water quality issues or pollution concerns. Additionally, EEOs are tasked with environmental damage assessments and mitigation evaluation work linked to activities where noncompliance was previously-determined through field work and/or office compliance assessments.

Simpson Q23: Is there a method used to ensure that the most risky actors are inspected?

Answer: In addition to concentrating on operators with repeated noncompliance, the EEOs follow leads on risky operations provided to them by safety inspectors, engineers, and other regulatory groups in the same manner as the Safety Program. Additionally, the EED is currently working with the Gulf of Mexico Region's District Field Operations and Regional Field Operations to develop a violation reporting system that will allow offshore workers to anonymously report observed safety or environmental issues and negligent activities. The EEOs will conduct follow-up work based on the input provided and the findings will be tracked and reviewed to determine if patterns exist within a specific company, and/or if additional investigations are required at their other facilities.

Similarly, EED's involvement with audits and reviews under the Safety and Environmental Management Systems program also provide leads regarding the most environmentally problematic operators and activities.

Research and Development for Offshore Drilling Safety (BSEE)

The technology of offshore oil and gas production changes at a very rapid pace. I can understand how difficult it can be for a government agency to keep up with these changes and still appropriately regulate industry.

Simpson Q24: How do your agencies keep up with the constant change in technology?

Answer: BSEE is actively engaged in national and international standards-setting organizations and technical forums, and BSEE employees regularly attend and participate in industry conferences to keep on top of the latest technologies. BSEE provides research funding to support cutting-edge research into a wide variety of topics, allowing BSEE to be a source of many of the latest advancements in technology. In addition, BSEE communicates on technical issues with other U.S. and international regulatory agencies to keep abreast of regulatory practices and new findings worldwide.

Simpson Q25: I assume you must work closely with the industry to understand the latest technology while also ensuring the relationship isn't too cozy. How do you maintain this balance?

Answer: BSEE actively participates in many forums to stay abreast of technology and standard development both domestically and internationally. As required, we do look to third party standard setting bodies in the development of regulations. In doing so, BSEE exercises its statutory responsibility to independently analyze third party standards and whether they are appropriate for inclusion in regulations. BSEE also receives a significant amount of company specific technical information as part of the regulatory review and approval process. This data allows BSEE to evaluate cutting edge technology and independently apply these best practices on an industry-wide basis.

Additionally, BSEE has a strict ethics policy that is intended to remind employees that while industry and government share many common goals, such as protection of the environment while ensuring safe operations, we are operating from different perspectives. We are the regulators. We hold our positions as a matter of public trust, and we take this responsibility very seriously. All BSEE employees receive annual ethics training. They are reminded of their responsibility to avoid conflicts of interest or the appearance of such conflicts. When new Safety Inspectors are hired, they must disclose all of the companies for which they have worked during the preceding two years. They must also list all of their friends and family members who are employed with organizations which we regulate. The assignments of our Inspectors are then structured to avoid even the appearance of a potential conflict.

Simpson Q26: The Department has been an outspoken proponent of renewable energy and your budget request reflects that interest again this year. The administration has outlined very specific goals for domestic renewable energy production.

Does BOEM have similar goals for offshore oil and gas production to ensure that we are making progress toward decreasing our reliance upon foreign sources of oil?

Answer: Offshore renewable and conventional energy resources are key components of the Administration's "all of the above" energy strategy—with a goal of reducing oil imports by a third by 2025. In 2011, American oil production reached the highest level in nearly a decade and natural gas production reached an all-time high. America's dependence on foreign oil has gone down every single year since President Obama took office. Thanks to increasing U.S. oil and gas production, more efficient cars and trucks, and a world-class refining sector that last year was a net exporter for the first time in 60 years, the United States has cut net imports by ten percent - or a million barrels a day - in the last year alone.

BOEM is committed to managing the Nation's offshore resources in a balanced way that promotes efficient and environmentally responsible energy development through oil and gas leasing, renewable energy development, and a commitment to rigorous, science-based environmental review and study. This includes making significant areas available for offshore oil and gas exploration and development. BOEM's Proposed Outer Continental Shelf Oil and Gas Leasing Program for 2012-2017 makes areas containing more than 75 percent of undiscovered, technically recoverable oil and gas resources estimated in federal offshore areas available.

Simpson Q27: What production goals would you like to be realized as a part of the 2012-2017 five year plan and how are you proposing to achieve that?

Answer: Although the Proposed Five-Year Program aims to facilitate production, it has typically been the prerogative of the individual lessees/operators to actually recover and produce the resources in areas they have paid to develop. To encourage timely development of leases, BOEM has introduced new measures to incentivize production.

Recent administrative reforms aim to ensure fair return to taxpayers and encourage diligent development, consistent with policies articulated in the Administration's *Blueprint for a Secure Energy Future*. These include escalating rental rates to encourage prompt exploration and development of leases, as well as time under the lease if the operator demonstrates a commitment to exploration by drilling a well during the base period. The durational terms of leases are graduated by water depth to account for differences in operating at various water depths.

In addition, BOEM recently increased the minimum bid for deepwater to \$100 per acre, up from only \$37.50, to help ensure that taxpayers receive fair market value for offshore resources and to provide leaseholders with additional impetus to invest in leases that they are more likely to develop. Rigorous analysis of the last 15 years of lease sales in the

Gulf of Mexico showed that deepwater leases that received high bids of less than \$100 per acre, adjusted for energy prices at time of each sale, experienced virtually no exploration and development drilling.

Moving forward, lease sale terms now reflect a series of conditions to protect the environment. These include stipulations to protect biologically sensitive resources, mitigate potential adverse effects on protected species, and avoid potential conflicts associated with oil and gas development in the region. BOEM completed a supplemental environmental impact statement relating to its most recent Central Gulf of Mexico lease sale, which considers the latest available information for the Central Gulf of Mexico Planning Area following the *Deepwater Horizon* oil spill.

In terms of goals specific to the Proposed Program, BOEM is focused on diligent and responsible development on the part of lessees. The Proposed Program is designed to promote the diligent development of the Nation's offshore oil and gas resources, which are and will remain central to the Nation's energy strategy, economy, and security. One goal of the Proposed Program is to support the Administration's *Blueprint for a Secure Energy Future*, which aims to promote the Nation's energy security through decreased reliance on oil imports and increased – safe and responsible – domestic oil and gas production.

Moreover, the Proposed Program attempts to build on the significant progress made by the Department in accelerating reforms that have improved the safety and environmental protection of the OCS since the *Deepwater Horizon* blowout and oil spill. These reforms have improved both the safety of offshore drilling to reduce the risk of another loss of well control in our oceans and our collective ability to respond to a blowout and spill. While offshore oil and gas exploration and development will never be risk free, these activities can be conducted safely and responsibly, with appropriate measures to protect human safety and the environment.

Questions for the Record from Mr. Calvert

5-year Plan

Last month, I joined with 182 bipartisan members of the House of Representatives in signing a letter to Secretary Salazar regarding the 2012-2017 Proposed Outer Continental Shelf Plan. Specifically, the letter was sent to express our concern that the new 5-year plan does not make any new areas of the OCS for assessment. With gas prices approaching record levels, I believe we must begin taking the necessary steps to expand OCS energy production into new areas.

Calvert Q1: Generally speaking, America has been exploring the same areas of the OCS for the better part of a generation. Why was the decision made to not include any new areas of the OCS for assessment as part of the 5 year plan?

Answer: The Proposed Program, which includes a schedule of offshore oil and gas lease sales in six planning areas on the United States Outer Continental Shelf (OCS) that contain more than 75 percent of undiscovered technically recoverable OCS oil and gas resources, is designed to achieve the careful balance required under Section 18 of the OCS Lands Act. The Act states: “[m]anagement of the Outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the Outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the Outer Continental Shelf and the marine, coastal, and human environments.”

Two primary guiding principles underlie this Proposed Program. First, the Proposed Program is designed to promote the diligent development of the Nation’s offshore oil and gas resources, which are and will remain central to the Nation’s energy strategy, economy, and security. The Proposed Program is in alignment with the Administration’s *Blueprint for a Secure Energy Future*, which aims to promote the Nation’s energy security and reduce oil imports by a third by 2025 through a comprehensive national energy policy that includes a focus on expanding safe and responsible domestic oil and gas production.

Second, this Proposed Program is grounded in the lessons learned from the *Deepwater Horizon* tragedy, which caused the deaths of 11 workers and resulted in the release of nearly five million barrels of oil into the GOM. Since the *Deepwater Horizon* event, DOI has raised standards for offshore drilling safety and environmental protection in order to reduce the risk of another loss of well control in our oceans and improve our collective ability to respond to a blowout and spill. While offshore oil and gas exploration and development will never be risk-free, the risk from these activities can be minimized and operations can be conducted safely and responsibly, with appropriate measures to protect human safety and the environment.

Based on these principles, the Proposed Program provides for lease sales in six offshore areas where there are currently active leases and exploration and where there is known or anticipated hydrocarbon potential. This represents a regionally targeted approach that is tailored to the specific needs and environmental conditions of different areas in order to best achieve the dual goals of promoting prompt development of the Nation's oil and gas resources and ensuring that this development occurs safely and with the necessary protections for the marine, coastal and human environments. This approach accounts for the differences between different areas – including differences in current knowledge of resource potential, adequacy of infrastructure to support oil and gas activity, accommodation of regional interests and concerns, and the need for a balanced approach to our use of natural resources.

Calvert Q2: As America moves toward the goal of energy independence, shouldn't expanding OCS exploration be a part of that movement?

Answer: Expanding offshore oil and gas production is a key component of the Administration's comprehensive energy strategy to grow America's energy economy, and will help continue to reduce dependence on foreign oil.

The Proposed Program focuses on encouraging exploration and development where the oil is – and the Gulf of Mexico still has the greatest, by a large margin, untapped resource potential in the entire U.S. Outer Continental Shelf. The Gulf of Mexico is the crown jewel of the U.S. OCS, and will remain so for the foreseeable future as developments in seismic and drilling technology have opened new resource frontiers in the Gulf. The Gulf of Mexico, in particular the deepwater, already has several world class producing basins, and just in the past year there have been a number of significant new discoveries.

The November 2011 *Assessment of Undiscovered Technically Recoverable Oil and Gas Resources of the Nation's Outer Continental Shelf* estimates that the Central Gulf of Mexico holds more than 30 billion barrels of oil and 133.9 trillion cubic feet of natural gas yet to be discovered. This is nearly double the resource potential of even the Chukchi Sea. The Western Gulf of Mexico is just behind the Chukchi with more than 12 billion barrels of oil and nearly 80 trillion cubic feet of natural gas. In short, the Gulf of Mexico is an expanding oil and gas frontier that will help fuel the economies of the Gulf Coast region and help meet the Nation's energy needs for decades to come.

The Gulf of Mexico remains an enormously attractive place to work. The Gulf offers unparalleled infrastructure and support to develop finds and bring resources to market efficiently. Indeed, there currently are more drilling rigs working in the deepwater of the Gulf than there were at the time of the *Deepwater Horizon* oil spill.

While the proposed leasing program makes available the areas with the richest resources, BOEM is also evaluating the oil and gas potential of areas where drilling has not occurred in the past. BOEM is working to advance a strategy to evaluate the potential for oil and gas exploration off of the mid- and south- Atlantic. Although it is premature to schedule lease sales in those areas, BOEM is completing an environmental impact

statement related to seismic activity in the mid- and south-Atlantic so that current, accurate data can be collected about the oil and gas potential in the region. BOEM is also actively engaging with the Department of Defense about the military's needs in these areas, as well as developing information about other potentially conflicting uses. These are all threshold issues that must be better understood to inform decisions about whether — and if so where — any oil and gas activity in the Atlantic should occur in the future.

Calvert Q3: Given the regulatory and industry changes that occurred in the wake of the Deepwater Horizon disaster to improve the safety of offshore energy exploration, the lifting of the OCS moratorium and rising public support for offshore drilling, especially as gas prices continue to climb, does the Administration have a plan for expanding OCS energy availability that includes oil and natural gas?

Answer: Expanding safe and responsible offshore energy exploration and development is an important component of the Obama Administration's "all of the above" energy strategy—which sets a goal of reducing oil imports by a third by 2025. In 2011, American oil production reached the highest level in nearly a decade and natural gas production reached an all-time high. America's dependence on foreign oil has gone down every single year since President Obama took office. Thanks to booming U.S. oil and gas production, more efficient cars and trucks, and a world-class refining sector that last year was a net exporter for the first time in 60 years, the United States has cut net imports by ten percent – or a million barrels a day – in the last year alone.

The Proposed Five-Year Program provides a framework for our offshore leasing strategy for the coming years. The Proposed Program, which is in line with President Obama's direction to continue to expand safe and responsible domestic production, includes six offshore areas where there are currently active leases and exploration, and where there is known or anticipated hydrocarbon potential. It schedules 15 potential lease sales for the 2012-2017 period – 12 in the Gulf of Mexico and three off the coast of Alaska.

The Proposed Program will promote safe and responsible domestic energy production by offering substantial acreage for lease in regions with known potential for oil and gas development. It also reflects the need for a regionally tailored approach to offshore development that accounts for issues such as current knowledge of resource potential, adequacy of infrastructure including oil spill response capabilities, and the need for a balanced approach to our use of natural resources. The majority of lease sales are scheduled for areas in the Gulf of Mexico, where resource potential and interest is greatest and where infrastructure to bring production to market and to respond in the event of an accident is most mature.

NEPA

There is no doubt that in the wake of the Deepwater Horizon disaster we must ensure there continues to be strong oversight over offshore drilling operations to ensure environmental protections. However, as many of us hear from job creators in our

districts time and again, there is often a fine line between commonsense environmental protections and heavy handed, job killing, bureaucratic overreach.

Calvert Q4: What are BOEM and BSSE doing to ensure their environmental reviews under NEPA and other applicable statutes are conducted efficiently and in a manner that reduces review time as much as possible without compromising safety?

Answer: The BOEM, the agency with primary responsibility for NEPA analysis with respect to offshore activities, is committed to a tiered approach to NEPA in order to ensure that the environmental review of oil and gas leasing, exploration, development, and decommissioning are done in both a rigorous and efficient manner, and in a way that ensures that analysis at each stage of the process builds on previous work. BOEM's analysis begins during development of the five-year leasing program with a broad programmatic environmental impact statement which effectively establishes a foundation for more specific analyses that are subsequently conducted in advance of individual lease sales and at the post-lease stage. At the post-lease stage, BOEM conducts site-specific environmental assessments on all exploration and development plans in deepwater which were generally not done prior to the Deepwater Horizon event. Consistent with strengthened standards for environmental analysis, BOEM is committed to ensuring that the plan review process is efficient and transparent to industry while ensuring that operators comply with heightened standards for safety and environmental protection.

BOEM continues to take concrete steps to facilitate this approach. For example, BOEM assigns a designated "plans coordinator" to work with operators and to provide them with a single point of contact throughout the review of each plan. Further, on April 25, 2012, BOEM held a technical workshop with industry operators to discuss heightened standards for offshore oil and gas exploration plans, share best practices, and obtain industry feedback regarding the plan review process – with the goal of promoting compliance and further increasing the efficiency of plan reviews. The program included a specific focus on identifying frequent errors in industry submissions and identifying the characteristics of comprehensive plans. Addressing operator errors in submittals, particularly early on in the plan completion and review process, can increase efficiency by avoiding unnecessary review of incomplete plans, and reduce the need for BOEM to return materials to operators with requests for corrections and additional information.

Calvert Q5: What steps are being taken to streamline and reduce redundancy within the NEPA process and, where applicable, to reduce redundancy between state and federal reviews?

Answer: BOEM relies on a multi-tiered approach to NEPA in which the analysis at each stage of the leasing process builds on prior work – with greater detail at each successive stage of the leasing, exploration and development process. BOEM's analysis begins with a broad programmatic environmental impact statement at the five-year leasing program planning stage, which effectively establishes a foundation for the more specific analysis that is subsequently conducted in advance of individual lease sales and at the post-lease stage. Similarly, BOEM and BSEE use concurrent review processes

under the Coastal Zone Management Act, the Endangered Species Act, and the Marine Mammal Protection Act to reduce review times. The NEPA processes are also aided by programmatic consultations and rulemaking efforts that allow State and Federal agencies to consider proposed actions that would be conducted within previously-approved terms and conditions.

TUESDAY, MARCH 20, 2012.

SMITHSONIAN INSTITUTION FY 2013 BUDGET REQUEST

WITNESS

DR. WAYNE CLOUGH, SECRETARY, SMITHSONIAN INSTITUTION

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The hearing will come to order.

Good morning, Dr. Clough. We appreciate you joining us this morning to share your vision for the future of the Smithsonian and to discuss your budget request for next year. Of course, we always look forward to your testimony. The Members and staff also enjoy the fact that you bring items each year for show-and-tell. There is no question that you have one of the most interesting jobs in town. I am pretty sure that everyone on this Committee would like to trade jobs with you for a day or a week. However, that probably would not be a very good thing for the Smithsonian.

At the outset, I want to commend you for the Smithsonian's efforts to improve the display and storage of your vast collections, which I understand now contain over 137 million objects. The preservation and care of these collections remains a high priority for this Committee and this Congress. I am pleased to see that your budget request reflects that concern.

The Smithsonian had one of the largest funding increases out of all of the accounts in our bill last year—roughly 7 percent—during a year when the overall funding in our bill was reduced. So, in other words, your gain was someone else's loss. The funding increase we provided was largely for the construction of the Museum of African American History and Culture. I understand that ground was broken on this new museum just last month and our subcommittee looks forward to getting an update on its progress.

Your budget request for 2013, again, includes a significant funding increase. Part of this increase is devoted to the construction of the new Museum of African American History and Culture, as well as the exhibits that will be on display when it opens its doors. Another sizeable increase in the budget request is for repairs to the Smithsonian facilities damaged in last year's earthquake. While this subcommittee remains a strong supporter of the Smithsonian, providing yet another large funding increase next year is likely to prove very challenging in the present budget.

Of course, we will do our very best to address the most urgent priorities of the Smithsonian in this area at this time of shrinking budgets. Having you outline the Smithsonian's budget priorities is a part of that process. If we cannot provide all of the funding you have requested for the new museum and the earthquake repairs next year, what items would you defer? These are tough and necessary questions that our subcommittee must address in this bud-

et climate. I look forward to your testimony and continuing our work together.

I am now happy to yield to the gentleman from Virginia, Mr. Moran, for any opening statement that he might have and his much-awaited quote of the day.

OPENING REMARKS OF CONGRESSMAN MORAN

Mr. MORAN. Thank you, Chairman Simpson.

Mr. Secretary, nice to see you and your staff. The budget hearing for the Smithsonian is always a highlight of our appropriations season because we get a chance to see up close several of the historic or scientific objects that are entrusted to the care of the Institution. The items that you brought today are just a miniscule fraction. We are very much aware of the 137 million objects in the Smithsonian's collection. Every one of those objects has a story to tell of where we have been, where we are today, and where we may go in the future. The meteorite fragment and the Revolutionary War powder horn that are here in front of us are windows on our past that are indicative of the forces and events that shape our world of today. Each in their own way provides a truism to what the famous American author Pearl Buck once noted, "If you want to understand today, you have to search yesterday."

Many people know the Smithsonian through their visits to the museums and the National Mall, but as your testimony points out, the Smithsonian encompasses so much more than its iconic museums. It is a world-class scientific and educational institution whose collections and research allow it to be a leader in the international diffusion of knowledge. So I am pleased to see, Secretary Clough, that you feel that your budget request will continue to allow the Smithsonian to carry out its mission.

We are well aware of the challenges the Institution faces in getting a new museum off the ground and preserving its vast collection of objects. And I note the request of funds to repair damage from the earthquake last August. It is definitely an unforeseen challenge but I know a somewhat expensive one.

I appreciate the work that you and the employees of the Smithsonian Institution do each and every day and look forward to your testimony this morning.

And thank you, Mr. Chairman.

OPENING REMARKS OF WAYNE CLOUGH

Mr. SIMPSON. Mr. Clough.

Mr. CLOUGH. Chairman Simpson, Ranking Member Moran, thank you for this opportunity to testify before the Subcommittee.

As you know, the federal commitment to our budget is the foundation for everything we do and it is essential for attracting the private support that we have to attract today. It is becoming ever more important, as you mentioned, in these challenging budget times, particularly for the federal budget.

Now, before me, we have two objects that are relatively new to our collections. The Lorton Meteorite and an African American soldier's Revolutionary War powder horn. As you know, we use these treasures to spark discovery and provide lasting learning opportu-

nities for our visitors. My colleagues, Michele Moresi, Curator at the National Museum of African American History and Culture; and Jeff Post, Curator at the National Museum of Natural History will discuss these in a moment and I think you will find them interesting.

You have before you a special edition of the Atlantic magazine that was done in collaboration with Atlantic magazine and our National Portrait Gallery on the Civil War. And it, I think, typifies what we are trying to do in terms of our pan-institutional approach to such matters. That edition sold out and so you now have a collector's edition on your hands.

Every day in person and now online all across the country we are creating exciting learning opportunities so everyone can launch their own personal voyage of discovery. More than 29 million visitors did that at our D.C. museums and galleries and the National Zoo last year and another 5 million visited our traveling exhibitions available particularly in smaller communities around the country. Our visitors enjoyed more than 100 new exhibitions, as well as hundreds of cultural offerings from the redoubtable Smithsonian Associates. Millions more visited our network of 170 affiliate museums located in 40 States and millions now watch the Smithsonian's Emmy-winning HD channel and the Smithsonian magazine has subscribers in all States.

We are determined to reach hundreds of millions more using digital technology. Our goal is to provide greater access to our iconic objects such as these, our scientific specimens, works of art, library volumes, archival materials, and more than 2,000 live animals. Whether it is a tiny fossil or giant squid, Lewis and Clark's compass—which I find fascinating—the Star Spangled Banner, the Lansdowne portrait of George Washington, the Wright Flyer, or the soon-to-arrive space shuttle Discovery, we use them all to ask and answer questions that matter.

I am honored to lead a dedicated staff of 6,000 plus 6,500 volunteers who serve the American people with passion and commitment. Many of these people won national and international awards this year, and I do not have time to mention those individually, but I will note for the second year in a row, the Smithsonian was named as one of the top four places to work in the Federal Government.

Our goal is to become more transparent, accountable, and efficient than ever before, so we have 500 of our staff right now working to implement technology to maximize the resources we receive from the Federal Government and our generous donors. We are steadily improving the care of our vast collections, as both of you have mentioned, and we are digitizing more of them and providing platforms for access to them.

Following our strategic plan, we are also building platforms to help us speak to a larger American story. A good example is Americans All, a pan-institutional initiative to explore stories of all the migrants and immigrants who helped create this great country through partnerships with organizations like the Newseum here in Washington, D.C., Ellis Island in New York City, and Angel Island in California. We want to help all Americans link to their common heritage.

And our award-winning scientists tackle vital issues of the day and make other discoveries and share them with the public. Our Smithsonian Environmental Research Center in Maryland just launched a new online database called NEMESIS, which tracks the hundreds of invasive species that are being brought to our coastal waters every year.

The National Museum of Natural History is a leading partner in a global effort called Encyclopedia of Life, an ambitious online database that is a repository of scientific information that ultimately will cover all forms of life on the planet. Now, they are up to about a million, a lot of websites already.

Of course, art cuts across all our disciplines at the Smithsonian. You know the word STEM education—science, technology, engineering, and math. We like to think of it as STEAM. We add the “A” for the arts. Many of our art museum galleries were able to help in this effort. The Art of the Video Game, a very popular new exhibition that just opened at the Smithsonian American Art Museum is an example of this and it is fun.

This is an exciting time at the Smithsonian, and if you want to know what makes me get up with a smile every morning it is the fact that we are serving more of our teachers and students in our country than ever before and in all 50 States. We now offer more than 2,000 web-based educational resources and more are on the way. A good example is History Explorer, a new website developed by our Museum of American History in partnership with the Verizon Foundation. It offers dozens of free online resources, all designed to meet state standards. One teacher from Arizona said after using it, “I have been in the business for 39 years and now we have what teachers have always wanted: standards-based lessons and object-based lessons, and it is free.”

We are scaling up our offerings by working through organizations like E-Pal that has a large website with access to 700,000 schools around the world. And through E-Pal, 75,000 educators downloaded Smithsonian content last year. And for more than 26 years, our National Science Resources Center has leveraged our research with that of the National Academies of Engineering and Science to improve science and math education. We are now working with the Department of Education and we are active in more than 1,500 school districts in nine States.

Our mobile app, Leafsnap, enables anyone to use leaves to identify trees no matter where you are. And I think I have shared that with both of you. A first-grade teacher in New Jersey was using it with some of her students for some leaves she had brought in from the forest when a little spider walked out, and one bright student in first grade said we need a Bugsnap, and another said Flowersnap and Birdsnap. The teacher wrote us, “6 years old and they already see the opportunities. Thank you for opening the door to their future.” That is rewarding.

So with your continued help, we hope to open more doors. The Smithsonian’s fiscal year 2013 request totals \$856.8 million, a considerable sum. I assure you that these funds, if we were to get them, will be used to make the Smithsonian the best it can be. And we will also continue working on fundraising to complement that.

And last year, we raised \$182 million, which is a very high number over where we started.

Last month, we celebrated—as you noted—the groundbreaking of our new National Museum of African American History and Culture, a beautiful event. It was on schedule because Congress provided \$75 million in the 2012 budget, for which we are very grateful. That funding is being leveraged to generate support from private donors, including \$600 raised by the children at a Montessori school in Brooklyn, New York. At the ceremony, two students from the school, only 4 years old, came on stage and delivered a check to Museum Director Lonnie Bunch. They stole the show even from the President of the United States. They demonstrated, as their teachers had told them, even the smallest person can make a difference.

Again, thank you for your support and I will be happy to answer any questions and turn the program over to my colleagues.

[The statement of Wayne Clough follows:]

**Statement of Wayne Clough, Secretary of the Smithsonian Institution
On the Fiscal Year 2013 Request
Subcommittee on Interior, Environment and Related Agencies
Committee on Appropriations, U.S. House of Representatives
March 20, 2012**

Thank you for the opportunity to testify before the Subcommittee today on the Smithsonian Institution's fiscal year 2013 federal budget. Especially in these challenging economic times, we greatly appreciate the continued support of the Administration, the Congress and the American people.

Thanks to the bequest of English scientist James Smithson, who never set foot on U.S. soil, the Smithsonian was established by Congress in 1846 as an independent federal trust instrumentality, a unique public-private partnership that has worked well for 166 years. The federal commitment is the foundation for all that we do, and is especially helpful in attracting private support; donors tell us this consistently. We leverage our federal funding in order to enrich the lives of the American people in all 50 states—we have many ways to do just that.

The Smithsonian is a large and diverse institution encompassing art, history, science, and culture, all of which are based on discovery and education. We have 19 museums and galleries, 20 libraries, numerous research centers, the National Zoo, and 170 affiliate museums in 40 states, Puerto Rico, and Panama. We have physical facilities in eight states and the District of Columbia, and operate in nearly 100 countries. Our collections include 137 million objects and treasures, of which 127 million are scientific specimens, 335,000 works of art, plus 2 million library volumes, 137,000 cubic feet of archival material—and more than 2,000 live animals.

Our collections include moon rocks, tiny fossils, giant squid, Dorothy's ruby slippers, Lincoln's hat, Harriet Tubman's shawl, Nat Turner's bible, the Star-Spangled Banner, Edison's lightbulb, the Wright Flyer, Amelia Earhart's plane, the Hope Diamond, the Allende meteorite that is more than four billion years old, the desk on which Thomas Jefferson wrote the Declaration of Independence—and the soon-to-arrive Space Shuttle *Discovery*.

These treasures document our history and heritage, and represent the natural and cultural diversity of our world. Our collections are a vital national asset. Collections acquired a century or more ago are being used today to address the effects of climate change, the spread of invasive species, and the loss of biological diversity and its impact on the global ecosystem. Federal, state, and local authorities often look to our collections for answers, e.g. during flu epidemics, bird strikes, oil spills, and volcanic eruptions.

It's a new era at the Smithsonian. We are working to be more transparent, accountable, and efficient than ever before. We are focused on implementing our new Strategic Plan that centers on four "Grand Challenges" and is buttressed by four Consortia to promote interdisciplinary and Institution-wide collaboration. With your help, we're improving

facilities maintenance and collections care to be better stewards of America's treasures. We're working with new partners, federal, state and local, to avoid overlap and expand reach. Above all, we're determined to increase access to all we offer. We offer everyone a universal lens for learning, no matter where our audience lives—and it's free. Our plans are working and we're making progress.

We do so thanks to more than 6,000 dedicated employees, including approximately 700 scientists and scholars, curators, researchers, historians, experts in fields from astrophysics to zoology, more than 6,500 generous volunteers, and more than 1,000 interns. They care deeply for this great Institution and the service we provide. That's why the Smithsonian was, for the second year in a row, ranked as the 4th best place to work in the federal government by an Office of Personnel Management survey, and Forbes cited the Smithsonian as one of the best places for interns. The American College of Occupational and Environmental Medicine recently notified us that we will receive their 2012 Corporate Health Achievement Award for exemplary health, safety, and environmental programs. (Only one other federal entity has won such an award.)

I am immensely proud of all who work and volunteer here, but was especially so this past summer in our nation's capital. The response to back-to-back natural disasters, an earthquake and a hurricane, was extraordinary.

Across the Smithsonian, we recognize the national need to improve K–12 education in this country and are working with teachers and education leaders, developing new approaches to help engage learners of all ages. Last year we had more than 7.1 million education program attendees. Using technology, we are reaching all corners of our nation with distance-learning projects. Strengthening education and enhancing our nation's ability to compete globally are critical to our future, and we are responding to this need with inventive, formal (geared to state standards), and informal educational experiences which serve students and teachers in all 50 states, including remote rural areas.

For example, Smithsonian's History Explorer was developed by the National Museum of American History (NMAH) in partnership with the Verizon Foundation to offer hundreds of free, innovative online resources for teaching and learning American history. The site is designed for use by K-12 teachers and students, afterschool program providers, families, and individuals interested in lifelong learning. As one teacher from Mesa, Arizona put it, "I have been in the business...39 years, and now we have what teachers always wanted: Not only Standards Based Lessons, but Object Based Lessons, and it is FREE! Concise, Visual, to the point, and what every teacher needs to save time and keep their energy for the classroom. One stop shopping! We've come a long way!"

Our *Leafsnap* application, created at the Smithsonian with partners at the University of Maryland and Columbia University, won the Edward O. Wilson Biodiversity Technology Pioneer Award. It enables anyone to use leaves to identify trees no matter where they are. A 1st grade teacher in New Jersey was having her young students use iPads to identify trees using our *Leafsnap* app. One found a spider the teacher couldn't identify, so one little girl said "We need a bugsnap app!" More suggestions followed...flowersnap,

fruitsnap, shellsnap, birdsnap. The teacher wrote us, “Six years old and they already see the opportunities here! Thank you for opening the door to their future!”

The Smithsonian Center for Education and Museum Studies (SCEMS), which offers more than 2,000 web-based educational resources (including more than 700 lesson plans) in-line with state standards, launched “Water Matters,” the second year of SHOUT, the interdisciplinary Smithsonian webinar series sponsored by Microsoft Partners in Learning and focusing on environmental issues relating to water. More than 1,200 people participated in the first webinar in the series, held in February. We have two additional two-day webinars scheduled in March, broadcasting live directly from Smithsonian Tropical Research Institute in Panama and from the Smithsonian Environmental Research Center in Edgewater, Maryland.

Oh Freedom! Teaching African American Civil Rights through American Art at the Smithsonian is a new Web-based project developed jointly by the Smithsonian American Art Museum and the Smithsonian’s National Museum of African American History and Culture (NMAAHC). *Oh Freedom!* broadens the definition of the civil rights movement beyond the 1950s and 1960s, presenting it as a longer and more complex quest.

Vanished, a science mystery alternate reality game was very successful and attracted more than 6,000 middle-school-age children who interacted with Smithsonian scientists, online coaches, and each other as they solved problems. Supported by the National Science Foundation, the Massachusetts Institute of Technology and SCEMS are partnering on *Gadget*, a three-year project with three separate alternate reality games that focus on engineering challenges—one aerospace, one building, and one technology and communication. Our National Air and Space Museum (NASM), Cooper-Hewitt National Design Museum, and National Museum of American History (NMAH) Lemelson Center will lead the way.

The National Museum of Natural History (NMNH) is the leading partner in a global effort called the *Encyclopedia of Life* (EOL), an ambitious project that will become a key repository of scientific information about virtually every form of life on earth. EOL is an online database that has financial, logistical and research support from numerous partners including the MacArthur and Sloan Foundations. It is expected to encompass the 1.9 million known species of animals, plants and other life forms in about five years. Today, thousands of scientists, students, and teachers around the world use the EOL as a resource. The Biodiversity Heritage Library, the scientific literature component of EOL, is a consortium of 14 natural history and botanical libraries (including the Smithsonian Institution) that now has over 37 million pages available online.

For 27 years, the National Science Resources Center (NSRC) has leveraged the research and expertise of the Smithsonian and the National Academies of Science to develop science education programs. The impact of NSRC leadership development programs has resulted in more than 1,500 school districts representing 30 percent of the U.S. student population in 48 states now establishing effective science programs, including Delaware, Pennsylvania, Alabama, and Washington State. In 2010, the NSRC won a highly competitive five-year

\$35 million U.S. Department of Education Investing in Innovation Validation project. This project is providing the resources to conduct a major national research study for testing and validating the impact of the NSRC's leadership development programs with 75,000 rural and urban students and their 3,000 elementary and middle school teachers. This national study will provide additional evidence for scaling up NSRC reform efforts in additional regions and states throughout the United States.

Our annual free Teachers' Night offers the opportunity for teachers of all grades and subjects to explore new classroom-ready resources, materials and demonstrations of school programs. This event in Washington D.C. attracts 2,500 teachers of science, art, history, social studies, and language arts from the D.C area and 23 other states and provides them with updated information about the use of museum programs, artifacts, and exhibitions to complement school curricula and to meet national education standards.

We launched a Smithsonian Content Center on the ePals global network of 700,000 schools. In the first year, our content received 676,000 visits and had nearly two million page views. 3,000 educators have requested weekly emails that deliver Smithsonian content relevant to their curriculum, 100 educators submitted student work samples, and another 75,000 educators downloaded these examples of Smithsonian-inspired learning.

In addition to formal learning in the classroom, the Smithsonian is extensively involved in informal learning outside the classroom.

Our digital outreach is reaching larger audiences each year. Thanks to technology, today's learners have the world in the palm of their hands—and the Smithsonian is there. Online and through social media we are reaching new, diverse audiences and engaging the public in an ongoing conversation about exhibits, programs, and collections. The Institution has more than 600 social media sites, with millions of fans and followers. We are using multimedia to broaden public access—taking audiences behind the scenes through videos, slideshows, podcasts and “Tweet ups.” At last month's historic groundbreaking for NMAAHC, we reached almost five million people on Twitter—that day. There have been nearly 260,000 views to date of our 20 *Meet our Scientist* videos on YouTube and many more are being developed at our individual units.

In the past year, we have released seven mobile apps including an iPad version of Smithsonian Magazine, an app that collects oral histories from small towns and our visitor app that serves as a guide to the museums. This spring, we will launch our first mobile app designed for visitors with disabilities. It will accompany the American History Museum's *American Stories* exhibition and will rely on visitor volunteers to help interpret the exhibit for people with vision or hearing impairments.

Our refreshed website has a more modern look and is simpler for users to navigate. It won the 2011 People's Voice Webby Award for best Cultural Institution website. The public can now more easily find information about how to visit and engage with the Smithsonian, either in person or virtually. In fiscal year 2011, we had more than 91 million unique visitors to our more than 135 websites across the Institution.

We're continuing to implement our first Digitization Strategic Plan to digitize the collections and research of the Institution for the widest possible use by current and future generations, to increase public access and to expedite the work of researchers and educators worldwide. As of today, we have discipline-standard digital descriptive records for 17.3 percent of our total 139 million collection holdings (number includes two million library volumes), and we have discipline-standard digital surrogates (digital images, digital audio or digital video files) for 0.9 percent of those holdings. However, we also acknowledge that we do not need to have a digital surrogate for every single collection item in order to successfully pursue our mission. We currently estimate that of our total 139 million (number includes two million library volumes) collections, only about 13.9 million (or 10 percent) of those holdings will require a digital surrogate. Measured against that number, we currently have 9.4 percent of our eligible collections represented by digital surrogates.

We know there is no substitute for seeing the real thing, the iconic treasure. Last year we created more than 100 new exhibitions; there are 185 major exhibitions open now, and this spring we will open nearly 30 new exhibitions. In fiscal year 2011 we had more than 29 million visits to our 19 museums and galleries and the National Zoological Park, down slightly from fiscal year 2010.

Last month we celebrated NMAAHC's groundbreaking with an historic event. In addition to President Obama and the original sponsors of the legislation, Representative John Lewis and then-Senator Sam Brownback, there were nearly 600 guests. We were able to break ground on schedule because Congress provided \$75 million in the fiscal year 2012 budget. That federal funding is being leveraged to generate millions of dollars from private donors and corporations. Since the groundbreaking, aired nationally and featured in hometown newspapers, even more donations are coming in and our founding membership is now at 27,340. The Museum's 2015 opening will coincide with the 150th anniversary of the end of the Civil War and the adoption of the 13th amendment ending slavery, and the 50th anniversary of the Voting Rights Act.

Our museums are doing some exciting work to attract new audiences and celebrate what it means to be an American. At NMAH, we feature the exhibition *Jefferson's Bible: The Life and Morals of Jesus of Nazareth*. Jefferson assembled a private text in 1820, using excerpts from the Four Gospels of the New Testament in Greek, Latin, French, and English. In 1904, Congress commissioned a printing that began a tradition of providing new members of Congress with a copy of the Jefferson Bible that was followed for nearly 50 years. Smithsonian Books has released a first-ever, full-color facsimile. NMAH also worked with the Library of Congress and the Lawrence Berkeley National Laboratory to present a first hearing of the experimental sound recordings of Alexander Graham Bell from the 1880s.

For the 150th anniversary of the Civil War, we have a number of exhibitions, programs, and publications. The National Portrait Gallery (NPG) collaborated with *The Atlantic* magazine on a special commemorative issue. NPG Historian David Ward and Associate Curator of Photographs Frank Goodyear III selected many of the images and worked with

the editors of *The Atlantic* to place them in historical context. The issue also includes a short essay by President Obama about one of the NPG's prize works, the portrait of Abraham Lincoln by Alexander Gardner with the cracked photographic plate.

Next month, the NASM's Steven F. Udvar-Hazy Center located near Dulles International Airport will celebrate the fly over and arrival of the Space Shuttle *Discovery* into our permanent collection.

We tell additional inspiring stories at our array of art museums and galleries. *Annie Leibovitz: Pilgrimage* is at the Smithsonian American Art Museum through May 20th, *Perspectives: Ai Weiwei* at the Sackler Gallery opens May 12th, and *A Song for the Horse Nation* at the National Museum of the American Indian runs through January 2013. In just a few days the Hirshhorn Museum and Sculpture Garden's iconic building will be transformed into "liquid architecture," using a 360-degree panorama that will make the Museum recede into cinematic space with *Doug Aitken's: SONG 1*. Art and science intersect in the Natural Museum of Natural History's exhibition *X-Ray Vision: Fish Inside Out*, striking x-radiographs of the museum's collection of fish specimens.

Our experts and artifacts are also accessible in cities and small towns nationwide. In fiscal year 2011, the Smithsonian Traveling Exhibition Service circulated 52 exhibitions to 492 venues in all 50 states, plus the District of Columbia, Guam, and U.S. military bases in ten countries where they were viewed by approximately five million visitors. Smithsonian Networks' Emmy Award-winning Smithsonian HD channel now reaches more than 14 million households, and hopes to be in 30 million by next year. *Smithsonian* magazine has subscribers in every state and several foreign countries, and nearly seven million people read each issue. Smithsonian Associates offers thousands of programs, lectures, and performances annually.

From New York City to Panama, \$1 billion in building and exhibition construction and renovation is planned and underway, with 40 percent to be raised from the private sector. Donors readily tell us how important the federal commitment is to their willingness to give.

Construction on the Arts and Industries Building structure revitalization project is moving forward and is expected to be finished by spring 2013. For the near future, we are developing plans to reopen the building to the public with Institution-wide programming and exhibits. The National Zoological Park's new Seal/Sea Lion exhibit will be finished in mid-2012. Both of these projects, and numerous others across the Smithsonian, have been made possible by the ongoing support of this subcommittee and Congress.

Congress has instructed us to be more entrepreneurial and we have been. Smithsonian Enterprises closed fiscal year 2011 at \$29.1 million—their fifth consecutive year of net gain growth. We continue to raise private funds to leverage our federal appropriations. We have plans to increase the levels of support from all our constituents. The Smithsonian raised more than \$182 million last year (four percent over our goal of \$175 million), \$158 million the year before, and \$126 million the year before that. We get

consistent feedback from donors that the Smithsonian's strong base of federal support is important to them; they know that they are investing in a strong institution because of our federal support. Charity Navigator, the country's leading independent charity evaluator, has awarded the Smithsonian its highest, 4-Star rating; up from our previous 3-star mark of many years. Charity Navigator's ratings reflect its evaluation of an organization's quality of governance, transparency, management, and fundraising efficiency. Only 26 percent of the charities Charity Navigator rates have achieved this score.

The country looks to the Smithsonian for groundbreaking scientific research and unparalleled collections. We've had an entomological partnership with the U.S. Department of Agriculture for more than 100 years. The results of our work can be seen everywhere. Smithsonian scientists keep aircraft safe from bird strikes, document and control invasive species, protect our soldiers from insect-borne diseases, and search the universe for planets similar to Earth. Our Smithsonian Biodiversity Genomics Initiative Next Generation Sequencing initiative enables scientists to generate millions of DNA sequences in the time, and for the cost, that it would take to obtain dozens of sequences using standard sequencing methods.

The Institution has an unmatched capacity to tackle biodiversity issues. For example, the Smithsonian Institution Global Earth Observatories network is a worldwide partnership of more than 30 institutions working to monitor the effects of environmental change on the health of 4.5 million trees (8,500 species) on 46 plots in 21 countries. This project alone shows how the Smithsonian leads through discovery and collaboration. Our scientists continue to be recognized for their ground-breaking research; most recently two were honored with the Presidential Early Career Awards for Scientists and Engineers.

At the University of Arizona, Smithsonian scientists are helping to construct the mirrors, 28 feet in diameter, for the Giant Magellan Telescope, which will be built at the Las Campanas Observatory in Chile, by an international consortium lead by the Carnegie Institute with the Smithsonian as a member. This powerful new telescope will allow us to see stars and universes ten times more clearly than the space-based Hubble Telescope. Future discoveries enabled by the Giant Magellan Telescope will speak to the origins of the universe and may well change the way we see ourselves and think about our planet.

Our consortium on Understanding and Sustaining a Biodiverse Planet just hosted a symposium on the 40th anniversary of the Club of Rome Report *Limits to Growth*, and in October will host another symposium on the Anthropocene, or "Age of Humans," and what it means for our future.

We are focused on implementing our new Strategic Plan that centers on four "Grand Challenges." We are working across disciplines within the Institution and reaching out to new partners outside the Institution to fund these exciting initiatives. We have received external funding for ten major proposals to date for a total of \$5.6 million for projects such as recovering endangered languages, a *Marine GEO* workshop with a diverse group of scientists on terrestrial, estuarine, and marine ecosystems (including representatives from National Oceanographic and Atmospheric Administration, U.S. Geological Survey, and National Science Foundation), and *Earth Matters*, an exhibition and interdisciplinary

project spotlighting art, culture, and conservation in Gabon that the National Museum of African Art is organizing. We're particularly proud of *Americans All*, which seeks to develop an accurate, diverse, and inclusive narrative of the peopling of the U.S., using the Smithsonian's past research on national and international migration, a national collecting effort, and active engagement with the public. In collaboration with local, national, and international partners, *Americans All* will probe the past and the present.

We will soon sign a memorandum of understanding with the National Park Service to make certain collections of natural history specimens from units of the National Park system significantly more accessible to the scientific community and American public as a result of the Smithsonian's assumption of custodial responsibility for these collections on behalf of the NMNH.

Through our "SI Redesign" initiative to reorganize the Institution, we are making the Smithsonian a more efficient, collaborative, open, accountable organization. More than 300 staff members from all parts of the Institution have participated in seven focused teams. We are piloting the first-ever Smithsonian Institution Performance Dashboard that includes metrics related to each of our priorities. The dashboard uses innovative technology that draws data automatically from our many collection systems. We have implemented more open and better-integrated annual processes for goal setting and budget development. In the finance function, we are launching the Smithsonian's first training and certification program for all finance staff and in procurement, we are improving systems to track all contracting actions, as well as simplified acquisitions.

During fiscal year 2011, the Institution competed for and won 525 new grant and contract awards totaling \$172 million that funded projects, partnerships and collaborations with agencies and universities. (This is a five percent increase over the grant and contract award total of \$163 million in fiscal year 2010.) Selected examples of these sponsored projects include: \$7.5 million from the Ford Foundation for NMAAHC to support the design and development of the "Beyond 1968 Gallery," \$3.3 million from the U.S. Department of Homeland Security for Smithsonian Environmental Research Center National Ballast Information Clearinghouse, plus \$10.2 million from National Aeronautics and Space Administration for the Operation of the Chandra X-Ray Center at Smithsonian Astrophysical Observatory.

The Smithsonian's fiscal year 2013 request totals \$856.8 million and includes \$660.3 million for Salaries and Expenses and \$196.5 million for Facilities Capital. Within the Facilities Capital request, \$85 million will allow construction of the NMAAHC to continue without interruption, and \$16.5 million will allow the Institution to repair damage to facilities sustained in the 2011 earthquake.

The request includes a \$3.3 million increase for pay-related fixed costs, including \$1.6 million for the proposed 0.5 percent government-wide January 2013 pay raise and \$1.3 million for benefits. In addition, \$0.6 million will move our Panamanian staff toward pay and benefit equity with their counterparts at the local U.S. Embassy. These amounts are offset by a decrease in worker's compensations costs of \$0.2 million. The request also

includes a \$1.2 million increase for other fixed costs, including \$1.0 million for increased software license fees and \$0.2 million for the higher costs of library resources and contractually required audit costs. Increases in rent are offset by over a \$1 million decrease in utilities costs due to rate and billing adjustments.

The fiscal year 2013 request includes \$1.5 million to broaden access to the Smithsonian's collections, exhibitions, and public programs, by enhancing the Institution's Digital Asset Management System and expanding the use of new media and social networking tools to deliver information in customized ways.

The popularity of our many exhibitions brings commensurate costs. The mere presence of tens of millions of visitors results in increased wear and tear on the displays within the halls, and increases the cost to maintain them. In addition, the increasingly interactive nature of today's exhibits increases maintenance needs. The request also includes \$0.3 million to ensure that the museums' exhibitions are clean and in good repair and that the media components are fully operational and up to date.

Smithsonian collections are fundamental to carrying out the Institution's mission and serve as the intellectual basis for scholarship, discovery, exhibition, and education. The requested increase of \$1.4 million provides funds to address the Smithsonian Inspector General's collections-related audit recommendations and to improve the preservation, storage, and accessibility of collections currently at risk of loss or damage. The request includes an additional \$0.9 million to support the welfare of the Smithsonian's living collection. Excellence in animal care is paramount for maintaining the Zoo's accreditation by the Association of Zoos and Aquariums, as well as for maintaining compliance with the Animal Welfare Act.

The request includes an increase of \$0.6 million to enable the Smithsonian's facilities maintenance staff to continue stabilizing and standardizing the overall condition of the Institution's facilities, and \$1.5 million to address high-priority operating, safety, and security requirements. This includes \$0.8 million to repair, maintain and make safe the Institution's vehicles and boats which are vital to scientific research and operations, and \$0.7 million to support mandated background investigations, required safety support services, and the establishment of a branch to oversee critical projects.

We are improving our governance and financial controls in areas specifically highlighted by the Independent Review Committee. The request includes \$0.3 million for the Office of the Comptroller to develop financial management policy/procedure documentation, and to plan and conduct policy compliance monitoring. The request also includes \$0.2 million to cover the salary of the Inspector General, which has been converted to a federally funded position. The Board of Regents determined that the duties and responsibilities are primarily federal in nature and the position should therefore be funded with federal appropriations.

The request provides \$0.4 million for a comprehensive training program focused on supervisor training on the rules, regulations, and policies governing employee supervision

and \$0.2 million to expand the Smithsonian's Office of Equal Employment and Minority Affairs' Supplier Diversity Program. The Institution is committed to using small, disadvantaged, women- and veteran-owned businesses whenever possible.

The request includes \$13 million for NMAAHC as it moves toward opening in 2015. This increase is overdue to support the professional and technical expertise needed for all aspects of this project. It is equally important to leverage the contributions of potential donors including collections, in-kind services, and funding, which include the Museum's ability to cultivate relationships while securing a firm financial base of private funding. This will continue the momentum essential to the private-sector fundraising campaign.

The Institution's fiscal year 2013 request for Facilities Capital is \$196,500,000. The amount includes \$85 million for NMAAHC and \$95 million for revitalization projects including \$10.8 million for planning and design of future projects. The Facilities Capital request also includes \$16.5 million to fund emergency repairs related to the August 2011 earthquake that caused severe damage at several Smithsonian buildings.

Major revitalization projects in the Facilities Capital request include \$1.4 million for renovation of the Carnegie Mansion at the Cooper-Hewitt, National Design Museum, the final increment of federal funding for this project. The request also includes \$11 million to continue renovation of the West Wing public space at NMAH and \$8.8 million to replace windows and upgrade heating, ventilation and air conditioning systems at NMNH. The request provides \$17.8 million for major renovation efforts continuing at the Zoo, which will be guided by the master plan to correct conditions at the Rock Creek Park and Front Royal, Virginia facilities.

Major revitalization also includes funding to continue needed upgrades to the Smithsonian's scientific research facilities including \$15.1 million to complete renovation of the Mathias Laboratory at the Smithsonian Environmental Research Center in Edgewater, Maryland, and \$7 million to complete work on the Smithsonian Tropical Research Institute's Gamboa Laboratory in Panama. Other priorities include \$4 million to begin a program to rectify contamination at the Smithsonian Collections Facility in Suitland, Maryland; \$10.8 million for planning and design of new capital projects; and an additional \$19.1 million for other revitalization projects that are smaller in scale.

The request includes \$16.5 million to repair damage from the 2011 earthquake, including \$5.2 million to repair skylights at the NASM and \$11.3 million to reseal roof beams and implement seismic upgrades to the seriously damaged Museum Support Center where many of the Smithsonian collections are housed.

For 166 years, the Smithsonian has served our nation and the world as a source of inspiration, discovery, and learning. Today, with its free museums, distinguished research and scholars, iconic American treasures and remarkable scope of information accessible from its websites, the Smithsonian Institution is an even more valuable resource for the American people.

The Institution is becoming more innovative, disciplined, focused, nimble and self-reliant. We are determined to expand access to all we offer to new and diverse audiences—regardless of where they live. We face a future that holds both exciting opportunities and imposing challenges. Working with the Congress and the Administration, the Smithsonian will aggressively address these challenges and take full advantage of many new opportunities.

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January 2012

Wayne Clough
Secretary of the Smithsonian Institution

Wayne Clough is the 12th Secretary of the Smithsonian Institution, the world's largest museum and research complex with activities in more than 100 countries. The Smithsonian includes 19 museums and galleries, 20 libraries, the National Zoo and nine research centers, including the Smithsonian Astrophysics Observatory, the Smithsonian Tropical Research Institute and the Smithsonian Environmental Research Center.

Since becoming Secretary in July 2008, Clough (pronounced "cluff") has taken the Smithsonian in new directions. A comprehensive strategic plan—the first of its kind for the Smithsonian—creates a new framework for goals, enterprises and operations. Going forward, the Institution will focus on four grand challenges—Unlocking the Mysteries of the Universe, Understanding and Sustaining a Biodiverse Planet, Valuing World Cultures and Understanding the American Experience.

Building on the Smithsonian's core strengths, the strategic plan calls for a renewed commitment to education and to expanding access to the Institution's vast expertise and collections. In the process, the Smithsonian will become a leader in the use of new digital communications and imaging technology. A reorganization is under way to enable the Smithsonian to meet the challenges of a changing world. To secure the necessary resources for this revitalization, a national campaign, also the first of its kind at the Smithsonian, is being mobilized. All of these reforms, taken together, translate to a renewed Institution.

Clough is responsible for an annual budget of \$1 billion, 6,000 employees and 6,500 volunteers. As a federal trust, the Smithsonian receives about 70 percent of its funding from the federal government and generates additional funding from private contributions and business revenues. Since his arrival, the Smithsonian has raised more than \$400 million in philanthropic gifts.

The Smithsonian, which has always had education at the core of its mission, is committed to engaging learners of all ages while finding new ways to reach underserved students in school districts around the country. Hundreds of Web-based lesson plans in science, history, culture and the arts are already available from the Smithsonian, and new opportunities will be made for the public to learn

through Smithsonian webinars, games and active-learning projects. More than 500 social media sites have been created, allowing people opportunities to interact with Smithsonian experts.

Clough is overseeing a \$900 million building and renovation program. Major elements include the reopening of the National Museum of American History on the National Mall, the renovation of the Arts and Industries Building on the Mall, expansion of the National Air and Space Museum's Steven F. Udvar-Hazy Center and the Mathias Science Laboratory at SERC in Edgewater, Md. Design and planning are complete for the new \$500 million National Museum of African American History and Culture on the Mall scheduled to open in 2015.

He has emphasized the development of collaborations with diverse institutions. Examples include the Global Tiger Initiative with the World Bank, the Haiti Cultural Recovery Project with the State Department and the President's Committee for the Arts and Humanities and joint research projects with universities. The Haiti Cultural Recovery Project has stabilized or restored about 21,000 works of art, murals and historical objects damaged in the January 2010 earthquake. The goal of the arts recovery project is to train Haitians to take over the conservation work.

Since Clough became Secretary, more than 300 exhibitions have opened across the Smithsonian. He has overseen the opening of major permanent exhibitions, including the Star-Spangled Banner at the National Museum of American History, the Hall of Human Origins at the National Museum of Natural History, the new elephant habitat and trail at the National Zoo and the new wing at the Udvar-Hazy Center.

In June 2011, Clough was featured in an answer in the category "People Who Matter" on the television quiz show, *Jeopardy*.

Background

Before his appointment to the Smithsonian, Clough was president of the Georgia Institute of Technology for 14 years. He received his bachelor's and master's degrees in civil engineering from Georgia Tech in 1964 and 1965 and a doctorate in 1969 in civil engineering from the University of California, Berkeley. He has received eight honorary doctorates from universities in the U.S. and abroad.

Clough was a member of the faculty at Duke University, Stanford University and Virginia Tech. He served as head of the department of civil engineering and dean of the College of Engineering at Virginia Tech and as provost at the University of Washington.

During his tenure at Georgia Tech, the school was ranked among the top 10 public universities by *U.S. News and World Report*. In 2012, Georgia Tech is scheduled to open the G. Wayne Clough Undergraduate Learning Commons building to honor his commitment to undergraduate students.

Awards and Service

Clough's recognitions include the 2011 Foreign Policy Association Medal, membership in the American Academy of Arts and Sciences in 2010 (he currently serves on its Commission on the Humanities and Social Sciences), induction into the Technology Hall of Fame of Georgia (2009) and the Joseph M. Pettit Alumni Distinguished Service Award (2009) that recognizes a lifetime of leadership, achievement and service to Georgia Tech. Elected to the National Academy of Engineering (NAE) in 1990, he was recognized with the 2008 NAE Bueche Award for his efforts in public policy.

Clough has received nine national awards from the American Society of Civil Engineers, including the 2004 OPAL lifetime award for contributions to education and the 2010 Presidents' Award. He has served as chair of the National Research Council Committee on New Orleans Regional Hurricane Protection Reconstruction, a six-year term as member of the National Science Board and seven years as a member of President's Council of Advisors on Science and Technology.

Clough's interests include science, technology and higher-education policy, sustainability, international programs, museums and history. His civil engineering specialty is in geotechnical and earthquake engineering. He has published more than 130 papers and reports; his most recent publication is "Increasing Scientific Literacy: A Shared Responsibility" (2011), a monograph on the nation's urgent need to improve the scientific literacy of its citizens and the key role the Smithsonian Institution can play toward that goal.

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LORTON METEORITE

Mr. SIMPSON. Thank you. And thank you for being here today. Are they going to come up and tell us what cool stuff we have got here? Please identify yourself for the record.

Mr. POST. My name is Jeffrey Post. I am the curator of the mineral collection at the Smithsonian Institution's Museum of Natural History. And thank you for having us up here this morning. We are delighted to bring one of our more recent editions to our collection. And this arrived in a most interesting way. In January—in fact, January 18 of 2010—just about the time of the evening rush hour, there was a large fireball seen over the Washington, D.C., area. Some people even report hearing a large explosion. And a few minutes later in a doctor's office in Lorton, Virginia, they heard a large, loud crash. They think oh, my gosh, it sounds, they said, like a bunch of bookcases having fallen down in the next room. And they rush into that room and there in the middle of the floor embedded into the concrete of the floor they find these three pieces of rock. And they look up, there is a hole in the ceiling. Well, obviously, this is not just your ordinary rock.

And so the next day they contact the Smithsonian Institution saying we think we have got a meteorite, pretty good guess. And so, of course, the Natural History Museum houses our national meteorite collection. We have got over 17,000 known meteorites in that collection and we have several experts whose job it is to study these meteorites. So they brought these pieces in and after a brief examination confirmed that in fact it is a meteorite.

And so a lot of excitement because it is a very interesting kind of meteorite. It is called a chondrite and this is the most common kind of meteorite that is found but very seldom do we get a meteorite like this that is as fresh and pristine as the one we have here and of course because it landed in a doctor's office. I mean what better hopefully clean, pristine place could you imagine? You know, if it had landed in a field or a pond or a lake or somewhere, we would have lost it. And so it is very unusual for a meteorite fall to be witnessed, and a specimen to be recovered so quickly under such pristine conditions.

So scientists were very excited to have this very fresh meteorite because this meteorite is 4.5 billion years old. This is a window back to the very earliest days of the formation of our solar system. All the planets, the Earth, the sun formed out of a large dust and gas cloud. This meteorite literally is a grabbed sample of that original dust cloud from which we all formed.

Mr. SIMPSON. How do you know that?

Mr. POST. Well, good question. A couple of things: one is we can date the meteorite. There are various scientific techniques we have called radioactive dating methods that allow us to put an age on this meteorite and that age comes in at just a little over 4.5 billion years. So we know the oldest rock we have ever found on the Earth, for example, is just about 4 billion years. So this takes us back a half a billion years earlier than anything we can study directly on the Earth.

Also looking at the mineral composition in here, when we do an average composition of this meteorite, it matches exactly the aver-

age composition of the sun, of the Earth, of the solar system. So the composition and the age dating tell us we have something that is very old going back to the earliest days of our solar system.

And so this is an opportunity for us to study this very pristine meteorite, to learn about our very basic origins. If you can imagine the Earth 4.5 billion years ago, when it was formed, it looked basically like this meteorite. And only through all these years of geologic processing do we end up with the Earth that we recognize today. But of course, you know, this tells us how we all started.

And the other nice thing in studying meteorites is we cannot easily go collect samples of other parts of our solar system. It is an expensive, tricky operation. And so it is nice when one arrives free through the atmosphere and lands here for us to study. And so all that we know about the rest of our solar system has come from a handful of specimens brought back by a lunar mission and meteorites that have landed here on the Earth.

So this is the kind of specimen that is great for us scientifically. We share this with people. We are the major collection in the world that provides meteorites for scientific study to scientists around the world. But of course the other great thing about this meteorite is it came in a very exciting way. It got a lot of attention. It was on the nightly news, it made international news stories, and so it is a great meteorite to excite the curiosity of people interesting in these things. You know, when you have got a meteorite that comes in with such a great welcoming, everybody has questions about it. And so the Smithsonian and scientists there are not only studying the meteorite but sharing what we learned about it with the public. And what better place to start than a meteorite that everybody has heard of?

And so this is a meteorite that is already a part of our web story. It is going to be going on exhibition now that we have finished doing some of the original studies on it. And we look at it as a great opportunity to tell our visitors, to tell our public about this meteorite they heard about that landed in Lorton, Virginia, came through a roof in a doctor's office, and you know, you cannot make up a better story than that one.

LORTON METEORITE

Mr. SIMPSON. Just two questions. You said that that is what the Earth looked like billions of years ago—have you been to Cleveland?

Mr. POST. I have been to Cleveland.

Mr. SIMPSON. Secondly, did the doctor's insurance cover this? Because I am not sure that they write policies for meteorites, do they?

Mr. POST. Well, it is kind of like lately earthquakes, meteorites. We have a couple challenges there. But my understanding is they did get that sorted out and the bottom line is that they all decided the best place for this was at the Smithsonian, and we were honored to have it and we are delighted to take care of it.

Mr. SIMPSON. No doubt. Good.

Mr. MORAN. Could I just ask a question? How did it compensate the doctor? Do you normally compensate the—

Mr. POST. Yeah, there was actually a little bit of a discussion about—

Mr. MORAN. Again, for commercial value.

Mr. POST. Well, that is right. I mean there was a little bit of a discussion about did this belong to the doctors or to the people who owned the building or whatever? That got sorted out. We ended up paying \$10,000 for the specimen.

Mr. MORAN. That is a good deal. Now, it would seem that this would confirm what we know about our solar system and our universe at 4.5 billion years. That is when the Earth began—

Mr. POST. That is correct.

Mr. MORAN [continuing]. Like 4.5 billion years. So this began at the same time as the planet Earth—

Mr. POST. That is correct.

Mr. MORAN [continuing]. Began. And this has been drifting around within our solar system or the Milky Way galaxy or has it been revolving around our planet? I mean what would your assumptions be on this?

Mr. POST. This originated in our solar system, so we are one little neighborhood in the entire universe. And our solar system again started, as you say, forming about 4.5 billion years ago. All indications are this piece of rock resided in the asteroid belt. So we have this area between the orbits of Mars and Jupiter. We have a number of large fragments, probably planets that either did not form large enough to really form large planets or collided and broke into pieces. And so the pieces that are out on the asteroid belt occasionally will get deflected towards the sun, maybe end up in the gravitational pull of the Earth and then eventually—

Mr. MORAN. So they lose their centrifugal force when something hits them?

Mr. POST. Well, that is correct. Yeah, these things probably collided with each other or they might get a gravitational shove from Jupiter or Mars or a planet depending on the alignment of the planets at a particular time.

Mr. MORAN. I see. And this is the concretization of the dust that was up in the atmosphere? It, what, as they say concretizes into pieces like that?

Mr. POST. That is right. In space all of these pieces of the early dust cloud, these mineral grains, assemble, aggregate together. This is one of those aggregates, as one of my colleagues like to refer to as one of the dust bunnies from the early days of the formation of the solar system.

Mr. MORAN. Okay. Thank you. It raises a lot of questions, but thank you very much.

Mr. POST. My pleasure.

Mr. SIMPSON. I am pretty sure the EPA has a rule against that. Pass the mike down if you would, please. And identify yourself for the record, please.

POWDER HORN

Ms. GATES-MORESI. Certainly. Thank you. My name is Michele Gates-Moresi. I am curator of collections with the National Museum of African American History and Culture. Thank you for having me today.

And as mentioned before, we have an 18th century powder horn. It is inscribed, "Prince Simbo his horn made at Glastonbury No-

vember 17th AD 1777.” So this is the powder horn that was owned and used by Prince Simbo, who we do not know much about outside of his service in the Revolutionary War. He served with the 7th Regiment, Connecticut Line of the Continental Army. Historic records tell us that he was wounded in 1780 but he continued to serve probably as a guard at Valley Forge. We also know that after his service, he went back to Glastonbury, his town, and the residents there identified a plot of land for him to set his house and to continue to live out his life with his family in Glastonbury, which is quite typical as we know from other stories of veterans of the Revolutionary War, typically in New England. They would be shown that respect to continue to live in their hometown.

So as I mentioned, the horn is inscribed with his name and the date and where it was made. It also is inscribed with some images that include eyes around the edge. There is a dove with the banner “Liberty,” and a deer and a fern. It is quite a beautiful object. We are really excited about the opportunities for more research, more discussion, and certainly how it can inspire educationally for all students of the Revolutionary War to look at an item like this and think about how wars were fought and who fought them.

Currently, the plan is to use this horn in the museum’s inaugural exhibition, “Slavery and Freedom,” when it opens in 2015. Until then, we will have opportunities to provide it virtually. It has been selected as an item that will be a part of a digitization project that is Smithsonian-wide, the 3-D digitization where a 3-D imaging is made of this so we can actually create replicas of it and it will be programmatically available for educators and programming.

Mr. SIMPSON. How did the Smithsonian acquire this?

Ms. GATES-MORESI. This was acquired by purchase.

Mr. SIMPSON. By purchase?

Ms. GATES-MORESI. From a private collector.

Mr. CLOUGH. We have a small fund because it is a new museum. There are a couple of special conditions. Congress has supported special funding in the past both for collections and acquisitions, as well as for fundraising. And so those things go away after time. But it is a great opportunity for us because you are building a museum with no collections and now there are over 20,000 objects I think and—

Ms. GATES-MORESI. Almost 20,000.

Mr. CLOUGH. Yes, and it is really moving to go out to the collections center and walk through and see the entirety of the collection.

Mr. SIMPSON. Right. Thank you for your testimony and for bringing these items. It is always fun when you bring these items in for us to look at because we concentrate on something other than your budget. So this is a ploy by you I know. But it is always great to have the opportunity to see these items and what the Smithsonian is doing.

Tell me a little bit about your private fundraising and how it has gone this year as opposed to last year with the economy that is down somewhat?

PRIVATE FUNDRAISING

Mr. CLOUGH. Thank you. You can see why it is fun to work at the Smithsonian to be with colleagues like that.

The private fundraising has gone well but it is not an accident; it is something we are working hard at. We are in the process of gearing up towards what you would call a campaign in the style of universities and other institutions who run such campaigns. So that means that we have developed a set of policies, a set of procedures. We are trying to not only raise more money but to increase the donor base. The goal for us is to double our donor base in about 5 years because the Smithsonian's donor base is not big enough to really give us the sustained funding that we need from private giving.

When I came, we raised about \$126 million in the first year, we raised \$158 million in the second year, and we raised \$182 million last year. The hill always gets steeper because my regents and others ask us to consider raising \$200 million this year. And so we are working towards that goal and we think we have a shot at doing that. And those things, as you get into the bigger numbers, require some singular big gifts, someone to give you \$30 million or something like that and then a steady run of fairly large gifts. And we are trying to increase the big part of the base of the pyramid and that is our continuing giving base.

And an example of that is with the African American History and Culture Museum—they have created what they call founding memberships, and they had about 27,000 of these leading up to the groundbreaking, and the groundbreaking provided a lot of incentive for people to become more acquainted with the project. And so they have added 3,000 new members since the groundbreaking. So we are trying to build the base and the pyramid throughout in order to do that. But we feel very good about the funding we have raised; we are adding donors to our base, and in addition, we are using federal funds as the lever to increase the private fundraising. And that is something we always rely on—

Mr. SIMPSON. Right.

Mr. CLOUGH [continuing]. As a powerful incentive to our donors and we can say the Federal Government is here for us to do these things and what we need is for you to do these programmatic activities that we want to do but we cannot get at without private funding.

EARTHQUAKE: FACILITIES CAPITAL REQUEST

Mr. SIMPSON. Good. Your fiscal year 2013 facilities capital funding request includes an increase of \$10 million from \$75 to \$85 million for construction of the National Museum of African American History and Culture. It also includes \$16.5 million for repairs to the Smithsonian buildings damaged by last year's earthquakes. Can you describe for the record the damage caused by last year's earthquake, the buildings affected, and how prospective earthquake emergency repair funding would be used?

And given our very tight budget constraints, are there other priorities within the facilities capital account you would be willing to

defer in order to fund these earthquake repairs? I know that is a tough question.

Mr. CLOUGH. It is a good question and I have a very personal experience with this particular earthquake. I happened to be an earthquake engineer in another life, and so when we had the earthquake, I was in the Castle and we were having a meeting with some regents and some of our staff. You have been in the Castle. And we felt the building rocking quite a bit and so immediately because of my experience with earthquakes, I said this is an earthquake. Get under the table. And I tried to enjoy the moment and just feel the waves and get some idea about how far away the earthquake was based on the waves that are coming through. But my own office was damaged. In fact, it was just repaired because we had some cracking in that office.

Fortunately, the Castle—it did suffer damage but not serious structural damage. But all the chimneys you may see still have plywood wrapped around them just keeping them stabilized because they did crack badly. Now, that type of earthquake damage and a good bit of the other cosmetic damage in our other museums we are going to take care of ourselves.

But the significant damage was at the Museum Support Center out in Suitland, Maryland, and there was some serious structural damage in three of the older buildings there. They were a little peculiarly designed but they were designed before people really seriously took into account earthquakes. Two of the pods were designed for the present earthquake code and they did well. But we need to repair particularly the structural damage out in Suitland to guard against any damage to the collections in the future.

And so that funding would be used specifically for that purpose, and in essence, we are trying to absorb the other cost already out of our budget, out of our existing budget and take care of as much of that as we can on our own.

Mr. SIMPSON. Okay. Jim.

ARTS AND INDUSTRIES BUILDING

Mr. MORAN. Thank you, Mr. Chairman and Mr. Secretary.

What is the status of the renovation of the Arts and Industries building and what are your plans for its future use?

Mr. CLOUGH. Well, the Arts and Industries building, when I came—as you well know—was closed and had been closed for a number of years, and any building that is closed and left unused for a long period of time tends to deteriorate. And so I was very concerned about that because, again, from my background as an engineer, the roof was leaking, had been leaking for some time. The steel in this building—it is wrought iron actually, not steel. It was designed and put in in 1881 and it was corroding. I was very concerned about the structural stability of this building. And so our first goal was to stabilize the building. And we were able to access some federal funding based on a matching-grants component, so we matched the federal funding and raised our other funding otherwise.

And so we presently have a project that is about a \$55 million project that will stabilize the building. We are replacing the roof

entirely. You can see that work ongoing now so we will stop the leaking problem hopefully once and for all.

On the inside, we are taking that corroded wrought iron and replacing it with look-alike structural steel. In addition, the windows are in pretty bad shape. They are not historic; they were put in the '70s and we are going to replace them with a more modern technology that controls light into the building but at the same time allows people to see out.

So the 2013 project is on budget and on schedule. We will have a stabilized building but without any amenities on the inside of it. It will be open as the Architect Adolf Cluss wanted it to be, so you can actually see through the building. We got rid of all the old offices and air conditioning systems and things and hazardous materials that cluttered it up.

And so we do think, however, even in that circumstance that we can find ways to use it until such time as we can find the additional funding to actually program the building, if you will, for its ultimate purpose. And so we have had groups looking at ways to use the building as an exhibit hall, which is what it was designed to do. We will still have to work on adding some restroom facilities and some air conditioning and heating, but we think we can do that.

And we think we can use this as an exciting, open building for a period of time for events that would be rotating, not permanent kind of events but they can be rotating. They can address different subject matters. People can actually come in—we were talking to the first robotics people about possibly having part of their competition up. I have always been a big supporter of FIRST Robotics and I will be speaking at the group that will be competing here in the Convention Center here very shortly.

So those kind of activities, school, school groups will be able to come in; they will be able to showcase things that we do not showcase now. That is the work, as you alluded to, that we are doing in astrophysics up in Cambridge, which is fascinating work and we can get young people involved in that work if we have exhibitions on that here down on the Mall. So it will show the Smithsonian in its larger extent.

We think we can add some really interesting technology relatively cheaply that would not necessarily lock up the space in terms of permanent use but to make it a vibrant, useful space by around 2014. And we are working on a plan to do exactly that.

Mr. MORAN. There have been some serious suggestions that that should be the site of a Latino museum. What kind of a fit would that be? Do you see any problems with that transpiring?

Mr. CLOUGH. Well, of course, that decision about that museum has to be made by Congress. It is not something the Smithsonian is, you know, advocating if you will; but if you choose for it to be built, then we would work on it just like we have done with the African American History and Culture Museum.

Mr. MORAN. I am talking about the compatibility of—

Mr. CLOUGH. Yes. As a building, it has its drawbacks in terms of a concept of a museum. If you look at African American History, here is a building designed from scratch to be a museum and so it will be meeting the highest LEED standards, it will have all of

the temperature/humidity control that you need in a modern museum, the lights will be controlled in the correct way. The AIB building will not have that capability. It is an unreinforced brick building and so you really cannot control the temperature and humidity.

So the building by itself would be more of an exhibition facility. If you were to use it for, say, in some way for a Latino museum, the only way you get to the museum part of the next stage of such a museum would be to go underground. And that is possible. There is space there; there is workable space there. We have the Ripley Center already underground and you could tie that in to an underground component for a new museum. Obviously, that is going to be a costly solution but it can be done.

NATIONAL ZOOLOGICAL PARK

Mr. MORAN. Thank you. Let me ask you about the National Zoo because in your request you asked for an extra \$900,000 for animal welfare. Are there serious concerns about the health and safety standards for the zoo collection of animals and the staff?

Mr. CLOUGH. I think we are in pretty good shape. As you may know—of course a while back they had some troubles and difficulties—but more recently we have been accredited by the National Zoo Association and we feel good about the accreditation, which is, you know, a sign that we meet basic standards. What we want to do is we want to upgrade the possibilities that we have for animals. As you may know, we are renovating a number of facilities there, and as we do that, we will upgrade the collection and we want to make sure we are caring for the animals in the best possible way.

LATINO MUSEUM

Mr. MORAN. I will yield to other questioners, Mr. Chairman, without taking yield up more time.

Mr. SIMPSON. Mr. LaTourette.

Mr. LATOURETTE. Thank you, Mr. Chairman.

Mr. Secretary, nice to see you. Just before I chat about what is on my mind with Cuba, I wanted to piggyback on Mr. Moran's observations. I know that there will be a rather robust discussion in the United States Congress relative to the establishment of an American Latino museum and there is on the Board of Regents as well. I know that it is the Smithsonian's position to comply with whatever directive they receive. I would indicate and I have indicated at the Board of Regents' meeting that we cannot even afford what we have undertaken already with the African American Museum, and to lay another museum on top of it I think is not in the financial cards today.

And then secondly, I think there needs to be a pretty serious discussion about whether everybody is going to get a museum? I would argue that the Irish—and we could have Moran featured in the American Irish museum, the Chinese, what we did to Japanese Americans during the Second World War, all compelling stories, as is the Latino story. I would hope that the Congress and the Smithsonian would have the discussion about whether everybody is going to have their own museum as we move forward.

I want to talk to you about something that has come up at the Regents' level, and a member of this committee who is not on the subcommittee has expressed some concerns about a program that the Smithsonian is participating in, I think twice this year in Cuba. For the purpose of the record I know Mr. Flake is going to submit a letter for written observations, but I would ask you to sort of describe what it is that you are up to—

AMERICANS ALL

Mr. CLOUGH. Sure.

Mr. LATOURETTE. And then where the money is coming from to pay for it? Then the last piece is in response to concerns expressed by at least two Members of Congress, what steps you have taken to ameliorate those concerns, and how you are proceeding to go forward.

Mr. CLOUGH. Let me come back to the first comment. And one of the things that we think that the Smithsonian needs to do and should have done in its past is to be more concerned about how it represents all Americans and the contributions of all Americans to this country. And so as we developed the new strategic plan, it had this in mind explicitly and it called for a new approach to representing those contributions. The question now is to find ways to do that.

And so I mention, for example, the project that we call Americans All, and we are excited about this project. It really will look at the question of those people who migrated to this hemisphere and, you know, maybe 20,000 years ago as well as the people who immigrated as recently as yesterday and how they all contributed to making this country great. We think with new techniques using social media and connections with collaborative partners we can develop a rich array of stories that will help illustrate and tell that story and build our collections around these stories as we are seeing with this powder horn to help present the common view of America. In other words, we recognize that everyone had a contribution, everyone came from perhaps a different direction to get here, but there is a common glue that holds us all together. And that is what this is all about.

So Americans All is a project we are very excited about. I think it is an example of a way to look at the larger picture than we have. We like it because it also combines the power and strengths of our different museums, not just one museum trying to tell the story but all of our museums.

And as I mentioned—I do not think you heard my testimony—but in my testimony mentioned that we were working with the Newseum on this one, we are working with Ellis Island and Angel Island out in California. So we cannot do it by ourselves; we need to work with partners. And so we think that is an approach.

I want to compliment my colleague Richard Kurin, who is in the room with me, the undersecretary of History, Art, and Culture, who just undertook an effort to explicitly say let us organize ourselves so that we have in our exhibitions that are upcoming—broadly speaking—Latino content where it is appropriate for it to be there and should be there and maybe have been overlooked in

the past. And so I think we are taking a very conscientious effort towards that end.

And hopefully that will help address some of the concerns because obviously there are folks who would like us to build a women's museum as well. And so we have had meetings with the people who are concerned about that and had discussions about what we can do in our own content to address some of those issues.

CUBA

Now, finally, the Cuba travel—the Cuba travel is being undertaken by Smithsonian Journeys, which is part of Smithsonian Enterprises, which is our business side of the house which runs our TV channel, the magazine, and many of our business propositions. In other words, they have to make a profit or at least stand on their own in terms of what they are doing. Smithsonian Journeys, our directive to them is that they do not just do journeys for fun but they do journeys that have some connection to the Smithsonian mission and is related to what we are trying to do as an institution.

In January of 2011, the Administration decided to change the policy about travel to Cuba to open avenues for people to take trips to Cuba that would relate to cultural people-to-people type exchanges. And when they did that, they set up a fairly elaborate process for one to apply to be able to do that, to demonstrate that you had a tour that met the criteria that were appropriate for the new policies. That is executed through the Treasury Department because this is related to the embargo.

The Smithsonian has had long connections to Cuba. We have been involved in scientific and cultural research and cultural exchanges with them for 140 years. We have involvement with them in a migratory bird project right now that we are working on with them.

So it was a fairly natural thing for us to think about with this new policy and with our long history that this would be something that would be appropriate for us to do. As the process has gone forward, it is my understanding that over 550 tours have been organized—we are one of those—that some 450,000 Americans will be making visits to Cuba. We are a small trickle in that big flood if you will. We have about 100 people who will be going in our trips. And we think we have carefully organized them based on our contacts over time in Cuba.

We have heard concerns from people who feel that perhaps we should not be doing this or have concerns that we have not developed the tour in the right way. I think we have learned from what we have heard in our discussions and we are going to make sure that when our visitors make their visit to Cuba that they will be fully aware of concerns about human rights and matters of that type before they go, in working with the American interest section in Cuba to ensure that that is done. So we think we have a very thorough view, a very open view on behalf of our visitors when they do go to Cuba. And as I say, it is a small group, intentionally so, because we did not want to take a large group down. We thought that it should be done on the basis of a very clear cultural exchange.

Mr. LaTOURETTE. Thank you.
Thanks, Chairman.

FEDERAL FUNDING MATCH

Mr. SIMPSON. Ms. McCollum.

Ms. McCOLLUM. Thank you. Could you tell me if you know what federal funding match was used? You alluded to a federal funding match that you were using for repair. What federal funding match was that?

Mr. CLOUGH. Senator Feinstein set that up out of the Senate and it was a special category for the Arts and Industries building. And so she said if we could match funding—which we did—that was then approved by both houses.

Ms. McCOLLUM. So that is a one-time category?

Mr. CLOUGH. It is a one-time thing.

NATIONAL ZOOLOGICAL PARK

Ms. McCOLLUM. Congratulations on doing a much better job at the zoo. I know, as you said, you are still working on it. I come from a State that has several zoos. The Duluth Zoo suffered a decline, and they have been fully reconfiguring their role, their mission. We have two zoos in the metropolitan area. The first time—it was about 11 years ago—I went to the zoo here in Washington, D.C., I have to say I left with utter disgust and I was quite shocked.

Mr. CLOUGH. Um-hum. Um-hum.

Ms. McCOLLUM. And I was just there recently with some toddlers—

Mr. CLOUGH. Um-hum.

Ms. McCOLLUM [continuing]. And they had a blast. The kids' interaction at the children's part of the zoo is fabulous and some of the exhibition work that you are doing is really good, so hats off to you.

Mr. CLOUGH. Um-hum.

Ms. McCOLLUM. And I know you are still working on it. But I just left there just totally aghast the first time I was there. I said this cannot be—

Mr. CLOUGH. Um-hum. Um-hum.

Ms. McCOLLUM [continuing]. What the world and the United States comes to see.

Mr. CLOUGH. Um-hum. Um-hum.

CUBA

Ms. McCOLLUM. So good for you. Back to the Cuba trip, what are some of the other trips that are taken to do cultural exchange? What are some of the other countries?

Mr. CLOUGH. We travel people all over the world.

Ms. McCOLLUM. So you go to communist countries?

Mr. CLOUGH. We do, yes. China, Russia, and it is a fairly common kind of thing. And again, obviously, we stay away from countries where there might be violence—or something like that because that would be dangerous to our clientele. But we try to do it within the mission of the Smithsonian. And to put that a little

bit in context, we have activities in 90 countries around the world in archeology, paleontology, art exchanges, scientific exchanges. So we have multiple connections in many countries.

Ms. McCOLLUM. But with the tours, there are probably not tours in all 90 countries. I am just going to ask a political question here.

Mr. CLOUGH. Please, yeah. Um-hum.

Ms. McCOLLUM. So where you do other tours, do Members of Congress get involved in telling the business side how to run the business?

Mr. CLOUGH. Well, we hear from Members of Congress from time to time and, you know, I respect the views of the people who have their concerns, and it ranges over not just a particular issue but many others as well. And I think that, you know, our job is to listen carefully and to understand what people's concerns are.

Ms. McCOLLUM. Well, if you go to Norway, I am sure we can bring this up at the next Norwegian Caucus meeting here that we have. This is the first that I heard of it, and I bring this up, Mr. Chair, because we all have rights as Members of Congress to express our views. I mean that is what we are elected here to do, but when agencies, and I just became aware of some pressures that the National Park Service was getting from some individual Members, that is inappropriate. And if other Members do not know what is going on, you are only hearing from one side. Sometimes, as we tell constituents, as I tell high schools when I go in and talk to them, if you are not expressing your views then other people are talking for you. But, if I do not know other people are talking to you expressing views, it makes it difficult to sometimes have the counter-balance.

The restoration to the Mall and moving some of the activities off the Mall was somewhat controversial, but the Mall still seems to be getting a lot of use and there are still things going on. Should we not talk about what you think you are going to be able to achieve for bringing back the Keystone, actually where the public gathers to go back and forth between museums, as well as just to enjoy the architecture?

NATIONAL MALL

Mr. CLOUGH. Well, the Mall is our front yard, but we do not own it; the National Park Service, of course, owns it. And we work closely with them. And as they have gone through their planning process, we have been lockstep with them in that process. What they are doing now, of course, is trying to replace what has been nondurable turf in basically a silty soil with a turf or a grass that can restore itself if you take a little pressure off of it for periods of time.

And we are working with them also to help provide water. They have not had water systems. We are putting in systems around all our museums and so we are going to collect water and hope to share the water with the Park Service as they need it. And so we are working closely with them on this. We are working also with the Trust for the National Mall folks and, you know, we do not do the fundraising for them, but they have been very supportive of us and our aspirations.

A common tie, for example, is the way-finding system. And they have been great in working with us because it is commonly a problem for visitors to the Smithsonian that we have so many museums they get a little lost. And so they have really developed a wonderful way-finding system and incorporated all of our concerns. And so we are very pleased about our work with them and we are continuing to work with them on any activities we have on the Mall to minimize the damage, particularly as they replace it. And right now, they are working between 3rd and 7th—

ROAD CONSTRUCTION

Mr. CLOUGH [continuing]. And then they are going to move up between 7th and 14th will be the next phase as they move to the west. And right now, they are in front of the American Indian Museum and the Air and Space Museum, and then they will move up in front of our other museums there. So we are working closely with Secretary Salazar and particularly the scientific staff in the Interior Department to address the issues.

Ms. McCOLLUM. Good. Mr. Chair, the last question I have is what the heck is going on on the street in front of the Air and Space Museum? It is really dangerous and I had a cabdriver turn to me the other day —once in a while I will get a cabdriver that will remember me—and he said, missy, what is going on? And I said I would ask.

Mr. CLOUGH. This is in front of the Air and Space Museum?

Ms. McCOLLUM. But it looks like the museum is closed, and you were closed for a couple of years for renovation. Does D.C. work with you on any of this?

Ms. PAYNE. The construction project on the street is moderately coordinated with the museum. We are asking ourselves how much longer it is going to last.

Mr. CLOUGH. Um-hum. It has been a mess. I live in southwest and I have to go through that area. I agree with you. And it is a moving target, too. You think you can get through one street one day and you cannot get through the next day. But fortunately, the museum itself has had robust attendance.

Ms. McCOLLUM. And Mr. Chair, when you go down Independence, when you see the construction going on, restoring at the Arts and Crafts building and then you see the big dig in front of the Air and Space museum, if you were driving down or you get off a Smithsonian stop there, it looks like you are kind of closed for business in that area of the Mall from that side.

Mr. CLOUGH. It does, yes.

Ms. McCOLLUM. Thank you.

Mr. CLOUGH. And it has been a concern but it is what it is I am afraid.

FOLKLIFE FESTIVAL: IMPACT ON MALL

Mr. SIMPSON. Following up on what Ms. McCollum was saying, have you come to an agreement with the Park Service on the Folk Life Festival and how is that working out?

Mr. CLOUGH. Well, the Folk Life Festival is scheduled for this year more or less as we have done it more recently, which is in a much more Mall-conscious way—to begin with trying to minimize

the damage. We recognize when they get the new turf on there that they are going to enforce the policy which is you have to put down a deposit and they are going to keep it if you do any damage to it. So we are obviously rethinking, making sure as much as we can move activities off onto the gravel paths. And they are, as you know, changing some of the configurations of the gravel paths. And so we are working with them on that as these plans are developed.

Mr. SIMPSON. It is not only the grass; it is the elm trees that are—

Mr. CLOUGH. Right.

Mr. SIMPSON [continuing]. The roots are being exposed. So one of the biggest disappointments people have that come to Washington for the first time—they see a photograph of the Mall and they think of this beautiful Mall—

Mr. CLOUGH. Um-hum.

Mr. SIMPSON [continuing]. And then they go walk on it and they go, wow, you know, this is not what our front yard should look like. And so we are working very closely with the Park Service to try to restore it to what it should be.

FACILITIES BACKLOG

The General Accountability Office, GAO, has validated that the Smithsonian requires about \$150 million each year to address the deteriorating conditions of its buildings. The fiscal year 2013 budget request includes \$11.5 million for critical repairs of some of the oldest buildings. What is the backlog and what truly needs to be spent there to address this backlog over a reasonable period of time?

Mr. CLOUGH. Well, the backlog is a moving target, of course, because each year we do make some progress at projects—we have a priority list and so we work it out for 5 years and we are trying to attack the most critical projects that we have. And we are trying also to get more bang for our buck. That is if we can replace HVAC systems, we not only get a better system, we get a more energy efficient system and it saves us a lot of money. So that helps us redirect the money into other areas.

But it is a problem. And nominally, we need \$100 million—not only by industry standards—for maintenance and \$150 million for what we would call revitalization, which is what you were referring to. And presently, we are not at those levels. And so it is of concern because we have to make compromises as we do that work and we are trying to basically address the most critical projects we have, trying not to lose ground against where we are.

Mr. SIMPSON. Are we addressing them? Is the backlog going down each year or is it continuing to grow?

Mr. CLOUGH. I do not think it is growing but it is not going down at the present rate of the funding that we have. Fundamentally, if you take out the African American History and Culture Museum and the earthquake repairs, we have about 95 million this year in this year's budget—

Mr. SIMPSON. Right.

Mr. CLOUGH [continuing]. And we have about 72 million in maintenance. And neither one of those meets industry standards. And so again what we are trying to do through our facilities group is

make those compromises to look at the most critical areas and the areas where we get our biggest bang for the buck.

Now, we are trying in many of our renovation projects to get private funding as well.

Mr. SIMPSON. Yeah.

Mr. CLOUGH. And so when we redid the Hall of Human Origins and Oceans Hall, we had significant private contributions to those projects.

Mr. SIMPSON. That also goes for the buildings that we store stuff in, preservations buildings and stuff like that.

Mr. CLOUGH. Correct, it is.

Mr. SIMPSON. And the backlog is included in—

Mr. CLOUGH. We made a lot of progress on that front, which I feel very good about. And to see that, you have to look back about 5 or 6 years, but, for example, when we opened the new Hazy addition for the museum out at Dulles Airport. That was not just an expanded museum space; there was a huge part of that that was devoted to archives and artifact storage, the state-of-the-art kind. And that really will address a lot of the problems we had with archives being stored out at the Suitland facility and what we call the Garber facility.

And in addition, the Cooper-Hewitt Museum in New York City, that was again mainly privately funded but New York City put up money and we put a little bit of federal money in it. We built out a whole new collections center for Cooper-Hewitt. At the Natural History Museum, federal funding helped us complete what is called Pod 5, which is that specialized storage for scientific specimens and that has worked out spectacularly. That is another big plus for us in terms of our archival and artifact storage.

We built out, of course, the Landover, Maryland, project, which we call Pennsy Drive, which was I thought a real breakthrough. And we finished that about 2 years ago. And this was taking a rather modest industrial-type building and without a lot of pain making it into a collections center not for the sophisticated scientific stuff but for things like American history when they have cars and all kinds of things that they need to store there, and so forth. So that was a big upgrade for them as well.

And you mentioned American history; that is still an area of challenge for us because they have a lot of legacy collections and they still have a lot of those things stored within the museum itself. And that is where we have \$5 million now set aside annually for the most critical collections care problems. It is a new fund that we created thanks to Congress creating that. We are trying to add a little bit to that. And so we collect proposals from around the Institution and evaluate them with a team saying, well, this is the most critical. Military uniforms fell into that rubric—

Mr. SIMPSON. Right.

Mr. CLOUGH [continuing]. A few years ago. Now, we have a brand new facility within American History that is compressed storage, everything is digitized, everything is automated in terms of access, and people can see the collections digitally, which is another part of this process. The more things we can digitize in the collections from the point of view of collections care, the less they need to be handled. If you are interested as a Civil War re-enactor,

well, hopefully you can get everything you want to know about our uniforms by looking at them digitally rather than someone having to get a uniform—we can do that, too, but we would rather minimize that kind of handling effect. So the more we can digitize and the more we can automate, the more we can barcode, the better off we will be with our existing facilities. But probably American history still is our biggest challenge in terms of addressing collections care.

Mr. SIMPSON. But if we were to appropriate what you have requested here, we would not see a decrease in the backlog?

Mr. CLOUGH. In terms of the revitalization, no. I do not think so. Ninety-five million dollars would not get us there. Ninety-five million dollars would just sort of keep us—

Mr. SIMPSON. OK.

Mr. CLOUGH [continuing]. Crunching away on the list, and as you crunch away something on the top, you get stuff adding on the bottom.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE

Mr. SIMPSON. OK. Jim.

Mr. MORAN. In addition to the earthquake damage, which is totally understandable, we have another understandable request but it is significant in that you are doubling the money for the African American Museum for non-construction and reopening work.

Mr. CLOUGH. Um-hum.

Mr. MORAN. Have you developed operating costs and staffing estimates for the museum once it is opened and what will be those ongoing costs of O&M if you will?

Mr. CLOUGH. In the present budget, we have asked for \$13 million in new funds. This is the first time since 2008 we have asked for an increase in funds for staffing of that museum. And as you can see, as we get closer to 2015 with the collections growing and the acquisition needs and the exhibition design that is ongoing, we need to increase staff. And so \$13 million is that increment in funding that we think is absolutely necessary to try to get us to the point to get ready for that opening.

Beyond that, I am going to defer a little bit to Richard Kurin. He might have that number. Richard.

Mr. SIMPSON. Come up and identify yourself for the record.

Mr. KURIN. I am Richard Kurin, Undersecretary for History, Art, and Culture.

Right now, there are about 45 people working at the museum. With the budget request, we would go to about 75. As we acquire collections, we need those people to take care of them. Eventually, I think the museum would have about 150 people working directly for the museum. In addition to that, when you open a museum, you need more guards, you need more maintenance workers. So that request will come in the future, but we will need to go from 45 to about 150 to operate the museum when it opens in 2015.

Mr. MORAN. Okay. So the number we should expect—I mean this was \$26 million but it was doubling last year's level. The dollar number we should expect you would anticipate per year?

Mr. KURIN. Well, right now, if we go with this, we will go up to about \$26 million for the museum.

Mr. MORAN. But that is pre-opening.

Mr. KURIN. That is pre-opening. We are still going to need another 75 people. So if you figure that, you are talking probably about another \$5 or 6 million for staffing.

Mr. MORAN. So you would expect a \$30, \$35 million—

Mr. KURIN. Thirty-something million dollars.

Mr. MORAN [continuing]. Annual—

Mr. KURIN. Something in that range.

Mr. MORAN [continuing]. Cost for the museum.

Mr. KURIN. Yes.

Mr. MORAN. Um-hum. OK. That is what I was getting at. I think I am all set, Mike. Thank you.

Mr. SIMPSON. Steve.

SECRETARY'S TRAVEL

Mr. LATOURETTE. Just one question, Secretary, to give you the chance to sort of lay on the record. I am aware that Senator Grassley sent a letter to you about your travel. I think that that was sort of a hangover from what Nell affectionately refers to as the troubles that occurred previously. Since the request has been made, just for the purposes of the record here, could you just give us your response to the concerns about—I do not know how you can do your job without traveling, but what have you got to say about your travel? Are you just a jetsetter?

Mr. CLOUGH. I think if you get to know the Smithsonian you realize that it is a place with a very large mission. And a lot of people I think in their minds tend to equate it with what we do on the Mall, when in fact, as has been pointed out by members of this committee and by my own testimony, we are active in so many different places. And so we have activities in all 50 States. We have physical operations in places like Alaska; Cambridge, Massachusetts; Hawaii; Arizona; and, you know, all the way down to Florida. So we have these activities themselves. In addition, we have things that we do in 90 different countries and some of these are significant. In Panama we have 400 people who work there. So there is a natural part of the Smithsonian that requires travel. You cannot be a leader of the Smithsonian and stay in the Castle building.

The other part of this is that as we move forward on a more aggressive plan for fundraising, particularly to add donors, I have to travel. I have to go meet people. We have the great good fortune—and this has happened to me recently—to have our donors hosting dinners for us where they are paying for everything in the dinner and all they are asking me to do is just show up and give a talk and hopefully they will bring new donors to us. You cannot merely talk to a new donor on the telephone. You have to go to see them face to face.

So the travel demanded for fundraising is significant. We have kept that pretty much in reason when you look at the statistics on that and, as you well know, the Regents have very firm policies on travel and we also observe government guidelines on those things. And we have adhered to those strictly in all of this process.

Mr. LATOURETTE. Thank you.

Thank you, Mr. Chairman.

CLOSING REMARKS

Mr. SIMPSON. If you are anything like me, what you long for is a night to be able to stay home. Anyway, I thank you for being here and let me also thank you for your willingness to meet with my superintendent of public construction. I really am excited about schools being able to access your collections through digitalization and I want to get Idaho schools involved in the Smithsonian and what they do. So I appreciate your willingness to meet with us and talk about it. And thanks for what you do. It is one of the great institutions in this city.

Mr. CLOUGH. Thank you, Mr. Chairman. Thank you.

Mr. SIMPSON. We look forward to working with you to address the issues that are represented in your budget this year and we will see what we can do.

Mr. CLOUGH. Thank you very much.

Mr. SIMPSON. Thank you.

Hearing Questions for the Record (QFR) Prepared for the Smithsonian Institution

Hearing: Smithsonian Institution FY 13 Budget Oversight
Tuesday, March 20, 9:30am Rayburn B308

Questions for the Record from Chairman Simpson

Museum of African American History and Culture

I understand that the Smithsonian broke ground on the African American museum in February. The Committee remains supportive of this effort but, as I've said, faces some very real challenges with regard to addressing a growing list of Smithsonian priorities.

Simpson Q1: Can you provide us with an update on the overall timeline for construction and an estimate of the federal funding still needed to complete construction? Could this funding be equally divided over two or even three years?

Answer: The current construction timeframe is three years and five months – January 2012 to mid-2015. With the \$75 million Congress appropriated for 2012, the award of the construction contract in January 2012 and the groundbreaking in February 2012, we now have a construction partner and an established construction start date, and are able to develop a better estimate of schedule and budget based on the actual bid information. This information has permitted us to revise the construction completion schedule for optimal coordination of material procurement and construction phasing to meet the mid-2015 target for exhibit installation and then museum opening in November 2015. This timeline requires acquisition of materials (concrete, steel), major components (exterior window and structural systems), and major trades (plumbing, electrical, mechanical) earlier than previous estimates in order to avoid cost escalation and extended overhead charges. Therefore, federal funding needed to remain on schedule is \$85 million in fiscal year 2013 and \$45.1 million in fiscal year 2014 - total \$120.1 million. Spreading out the total over 3.5 years will increase costs by a substantial percentage (greater than \$10 million) and delay the opening, which could in turn jeopardize private fund raising.

Simpson Q2: Are you able to fully obligate this year the entire \$75 million the Committee provided this year for construction of the museum?

Answer: Yes. The construction contract schedule is based on the obligation in fiscal year 2012 of construction funds including the award of a contract for site preparation and the exterior envelope in the amount of \$62.7 million. In parallel with these obligations, we must award \$12.2 million in Construction Management and Commissioning. Delay of obligating this \$74.9 million will increase costs of material and major components along with extended overhead costs in addition to postponement of the museum opening.

Simpson Q3: How much non-federal funding has been raised for construction of the museum thus far and how much do you plan to raise?

Answer: We are confident that by the end of 2012 we will have booked over \$100m in cash and pledges. In addition, since the groundbreaking, interest and momentum have increased and we are on track to raise an additional \$150m for a total of \$250m or half the cost of construction.

The budget request for Salaries and Expenses includes a programmatic increase of 30 FTEs and \$13 million related to exhibitions, collections, and other priorities to prepare for the opening of this new museum. Combined with the costs associated with construction, you're asking the Committee to provide almost \$100 million for one museum in one fiscal year?

Simpson Q4: Again, given the many needs and priorities of the Smithsonian, including a considerable maintenance backlog at other facilities, is this a prudent allocation of funding?

Answer: The Smithsonian has a mandate from Congress to build the National Museum of African American History and Culture. In order to keep the construction of the museum on track and to save costs in future outlays, it is prudent that these funds be allocated to this project at this time. Delay will inevitably result in cost escalation, and will also hamper efforts to raise necessary private funds.

Simpson Q5: Are there other priorities within the Salaries and Expenses account you would be willing to defer next year?

Answer: The National Museum of African American History and Culture has been cognizant of the constrained economic environment of the last several years and has not requested an increase for Salaries and Expenses since fiscal year 2008. However, given that the Museum is only three years away from opening its physical building, it is crucial that the Museum begin ramping up its programmatic and staffing requests to meet scheduling deadlines. Because the Institution was mandated by Congress to build and operate the new Museum, the Institution believes it would not be prudent to reduce operating resources, which are already stretched thin, in order to fund the critical increases requested for the new Museum.

Simpson Q6: Can you provide a detailed accounting of what you expect the annual operating expenses to be for the African American Museum?

Answer: The annual operating cost is expected to be \$32-35 million. Of that amount, approximately 55 percent would likely go towards salaries and benefits and 45 percent towards programmatic costs, such as educational and public programs, collections acquisition, maintaining the exhibitions program, and/or research and support costs. In addition, there will be additional costs for added central support needs such as security guards and maintenance workers.

Federal vs. Non-Federal Funding Sources

I know that non-federal sources of revenue are an important part of the Smithsonian's overall funding strategy and I commend you for your personal commitment to this effort.

Simpson Q7: Can you describe your efforts to identify and raise non-federal sources of revenue? How much funding did you raise in non-appropriated dollars last year? What is your goal for this year?

Answer: The Smithsonian Office of Advancement oversees Smithsonian private fundraising efforts, which are undertaken by its museums, research centers and programs, as well as through the central Office of Advancement. Smithsonian fundraising is focused on achieving the goals of the Smithsonian's strategic plan. The Institution's sources of private philanthropy are individuals, corporations and foundations nationwide.

In fiscal year 2011, the Smithsonian raised \$182 million in private gifts and pledges, which is an increase of \$24 million over fiscal year 2010 and \$56 million over fiscal year 2009. The Smithsonian's private fundraising goal for fiscal year 2012 is \$200 million. As of March 31, 2012, \$123 million, or 62 percent of this goal, had been raised.

Preservation of Collections

As I said earlier, the Smithsonian is to be commended for efforts to strengthen the preservation and care of priceless collections. Your FY13 budget request includes a \$1.4 million increase for the Smithsonian's collections care initiative.

Simpson Q8: Can you describe efforts taken to address concerns raised by the Committee in recent years about the preservation and care of Smithsonian collections?

Answer: With targeted collections care funding, the Smithsonian has made significant strides in improving the management, care, and accessibility of collections. We have created an Under Secretary position with responsibility for creating a pan-Institutional approach to our massive collections. Through collections assessments, long-term planning, and prioritization, the Institution is strengthening collections in a pragmatic, strategic, and integrated manner. Holistic collections-level management has capitalized on economies of scale and enables comprehensive improvements that benefit the greatest number of objects in an efficient and cost-effective way.

Recent increases in collections care funding have enabled the Smithsonian to improve collections management, mitigate collections deterioration, and support Smithsonian-wide initiatives that strategically address the Institution's most critical collections care needs, such as:

- Addressing the Smithsonian's Inspector General audit recommendations regarding specific deficiencies in collections management
- Stabilizing, rehousing, and inventorying millions of collections items for long-term preservation and accessibility, ranging from national icons to biomaterials
- Purchasing space-efficient storage equipment and replacing substandard cabinetry

- Conducting collections and preservation assessments to establish priorities and action plans for the allocation of collections care resources

Recent Facility Capital Projects have also improved collections care and provided safer environments for millions of collections items, including the construction of Pod 5 at the Museum Support Center with state-of-the-art protection for our “wet” collections; renovation of Pod 3 for storage of selected Smithsonian art collections, physical anthropological collections, and frozen tissue collections requiring cold and liquid nitrogen storage; development of the Penny Drive Collections and Support Center in Landover, Maryland, providing improved and consolidated collections space for multiple Smithsonian units; construction of the Udvar-Hazy Center I and II, providing high-quality exhibition and collections storage; move of Cooper-Hewitt collections to an off-site facility in Newark, New Jersey; and numerous revitalization efforts at Mall museums and the National Zoological Park. Collectively, these investments total around \$300 million in capital expenditures over the last five years.

Smithsonian management acknowledges that an effective strategy for addressing our collections-related challenges depends on a coordinated, Institution-wide approach. Three important pan-Institutional initiatives currently under way – collections assessment; collections space survey and planning; and digitization survey and priority planning – inform our strategies, budget requests, and allocation of resources. These initiatives enable the Institution to prioritize collections and facilities improvements and establish an organizational strategy to ensure improved preservation and accessibility of its physical and digital collections assets.

Simpson Q9: What is the total overall budget for the preservation of your collections?

Answer: The Smithsonian’s fiscal year 2012 base for collections is \$57.7 million. This amount includes salaries and benefits and support costs for all federally funded collections activities such as preservation and documentation of Smithsonian collections. Collections care and preservation are also indirectly supported by funding in other program budgets, such as exhibitions at the National Zoo, research, and Facilities Capital Projects.

Cuba

Questions have been raised about the Smithsonian’s cultural (people-to-people) exchange with Cuba.

Simpson Q10: Are there similar people-to-people exchanges with Cuba? To what extent is this program based on those programs?

Answer: In January 2011, the Obama Administration modified the policy governing travel to Cuba, allowing more Americans to go there provided the trips were educational or culturally based and approved by the Department of the Treasury. Over 500 organizations have received licenses for people-to-people exchanges with Cuba, and over 450,000 Americans are expected to travel to Cuba in 2012. Smithsonian Journeys, a division of Smithsonian Enterprises, received its license in November 2011. The four trips planned by Smithsonian Journeys this year will

host a maximum of 120 people. For over 140 years, the Smithsonian has maintained various research ties with Cuba in a wide variety of fields including anthropology, archaeology, cultural resource preservation, art history, musicology, and biology. The tours will benefit from some of the Smithsonian's Cuban research ties, and from the expertise of Smithsonian staff in planning educational tours.

Simpson Q11: What was the Smithsonian's decision-making process when it decided to provide trips to Cuba through its Smithsonian Enterprises division?

Answer: Smithsonian Enterprises is the business arm of the Smithsonian Institution. Smithsonian Journeys is a division of Smithsonian Enterprises. Smithsonian Journeys and its predecessor organization have been offering educational tours in the United States and abroad for over 40 years. Journeys staff monitor the market for educational travel and add and adjust Journeys offerings as opportunities present themselves. In the case of travel to Cuba, Journeys staff noted the change in federal government policy and the relaxation of the travel rules in January 2011. They proposed adding Cuba trips to the suite of Journeys offerings and discussed it with senior Smithsonian staff before applying for a license. The license application was submitted in August 2011 and the license was granted in November 2011.

The Committee is aware that Dr. Clough has met with Members of Congress who have concerns about this Cuba program.

Simpson Q12: Can you describe the outcome of these meetings and any changes to the program that have been made to address these concerns?

Answer: Dr. Clough met with certain Members of Congress who expressed concern that a federally-funded organization was offering people-to-people exchange trips to Cuba, because of its history on human rights. Dr. Clough noted that the trips are consistent with U.S. Government policy and are being conducted pursuant to federal regulations. In an effort to better inform Journeys travelers about the nature of life in Cuba, the Smithsonian has included titles relating to human rights to the suggested pre-tour reading list, added a pre-tour panel discussion with noted academics, and added a meeting with the U.S. Interests Section in Havana.

Questions for the Record from Mr. Flake

People to People Exchanges

Early last year, the Administration took the step of relaxing travel regulations with respect to Cuba, allowing among other things the restoration of “specific licensing of educational exchanges not involving academic study pursuant to a degree program under the auspices of an organization that sponsors and organizes people-to-people programs.” People-to-people programs have a long history of facilitating public diplomacy by allowing direct engagement between U.S. and foreign students, scientists, cultural figures, scholars, etc.

I understand that the Smithsonian Institute recently announced the availability of a program of trips to Cuba and licensed as a people-to-people program.

Flake Q1: Could you please explain why you are doing this and how it relates to the Smithsonian’s mission?

Answer: The Smithsonian’s mission is the increase and diffusion of knowledge. For over 40 years, we have offered educational tours in which travelers explore the artistic, cultural and natural history of a wide variety of destinations in the United States and abroad. In the case of Cuba, we have over 140 years of experience in research and cultural exchange in a wide variety of fields including anthropology, archaeology, cultural resource preservation, art history, musicology, biology, etc.

Flake Q2: Have concerns been raised regarding these trips and if so, what have you done to address them?

Answer: Certain Members of Congress have expressed concern about an organization that receives federal funding offering trips to Cuba. While the Smithsonian Journeys cultural exchange trips are consistent with U.S. government policy and licensed by the U.S. Treasury Department, we are sensitive to these concerns and have made some adjustments. Specifically, we have included titles on human rights in Cuba in the suggested reading list that is sent to travelers, and added two items to the itinerary: a pre-trip panel discussion with noted academics and a meeting with staff of the U.S. Interests Section in Havana.

Flake Q3: Is this part of the Institute’s efforts to raise funds through private enterprises? Do dollars raised via such ventures offset funds that would otherwise be derived directly from the taxpayer?

Answer: The people-to-people exchange trips to Cuba are offered by Smithsonian Journeys, which is a division of Smithsonian Enterprises, the business arm of the Smithsonian. Like the funds received through private philanthropy each year, the net revenue contributed by Smithsonian Enterprises is used first to fund things we must do for which federal funds are not available, such as the cost of fund raising activities. Such funds are also used to cover some of the Institution’s costs that would otherwise require federal funding. It should be noted that consistent federal support is essential to the Smithsonian’s success in generating business revenue and philanthropic opportunities.

Questions for the Record from Mr. Serrano

National Museum of the American Latino

Public Law 110-229 was passed on May 8, 2008, establishing the National Museum of the American Latino Commission. The Commission submitted a final report in May 2011 to Congress and the President. The Commission determined that there is a need for a national museum that is devoted to the preservation, presentation, and interpretation of American Latino art, cultural expressions, and experiences. Even with this recommendation, the Commission realized that the new museum should not contribute to federal expenditure in the short term, and while conducting research, identified a large constituency of private entities that could support the museum.

Serrano Q1: When does the Smithsonian anticipate seeking federal appropriations for the Museum of the American Latino?

Answer: The Smithsonian will seek federal support for a National Museum of the American Latino should Congress enact legislation creating such a museum and assigning it as a responsibility of the Smithsonian. As is the case with our existing 19 museums, consistent and substantial federal support would be essential to its success.

Serrano Q2: Are there any plans to expand the Latino Center's programming, exhibition and collection space in the interim?

Answer: The Smithsonian has a plan for enhancing the representation of the Latino experience as part of its effort to understand the American experience. We are planning an expansion of activity by expanding partnerships between the Latino Center and other parts of the Institution. We plan to increase the number of curators specializing in Latino subject matter, mount more exhibitions and educational programs and strengthen collection activities. This will be done with the competitive use of federal funds in the Latino pool to leverage partnerships with the various museums to support curatorial positions and programmatic activities, which should also lead to increased fundraising from private sources.

TUESDAY, MARCH 20, 2012.

**THE NATIONAL PARK SERVICE FY 2013 BUDGET
REQUEST**

WITNESSES

**JONATHAN JARVIS, DIRECTOR, NATIONAL PARK SERVICE
BRUCE SHEAFFER, COMPTROLLER, NATIONAL PARK SERVICE**

OPENING REMARKS: CHAIRMAN SIMPSON

Mr. SIMPSON. The Committee will come to order. Director Jarvis, I want to thank you and your colleagues for being here today to discuss the important work of the National Park Service and your priorities for the coming fiscal year. This is the tenth of 16 budget and oversight hearings that our Committee will hold this year.

At the outset I want to make several observations. First, your budget request for next year makes a sizeable, \$24 million or 16 percent reduction from fiscal year 2012 in construction funding. This reduction will certainly add to the considerable maintenance backlog, which is now in excess of \$11 billion. The budget request also reduces funding for park operations, which may potentially lead to a reduction of 200 Park Service employees and cause some park units to reduce visitor services and operating hours.

At the same time, the budget request for Federal Land Acquisition is increased by 4 percent and the request for LWCF stateside grant funding is increased by 34 percent above fiscal year 2012. It seems to me that we ought to be addressing the long-term maintenance and repair needs, as well as meeting the needs of the visiting public, before making additional land acquisitions that will only add to the historic funding backlog or at least potentially add to that funding backlog.

Secondly, it has come to my attention that multiple areas of the National Forest System have been reviewed or designated for review for transfer to the National Park Service or for potential designation as national monuments. I would respectfully encourage the Park Service to weigh carefully these plans and to keep Congress and the public fully apprised before proceeding down this path. The management of the Forest Service lands differs from the management of the Park Service lands, and the creation of additional park units from existing Forest Service lands would likely create some concerns in Congress.

Third, I want to commend you for the progress made last year in completing the renovation of the historic Petersen House where President Lincoln died after being shot across the street at Ford's Theatre. A lot of work had been done to renovate Ford's Theatre but until recently Petersen House had fallen into serious disrepair. I understand from my staff that the rehabilitation to this historic building, visited by thousands of people each year, is now complete.

I am hoping to get downtown soon for a tour and would welcome members of the Subcommittee in joining me.

Lastly, a great deal of work is now underway on the National Mall. The Washington Monument, the Jefferson Memorial, the Reflecting Pool, and the compacted grass panels are now undergoing major renovations and repairs. We look forward to hearing specifically what is being done to address some of these longstanding issues on the Mall.

I look forward to focusing on these and other issues this afternoon, but first I want to yield to Mr. Moran for the opening remarks that he might like to make.

OPENING REMARKS: CONGRESSMAN MORAN

Mr. MORAN. Thanks very much, Mr. Chairman. Norm, did you want to—

Mr. DICKS. No. You go right ahead.

Mr. MORAN. Welcome, Director Jarvis and Comptroller Sheaffer. It is nice to see you and your very competent staff.

The fiscal year 2013 request for the Park Service calls for an essentially flat budget, and it reflects the tough choices that we know you had to make in funding your priorities. I do not necessarily agree with every choice, but I do very much appreciate the work that you and your other employees do on a daily basis.

And I agree with most of the choices, but that work to preserve present and future generations' ability to enjoy the very best our country has in the way of natural, scenic, historic, and recreational resources is just so important. You know, many people refer to your National Parks as America's crown jewels and their care is a responsibility that I know you take very seriously.

Employees of the Park Service have a long tradition of stewardship and dedication. We follow in the footsteps of people like Newton Drury, the National Park Service director from 1940 to '51. Do you remember him, Norm?

Mr. DICKS. Great guy.

Mr. MORAN. Great guy. Director Jarvis, you likely know the story of how Director Drury's Park Service career came to an unfortunate end, but perhaps not all of it. Thank you for being there, Mr. Chairman. I was hoping you would say that, because Norm does but you do not. So I am going to proceed.

It seems that early in the 1950s the Bureau of Reclamation had a plan to put two dams inside the Dinosaur National Monument in Colorado. Director Drury opposed the plan, and the decision was thrown to then Interior Secretary Oscar Chapman. So you are familiar with this, Director.

Secretary Chapman decided in favor of the Bureau of Reclamation's plan. The decision created bad blood between the Secretary and the director, and in March of 1951 Director Drury was forced to resign. But before he left, we should have a drum roll here, the director gave a speech where he stated in part, and I quote, "If we are going to succeed in preserving the greatness of the National Parks, they must be held inviolate. They represent the last stand of primitive America. If we are going to whittle away at them, we should recognize at the very beginning that all such whittlings are

cumulative, that the end result will be mediocrity, and greatness will be gone.”

Director Drury’s words ring as true today as when he first uttered them and on the Dinosaur National Monument he was vindicated. Public opinion came out so strongly against the dams in 1956, so much so that when Congress authorized the Colorado River Basin Storage Project, there was a specific prohibition on dams in Dinosaur National Monument.

That is quite a legacy that Director Jarvis follows. Americans care deeply about our National Park Service, and we know there is bipartisan support for the work that your agency does, Director Jarvis, so while we need to carefully review the budget request with an eye towards any savings that can be made, we also want to make sure that the fiscal and human resources are there for the National Park Service to carry out its important work as stewards of our National Parks.

And before closing, I do want to express my appreciation for the very professional way that the Park Service handled the Occupy DC demonstrators. That was very challenging, very difficult, but, you know, there was no real incident. People, in retrospect, whatever side they were on have to say, well, you know, we got through that with very little damage, and it is cleaned up, and I thought you handled that very difficult circumstance in an exceptionally professional way.

Thank you, Mr. Chairman. Thank you, Mr. Jarvis.

Mr. SIMPSON. I associate myself with the remarks of the ranking member on that effort that you made.

Mr. Dicks.

OPENING REMARKS: CONGRESSMAN DICKS

Mr. DICKS. Thank you, Mr. Chairman. I also want to welcome Jon Jarvis, the Director of the National Park Service, to testify before the Interior Appropriations Subcommittee on the subject of the fiscal year 2013 budget request.

Jon and I have been friends for many years, a friendship which began when he was superintendent at Mount Rainer National Park beginning in 1999. We continued to work closely together when Mr. Jarvis served as the Regional Director of the Pacific West Region starting in 2002, a position he filled very ably until he became the Park Service Director in 2009.

It was great joining Jon last September for the celebration marking the beginning of the deconstruction of two dams on the Elwha River in Olympic National Park near Port Angeles, and these dams were very important in the early 1900’s for the development of that area, but they no longer were needed, and there was a consensus developed that they should be taken out, which Jon and I supported.

I also want to recognize Bruce Sheaffer, who is the Park Service Comptroller. Bruce and I have attended practically every hearing on the Park Service budget since I started serving on this subcommittee in 1977.

The Park Service budget is largely flat funded with a minor reduction of \$1 million compared to the fiscal year 2012 enacted of \$2.58 billion. Of special concern to me is the reduction in park base

operations funding and any resulting reduction in the number of employees.

Although I understand that this budget request reflects the spending agreement that Congress approved last year, I still believe that it is too early in our private sector recovery to reduce the economic benefit that federal spending has provided these last several years, and the Park Service construction projects are the kind of infrastructure projects that do put people to work and would help us recover the economy more rapidly.

Despite these hard choices that had to be made per last year's spending agreement, I do want to applaud the budget request for continuing the Obama Administration's Great Outdoors Initiative. I share the goal of better utilizing this country's superlative natural wonders with an emphasis on getting youth to visit our federal lands to start a life-long passion for outdoor activities.

I am supportive of the budget request for a small increase in the Park Service part of the Land and Water Conservation Fund. I also support level funding for the Historic Preservation Fund, an amount that is probably the most we can expect in the current fiscal situation.

On the other hand, I am concerned about the rather large cut to the Park Service as I mentioned, the Park Service construction budget, and any possible effect on what folks experience during their visits. I am sure that we agree that the visitor experience must remain at the top of our shared priorities for the Park Service. And when people go out, they want to see a ranger, they want to have a good experience, and I think we have a responsibility to make certain that the operation and maintenance of our parks is held at a high standard.

And if we have to make some cuts, and we probably will, we have to do it in other lesser priority areas. We can do that to meet our fiscal responsibilities, but I think the Park Service is the crown jewel, and it is one of the greatest things our country has ever done, and we need to continue to be defenders of the Park Service. And if we have to make adjustments in other places, let's do that, but let's protect the Park Service.

Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you. Mr. Jarvis, look forward to your testimony.

OPENING REMARKS: DIRECTOR JARVIS

Mr. JARVIS. Thank you, Mr. Chairman and members of the Subcommittee. Thank you for this opportunity to appear today at this hearing on the 2013 President's budget request for the National Park Service. I will summarize my testimony and submit the entire statement for the record.

We really appreciate the long-term support that this subcommittee has for the National Park Service as our Nation's steward of the most cherished natural and cultural resources of the country, and we look forward to working with you as we prepare for our second century of stewardship beginning in 2016.

National Parks are best known for their incredible beauty and preservation of America's historical legacy, but they are also sig-

nificant economic engines for local communities and our Nation. They stimulate spending and job creation.

A new economic report was recently released that shows visitor spending in national parks in 2010 generated more than 31 billion in sales supported more than 258,000 jobs in the U.S. economy. This job generation extends throughout our own organization.

We have recently hired Andrew Goodrich, a six-year veteran of the United States Marine Corps and Wounded Warrior, who comes to us through the Operation Warfighter program. Andrew is assisting the National Park Service in developing a program designed to transition and hire more of our young, returning veterans from the wars in Iraq and Afghanistan.

The fiscal year 2013 budget supports continued stewardship of our Nation's most cherished resources through the Administration's America's Great Outdoors Initiative. Through partnerships with States and others, America's Great Outdoors is a landmark investment in engaging people and expanding opportunities for recreation and for conservation of our Nation's natural and cultural heritage. The NPS will continue to carry on its stewardship of these resources and provide enriching experiences and enjoyment for all visitors.

In addition, the NPS has begun a strategic approach to prepare for our Centennial in 2016. Our initiative is called "A Call to Action" and is a recommitment to the exemplary stewardship and public enjoyment of our national parks. It calls upon our employees and our partners to commit to specific actions that advance the Service towards a shared vision for 2016 and our second century.

The fiscal year 2013 budget contains limited strategic increases, along with selected reductions that were proposed only after serious and careful deliberation. For discretionary appropriations there is a net decrease of \$1 million below fiscal year 2012, to \$2.6 billion. For mandatory appropriations, primarily the revenue received from fees, there is an estimated net increase of \$3.5 million.

The 2013 budget proposes \$2.3 billion for the Operation of the National Park System appropriation, a net increase of \$13.5 million. Within the total amount requested, there are specified increases, mostly for fixed costs, and offsetting decreases, including a decrease of \$21.6 million for operations at parks that will undoubtedly have impact on the levels of service provided to visitors and the level of operational maintenance at parks. But by ensuring flexibility in the implementation of the reductions, park managers will be able to develop measures that minimize the impact to park visitors.

The request proposes \$119.4 million for Federal Land Acquisition and State Conservation Grants, a net increase of \$17.5 million above fiscal year 2012. Of that amount \$59.4 million is proposed for land acquisition projects and administration, including \$9 million to provide grants to protect Civil War battlefield sites outside of the national park system. Land acquisition projects requested for NPS units total over 27,100 acres of the highest priority lands within authorized park boundaries.

Beginning in 2011, the Department instituted a coordinated process for prioritizing Federal land acquisition projects among the three Departmental land management bureaus and the Forest

Service. The cross-bureau criteria emphasized opportunities to jointly conserve important, large-scale landscapes. The NPS has two proposed acquisitions this Collaborative Planning list.

Also proposed, is \$60 million for State Conservation Grants and administration, \$36.5 million for traditional State Conservation Grants to be apportioned to the States in accordance with the long-standing formula, and \$20 million for a competitive conservation grant component that would target community parks and green spaces, landscape-scale conservation, and recreational waterways. The competitive grants component was developed to more specifically address the public's concern about the lack of open space and outdoor recreation areas that was frequently conveyed during the listening sessions for the America's Great Outdoors Initiative.

The National Recreation and Preservation appropriation funds programs that support local and community efforts to preserve natural and cultural resources. These programs would be reduced by \$7.8 million below fiscal year 2012 levels.

In support of the America's Great Outdoors Initiative, the budget maintains funding for the Rivers, Trails, and Conservation Assistance Program which assists and empowers communities to protect their own special places.

The Historic Preservation Fund appropriation supports Historic Preservation Offices in States, Territories, and Tribal lands for the preservation of historically and culturally significant sites. For fiscal year 2013, funding is proposed at the same level as fiscal year 2012, at \$55.9 million.

For the Construction appropriation the request proposes a funding level of \$131.2 million, a reduction of \$24.2 million below fiscal year 2012. Within that amount \$52 million is proposed for Line Item Construction. The proposed list of projects includes only the most critical life, health, safety, resource protection, and emergency projects.

In formulating the fiscal year 2013 budget, the National Park Service used a variety of tools to evaluate spending and incorporate performance results into the decision-making process. We continue to exercise strict controls on travel as we improve oversight over our limited budgetary resources. Given the far-reaching responsibilities of the National Park Service, we must support the efforts of the entire Federal government to regain a balanced budget while strategically focusing our efforts and resources on those functions critical to the protection of resources, visitors, and employees, and on the experience at the core of every visit.

Mr. Chairman, that concludes my remarks. I look forward to any questions you might have.

[The statement of Jonathan Jarvis follows:]

**STATEMENT OF JONATHAN B. JARVIS, DIRECTOR, NATIONAL PARK SERVICE,
DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON
INTERIOR, ENVIRONMENT, AND RELATED AGENCIES OF THE HOUSE
APPROPRIATIONS COMMITTEE CONCERNING THE FISCAL YEAR 2013 BUDGET
REQUEST FOR THE NATIONAL PARK SERVICE**

March 20, 2012

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today at this hearing on the 2013 President's budget request for the National Park Service (NPS).

Introduction

The 2013 President's budget request proposes total discretionary appropriations of \$2.6 billion for the NPS. This is a net decrease of \$1.0 million below 2012 enacted discretionary appropriations. The request fully funds \$27.0 million in fixed costs and provides increases totaling \$39.2 million to fund essential programs and emerging operational needs. Reflecting the President's call for fiscal discipline and sustainability, the budget also includes \$67.2 million in strategic reductions in park and program operations, construction, and heritage partnership programs. The request also includes \$407.5 million in mandatory appropriations, an estimated net increase of \$3.5 million. In total, the request includes total budget authority of \$3.0 billion, \$2.5 million over 2012.

The 2013 budget supports continued stewardship of the Nation's most cherished resources through the Administration's America's Great Outdoors initiative. Through partnerships with States and others, America's Great Outdoors is a landmark investment in engaging people in the outdoors and expanding opportunities for recreation and conservation of our Nation's natural and

cultural heritage. The NPS will continue to carry on its stewardship of these resources of national significance and to provide enriching experiences and enjoyment for all visitors.

Sustaining funding for park operations is a key component of this initiative. In these tough economic times we recognize the value the 397 national parks provide all Americans – as places of introspection and recreation and as economic engines that create jobs and help our gateway communities thrive. A new economic impact report was recently released which shows visitor spending in national parks in 2010 generated more than \$31 billion of sales which supported more than 258,000 jobs in the U.S. economy. The people and business owners near national parks have always known their economic value. In many communities, especially in small, rural communities, national parks are the clean, green fuel for the engine that drives the economy. The President’s budget will ensure that national parks continue to serve the 281 million visitors who come every year to relax and recreate in America’s great outdoors and learn about the people and places that make up America’s story.

In addition to this important initiative, the NPS has begun a strategic approach to prepare for our Centennial year in 2016. The National Park Service’s “A Call to Action” is a recommitment to the exemplary stewardship and public enjoyment of our national parks, calling upon NPS employees and partners to commit to actions that advance the Service toward a shared vision for strengthening our parks through 2016 and into our second century.

Budget Summary

The 2013 President's budget requests increases or maintains funding for programs that support the President's America's Great Outdoors initiative.

The Operation of the National Park System, which is a key component to America's Great Outdoors and funds the operations of our 397 parks and related programs, is proposed to be funded at \$2.3 billion.

A total of \$119.4 million is requested for Land Acquisition and State Assistance, critical to achieving the goals inherent in the Land and Water Conservation Fund (LWCF) Act of 1965. This is an increase of \$17.5 million over 2012. The budget includes \$59.4 million for Federal land acquisition and administration, which would be used to acquire high-priority lands from willing sellers within national parks, and leverage other Federal resources, along with those of non-Federal partners, to achieve shared conservation outcome goals in high-priority landscapes. The budget also includes \$60.0 million for the State Conservation Grants program and its administration, of which \$20.0 million would be targeted at a competitive matching grants program for States to carry out more strategic and larger-scale outdoor recreation and conservation projects.

The budget sustains funding for the Rivers, Trails, and Conservation Assistance (RTCA) program at the 2012 level, which will help communities promote their own vision of livability, sustainability, and responsibility and assist partners in successfully utilizing the array of resources and tools available through Federal agencies and nongovernmental groups. RTCA helps promote the values of health, conservation, and enjoyment of our Nation's resources with a valuable return on investment through on-the-ground projects, such as river restoration and the creation of walking and biking trails. Funding is also sustained for American Battlefield Protection Program Assistance Grants, which assist partners with the preservation of non-Federal

historic battlefields at the local level, and for the Historic Preservation Fund, which supports Historic Preservation Offices in States, Territories, and tribal lands for the preservation of historically and culturally significant sites and other responsibilities defined under the National Historic Preservation Act.

Operation of the National Park System

The 2013 budget proposes \$2.3 billion for the Operation of the National Park System, an increase of \$13.5 million from 2012. The request for operations funds increased fixed costs of \$26.0 million and \$12.2 million in program increases. These increases are offset with \$24.8 million in strategic program reductions to park operations and servicewide programs.

Of the reductions, park base operations are reduced by \$21.6 million and servicewide programs are reduced by \$1.0 million. These reductions would be applied strategically to minimize the impact on the visitor experience and park resources. This reduction would have impacts on the level of services provided to visitors and the level of operational maintenance parks are able to achieve; however, by ensuring flexibility in the implementation of reductions, park managers would be able to develop measures that minimize the impact of these reductions on park visitors to ensure their safety and that of our employees and the protection of park resources. All specific reductions in budgetary resources and the areas of reduction would be determined based on a park's mission, goals, and operational realities.

Strategic increases proposed include \$600,000 for United States Park Police (USPP) operations to provide for additional patrols at national icons in Washington, D.C. and New York City and enhance USPP administrative support. An increase of \$2.6 million is requested to fund NPS

responsibilities associated with the 2013 Presidential Inauguration. Of this funding, \$1.4 million would be provided to the USPP for visitor and resource protection activities, while \$1.2 million would be provided to National Capital area parks, particularly the National Mall, to support visitor safety, visitor services, and related activities. An increase of \$610,000 is requested for the Challenge Cost Share program, an important component of the America's Great Outdoors initiative which provides matching funds to qualified partners for projects that preserve and improve NPS natural, cultural, and recreational resources. An increase of \$250,000 also is proposed to build on past and current Administration efforts to strengthen ocean and resource stewardship in the Nation's 74 ocean and Great Lakes parks.

Land Acquisition and State Assistance

The 2013 budget proposes \$119.4 million for Federal Land Acquisition and State Conservation Grants, an increase of \$17.5 million from the 2012 enacted level. This includes \$144,000 for increased fixed costs and \$17.4 million in programmatic increases.

Of the total amount, \$59.4 million is proposed to be available for Federal land acquisition projects and administration, including \$9.0 million to provide grants to States and communities to preserve and protect threatened Civil War battlefield sites outside the national park system through American Battlefield Protection Program land acquisition grants. This amount also included \$31.5 million for NPS Federal land acquisition projects, of which \$20.2 million is for mission specific core land acquisition priority projects, and \$11.3 million is for land acquisition projects identified as part of an ongoing collaborative landscape planning process to achieve the highest priority shared conservation goals among the three departmental land management bureaus and the Department of Agriculture's Forest Service, per Congressional direction. The

cross-bureau criteria emphasize opportunities to jointly conserve important large-scale landscapes, especially river and riparian areas, wildlife habitat, urban areas that provide needed recreational opportunities, and areas containing important cultural and historical assets. Additional criteria for these projects include the ability to leverage partner funds, the degree of involvement with other Interior bureaus for the project, and the urgency for project completion. The 2013 land acquisition project request totals over 27,100 acres of the highest priority acquisitions. As required by law, the proposed tracts are located within authorized park boundaries.

The budget also proposes \$60.0 million for State Conservation Grants and administration. Of this total, \$36.5 million is proposed for traditional State Conservation Grants, to be apportioned to the States in accordance with the long-standing formula. An additional \$20.0 million would be allocated to States based on a competitive process targeting priority projects that support the America's Great Outdoors initiative. This component would promote projects that support both outdoor recreation and conservation in urban areas where access to open space is limited; protect, restore, and connect natural landscapes, including wildlife corridors; and provide access to rivers and waterways. The competitive grants component was developed to more specifically address the public's concern about the lack of open space and outdoor recreational areas in certain urban, rural, and other areas - an idea that was frequently conveyed during listening sessions for the America's Great Outdoors initiative.

National Recreation and Preservation

The National Recreation and Preservation appropriation funds programs that support local and community efforts to preserve natural and cultural resources. The 2013 includes \$52.1 million, reflecting increased fixed costs of \$0.3 million and a programmatic reduction of \$8.1 million for funding for National Heritage Areas (NHAs), for a total net change of \$7.8 million below 2012. The proposed reduction supports the directive in the 2010 Interior Appropriations Act for the more established NHAs to work toward becoming more self-sufficient, yet still promotes the long-term sustainability of NHAs and the continued importance of Federal seed money for less mature areas.

The budget sustains funding for the Rivers, Trails, and Conservation Assistance Program, which assists and empowers communities to protect their own special places and enhance local outdoor recreation opportunities; and American Battlefield Protection Program Assistance Grants, which provide grants to assist partners with the preservation of threatened historic battlefields not on NPS lands. Both programs are key components of the America's Great Outdoors initiative.

Historic Preservation Fund

The Historic Preservation Fund appropriation supports Historic Preservation Offices in States, Territories, and tribal lands for the preservation of historically and culturally significant sites and to carry out other responsibilities under the National Historic Preservation Act. For 2013, the budget requests \$55.9 million, with no change from 2012 levels. This provides \$46.9 million for Grants-in-Aid to States and Territories, and nearly \$9.0 million for Grants-in-Aid to Tribes.

Construction

The budget proposes \$131.2 million for Construction, reflecting increased fixed costs of \$0.5 million and programmatic reductions of \$24.7 million, for a total net change of \$24.2 million below 2012 levels.

Line item construction is requested at \$52.4 million, and includes only the highest priority construction projects to address critical life, health, safety, resource protection, and emergency needs, and does not propose funding any new facility construction. The request funds ten projects including continuation of ecosystem restoration at Olympic and Everglades National Parks and critical new repair projects at parks such as Yellowstone, Dry Tortugas, and Denali. Consistent with the Administration's Campaign to Cut Waste, the budget proposes funding for demolition and removal of unoccupied, excess structures at Blue Ridge Parkway. Additionally, the budget includes reductions of \$760,000 to the Housing Improvement Program, \$228,000 for Equipment Replacement, \$443,000 to Construction Planning, \$450,000 to Management Planning, and \$1.5 million to Construction Program Management and Operations.

Performance Integration

In 2011, NPS set out to maintain its all-time high visitor satisfaction level of 97 percent, which we successfully accomplished. For 2012 and 2013, we aim to further maintain these levels, ensuring visitors have a safe, satisfying, and enjoyable experience in our Nation's parks. In formulating the 2013 budget request, the NPS used a variety of tools to incorporate performance results and other information into the decision-making process. These tools include the Budget Cost Projection Module, the Business Planning Initiative, and the NPS Scorecard, as well as continued program evaluations. These tools are used to develop a more consistent approach to

integrating budget and performance across the NPS, as well as to support further accountability for budget performance integration at all levels of the organization. Given the far-reaching responsibilities of the NPS, we must support the efforts of the entire Federal government to regain a balanced budget while strategically focusing our efforts and resources on those functions critical to the protection of resources, visitors, and employees, and on the experience at the core of every visit.

Promoting Efficient Spending

The Administration and NPS are committed to cutting waste in Federal Government spending. In November 2011, President Obama issued an Executive Order Promoting Efficient Spending to achieve efficiencies and cost-cutting across the government. As part of the President's Executive Order, the Department is pursuing an aggressive agenda to reduce administrative costs. The Department has a goal of reducing the combined costs associated with travel, employee information technology devices, printing, executive fleet, and extraneous promotional items and other areas by not less than 20 percent below 2010 levels in 2013. NPS will continue to exercise strict controls on travel costs and devise strategic alternatives to travel, optimize the number of IT devices, limit the publication and printing of hard copy documents by offering publications in electronic form, increase executive fleet efficiencies, and limit extraneous promotional items.

Mr. Chairman, this concludes my summary of the 2013 budget request for the National Park Service. We would be pleased to answer any questions you or the other members of the subcommittee may have.



Biography
Jonathan B. Jarvis
Director
National Park Service

Jonathan (Jon) B. Jarvis officially became the 18th Director of the National Park Service on October 2, 2009. A career ranger of the National Park Service who began his career in 1976 as a seasonal interpreter in Washington, D.C., Jarvis took the helm of an agency that preserves and manages some of the most treasured landscapes and valued cultural icons in this nation.

Prior to his appointment as Director, Jarvis most recently served as the Regional Director of the Pacific West Region, with responsibility for 58 units of the national park system in Washington, Oregon, Idaho, California, Nevada, Hawaii, and the Pacific Islands of Guam, Saipan and American Samoa.

Jon Jarvis moved up through the National Park Service as a protection ranger, a resource management specialist, park biologist, and Chief of Natural and Cultural Resources at parks such as Prince William Forest Park in Virginia, Guadalupe Mountains National Park in Texas, Crater Lake National Park in Oregon, and North Cascades National Park in Washington. His first superintendency was at Craters of the Moon National Monument in Idaho, and he later served as the Superintendent of Wrangell-St. Elias National Park and Preserve in Alaska from 1994 until 1999. He became the Superintendent of Mount Rainier National Park in August of 1999. In 2001 he completed training in the Senior Executive Service Candidate Program of the Department of Interior and in September of 2002, became the Regional Director of the Pacific West Region.

Jarvis served as president of the George Wright Society, 1997-98, a professional organization that sponsors a biennial conference on science and management of protected lands around the world. Mr. Jarvis has published and lectured on the role of science in parks at conferences and workshops around the U.S. In his previous positions, Mr. Jarvis has obtained extensive experience in developing government-to-government relations with Native American tribes, gateway community planning, FERC relicensing, major facility design and construction, wilderness management, and general management planning.

A native of Lexington, Virginia, Jarvis has a B.S. in biology from the College of William and Mary and completed the Harvard Kennedy School Executive Program in 2001. He and his wife Paula have two children, Benjamin and Leah.



Biography
C. Bruce Sheaffer
Comptroller
National Park Service

C. Bruce Sheaffer, a native of Washington, D.C., became the first Comptroller of the National Park Service in 1987.

Mr. Sheaffer oversees all matters relating to the financial programs of the National Park Service. This includes formulating, justifying, and executing the National Park Service yearly budgets that are submitted to OMB and Congress, as well as controlling the accounting and financial reporting system for the Service. Mr. Sheaffer also serves as Chief Financial Officer for the NPS.

Mr. Sheaffer began his NPS career in 1971 as a program analyst in the WASO Program Coordination and Appraisal Division. His assignments involved special program reviews and studies, project evaluation, and program monitoring. In 1976, Mr. Sheaffer became the Chief of the Program Formulation Branch under the Director of the Office of Programming and Budget. This branch was responsible for all program and budget formulation strategies for the current and future year budgets. In 1978, all program and budget functions in the National Park Service were reorganized into a single Budget Division. Mr. Sheaffer assumed the position of deputy chief of the division as well as Chief of the Budget Formulation Branch. He was also selected to be the Budget Officer of the National Park Service in 1982.

In 1970, Mr. Sheaffer earned a Bachelor of Arts degree in Economics from High Point College in North Carolina and in 1977 he received a Masters degree in Public Financial Management and Budgeting from George Washington University in Washington, D.C.

INVASIVE SPECIES

Mr. SIMPSON. Thank you. I appreciate that. Let me first ask you, we talked about this a little bit in my office, but the quagga mussels in Lake Mead, this Subcommittee has spent a lot of time talking about invasive species this year and for good reason. Members are very concerned about the impact that aquatic invasive species like Asian carp would have in the Great Lakes ecosystems and the spread of quagga and zebra mussels would have on water infrastructure and habitat in western States.

It is imperative that we do everything we can to prevent the spread of these species to areas that are currently uncontaminated and last year this Subcommittee appropriated \$1 million to the Fish and Wildlife Service to address this problem in infested, federally-managed water bodies, particularly Lake Mead which is managed by the Park Service.

Can you tell me what the Park Service is doing to prevent the spread of this invasive species in general and more specifically at Lake Mead, which is currently contaminated with quagga mussels? And I am also concerned about reports that I get from people and whether they are true or not I do not know, but reports that the park manager at Lake Mead does not appear to be taking this problem as seriously as it should be taken.

Mr. JARVIS. Well, thank you, Chairman, for this question. Invasive species like quagga mussels, Asian carp or others are an enormous concern to us. At Lake Mead specifically, where I had responsibilities for seven years as the Regional Director, we are taking very seriously the challenges there. Appropriated funds and fee dollars from Lake Mead, as well as significant funds from the Southern Nevada Public Lands Management Act provided at that time, were used to create wash stations at all of the major entry points at Lake Mead and operate them to ensure that any boats coming out of Lake Mead that could be carrying any residue of the quaggas were cleaned.

We also established an inspection program for all of our marinas there because marinas not only store boats but are active launch sites as well and, work very closely with their staffs to ensure that boats are inspected before they leave.

Now, the challenge is that Lake Mead is a really big place, and there are a number of backcountry access points where people can come into the lake, launch, fish, and then reconnect and drive out, and we might never see them. We actually had an odd incident where an individual's boat was repossessed in the middle of the night by a repossession organization and was stopped because it had quagga mussels on it. Any boat that is resident in the lake has the potential to be a contaminant.

So we are working very strongly in our agency with the western States, to not only inspect boats that are going out but to ensure that boats coming into new lakes, particularly the big ones, like Whiskeytown and Tahoe, undergo an inspection as well.

Funding is an issue because these are large, large landscapes. There is deep concern about this, but we are absolutely committed, and I have a team in my natural resources division that is focused

specifically on quagga mussels as well as other types of invasive species.

FIXED COSTS

Mr. SIMPSON. Thank you. Over the last year through both the fiscal year 2011 and 2012 budgets, this Subcommittee has worked diligently to keep funding reductions to the National Park operations at a minimum. In the fiscal year 2013 budget request it appears that Park operations are being cut to cover fixed costs. Your budget request acknowledges that this could mean more than 200 fewer full-time or seasonal staff, reduced hours of visitor centers, and reductions in maintenance and interpretation.

How much are you anticipating in fixed costs for next year? What is the potential impact on your Park operations budget for funding fixed costs next year? Have you assessed the impact of having 200 fewer staff working within the system? And what would that effect be on visitors to our National Parks? And given the national focus on jobs in our economy, would the Park Service be better off scaling back budgets in other areas like LWCF, for example, in order to avoid eliminating jobs or reducing operating hours at our National Parks?

Mr. JARVIS. The net effect of absorbing the fixed costs, and maybe I will ask Bruce to articulate specifically what those fixed costs are, those fixed costs are uncontrollable costs that have been imposed on us like D.C. Water and Sewer that we really do not have any choice but to pay.

We have to absorb those costs, so the net result is about 1½ percent reduction across the board in our parks, and frankly, that net effect is going to result in about 200 or so positions potentially going unfilled, mostly seasonal. We hire somewhere between 6,000 and 8,000 seasonals in the park system annually for our primary season, so you are reducing 200 FTE, which is the equivalent of approximately 700 seasonals. I do not think that is going to be visible for the most part. Most parks will figure out how to manage within their individual accounts and absorb those costs, augment it wherever they can with volunteers, maybe shifting hours.

But it is a cumulative effect. And I want to emphasize that, if this continues over time, the cumulative effect will have direct impact on overall park operations.

LAND AND WATER CONSERVATION FUND

Mr. SIMPSON. What about the overall budget where we are increasing funding for Land and Water Conservation Fund to purchase new land when we have got such a backlog of Park maintenance that apparently exists?

Mr. JARVIS. Well, I think that we are being as smart as possible about land acquisition in two ways. One is the landscape level conservation concept which is unprecedented in my 36 years in the Park Service. The four principle land management agencies sat around the table and looked at the landscape and asked, "What is the most critical piece of property that will provide public access to public lands?" A lot of times as you know, Mr. Chairman, someone from the west, that sometimes lands can be landlocked or there is no real access to it, or there is a break in the continuity for mi-

gratory species like elk or others that need large habitats. And we looked to say, if we are going to buy lands, which are the most important, and I think that is a part of it.

The other side of it is on the State side of LWCF. We have a 60 percent urban population now, and there is deep concern about a disconnect with nature. You know, the future of these incredible lands is dependent on a new constituency, and if urban populations do not have connections to nature, to parks and to rivers, then we are going to lose a generation of support.

And so we felt that, we have to think about the short term and day to day operations, and we also have to think about long-term investments, and I think investment in the LWCF in critical places, particularly urban environments through the state-side LWCF and landscape level conservation, is a good investment for the future. So we tried to strike the right balance here.

Mr. SIMPSON. Thank you. Mr. Moran.

UNITED STATES PARK POLICE HELICOPTER

Mr. MORAN. Thanks very much, Mr. Chairman.

Let me ask about some questions that would normally not be raised, but I am sure you are more than ready to respond to them.

The U.S. Park Police Aviation Unit in the DC area has a fleet of three helicopters, all of which have exceeded the 5,000 flight hour level recommended by the Department of the Interior for law enforcement aircraft. One is 13 years, another is 23 years, another is 29 years old.

Do you have a timeframe as to when you might want to replace any of those aircraft? Maybe we should ask the comptroller, because it is going to be a piece of change in our budget when you decide you do that, and everybody is trying to use your helicopters. I see it going up and down the Potomac all the time. Since you got the helicopters, they ask you to do everything in terms of any problems in the Potomac River or along side it?

Mr. SHEAFFER. That is true, and we have had a difficult history with our helicopter fleet and the Park Police. We at one point had one of them replaced from a D.C. appropriation and another time we requested it in our construction program. Now we are at the point where one of them, the oldest one, remains as a training helicopter and not for any other purposes. The other two are, as you noted, beyond their useful life.

It is a very large purchase that has to be made there. It is upwards of \$14 million, and you can obviously see from the numbers that it is going to be difficult for us to fit it in anywhere.

Now, the unfortunate thing is this is an annual cost, and we have to come up with the funding in any one budget year. We have no amortization built in, we have no provision for that anywhere. So it is a large ticket item for us to have to take on.

We have talked recently to the Park Police, to the Chief, about what can be done to ensure we are flying safely and make sure that the helicopters are maintained to a standard where they can stay in the air safely, and I believe she is ensuring that is the case.

So all we can say at this point is that each budget is fought one year to the next, and we will have to consider what we do and when we do it in the future.

Mr. MORAN. Yes. When you have a net decrease of \$1 million, it is understandable why you put those things off, but at some point, if one is 29 years old, we are going to have to do something about it.

LAND AND WATER CONSERVATION FUND: COMPETITIVE STATE GRANTS

You included 20 million for the Competitive Stateside Land and Water Conservation Grant Program. I do support that. I think it is going to breathe some new life. I think a lot of these states just take this money for granted, and we are not getting as much bang for the buck as we could in terms of leveraging money. You are familiar with how I feel about that. I was glad to see it in the budget.

How do you envision implementing this Competitive Program, and what criteria would you use in awarding grants across the country?

Mr. JARVIS. I appreciate your support in this. The first step in the process, and we have already begun this, is to engage directly with the States, the State park directors, and the State liaison officers to get their input into how they feel that this funding should be allocated and what the criteria would be.

We are specifically interested in certain categories of investment. One, there are a lot of urban rivers that have no connectivity for the public, no access, no launch ramps, no boat houses, where all kinds of things could be created. So this is one of the easiest and best investments that we can make.

Conversion of open space would provide real parklands to park-deficient communities. There are communities, particularly communities of color, that just have no outdoor space, and so we also believe that is going to be one of our key interests.

The Federal side of land acquisition can only do so much on connectivity. Sometimes it is going to require a State agency to buy a piece of land to provide access for example or to provide a trail head to connect to larger public landscapes, and so those are some of the major criteria that we are looking to.

Mr. MORAN. Good for you.

TRANSPORTATION ON THE NATIONAL MALL

Mr. Chairman, since they have called a vote, I will pass on any further questions.

Mr. SIMPSON. I think it is 15 minutes.

Mr. MORAN. Oh, well, then we have time. Well, I could ask one other.

This sounds parochial but it affects all of us because we all have visitors to the DC area. The elimination of the Washington tour mobile last year has caused the NPS to begin exploring options for providing transportation interpretive services among the monuments and other sites in the Washington, DC, area. So it has fallen on your desk, this issue.

When does the Park Service plan to have a comprehensive transportation interpretation program in place for visitors to the monuments and other historic sites in the DC area?

Mr. JARVIS. We did issue a short-term contract to a new company to run the Tourmobiles, and they are up and running right now. We transferred the rolling stock, and you can see them working in

Arlington Cemetery and on the Mall. That is in place. I think we are looking at about three years until we go through the entire process to look comprehensively at all aspects of travel and transportation in and around the Mall. We just installed some of the bike share facilities on the Mall, which was getting us partway to our overall transportation goals, but I think it will take about three years.

Mr. MORAN. Yes. Good. Thanks, Mr. Chairman.

Mr. SIMPSON. Mr. Flake.

GRAND CANYON AIR TOURS

Mr. FLAKE. Thank you. Thanks for your testimony.

With regard to the Grand Canyon air tour operations, you mentioned about the economic impact that the Parks have, and certainly that is the case in Arizona. This is obviously a dicey issue. You obviously want a good balance and accessibility as well, and accessibility for some is only gained through these air tours.

The Park Service issued a draft EIS recently, and I was just wondering what is the timeframe for a final EIS on this?

Mr. JARVIS. The final record of decision will be this year in 2012.

I know there is some concern about the economics of that. Right now there are about 57,000 flights over the Grand Canyon, and the EIS will allow growth up to 65,000 flights. I think we are going to be able to not only provide an opportunity and some incentives—if you have seen the amendments that are coming out of the Senate for quiet technology—but also restore quiet at the same time.

So I think we hit about the most appropriate balance to allow growth. We view the folks in those helicopters and fixed wing aircraft flying over the Canyon as visitors, and we want them to be able to have that experience, and I think we are on the path to a good resolution on this.

Mr. FLAKE. The Natural Quiet was never defined in the act. That has just kind of been defined by the Park Service. I think it is no aircraft audibility in 50 percent of the Park for 75 percent of each day. As you go through this, is there anything that would hold the Park back from saying we want 100 percent quiet 100 percent of the time? I think the concern is that if we keep pushing it here, we are going to drive off accessibility and certainly drive off some of the economic benefits that accrue.

Mr. JARVIS. Well, I think that we are trying to strike the right balance here, and I think that the preferred alternative in the draft EIS calls for restoration of quiet at around 67 percent, which we think we can do through quiet technology and corridor management. There are components of the park that would not have flights over it and components where they would have flights so that you really strike the right balance between those that are running the river or hiking in the canyon who desire the sense of a quiet canyon and the other visitors support there.

We are not looking to eliminate overflights in any way, shape, or form. Planes make noise. There are not going to be any totally silent planes I do not think anytime in our near future. So we want to find that perfect point, and actually the industry has been really good about this. They have already invested a significant amount of money—

Mr. FLAKE. Two hundred million.

Mr. JARVIS. Yes. Into quiet technology and that has been great because then it allows us to manage that activity in a way and achieve both objectives.

Mr. FLAKE. Thank you.

Mr. JARVIS. We will go on record here through this draft EIS that we support this activity, allow for growth, and achieve quiet technology.

Mr. FLAKE. Thanks.

Mr. SIMPSON. Mr. Dicks.

ELWHA RIVER DAM REMOVAL

Mr. DICKS. I just want to compliment you and Bruce and all the people who have worked so steadfastly on the dam removal. As you and I had a chance to talk about, the river is now back in the channel for the first time in 100 years, and Coho salmon have been released above the dam. It was interesting. When we were there in September, the salmon, the Chinook salmon would come up right against the dam, kind of bump their head, and there is another 70 miles of habitat inside the park. So not only are we taking these dams out, but we are going to get pristine habitat to restore these salmon runs.

And an interesting point was that today, a good year on the Columbia River you get 680,000 Chinook back or 680,000 salmon back. In this river historically they got 400,000 back. So it is a very significant producer, and we are trying to protect the orcas and make sure that under the Endangered Species Act that they have enough Chinook. This is going to be a very positive thing.

I want to work with you, Mr. Director, on making sure the public understands. I think we have done a good job on the science. They have had these science symposiums. People from all over the country, all over the world are coming here to understand what the impacts of taking these dams out are, and I think that is a very positive thing.

We also want to make sure that as we deconstruct these dams, they come down over the next 2 years, that the public has an ability to really understand what is at stake here, what has happened here, and the history of it and why it was important. And so some kind of a film, some kind of a way of doing that, maybe at the Park Service office in Port Angeles is a way to get started on this.

And also, I think, having some signage out there, but as you have suggested, people in that area know where it is. We are talking about people who are going to come to see this, and it is an amazing transformation to have these two lakes all of a sudden back into the river itself, and to see the salmon responding and going up the river is really quite impressive.

So I look forward to working with you on this, and, again, on the Park Service, I just do not want to see us get back to the endangered ranger thing where we keep cutting back, cutting back, cutting back, and all the sudden it adversely affects the visitor experience. I mean, if the Administration's budget does not figure out a way to protect the Park Service, I think it is the responsibility of this subcommittee to make sure that it is protected because to the

American people it is a very high priority, and I think we have a responsibility to do that.

Thank you, Mr. Chairman.

Mr. SIMPSON. Ms. McCollum.

YOUTH IN THE GREAT OUTDOORS

Ms. MCCOLLUM. Thank you. I want to focus a little more on two initiatives that you spoke to about urban communities. I really think it is important that we do provide youth, especially urban youth, a chance to visit the great outdoors, because then they bring their parents and their grandparents back to do that. Sometimes it is a combination of not having a parent who did that, thinking it costs too much money, not having the confidence to go down to recreation areas. So I look forward to working with you on this.

PARK CONNECTIVITY

As we discussed in the Twin Cities we have a great potential for connecting the National Park units along the Mississippi River, and one of the places we are looking at doing that with the Mississippi National River Recreation Area is the Bruce Vento Sanctuary. We have got county government, state government, metropolitan government, and Federal Government, all working together to come up with a plan so everyone can do their piece. As I had mentioned to you, even our Department of Transportation is figuring out how they can play a role in it.

INVASIVE SPECIES

So I am going to hit three things and then just let you talk. So I would like you to maybe talk a little bit more about how you think this committee in working with you can make sure that we achieve those goals through our oversight. The chairman brought up invasive species, and we have been talking about it a lot, and I look forward to his routing all the invasive species opportunities out there and trying to figure out a way that we bring multi-agencies working on it together.

You and I spoke about the Asian carp. Mr. Chair, there is a proposal, I did not go on it in part because of the work, which I am excited about, that you are trying to do with getting us to do a collaboration, to solve Asian carp by working with the Army Corps of Engineers to shut down locks and dams. That is proven technology that does not work very well. It puts too much emphasis on what the Corps does and not working with U.S. Fish and Wildlife, not working with state DNRs, not working with the Park Service, and in the Great Lakes area, the governor's tasks forces.

I am wondering if you could comment on the Great Lakes because this is not only the Great Lakes, it is the great rivers that go under the Great Lakes. I mean, if now that they are in the Mississippi River, up as far as the Twin Cities, the next rivers that will be with the carp flying out of the river near you could very well be the St. Croix River and the Minnesota River, both rivers that you have jurisdiction as far as providing recreation on.

HOMELAND SECURITY PARTNERSHIP

I just had an idea. This is just an idea. Homeland Security seems to have a lot of money, and Homeland Security would want to be a good partner with Park police. Do you ever talk interagency about them providing the equipment and you providing the expertise on how to do Park police patrol?

Mr. JARVIS. Okay. Those are your three?

Ms. MCCOLLUM. Those are my three.

Mr. JARVIS. Okay. Good. Well, I am going to take the last one first. Actually our U.S. Park Police work very closely with Homeland Security as do our field rangers with Border Patrol, both on the U.S.–Mexico and U.S.–Canada border. We work very closely, share equipment, do joint task forces and exercises. We train. We have, keep in mind, responsibilities for many of America's icons—the Statue of Liberty obviously, the monuments here on the Mall—and they are of deep concern, of course, to Homeland Security. We work daily with them on a lot of these issues and have a very good working relationship.

Ms. MCCOLLUM. I want you to feel some love from them. That is what I am thinking.

Mr. JARVIS. I would like some love from them. That would be good.

SUBCOMMITTEE OVERSIGHT

Your comment about how can you help in terms of oversight, I think Chairman Dicks made a good point about the Elwha, that bill passed in, what, 1992?

Mr. DICKS. 1992.

Mr. JARVIS. And there has been a consistent body of support on this committee regardless of who was in the chairmanship to fund and keep that support over the long term. This was a long-term commitment on the part of the National Park Service and this committee and the Tribes in particular. With your support, Mr. Dicks' in particular, but there has never been a waiver in terms of that support, to see something that could not be solved in one appropriation or two appropriations, and I think a lot of these issues that we are facing today like connecting young people to the outdoors, are long-term issues.

It is a commitment we have to make in all of our land management agencies to create a new generation of supporters and adults that see the outdoors for all of its benefits, for traditional hunting and fishing and outdoor recreation, you name it. There are enormous benefits to that, and we never want to lose that. It is a challenge, and we are going to need your support on an annual basis to invest in young people, invest in our returning veterans who reconnect to the outdoors through jobs, create conservation corps, all of those things.

And the work that has gone on in the Mississippi River with our staff out there is one of those where they are leading kids out in canoe trips on the Mississippi River and now we are bringing them here to Washington. They are going to be on the Anacostia River, on the Bronx River in New York, a number of places where these

kids have never had that kind of experience, and it is absolutely a perfect opportunity.

Again, in terms of the Asian carp, the Park Service is not only a river manager but a manager of its park units in and around the Great Lakes. We are on the receiving end of issues upstream from us that are being driven by the Army Corps of Engineers, U.S. Fish and Wildlife Service, and the States in particular. We are an active participant. I have a staff person that is an expert on carp. You know, there are five species, and they have all kinds of potential impacts to the biology and the sustainability and the commercial fishing, all of those things in the Great Lakes.

We do feel that there needs to be some tighter management of the locks in terms of their timing and closures and control activities and opportunities that we need to be part of. I mean, once Asian carp become established, they are going to be very difficult to get rid of, and I think that we have learned that lesson over and over again. I mean, look at quaggas in Lake Mead. There is just no way you are going to get them out of Lake Mead. You have got them and now you have to deal with them being transported. The same thing applies to these species that have entered the Great Lakes.

So we are working hard to influence, as much as we can, the lead agencies on this to try to control this at the source.

Ms. MCCOLLUM. Mr. Chair, I think we have a significant role, because a lot of the agencies think we do not directly have anything to do with the appropriations except as our individual votes as appropriators with the Army Corps of Engineers. We need to be letting the science drive it, and we need to have kind of someone in charge of coming up with a plan and vision, that is sorely lacking. In my opinion, I do not think it should be the Army Corps.

And there is going to be more money and more push to spend more money on Asian carp. I think we need to look at all invasive species, aquatic animals, snake, and plant, but I think that we are missing opportunities, to step up and do the right thing. We heard from the folks from USGS that they have some really good scientific ideas. I do not see where anybody is really putting all the right people in the room and then funding someone to take the lead on it and come up with some timetables, come up to do some research that is evidence based to figure out what works where. Because it is going to be differently approached in different parts of these rivers and lakes.

I am really excited about working on this with you, but I think this might be something we might want to think of as we move the appropriations through this year is to putting someone at least on this as a lead and maybe have this be our test program.

Mr. SIMPSON. Thank you. Yes. On that, what are you going to do about the pythons in the Glades? I am not going down there until you get rid of them.

Mr. JARVIS. I can show you some pretty scary pictures.

Mr. SIMPSON. That is why I am not going down there.

NATIONAL MALL RESTORATION

Let me ask you a couple other questions about the National Mall. There is a great deal of restoration work going on on our National

Mall, which is America's front yard. I have said before that when I have visitors that come from Idaho, they see pictures of the National Mall and it is all green in the picture and all this kind of stuff, and it is gorgeous, and their biggest disappointment is walking down the National Mall and seeing that it is all, you know, well, what it is and what it has been. We love it to death, unfortunately.

And the earthquake caused some damage with the Washington Monument. We put some money in for repairs of that last year, and a philanthropist matched that, which I want to compliment him on. That was magnificent that he was willing to put that kind of money into it.

Where do we stand on the repairs to the Washington Monument? When do we anticipate having that done and reopened, and where do we stand with the other work going on on the National Mall?

Mr. JARVIS. Well, you are absolutely right. There are a lot of things going on in the Mall right now. The Lincoln Reflecting Pool, the Seawall at the Jefferson, the grass panels, the Washington Monument, the flood gates on 17th, just a lot of things happening, and it is all part of our goal, as you indicated, to restore America's front yard.

And, frankly, it has been an embarrassment in terms of its condition. It is emblematic of our larger maintenance backlog, but this is really the place where we should be shining the best.

So there are two aspects to it. One is, with the support of Secretary Salazar and the Congress, we have been able to move some of the most impactful events off of the Mall. I mean, it is one thing to go in and spend millions of dollars to restore it, and then if you go out there and sit on it with a tank or build a house on it or have something that occupies it over many months, we basically kill the grass.

And so we have been working very closely with all of the various organizations to try to minimize their impact or move them off the Mall or onto hardscape. We are actually designing the Mall with some elements of hardscape so that these kinds of festivities can take place.

Now, obviously the Mall is always going to be the place for major First Amendment activities and festivals and the like, and we never want to stop that because that is part of its mission.

So the Washington Monument as you mentioned, we have awarded the contract for the restoration. The earthquake, you know, not only damaged the stone masonry of the structure but also the elevator, and with the \$7.5 million that you appropriated and the \$7.5 million match from David Rubinstein, we were able to issue the contract, and I believe our opening is not going to be until into 2013. Probably late in 2013, we would have it completely back open for the public.

We are moving on the grass panel process. You know, each of these grass panels out here was nothing more than, a skim of grass over clay, and so we are actually going in with essentially a sports field technology where you are digging down, putting in drainage. One of the cool things is we are developing water storage and cisterns within it so that we can collect water from the adjacent buildings and actually be able to irrigate from rainwater and—

Mr. DICKS. Bioswales.

Mr. JARVIS. Bioswales.

Mr. DICKS. That is a way of doing it.

Mr. JARVIS. Yeah. Absolutely. So we are looking at all of those aspects as we take it down. We have the Trust for the National Mall as our major fundraiser here. We need ultimately about \$300 million to 350 million, to do the full restoration, and with the kind of gift that we got from Mr. Rubinstein I think we are on a good path. It is going to be a balance just as we did with the monument, an investment from the appropriations committee and the philanthropist side as well.

HERITAGE AREAS

Mr. SIMPSON. Great. Let me ask you about heritage areas. The proposed budget for heritage areas has been cut in half, while the number of authorized heritage areas continues to grow. There are now, I think, 49 heritage areas.

The Subcommittee has, on a number of occasions, directed the Park Service to work with the heritage areas on the goal of becoming self-sufficient. I mean, that was the intent of these. Where are we on that?

Mr. JARVIS. Well, each of the heritage areas are going through basically a planning process to develop self-sustainability and to look specifically, from a business plan standpoint, where they can generate revenues and income to retain their long-term sustainability.

In the budget process as you have seen, we have laid out our priorities, and unfortunately, the Heritage Area Program had its base halved from fiscal 2012.

You know, I am a fan of the Heritage Area Program. I believe they definitely accomplish many of their objectives with a very small federal investment, and we are working with them to figure out how ultimately they can have long-term sustainability, but it is through almost a case-by-case basis. Some are more capable than others, some have a better history, some have better partners. I think plans will be completed in three years, for almost all the existing heritage areas.

Mr. SIMPSON. Does not the authorization on a number of these areas expire this year, and should Congress continue to fund heritage areas when their authorization has expired?

Mr. JARVIS. I think most of these have proposals in Congress to reauthorize them. I think they should be reauthorized frankly. I think we testified in favor of that.

Mr. SIMPSON. I agree with you. I like the concept of heritage areas. One of my concerns, though, is that we see more and more requests for those heritage areas that then become National Park units, and I get concerned that, I mean, they are doing that obviously to get a part of the Park Service's budget to run them.

And when I see something on a map that is a National Park, I think it is something special, and I would be disappointed if I went to some of these areas that were less than what I expected. There were proposals to make Craters of the Moon in Idaho part of the National Park System, take it from a national monument. I was ac-

tually opposed to that because while it is a very interesting unique area, it is not what I consider a National Park.

Do you have those concerns?

Mr. JARVIS. Well, I do love Craters of the Moon, though.

Mr. SIMPSON. So do I.

Mr. JARVIS. I just wanted to throw that in there. I think if you remember the history of the Heritage Area Program, in many ways the heritage areas were created as an alternative to establishing national parks.

Mr. SIMPSON. Right.

Mr. JARVIS. This was an idea to invest at a local level, without any land ownership, without any threats to property, to get the communities to recognize and support what they felt was important to their history and celebrate it and connect, and the Park Service has played an essential role.

To be blunt about it, what is lacking and the reason that some heritage areas are desiring to become units of the national park system is the Heritage Area Program has no organic legislation of its own. They are just a loose association, and there is such incredible variety in them from some that have been around for 20 years and are well established like Black stone to entire States as heritage areas, which does not make any sense.

We have been proposing for some time that Congress needs to create a system of heritage areas that would be affiliated with the National Park Service that would give them some place that they could work together. Otherwise I think you are always going to be facing their desire to move from heritage area to national park.

Mr. SIMPSON. Thank you.

Mr. Moran.

D.C. WATER AND SEWER

Mr. MORAN. Thank you, Mr. Chairman.

You mentioned the \$1.4 million addition to the budget for DC water and sewer. What are you doing to achieve efficiencies to minimize water use? That is a big hit to the budget when your whole budget is being reduced by—

Mr. JARVIS. I will start on at least one project. The Reflecting Pool in the Lincoln Memorial was using enormous quantities of potable water, and so when we are done with that project, water from the Potomac River and the Tidal Basin will be recycled. So we will save millions and millions of gallons of water there, but what is more complicated here is actually water runoff.

Mr. MORAN. Uh-huh.

Mr. JARVIS. I will have Bruce answer this.

Mr. SHEAFFER. We have this cistern operation going in on the Mall to save water. We certainly are favoring water conservation, but the fact of the matter is this bill is based on hard surface, and it is rising very fast and based on—

Mr. MORAN. They are billing you for the amount of, what, rain that comes down—

Mr. SHEAFFER. Essentially that is correct.

Mr. MORAN [continuing]. And washed into their catch basins and such?

Mr. SHEAFFER. To be used to improve their sewage system, and I believe we have tried to investigate the bill as best we can from what we know to make sure it is accurate regarding the District attributing certain hard services to the National Park Service as opposed to say to the Pentagon, and so we have negotiated some of that, but there is just no question that we do have a large amount of hardscape and hard surface in the—

Mr. MORAN. Well, where is the largest hardscape?

Mr. SHEAFFER. Well, it is everything that we manage from roads to parking lots to everything that is—

Mr. MORAN. Well, excuse me, Mr. Chairman, but this is something I am fascinated by. So you own the GW Parkway, for example. That is hard surface. So they are charging you for the rain that washes off the asphalt into the catch basins?

Mr. SHEAFFER. Yes, essentially that is correct.

Mr. DICKS. Would the gentleman yield? As a former mayor you have obviously heard of storm water, this is what it is, you have got the oil and everything on the roads, you have got copper from brake linings. That stuff flushes into the river and causes the water quality to go down, and what we are trying to do is state by state we are going out and trying to deal with this critical problem. The number one problem on Puget Sound is storm water. In the Chesapeake you have got to worry about the agricultural runoff issues.

So this is what we are talking about.

Mr. MORAN. Yes. Thanks for sticking up for localities, but I am now at the federal level as are you, and you know, I understand that, but the GW Parkway is in Virginia.

Mr. SHEAFFER. Some sections.

Mr. MORAN. Really it is. I think all of it is in Virginia.

Mr. DICKS. Does it come across the Potomac? Is that GW?

Mr. MORAN. No. None of it.

Mr. SHEAFFER. OK.

Mr. MORAN. In fact, it is all in my district. All of it. Every square inch is now in my district after the new redistricting. There were too many Republicans down in the south, so Gerry Connolly gave them all to me. So I have all of that now.

So that is a digression, but that is all Virginia. But DC Water and Sewer is charging you for what is coming off, they cannot be, off the GW Parkway, and a lot of that is coming from the topography because that is a lower flat area, and all that water is washing down from the hill area, the residential hill area in Arlington particularly.

So how are they charging you for that?

Mr. SHEAFFER. Well, they are charging us for the hard surfaces that are attributed to us. I do not think they are charging us for GW Parkway—the roads in DC are charged to the National Park Service.

Mr. MORAN. The Baltimore/Washington Parkway.

Mr. SHEAFFER. Yes.

Mr. MORAN. They are hitting you for the whole Baltimore/Washington Parkway.

Mr. SHEAFFER. Yes.

Mr. MORAN. That is what they are doing.

Mr. SHEAFFER. Yes, sir.

Mr. JARVIS. The parkway, the Mall, the sidewalks of the Mall, I mean, we own a number of roads in and around the Mall. Anything that could be measured and calculated as hardscape is going into a formula, and the total bill now is expected to rise to \$16 million by 2016.

Mr. MORAN. That is no small chunk of change.

Mr. SHEAFFER. Not only that, more importantly, we were not getting billed for water in DC for years.

Mr. MORAN. Oh.

Mr. SHEAFFER. And so this is all new to us that has come up in recent times. It has gradually gone up. Well, actually it has been substantially going up for the past few years, but we are left with basically arguing whether or not they are actually attributing the appropriate surfaces to the National Park Service. But we checked the rates, and basically everybody is being billed at the same rate we are. So we are arguing over—

Mr. DICKS. And what are they doing with the money? If you would yield.

Mr. MORAN. Yes.

Mr. SHEAFFER. My understanding is, although I do not know the details, is they are having to make some major improvements in their sewage system. Major improvements.

Mr. DICKS. To deal with the runoff.

Ms. MCCOLLUM. Right.

Mr. SHEAFFER. Yes, sir.

Ms. MCCOLLUM. It usually goes into a storm water account and then the money is accounted for to offset the cost of projects. All of us served in local government; most municipalities would not be charging someone for a street. It is usually the monuments, the malls, places like that, and parking lots.

So my next question is as you are redoing the Mall, as you redo the parking lots, are you going to start looking into ways to make—

Mr. DICKS. Impervious surface.

Ms. MCCOLLUM. Impervious surface. So is that part of your upgrade?

Mr. JARVIS. Absolutely.

Mr. SHEAFFER. And it is part of what we are doing in terms of looking at these bills, too, to make sure that we are not being charged for such surfaces already.

Mr. DICKS. You know, we did a project, a section 106 Grant, and we put in a dreaded earmark, and this one created bioswales, which is a way of using impervious surfaces, and it kept 96 percent of the water on the property rather than having it run down into the Puyallup River. So these things can be very—

Mr. MORAN. We need to be doing more earmarks like that.

Mr. DICKS. Those were the good old days.

OCCUPY DC MOVEMENT

Mr. MORAN. The only thing I was curious about, Mr. Chairman, some of the obstacles that the Park Service faced with this Occupy DC protest movement, I mean, if they wanted to say something, we gave them kudos, and you do not need to say anything, but if you

wanted to say something on the record in terms of how your Park Service and Park police operated, it might be a good thing to do so because the end result was so much better than what it could have been.

Mr. JARVIS. Well, I think you can attribute that to the professionalism of our U.S. Park Police and our staff at the National Mall. You know, there is no organization in the world that handles as many First Amendment activities as the National Park Service in Washington, DC. We do 600 to 700 First Amendment activities per year, and everything from Jon Stewart to Glenn Beck to the marches, Tractor Man, you name it, we have had a variety of experiences with these things.

Mr. DICKS. You do not get Rush Limbaugh, though. You have not had him.

Mr. JARVIS. If he wants to come and have an activity, we will give him a permit. The challenge we had with the Occupy movement was it was unique. We had not experienced anything quite like this. I do not think anyone had, but we also wanted to respect their rights under the First Amendment to the Constitution, and we did not want to create the same kind of, let's say, violence that we had seen in other municipalities around the country.

So it took probably longer than anybody wanted, but I think the end result was something we could be proud of for this country.

Mr. MORAN. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Dicks, do you have anything else?

Mr. DICKS. No further questions.

Mr. SIMPSON. Betty, do you have anything else?

Ms. MCCOLLUM. No. This was interesting. I wish we could have solved the water problem.

Mr. SIMPSON. Well, thank you for being here today, for your testimony. We look forward to working with you on your budget, trying to make sure that the Park Service can do some of the great work, continue to do the great work it does. Thank you.

Mr. JARVIS. Thank you, Mr. Chairman.

**Hearing Questions for the Record (QFR) Prepared for the
Department of Interior, National Park Service**

**Hearing: National Park Service FY 13 Budget Oversight
Tuesday, March 20, 1:00pm Rayburn B308**

Questions for the Record from Chairman Simpson

NPS Interest in National Forest Service Lands

As I mentioned in my opening statement, it's come to my attention that multiple areas of the National Forest System have been reviewed (or designated for review) for transfer to the National Park Service or for potential designation as national monuments. This is an area that has historically been of great interest to Members on both sides of the aisle and the public. I would respectfully encourage the Park Service to weigh carefully these plans—and keep the subcommittee fully apprised—before proceeding down this path. The management of Forest Service lands differs from the management of Park Service lands and the creation of additional park units from existing Forest Service lands would likely create real concerns in Congress.

Simpson Q1: Can you describe where the Park Service is in terms of identifying or reviewing potential National Forest Service lands for transfer to the National Park Service?

Answer: The National Park Service does not have a systematic process for identifying and reviewing National Forest Service lands for transfer to the NPS. However, various Congressional and third-party proposals put forward in recent years are being considered by both agencies on the basis of their individual merits.

Simpson Q2: What consideration is being given to the management of these lands? For example, NFS lands are managed for multiple use and existing practices like hunting and fishing would potentially be restricted under Park Service management.

Answer: Stewardship of our public lands is a shared priority across all the land management agencies. Although each bureau operates under its own laws, policies, and regulations which impact how these lands are managed and what activities are authorized, there is a fundamental goal of connecting people to our public lands. If Congress authorized the transfer of land to be included within the national park system, or lands were administratively transferred, the NPS would undertake a public planning process that would guide the long-term management of these lands. Any authorized activities would have to be consistent with NPS laws, policies and regulations as well as any authorizing legislation.

NPS Construction

You have requested \$132 million in the Construction account next year, an amount which is \$24 million below the FY12 enacted level and \$52 million below the FY11 enacted level. This is the primary discretionary account used to address the Park Service's maintenance backlog. The GAO has told us this backlog is now over \$11 billion and continues to be a long-term management challenge for the Department of the Interior. It appears from the budget request that the construction account, and any hopes of addressing the maintenance backlog, is now taking a backseat to other priorities, including land acquisition.

Simpson Q3: How do you prioritize construction projects when fashioning what is arguably a very austere request for the Construction account?

Answer: The Line Item Construction program uses a two-step process to rank and prioritize construction projects. The process begins with parks evaluating and proposing their most critical capital improvement projects. Projects are screened at the Regional level and submitted for consideration to the Servicewide construction program. Projects are evaluated by an interdisciplinary national team against a numeric ranking system established by the Department of the Interior. The ranking system consists of ten ranking categories, with the highest priority given to critical health and safety projects containing deferred maintenance elements. After each project is ranked against the ten categories and assigned a project score; it is then further evaluated through a process called Choosing-By-Advantage. In this process each proposed project is evaluated to determine advantages and benefits that the project provides in such areas as visitor safety, resource protection, efficiencies, and visitor experience. Combining the numeric score and benefits score provides the Service with its priority list of projects representing the Service's highest needs by focusing on critical safety, deferred maintenance, and resource protection.

Simpson Q4: Are you able to make up for any of these proposed cuts to the Construction budget by using rec fee funding?

Answer: The NPS currently uses a major portion of recreation revenue to address deferred maintenance needs. The legislation authorizing the NPS to collect and retain fees, the Federal Lands Recreation Enhancement Act of 2005 (P.L. 108-447), restricts the use of fees to projects directly related to the visitor experience. In FY 2011, \$88 million in recreation fee funds were obligated to address deferred maintenance projects at parks. In FY 2012, the NPS will obligate an estimated \$72 million to address deferred maintenance work. Both amounts represent approximately 40 percent of fee obligations during that year. In FY 2012, an example of planned work includes a construction project at Cape Cod National Seashore to rebuild Nauset Light and Herring Cove facilities to address critical health and safety needs that was originally prioritized for funding in the line-item construction program in FY 2014.

However, the use of recreation fee revenue to address deferred maintenance needs was always intended to supplement construction and maintenance appropriations, not supplant them. Furthermore, recreation fee revenue does not provide a long-term solution to address large construction projects. To minimize unobligated carryover balances, the NPS initiated a policy in

FY 2010 which dictated that fee parks could carry over no more than 35 percent of their annual gross recreation fee revenue. This effectively prohibits most individual parks from banking funds to accomplish large construction projects. As allowed by the fee legislation, a small amount of funding is retained and managed at the national level. This amount generally does not exceed \$20 million. While this funding can and will be used on an opportunity basis to fund larger rehabilitation and visitor service projects normally funded from the Construction Appropriation, it will support limited gains in addressing the larger maintenance and outstanding construction needs.

Deferred Maintenance

Last year, the Park Service indicated to this subcommittee that \$675 million annually is needed to keep up with the deferred maintenance backlog, but the park service only receives \$350 million annually for that effort through a number of accounts. To me, it would appear that a sizeable cut to construction and a reduction in facility operations and maintenance would only cause this deferred maintenance backlog to grow even further.

Simpson Q5: How much do you expect the deferred maintenance backlog to grow under this budget request?

Answer: The National Park Service updates the asset data on an annual basis at the start of each fiscal year. As of October 1, 2012, the current backlog of deferred maintenance associated with NPS constructed asset components considered critical to their function, such as roofs, foundations, road surfaces, etc., is approximately \$4.1 billion. The 2013 budget proposal includes an investment of \$320 million to address the highest priority deferred maintenance needs. At that funding level, the NPS deferred maintenance backlog will continue to grow to some degree.

Simpson Q6: Is the Park Service engaged in any long-range planning to address the unsustainable growth in deferred maintenance?

Answer: The NPS strategy is to fund the highest priority deferred maintenance projects. This strategy uses facility management data to drive investments to the facilities that are most critical to support the NPS mission of resource protection and visitor experience, as well as ensuring protection of life, health and safety. The NPS also maintains a robust cyclic maintenance program to prevent new deferred maintenance. Cyclic maintenance involves periodic upkeep that supports the life cycle expectancy of assets. Additionally, the FY 2013 budget does not propose funding any facility construction that would eventually increase deferred maintenance needs. It also proposes \$1.5 million to demolish and remove structures at Blue Ridge Parkway that contribute to that park's deferred maintenance needs and are not necessary to support the park's mission.

Simpson Q7: Again, should we be scaling back in other areas to meet this recurring need to address the backlog?

Answer: The current budget environment has forced all of us to make difficult decisions. The 2013 budget proposal maintains funding at 2012 levels for operational deferred maintenance projects and limits the line-item Construction proposal to the highest priority projects that address critical, life, safety, resource protection, and emergency needs and does not add any new assets to the NPS asset portfolio. The NPS strategy is to target our limited investment dollars to ensure mission critical assets are functional and well maintained. The NPS 2013 budget proposal strikes a reasonable balance between addressing the deferred maintenance backlog and providing an acceptable level of visitor access and services.

Land Acquisition and State Assistance

The Land Acquisition and State Assistance budget includes a new set-aside of \$11.3 million for “Collaborative Landscapes”, with the focus being on two ecosystems: the Northern Rockies and the Greater Yellowstone.

Simpson Q8: How did the selection of these ecosystems come about?

Answer: Seven teams of interagency staff from the field submitted proposals requesting collaborative funding for acquisitions in their landscapes. These proposals were reviewed first by a Technical Advisory Committee (TAC) comprising bureau staff with expertise in real estate, recreation, and conservation programs. The TAC scored each proposal against the set of criteria agreed upon by the interagency working group that designed the new collaborative program. There were four categories of evaluation criteria:

- Process: ensure proposals are built through Federal agency and local stakeholder collaboration and make efficient use of Federal funding (e.g. which stakeholders are involved, what other resources will be leveraged)
- Outcomes: ensure Federal resources are targeted to achieve important biological, recreational, cultural and socio-economic outcomes (e.g. anticipated impact on recreation opportunities, species and habitats, working lands, rivers and waterways, cultural and historical resources)
- Urgency: ensure funding is focused on outcomes that may be lost today if no action is taken or that are particularly achievable today (e.g. nature and timeliness of threats to the landscape).
- Contribution to national priorities: ensure local proposals are important contributors to national outcomes at the regional and national scales (e.g. does proposal contribute to goals related to priority regions or topics).

Then, a National Selection Committee (NSC) comprising all four agency Directors/Chiefs, plus senior representatives from both DOI and USFS, reviewed the results of the TAC scoring and discussed and weighed the merits of the proposals. In addition to the scores from the TAC, the NSC members considered where their agencies were making complementary investments in the same landscapes through other programs, and whether communities had made a case for locally-driven conservation plans over the course of the AGO listening sessions and in other contexts.

The recommendations of the NSC were approved by the Secretaries prior to inclusion in the budget.

Simpson Q9: What are your goals and measurable objectives? I understand your strategy is acquiring land, but where and how far are you asking us to go with this?

Answer: The Department's collaborative process was developed in response to congressional directives and to achieve greater conservation impacts. The new process was piloted in 2013 in a small number of ecosystems where the groundwork for collaboration was already in place and where significant acquisition opportunities of strategic importance were known to be available. Interior and USDA focused on these ecosystems for the pilot year to test the new process and evaluate whether it would successfully yield high quality collaborative proposals. The results of the pilot were promising and could be used to broaden the effort in successive years.

The broader goals of the Department's new collaborative approach to land acquisition using LWCF funds are:

- To be more strategic with our LWCF investments;
- To make LWCF investments based on the best science and analysis that are collectively available to all agencies;
- To incentivize collaboration among bureaus, other federal agencies, and other stakeholders;
- To achieve efficiencies and improved results through complementary efforts and leverage joint resources;
- To support locally-driven conservation efforts; and
- To support an "All Lands" approach to conservation.

Interior and USDA defined measurable goals and objectives for each landscape's proposed acquisition strategy. Staffs in the field were challenged to work together to define common conservation and community (e.g. recreation, economic development) goals at the landscape scale, then determine whether land acquisition was an appropriate tool to help reach those goals. Goals and metrics for measuring progress to goal were articulated by the interagency teams preparing each collaborative funding proposal. For example, some of the goals and measurable objectives for landscapes selected for funding were:

- Protect 96 percent of the threatened flatwoods salamander Critical Habitat between the St. Marks and Auculla Rivers (metric = % of Critical Habitat).
- Protect 29,000 acres of future habitat to allow the expansion of endangered red-cockaded woodpecker recovery populations identified in the Red-cockaded Woodpecker Recovery Plan by at least 135 breeding pairs (metric = acres pineland acquired; metric = number of breeding pairs).
- Protect a 6-mile corridor inland from Apalachee Bay (between St Marks and Pinhook Rivers) to protect habitats for wildlife movement inland as a result of sea level rise and connectivity to other public lands (metric = miles of corridor).
- Protect crucial wildlife migration corridors, endangered biological and geological systems, and special status species.

- Enhance cultural and natural landscapes while allowing for traditional working ranches and forests in many cases.
- Enhance outdoor recreational opportunities by increasing access, maintaining the integrity of scenic vistas and the primitive qualities of the Crown of the Continent Ecosystem.

The proposals were scored in part on how well project goals were articulated, expected outcomes were quantified, and how well the plan contributed to the goals set.

The Department recognized that each bureau had acquisition needs that could not be supported through the collaborative effort alone. The NPS, as did the other bureaus involved in this effort, also presented a "core list" of acquisition priority projects that targeted their bureau's mission objectives, which may not have fallen within the targeted objectives or the larger ecosystems of the "Collaborative Landscapes" efforts. The NPS can only acquire lands within authorized boundaries and also has a significant cultural resources preservation responsibility, neither of which can be totally addressed through this collaborative effort.

Simpson Q10: Why is acquiring land the only strategy for this initiative, particularly when one considers that the Interior budget is filled with conservation and restoration programs that could be at least partially targeted toward these priority ecosystems?

Answer: The Department is striving to achieve greater collaboration across all of its conservation and restoration programs per congressional directives. The future goal is to better align a broad range of Department of the Interior and Agriculture programs to achieve even greater efficiencies and improved outcomes through leveraging diverse strategies and funding. Other programs that complement the LWCF program include the Cooperative Endangered Species Conservation Fund grants, North American Wetlands Conservation Act grants, and the Partners for Fish and Wildlife program. These programs contribute significantly to a broad range of conservation goals, but LWCF remains unmatched in its importance as a conservation tool.

As part of a multi-bureau process, the FY 2013 budget request pilots a collaborative planning and decision-making process for Federal land acquisition under LWCF. A major reason the Department started with LWCF was to be responsive to Congress' directives in House Report No. 111-180 and Conference Report No. 111-316 which accompanied the FY 2012 appropriations bill, to collaborate extensively with other government and local community partners.

Another reason it made sense to develop a collaborative approach among the four LWCF Federal land acquisition programs is that each agency implements land acquisition programs that are similar in mission but often operate independently from one another. That is, they all acquire land in fee or easement to be managed (or monitored, in the case of easements) by the agency, to further the specific agency mission without always considering how other agencies' missions and priorities overlap. Yet each agency makes decisions about which parcels to prioritize for acquisition according to an agency-specific set of criteria, all of which are stringent and merit-based, but do not consistently incorporate considerations about mutually beneficial opportunities for interagency collaboration. It made sense to first align these four bureaus around a common

and robust decision-making process and determine related land acquisition opportunities on a small scale before implementing an interagency collaborative land acquisition program on a larger scale.

The Department thinks that the successful collaboration of this program will help to identify opportunities to align programs and funds to achieve greater efficiencies and meet mutual goals.

Each bureau presented priority land acquisition projects to be considered under this process that still stayed within their specific mission and legislative parameters. The \$11.3M NPS portion of the FY 2013 request will cover costs to acquire parcels at Glacier National Park and Grand Teton National Park. These parcels are under threat of development that would negatively impact the lands under question and adjacent park-owned lands. They also meet the legislative requirement of being within authorized park boundaries. The Grand Teton piece also helps meet a purchase agreement signed by the Department and the State of Wyoming.

Simpson Q11: When can this Committee expect to see a prioritized list of projects—a list that combines both the “core” projects and the “collaborative landscape” projects?

Answer: The NPS is currently working with the Department along with the other land management bureaus and the USDA to address this request and hopes to be able to provide a response shortly.

Simpson Q12: We have had many discussions with you about your prioritization process. What are some of the criteria you will use to set your priorities, and have you revisited your prioritization process since last year? Is the Park Service autonomous in this regard, or does the Secretary heavily influence your priorities?

Answer: The NPS continues to use the prioritization process it has provided to you in the past. The acquisitions proposed by the parks are weighted and ranked at the park, regional, and national levels using merit-based criteria established by the NPS, in addition to the Department's enhanced focus on collaboration among all land management agencies, including: threat to the resource; preservation of the resource; visitor use facility accommodation; involvement of partners, non-profit groups or availability of matching funds; continuation of an ongoing effort; recreational opportunities; local support for the acquisition; connectivity of the total landscape; and future operations costs for the NPS.

These criteria, while focused on the NPS mission and goals, are also inclusive of the Administration's focus on riparian and watershed aspects, urban outreach, and landscape level concerns. The Secretary's Collaborative Landscape effort complements the NPS mission of protecting and preserving the resources within the boundary of the National Park System.

The Secretary, by maintaining the Core List funding for the bureaus, has recognized that all bureau/mission-specific acquisitions cannot be incorporated into the over-arching efforts of the Collaborative Landscape Program (CLP). As an example, since all NPS acquisitions have to be within authorized boundaries, the NPS cannot participate in the larger effort unless the unit is within the targeted ecosystem. Also, the NPS has a large cultural preservation responsibility, at a

wide variety of sites, which may or may not have a natural/ecosystem component, which has been the current focus of the CLP.

Simpson Q13: Are parcels identified for acquisition already fully or mostly bordered by other federal lands? If not, then how can you claim that acquisitions save money on maintenance and enforcement?

Answer: The \$11.3M request will enable the acquisition of Tract 13-101 at Glacier National Park and a portion of the State of Wyoming tracts (02-118, 05-121, and 06-102) at Grand Teton National Park. All of these tracts are fully or mostly bordered by Federal lands and are within authorized boundaries of the national park system.

The Park Service proposes \$20 million in the Stateside LWCF program for competitive funding awards for “urban parks and green spaces, blueways, and landscape-level conservation in communities.”

Simpson Q14: What does “landscape-level conservation in communities” mean?

Answer: Landscape-level conservation considers conservation needs across public, private, and tribal lands, and involves the consideration of large, interconnected ecosystems and recreational areas. This approach recognizes that watersheds, wildlife, and ecosystems do not recognize property lines. Therefore, conserving large landscapes requires coordination among landowners; tribal, local, State, and Federal governments; conservation groups; agriculture and forestry groups; and other stakeholders. Such locally grown landscape partnerships are vital to 21st century conservation.

This concept is a significant Secretarial priority, and the Department and its Federal partners are working to engage tribal, local and State governments; non-profit organizations; and landowners in regions where these stakeholders and Federal agencies are conserving and restoring large landscapes through grants and planning activities. The 2013 budget request builds on the collaborative Federal land acquisition process and provides a tool to foster more effective coordination with government and local community partners to achieve shared conservation goals. With regard to the LWCF State Assistance competitive grant component, eligible projects could include grants to States to acquire lands to establish new State wildlife areas, State recreation areas, State parks, or land to fill in gaps among publicly and privately-owned conserved areas to create corridors or contiguous protected landscapes that also facilitate recreation.

Simpson Q15: Does the competitive funding need new authorization from Congress?

Answer: New authorization is not needed. The Land and Water Conservation Fund Act outlines a methodology for distributing appropriated funds which provides the Secretary with discretion for how to distribute a portion of the funding. The relevant portions of the Act are as follows:

16 U.S.C. § 4601–8 Financial assistance to States

(b) Sums appropriated and available for State purposes for each fiscal year shall be apportioned among the several States by the Secretary, whose determination shall be final, in accordance with the following formula:

(1) Forty per centum of the first \$225,000,000; thirty per centum of the next \$275,000,000; and twenty per centum of all additional appropriations shall be apportioned equally among the several States; and

(2) At any time, the remaining appropriation shall be apportioned on the basis of need to individual States by the Secretary in such amounts as in his judgment will best accomplish the purposes of this part. The determination of need shall include among other things a consideration of the proportion which the population of each State bears to the total population of the United States and of the use of outdoor recreation resources of individual States by persons from outside the State as well as a consideration of the Federal resources and programs in the particular States.

Consistent with the Act, the budget proposes that 40 percent, or \$22.6 million, of the total grant funding (\$56.5 million) be equally allocated among the 51 "States". Each of the 50 States receive an equal apportionment and the District of Columbia and all of the Territories share one apportionment equal to that of each of the 50 States.

Of the remaining 60 percent portion (\$33.9 million) that can be allocated to the States by the Secretary on the basis of need, \$13.9 million would be allocated according to the formula that NPS has used in recent years that takes into account total and urban population by State. In total, \$36.5 million will be allocated to States in the same manner as in prior years.

The remaining amount of the 60 percent portion, \$20.0 million, is proposed for a competitive grant component, consistent with 16 U.S.C. § 4601-8 (b)(2).

Simpson Q16: Aren't the activities proposed under the new competitive program already funded under the formula program?

Answer: The types of projects envisioned for the competition can be and to some extent are funded by the formula grants. However, the competitive grant component would more strategically focus a portion of the funding on projects that achieve America's Great Outdoors goals of expanding urban parks, community green spaces, and blueways, and conserving large-scale landscapes in communities that need them the most. These priorities were the outgrowth of public input, identified during the 51 public listening sessions that the Administration conducted across the Nation; as well as in many of the over 105,000 written comments that called for more focused investment of LWCF State Assistance competitive grant funds.

Applications would be evaluated based on general criteria as well as criteria specific to the target investment areas (urban, blueways, and landscape conservation). Common criteria would include factors such as the ability to demonstrate the degree and urgency of the need for the project; ability to articulate the expected benefits to be realized by funding the project; alignment with

goals of Statewide Comprehensive Outdoor Recreation Plans and other strategic plans that guide investment in recreation and conservation; identification of partnerships and community support; demonstrated need for safe and accessible routes; multiple identified benefits, such as flood control, tourism, habitat protection and connectivity, and outdoor recreation; ability to leverage the federal funding, including commitments of matching funds or other complementary non-federal investments that support the goals of the project; and other criteria enumerated in law. Objective-specific criteria would be used, based on project type (e.g. urban, blueways, or landscape conservation) to provide additional evaluative factors, such as the project's ability to increase or improve access, or the use of science and mapping to identify important conservation lands.

Urban parks and community green spaces support outdoor access for the nearly 80 percent of the Nation's population that lives in urban areas. However, projects in urban areas are typically more expensive, as land is often limited and thus more costly, even though populations are substantial and demand for new recreation opportunities is great. In a fall 2011 survey, States estimated a total need for State and local public outdoor recreation facilities and parkland acquisition at more than \$18.6 billion. Land costs in general similarly means that acquisition projects are far less common; more than 75 percent of LWCF State grants fund recreational facility development projects, such as playgrounds, picnic shelters, and walking paths, which are relatively more affordable. A competitive component of the appropriated funds outside of the State apportionments would enable States to apply for larger grants than they typically can through the State-based competitions, which are limited by each State's standard apportionment.

Rivers connect people and communities to America's great outdoors and are vital migration corridors for fish and wildlife. During the AGO listening sessions, participants expressed a passion for waterways, knowledge of their economic and ecological importance, and enthusiasm for their conservation. A competitive grant component will help address the recommendations that the Administration received to expand Federal assistance to communities to enhance recreational opportunities on local waterways and adjacent green spaces; to help increase community access to rivers and lakes for recreation, such as boat ramps and swimming access points; and to support community-based protection and enhancement of the nation's waters.

Landscape-level conservation considers conservation needs across public, private, and tribal lands, and involves the consideration of large, interconnected ecosystems and recreational areas. The new competitive process will enable the highest return on investment for Federal funds used for conservation and recreation projects implemented by States and localities, in the context of a broader strategy to fund projects that meet high-priority needs and satisfy the shared vision of a wide range of stakeholders working in collaboration. For example, eligible projects to facilitate recreation could include grants to States to acquire lands to establish new recreation areas, parks, or lands to fill in gaps among publicly and privately-owned conserved areas to create corridors or contiguous protected landscapes that also provide recreational opportunities.

NPS funding for presidential inauguration

The budget request includes funding to support next year's presidential inauguration. I assume this is one of those "once every four years" type of funding requests.

Simpson Q17: What is the total amount requested in your budget for activities relating to the inauguration and how exactly is the Park Service directly involved?

Answer: The 2013 NPS budget request in support of the 2013 Presidential Inauguration totals \$2.6 million including \$1.2 million for National Capital Area Parks and \$1.4 million for the United States Park Police to provide stewardship and support for inaugural ceremonies and celebrations and other official events planned by the Presidential Inaugural Committee that occur on lands managed and protected by the NPS. These events include the Opening Ceremony, Swearing in Ceremony, and Inaugural Parade and may include large scale concerts or programs, festivals, and firework displays, among other potential activities. The NPS plays a crucial role for Presidential Inaugurations by providing logistical and material support associated with managing and facilitating events, ensuring visitor safety and enjoyment, and protecting park resources. NPS support provided for inaugural events is wide-ranging and diverse, including but not limited to ranger presence to give directions, answer questions, inform visitors of safety, and provide interpretive information; setup before and clean-up after events; provision of medical/safety services; restoration efforts/mitigation of resource damage related to events; and law enforcement personnel and safety and security support in coordination with the United States Secret Service and other law enforcement personnel.

Rec Fee unobligated balances

I want to commend the Park Service and especially Bruce Sheaffer for the progress made over the last couple of years to address the issue of high unobligated balances within the Rec Fee program. These fees are used to address deferred maintenance and other Park Service priorities. This subcommittee included report language in the fiscal year 2010 bill raising concern over these high balances and directing the Park Service to take corrective measures. When we first raised this issue, the carryover balance was approaching \$300 million. By the end of FY11, I believe, that number was, cut in half.

Simpson Q18: Where are we today with the rec fee carryover balances?

Answer: The unobligated balance at the end of FY 2011 was \$98 million. In FY 2011, the NPS obligated \$222 million in fee receipts for high priority projects; about 30 percent more than annual gross revenue. Parks that collect entrance fees are allowed to retain 80 percent of collections while the remaining 20 percent is put into a national account and distributed by the Director to high priority projects primarily at parks which do not collect fees or collect very low fee amounts. As an incentive for fee collecting parks to spend down balances, NPS implemented a new policy in 2009 that requires parks that collect fees to carry over no more than 35 percent of annual collections into the next calendar year or have their retention amount reduced from 80 percent to 60 percent.

Simpson Q19: Can you provide some examples of how and where these fees are making a tangible difference to enhance the visitor experience within our national parks?

Answer: Recreational fee revenue allows parks to fund projects that benefit visitors authorized under the Federal Lands Recreation Enhancement Act. Each year, recreation fees fund over 1,100 projects throughout the national park system. Projects include rehabilitation or enhancement of park facilities and other physical assets, repair of trails, replacement of wayside exhibits, upgrade of campground facilities, and other projects that benefit the visitor experience. Recreation fee revenue is also used for providing interpretive programs, and for restoring habitats for visitor enjoyment by way of photography, wildlife viewing, fishing, and other recreational activities.

Death Valley National Park is utilizing recreation fee money to rehabilitate and improve sustainability of the Furnace Creek Visitor Center and Administrative Complex. This 18,000 square foot Mission 66 era structure houses the main interpretive exhibits and is the location for ranger programs and park orientation video. The complex was built in 1960 with no insulation. The lack of insulation overtaxed the HVAC equipment and the systems were unable to maintain evenly and sufficiently cooled interior temperatures during the summer months. Interior temperatures in the visitor center were consistently 95 degrees F in the summer presenting a health hazard to visitors and employees. The utility bills for this complex averaged \$46,000 annually. The project to insulate the structures and install a photovoltaic system will improve the health and comfort of visitors and employees and reduce the cost of utilities. The 1960 era exhibit panels in the visitor center are also being updated to reflect a more modern interpretation of the park.

Recreation fees have funded 150-200 Public Land Corps (PLC) projects annually serving 150-200 parks. PLC projects utilize partnerships with identified organizations targeting youth 16-22 years of age for education-based work experience. Participants gain knowledge about the National Park Service, job skills, and valuable life skills in serving the public. Projects include providing visitor contacts in education centers, improving computer operations, rehabilitating trails, and maintaining buildings and campgrounds, among other activities.

Recreation Fees have also been used to meet accessibility standards. Recreation fees have funded assessments to determine accessibility needs at over 60 parks and for projects to update visitor center audio-visual programs with closed captioning and exhibits with Braille text, provide wheelchair access to visitor areas, and create accessible trails, boardwalks, and campgrounds. Carlsbad Caverns National Park, for example, used recreation fees to close caption its only audio-visual program, entitled "Caves of the National Parks – The Wonder Beneath," a film produced by the Discovery Channel showing various caves throughout the national park system. In a further effort to enhance the visitor experience, the park used recreation fee revenue to create a second open captioned park-specific film, this one highlighting various features that show the diversity of the park in addition to the cavern.

Everglades Restoration

Director Jarvis, the Committee included language in the Consolidated Appropriations Act for 2012, authorizing the National Park Service to implement an additional 5.5 miles of bridging in the Tamiami Trail over and above the one-mile bridging now underway. When you and

Secretary Salazar presented this park plan to the Committee last year, you both indicated that the additional bridging is necessary to fully restore historic water flow to Everglades National Park, which was disrupted decades ago by the construction of the Tamiami Trail. The Committee provided \$25 million last year for land acquisition related to the Everglades which is critical to restoring water flow.

Simpson Q20: What are the long-term costs associated with this additional bridging? Will this bridging be funded through the use of highway dollars (as opposed to funding from this subcommittee)? Is the Administration working to secure the necessary funding for this additional bridging?

Answer: The estimated cost for the construction of the 5.5 miles of additional bridging in the Tamiami Trail is \$310 million. However, this estimate, which was developed for inclusion in the final environmental impact statement for the project and is based upon actual contract costs associated with the one-mile bridge span underway, requires additional planning and design and will be revised to reflect that planning. Presently, the National Park Service's Denver Service Center is reviewing a proposed sequencing plan for the additional bridge segments to determine the most effective way to proceed to implement the project.

Given the costs associated with this project and the overall fiscal environment, the NPS and the Department do not envision requesting annual appropriations for the NPS to fund this project.

Simpson Q21: Can you describe how the Park Service is working with the tribes and others in the area that oppose your efforts? Can these conflicts be satisfactorily resolved?

Answer: The NPS and the Department have consulted with the Miccosukee Tribe and its representatives on numerous occasions relating to the construction of both the one-mile bridge, as well as the additional bridging. In developing the plans for the additional bridging, the NPS did make adjustments to the proposal based upon input from the Tribe. For example, the bridge spans were located no closer than one-half mile on either side of existing Native American camps. The Department is also in the process of scheduling additional hydrologic briefings for the Tribe to explain the scientific basis for the proposal and how this proposal will work in concert with other planning efforts underway to restore and achieve more natural water levels to the water conservation areas immediately to the north of the Tamiami Trail, which is a long-standing goal expressed to the Department by the Miccosukee Tribe. It is unclear if the scientific dispute between the Miccosukee Tribe and the Department can be resolved over the best way to achieve increased and more natural water flow through the Tamiami Trail and to Everglades National Park, however, the Department hopes that the current dialogue will narrow differences. The Department notes that the National Park Service's plan for additional bridging has been presented to other restoration scientists, including those working for the National Academy of Sciences, and has received broad support from other interests notwithstanding the Tribe's current opposition.

General Management Plans

Director Jarvis, the National Park Services' management of the Ozark National Scenic Riverways (ONSR) in Missouri has been under consideration for a number of years now. In 2009, the National Park Service proposed alternative General Management Plans and has since received thousands of comments on the NPS proposed alternatives. I commend the National Park Service for taking the time to listen to those who would be affected by this decision; however, I believe the alternatives presented do not address the impact on the local communities and counties along the ONSR.

Just about two weeks ago, around 500 local citizens gathered in a town of just over a population of 800 to engage in discussion and share their concerns on ONSR's new management plan. These people who live, work and raise their families in the area understand better than anybody the negative effects a new management plan that restricts access would have on the local economy and livelihoods. And, I argue that the local residents care much more deeply than any other outside organization on the importance of preserving this blessed resource for themselves and future generations.

Vibrant and even thriving local partners are essential to fulfilling the goals of the National Scenic Riverways System; however, it is not clear to me that the National Park System is even allowed to consider the surrounding, local economic community in their decision-making process. Final alternatives for the General Management Plan have not yet been released, and it is my understanding that the final plan should be soon released with time for another comment period.

Simpson Q22: The restrictions on access are very problematic for many of the most frequent visitors to the ONSR. How much weight has been given to their concerns about the GMP? Shouldn't these considerations have priority?

Answer: The NPS has been working on a new general management plan to address resource management and visitor use of the Ozark National Scenic Riverways for a number of years. In the first years of the project, the park superintendent and the planning team held five public meetings, attended by nearly 300 people to introduce the planning process and to collect input on the issues the public felt the NPS should address in a long-term plan for the Riverways' future. The planning team collected over 1,700 comments, and based on those comments held a stakeholder workshop to discuss options for resolving some of the long-standing conflicts between user groups.

Based on all the public input, the planning team presented a set of preliminary management alternatives for public review in 2009. A second series of public meetings were held to gather public feedback, after which the planning team reviewed and analyzed the comments and suggestions, and made changes to the set of preliminary alternatives. The planning team is currently analyzing the potential impacts of implementing any of the alternatives on natural and cultural resources, visitor access, safety, and socioeconomics. NPS expects to present a draft management plan for public review in Spring 2013.

NPS has engaged many local stakeholders and has worked to present acceptable alternatives for current usage, as well as protection of the resource for the future. In the process of arriving at a general management plan for sites deemed worthy of inclusion in the national park system, it is the foremost responsibility of NPS to assure that the plan provides for the enjoyment of park resources in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. The NPS mission does not preclude the enjoyment of park resources through present public uses, but reminds us to conserve the resources so they will be available in the future. NPS has strived to balance the requirements for conserving the resource with the usage of various public groups' needs and interests. Conflict caused when balancing between preservation and preferred current usage is encountered at many NPS sites. As in this case, issues are addressed on a site by site basis to allow adjustments for unit specifics.

Simpson Q23: What do you believe should be the balance between access to people who enjoy our natural resources and conservation efforts that restrict access entirely?

Answer: In the process of arriving at a general management plan for sites deemed worthy of inclusion in the national park system, it is the foremost responsibility of NPS to assure that the plan provides for the enjoyment of park resources in such manner and by such means as will leave them unimpaired for the enjoyment of future generations. The NPS mission does not preclude the enjoyment of park resources through present public uses; however, in some cases, prior usage has been so heavy that resources or portions of the resources have to be removed from current usage in order to conserve the resources so they will be available in the future. Once the resource has stabilized to a sustainable condition in keeping with the park purpose, re-opening the resource to the public, to the extent the resource can handle it, is a priority. Often, this re-opening presents an opportunity for the NPS to engage visitors about the costs of over-use, the various options and steps to restoration, and the remarkable ability of nature to heal itself, if protected prior to the total destruction of the resource.

Delaware Water Gap National Recreation Area

The Committee has been concerned by numerous delays in the process administered by the NPS to set the terms for replacing and upgrading the electric transmission grid segment that crosses Delaware Water Gap National Recreation Area. This is an issue that was addressed in the FY12 Omnibus bill.

Simpson Q24: Can you describe the current status of the decision-making process for the Susquehanna-Roseland Project, and state for the record the date on which the NPS will make a final decision about the permits and approvals needed for the project?

Answer: The NPS is currently developing the Final Environmental Impact Statement (FEIS). The publication of the FEIS in the Federal Register is expected September 1, 2012. The Record of Decision (ROD), which is the final decision about the permits and approvals needed from the National Park Service, is expected October 1, 2012. If approved, the applicant still must obtain several other federal and state approvals in order to commence construction.

Simpson Q25: Can you also describe how you intend to overcome any obstacles from within the NPS or other federal agencies that may threaten to cause further delays in the decision-making process?

Answer: The National Park Service is actively participating in the Administration's Rapid Response Team for Transmission, which is a consortium of agencies assembled to work cooperatively through any obstacles encountered during the permitting and approval process. To date, there have been no delays in the schedule. The present date of October 1, 2012 for a formal Record of Decision is the date first projected in the official notification of the project schedule.

Questions for the Record from Mr. Calvert

H.R. 3640

Calvert Q1: Congressman Jeff Denham has introduced legislation, H.R. 3640, that he purports will create an improved experience for those visiting Yosemite National Park. Does the Park Service agree with this assessment? Are there additional benefits, such as job creation or positive impacts on Park employees' health and safety that the bill provides?

Answer: The NPS has not yet take a formal position on this legislation; however, the NPS is available to testify on this subject.

Calvert Q2: Is Congressional action necessary to authorize this land acquisition since the bill it does not require federal appropriations?

Answer: The NPS is available to testify on this subject.

Calvert Q3: Has the Park Service assessed the economic benefits of this legislation to the local communities surrounding Yosemite? If so, to what extent have you assessed it and what benefits were you able to discern?

Answer: The NPS has not formally assessed the economic benefits of this legislation.

Calvert Q4: Does local support exist for the project authorized by H.R. 3640? If so, from who and to what extent? Is the Park Service aware of opposition to the project?

Answer: The Mariposa County Board of Supervisors and several community groups have been supportive of this legislation. The NPS is not aware of any organized or public effort to oppose this project.

Calvert Q5: Does the Park Service believe the proposed site, as would be authorized by H.R. 3640, to be the most appropriate location for the project? If not, are there factors, such as Wild and Scenic River designations, or other land use restrictions that prohibit the use of more viable areas in and around Yosemite National Park?

Answer: The NPS has not yet take a formal position on this legislation; however, the NPS is available to testify on this subject.

Yosemite National Park

Calvert Q6: Is the National Park Service planning the removal of residential structures at Camp Curry within Yosemite? If so, will the structures be relocated, or does the Park Service have plans to replace those structures within the Park to ensure that there is no loss of affordable overnight public access to the Park?

Answer: The NPS is currently in the process of completing a comprehensive management plan for the Merced River Corridor to satisfy the requirements of the Wild and Scenic Rivers Act and to comply with a court decision challenging earlier attempts to complete the river plan. As part of this exercise, we are examining a range of options for the number and type of visitor accommodations to be located at Camp Curry and other areas throughout Yosemite Valley. At this time, a full range of alternatives is being analyzed, including alternatives that reduce the supply of overnight accommodations in the Valley as well as alternatives that increase the supply.

Calvert Q7: Can you please account for how the parking spaces and campsites that were washed away in the 1997 flood will be replaced? It is my understanding that Congress appropriated funds for this purpose years ago. However, it has been conveyed to me that the spaces and campsites have not been restored. If there has been a delay to restoring these campsites, what factors have contributed to the delay? Have there been legal challenges to restoring these campsites? If so, who are the parties to this legal challenge and what progress has been made on coming to a resolution? If internal National Park Service or Department of the Interior factors have contributed to the delay, please describe these challenges and what the National Park Service is doing to resolve these challenges.

Answer: Beginning in 1999, a series of legal challenges to the NPS planning efforts constrained the NPS' planning process. On September 29, 2009, the National Park Service signed a settlement agreement with the Friends of Yosemite Valley and Mariposans for the Environment and Responsible Government, ending years of litigation regarding planning for the Merced Wild and Scenic River. The settlement agreement stipulated that the NPS will produce a new Comprehensive Management Plan and Environmental Impact Statement for the river by December 2012, and that the agency would employ an "extensive, frequent, and robust public involvement process" that enables all interested parties access to the planning process. Until the Merced River Plan (MRP) is completed, the National Park Service cannot take any action to modify or add infrastructure to Yosemite Valley or other areas within the Merced River corridor. The moratorium on new construction prior to a final river plan is an explicit provision of the agreement. When it is completed, the MRP will specify the location and number of campsites to be provided in Yosemite Valley along with the associated construction costs and implementation schedule.

Questions for the Record from Mr. LaTourette

Heritage Partnership Programs

The National Park Service is requesting a nearly 50 percent reduction in the Heritage Partnership Programs, which includes the National Heritage Area Program. As Director Jarvis mentioned in his March 14, 2012, memo on this program, National Heritage Areas “are places where small investments pay huge dividends, providing demonstrable benefits in communities across the country and in partnership with our national parks.” In 2008, the Park Service was directed to complete evaluations of Heritage Areas and report back to Congress with its recommendation as to the future of the Park Service’s role with respect to the National Heritage Area, no later than three years before the date on which authority for federal funding terminates. I’m aware that so far, only three evaluations have been conducted, and zero reports have been delivered to Congress.

LaTourette Q1: Can you please provide an update as to the status of these evaluations and reports? What is your plan with respect to continued funding for the Heritage Areas that still have evaluations pending when they reach their sunset dates?

Answer: Three of the nine required P. L. 110-229 evaluations are complete and draft reports to Congress are currently under review. The remaining six evaluations are currently underway and are due to be complete by the end of July, 2012; the National Park Service plans to transmit the reports to Congress by the end of calendar year 2012.

The National Park Service recently provided testimony before the Senate Subcommittee on National Parks of the Committee on Energy and Natural Resources regarding proposed legislation for five areas that will likely have evaluations pending when they reach their sunset dates. In our testimony, we recommended that the bills be amended to authorize an extension for heritage area program funding from Federal sources until the evaluations and reports to Congress are complete. We stated that the Department would like to work with Congress to determine the future Federal role when heritage areas reach the end of their authorized eligibility for Federal funding. NPS also recommended that this Congress enact national heritage program legislation that standardizes timeframes for technical support and Federal funding to assure each area’s continued success into the future.

Questions for the Record from Mr. Cole

I understand that the Eastern Band of the Cherokee Nation and the Tribe's citizens are seeking to continue traditional gathering practices of foods and medicines in the Great Smoky Mountains National Park.

Cole Q1: Are you working on a solution to work with the tribe?

Answer: Authority provided under 36 CFR 2.1(d) allows for the taking, use, or possession of fish, wildlife or plants for ceremonial or religious purposes where specifically authorized by Federal statutory law, treaty rights, or in accordance with NPS regulations governing wildlife protection and fishing.

The NPS is preparing to issue a proposed rule that addresses agreements between NPS and federally recognized Indian tribes regarding the gathering of plants and minerals for traditional purposes.

Cole Q2: When do you expect a resolution on this issue?

Answer: The NPS is preparing to issue a proposed rule that addresses agreements between NPS and federally recognized Indian tribes regarding the gathering of plants and minerals for traditional purposes. NPS cannot provide an estimate for the date of issuance, due to the required review in the regulatory process, but the NPS hopes to finalize this resolution as soon as possible.

Cole Q3: Does the NPS have any experience working with Tribes managing National Park lands?

Answer: The NPS has extensive experience working with Tribes at various parks, including at Great Smoky Mountains National Park (GRSM). The Qualla Boundary of the Eastern Band of the Cherokee Indians (EBCI) borders GRSM and the town of Cherokee, North Carolina serves as a gateway community to GRSM in western North Carolina. The park and Tribe have a longstanding history of cooperative efforts relating to cultural and natural resource management, tourism, law enforcement and emergency services, wild land and structural fire, transportation, education and employment opportunities.

Cole Q4: How successful have those relationships been?

Answer: The NPS has worked successfully with Tribes nationwide on implementing such statutes as the Native American Graves Protection and Repatriation Act, the National Historic Preservation Act (which authorizes Tribal Historic Preservation Offices (THPO), which now number 131), and the Tribal Self-Governance Act (Title IV of the Indian Self-Determination and Education Assistance Act).

Examples of cooperative relationships between the GRSM and EBCI include ongoing consultation with its THPO on historic and archeological resource management issues, conducting archeological field schools for Cherokee youth, developing exhibits for the new Oconaluftee Visitor Center that tell the Cherokee story, and developing wayside exhibits in GRSM in both English and Cherokee.

The GRSM maintains cooperative mutual aid agreements with the EBCI for emergency services and wild land fire response, in addition to conducting joint training and assisting with ongoing incidents. The GRSM maintains an open line of communication to ensure that any issues that might affect visitor access to Cherokee from the park, such as weather related road closures, road construction, or utility installation and maintenance, so that plans to mitigate effects can be implemented.

The park has partnered on mutually beneficial joint utility projects which have brought municipal water and sewer services through portions of the National Park and on to Tribal lands. Managers at the GRSM continue to work with the Cherokee Transit Authority to facilitate operations of a shuttle bus transportation system between Cherokee and Gatlinburg, TN for visitors to utilize.

The GRSM educational outreach efforts include park staff participation in a Career Day with the schools in Cherokee. The park provided information on careers in addition to training in skills to assist during the job application and interview process. The park also participated in the Cherokee Children's Trout Fishing Derby where park information was provided and children received assistance with learning fishing skills. Additionally, resource education rangers continued to offer a two-week science camp in which middle school students are taught about scientific research occurring in the Smokies and about careers with the National Park Service.

Cole Q5: What efforts are ongoing to create new relationships with tribes managing park units.

Answer: One example is the work NPS is doing with the Oglala Sioux Tribe to provide for greater tribal management of the South Unit of Badlands National Park. A new General Management Plan for the South Unit of Badlands NP will soon be released.

Questions for the Record from Mr. Flake

Grand Canyon Air Tour Operators Issue

The National Park Service (NPS) has developed a draft plan to address the impacts of aircraft noise on park resources and has released a draft environmental impact statement. This plan has generated some controversy and concerns.

The 1987 National Parks Overflight Act requires NPS and FAA to restore the “natural quiet” of the Grand Canyon through a variety of techniques, including incentivizing Quiet Aircraft Technology and raising the altitude ceiling of the no-fly zones above Canyon. The Act does not clearly define “natural quiet.” Since 1997, the Park Service has defined “natural quiet” to mean (at a minimum) no aircraft audibility in 50 percent of the park for 75 percent of each day.

Flake Q1: The Park Service issued a Draft EIS on the proposed Grand Canyon air tour plan last year. During the hearing, it was suggested that the Service could have a Record of Decision on the matter by the end of the year. Could you be any more specific with the estimate of when the EIS will be finalized a Record of Decision issued?

Answer: The 1987 National Parks Overflight Act (Overflight Act) requires (1) protection of park resources, (2) substantial restoration of the natural quiet and experience of the park, and (3) protection of public health and safety from adverse effects associated with aircraft overflights. Most of the law’s requirements are part of what the NPS does every day in managing the national park system. However, “substantial restoration of natural quiet” was not a commonly understood term, so the NPS defined it in a 1994 Report presented to Congress in response to the 1987 Overflight Act. The NPS definition is that “substantial restoration requires that 50 percent or more of the park achieve ‘natural quiet’ (i.e., no aircraft audible) for 75-100 percent of the day.” Further NPS and Federal Aviation Administration clarifications included that “the day” meant “each and every day” or “any given day,” and that 50 percent of the park was a minimum, not the goal of restoration.

The NPS anticipates the publication of the Final Environmental Impact Statement in spring of 2012. After a 30 day waiting period, it is anticipated that the Record of Decision will follow in the summer of 2012.

Flake Q2: Some air tour operators have expressed a concern that the Draft EIS does not consider the economic impact that the Plan will have on the air tour industry. Do you intend to address this concern as you refine the Draft Plan? How?

Answer: Comments on the Draft EIS socioeconomic analysis ranged widely from criticisms that it overstated impacts to the air tour industry to criticisms that it understated impacts to the industry. In response to comments, the NPS commissioned a peer review of the socioeconomic analysis in the Draft EIS and an additional socioeconomic analysis for the Final EIS by an internationally recognized economic consulting firm. The outcome of the peer review suggested

that the impacts to the air tour industry presented in the Draft EIS was a worst-case view of the potential impacts on the air tour industry that did not adequately take into account the growth of exempt flights on the west end of the park or the adaptability of the industry to previous changes at Grand Canyon. Flights on the west end of the park that did not require an allocation were included in the Draft EIS analysis, and updated information about those flights is currently being analyzed.

The NPS has analyzed historic data and has concluded that air-tour regulations enacted since the National Parks Overflight Act of 1987 did not have any substantial, long-term effect on the Grand Canyon air tour industry or market. Changes imposed immediately after the 1987 Act had much more impact on the air tour industry than any other regulatory actions since then. The history at Grand Canyon in the past 25 years indicates that additional changes in routes, scheduling requirements and related regulations are unlikely to have a substantial long-term effect on air-tour operations over the park. The air tour operators have predicted negative consequences each time regulatory changes have been considered since 1987, and each time their revenues have actually increased.

By reducing the effect of noise on Grand Canyon park resources and values, this plan will help preserve Arizona's number one tourist attraction. It will protect tourism dollars and jobs and promote economic stability. In 2010 alone, visitors to Grand Canyon National Park spent nearly \$416 million in the park and neighboring communities. This directly supported almost 6,200 jobs. If the growth and spread of man-made noise over the park continues, we may risk damaging not only park resources, but an important economic engine for the state and the region.

Flake Q3: While the Proposed Plan acknowledges that 53 percent of the Park is quiet today (thanks in part to about \$200 million invested in Quiet Aircraft Technology by air tour operators voluntarily) the Park Service now wants to add additional restrictions making the Park up to about 70 percent quiet. What would prevent the Park Service from coming back at a future point and mandating 100 percent of the Park to be quiet?

Answer: The NPS is not planning to eliminate overflights at Grand Canyon National Park, but it is required to meet the mandates of the Overflight Act. The law requires 1) protection of resources, and 2) substantial restoration of the natural quiet and experience of the park, and 3) protection of public health and safety from adverse effects associated with aircraft overflights. The NPS definition of Substantial Restoration of Natural Quiet (SRNQ) is that 50 percent or more of the park achieves natural quiet (i.e., no aircraft audible), 75-100 percent of the day each and every day.

The preferred alternative identified in the NPS Draft EIS makes progress toward achieving SRNQ. The Draft EIS describes in great detail the adverse impacts to resources and visitor experience, in addition to adverse impacts on natural quiet (natural soundscape). Wherever heavily travelled air-tour routes are located, major adverse impacts occur, with impacts decreasing as the distance increases away from routes. Even in areas of the park meeting the NPS definition of SRNQ, air tour related aircraft can still be heard up to 25 percent of the day. In the other areas of the park not meeting the NPS definition, aircraft can be heard up to 100 percent of the day and there are major adverse impacts to park resources and visitor experiences in many places throughout the park. That is why the park is continuing to work on improving progress toward SRNQ and fulfilling all provisions of the 1987 mandate.

Questions for the Record from Ms. McCollum

R.S. 2477 Claims in Utah

The state of Utah recently filed a notice of intent to sue the Department of Interior to gain title to over 18,000 rights of way. To date, Utah has been largely unsuccessful in its pursuit of thousands of R.S. 2477 claims. I share the concerns of conservationists in Utah that these claims have the potential to undermine federal land protections.

McCollum Q1: How will the National Park Service (NPS) determine how R.S. 2477 claims would impact existing and proposed conservation designations, and the effects on Park Service conservation goals?

Answer: The NPS is currently evaluating the potential effects of R.S. 2477 claims within its units in Utah. The NPS is considering the claims relative to the park units' management plans, particularly whether roads claimed as R.S. 2477 rights-of-ways are among those designated as open or closed to vehicle travel in the management plans. In addition, the NPS is considering potential effects on resource protection and visitor use related to all claimed roads.

McCollum Q2: How would the recognition of these claims affect the Department of Interior's ability to manage federal public lands? Would it reduce the effectiveness of law enforcement and ORV monitoring or the effectiveness of archaeological site protection efforts?

Answer: Managing national parks for the long term is central to the mission of the NPS. As the world changes, and as visitor use patterns and needs change, the management of parks often changes in response. Recognition of the subject claims could have a very significant, long-term effect on the ability of the NPS to manage park units, because it could reduce or remove the NPS's ability to respond to changing conditions and to adjust management accordingly.

Managing park roads well is essential to managing parks. The NPS manages roads to provide visitors with a safe, fulfilling, memorable and enjoyable park experience, to protect park resources, and to manage visitor use patterns. The subject right-of-way claims within national park units in Utah fall into two groups: roads recognized as closed in park management plans, and roads considered open in those same plans.

Roads identified as closed, or that do not exist in park plans, are not considered appropriate to the management of the park. If R.S. 2477 claims to such road rights-of-way were to be recognized, it could have very significant, long-term effects on the NPS's ability to manage parks. Often, such roads are closed specifically to protect park resources or to enhance the visitor experience, so recognizing rights-of-way on these roads could, for example, reduce the effectiveness of law enforcement and ORV monitoring or archaeological site protection efforts, as you suggest.

Roads identified in park management plans as open are considered appropriate to the current management of the unit. However, the recognition of right-of-way claims on such roads could nonetheless make it difficult for the NPS to re-align, improve, move, widen, narrow, or close a

road; add or alter bridges, culverts, drainage, intersections and crossings; establish, maintain, and manage interpretive pullouts, viewpoints and signs; or to use visitor management tools such as permit systems, alternative transportation systems, and commercially guided tours. In addition, it could become extraordinarily difficult to close a road or restrict its use if that were to become necessary in the future.

McCollum Q3: Some of the state's claims lie in wilderness areas designated under the Cedar Mountains Wilderness Act and the Washington County Wilderness Act. How would NPS manage designated wilderness areas, places Congress itself has determined to be essentially road-less, in the face of R.S. 2477 claims?

Answer: The Cedar Mountains Wilderness Area, designated by Congress in 2005, contains no NPS lands. In the Washington County Growth and Conservation Act of 2009, Congress designated wilderness areas in Zion National Park, subject to valid existing rights. If an R.S. 2477 claim for a route on those lands were to be recognized, the NPS would continue to manage the lands to maintain and protect their wilderness values, consistent with the Wilderness Act of 1964, but those management actions might be constrained by the recognized right-of-way.

Questions for the Record from Mr. Hinchey

National Heritage Areas

As you know, there are 49 National Heritage Areas across the country, including the Hudson River National Heritage Area which I helped create in 1996. Heritage Areas have a proven record of leveraging federal funds to create jobs, generate economic development and rejuvenate local communities. In fact, every federal dollar invested in a National Heritage Area yields an average of \$5.50 in leveraged public and private funding.

That's why, frankly, I'm disappointed that the Administration's 2013 budget request cuts funding for heritage areas by roughly 50 percent. National Heritage Areas aid in economic growth and promote tourism in the surrounding regions. Without strong federal funding, however, many of these heritage areas will be severely impacted and probably fail to function effectively.

Hinchey Q1: Director Jarvis, I've heard you speak positively about heritage areas on a number of occasions and I know you're a strong supporter. So I'd like to ask you, will this level of funding enable the Park Service to continue funding more established National Heritage Areas while also nurturing the less mature areas?

Answer: The NPS, as with many agencies, was faced with extremely difficult choices in the development of the FY 2013 budget. The proposed level of funding reflects a choice to support the long-term sustainability of National Heritage Areas by recognizing the continued importance of Federal seed money for less mature areas while also supporting the directive in the FY 2010 Interior Appropriations Act for the more established National Heritage Areas to work towards becoming more self-sufficient. We are currently working to update the formula for allocating the Congressional appropriation for National Heritage Areas; we have engaged all current areas in this effort and are looking forward to implementing a revised formula in FY2013.

Hinchey Q2: What is Park Service's long term vision for the federal role in National Heritage Areas?

Answer: The NPS envisions a wide range of long-term options for the Federal role in support of National Heritage Areas. These options will be better defined and explored through the ongoing process of evaluation of individual areas, and when Congress enacts programmatic legislation for National Heritage Areas.

Everglades

For some time now I have been extremely interested in the massive Florida Everglades restoration project being undertaken by the Park Service and the Army Corps of Engineers.

As you know, the Everglades Park is the largest subtropical wilderness in the United States and is home nearly three dozen threatened or endangered species. This is a critically important

natural resource that must be protected and I've been working with other members of this Committee to ensure that the Everglades restoration project gets the funding it needs to undertake the enormous mission that Park Service and the Army Corps has been tasked to complete.

Hinchey Q3: The Park Service has requested an increase in funding for research related to the Everglades restoration project, citing the need to further monitor and assess restoration efforts. Can you please provide more detail on how this additional research funding will be used?

Answer: The FY 2013 President's Budget does not request a programmatic increase for the NPS Critical Ecosystems Studies Initiative. However, there is a \$1.0 million increase for Everglades activities for the U.S. Geological Survey, which conducts scientific investigations in partnership with the South Florida Ecosystem Restoration Task Forces (SFERTF) and other Federal and State agencies to fill key science information gaps and to assist in the sustainable use, protection, and restoration of the South Florida ecosystem. The proposed funding increase would support high priority research needs identified by the interagency invasive species working group of the SFERTF including quantifying ecosystem effects of invasive species to assist partnering agencies in deciding where best to allocate management and control efforts; filling key biological and ecological information gaps of invasive species to better inform early detection efforts of partnering agencies; and to improve methods to better detect and control species such as Burmese pythons for which ecosystem effects have been documented.

Hinchey Q4: Up until this point, the Everglades restoration project has been solely focused on water management. However, the Park Service has indicated that additional ecosystem-wide issues need to be addressed. Can you please explain what other areas the Park Service plans to devote resources to?

Answer: Since the beginning of this initiative in the early 1990s the Everglades restoration effort has focused on three main goals that were established early on by the South Florida Ecosystem Restoration Task Force: (1) getting the water right; (2) restoring habitat and recovering species; and (3) fostering long-term compatibility between the built and natural systems.

As you note, although the main effort is focused on water management - increasing water supplies for the environment and ensuring that water management operations benefit the remaining natural Everglades - there are other ecosystem-wide issues that support Everglades restoration, including water quality improvements; control and eradication of invasive exotics; and private-sector land conservation, particularly through the wetlands reserve program; and opportunities for conservation through conservation easements.

Yellowstone Bison

For many years I've been following the Park Service's activities with respect to its treatment of Bison in Yellowstone National Park. As you know, several years ago the Park Service began targeting and shooting Bison on public lands because of supposed threats to commercial livestock.

I was very concerned by this for a number of reasons, a primary one being that we were threatening with extinction the last of America's genetically pure wild Bison.

In 2000, the National Park Service and other agencies adopted the Interagency Bison Management Plan in order to coordinate activities related to the Yellowstone Bison. I believe you are to be commended for taking this issue seriously. And I know you share my desire to see that these great animals are protected and preserved.

Hinchey Q5: Recently, Montana officials approved an additional 75,000 acres north of Yellowstone National Park for bison grazing. Does the Park Service believe that 75,000 additional acres is adequate to prevent excessive captures of Yellowstone Bison or do you believe that the state of Montana needs to allot additional acreage for roaming?

Answer: The additional 75,000 acres north of the park in the conservation area will provide additional habitat for bison and reduce the need for more extreme management actions (e.g., hazing, captures). There will continue to be a need for conflict resolution at the agreed upon boundary of the conservation area; even if additional habitat is added in the future and the bison population is allowed to increase. The park looks forward to continued work on providing winter range bison habitat with our Interagency Bison Management Plan partners.

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