

INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2014

HEARINGS BEFORE A SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES ONE HUNDRED THIRTEENTH CONGRESS FIRST SESSION

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DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR 2014

FRIDAY, APRIL 12, 2013.

NATIONAL PARK SERVICE 2014 BUDGET REQUEST

WITNESSES

JONATHAN JARVIS, DIRECTOR, NATIONAL PARK SERVICE

BRUCE SHEAFFER, COMPTROLLER, NATIONAL PARK SERVICE

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The Committee will come to order.

Welcome to the Committee, Director Jarvis. I want to thank you and your colleagues for being with us today to discuss the important work of the National Park Service and your priorities for the coming year. It is nice to see our friends, Bruce Sheaffer, and a former member of our subcommittee staff, Grace Stephens. You are sitting on the wrong side of the table, Grace. You are supposed to be over on this side.

We received the fiscal year 2014 budget request just two days ago and look forward to you providing us with some of the details this morning. At the outset, I want to make several observations. Like many agencies under this subcommittee's jurisdiction, the Park Service is feeling the effects of lean budgets. I commend you and your staff for efforts to prioritize spending in this austere budgetary environment. It is no secret that sequestration is having a detrimental effect on a number of Park Service functions. It is for this reason that the House actually proposed in its version of the fiscal year 2013 Continuing Resolution freezing the Park Service operating accounts at the fiscal year 2012 enacted level—in other words, not making additional cuts beyond sequestration. We felt that this was the best we could do in this tough budgetary environment.

Unfortunately, things did not turn out as the House would have liked with regard to your budget, which is one of the reasons I took the extraordinary step of voting no on final passage of the fiscal year 2014 Continuing Resolution, even though it was my chairman's appropriation bill.

On another issue, we understand that the authority the Park Service uses to levy entrance fees expires at the end of the calendar year. This authority, which is also important to the Forest Service and DOI land management bureaus, is critical to providing revenue

for our national parks. We hope you will shed some light today on the importance of this authority to your overall mission.

Also, the Park Service was the beneficiary of \$348 million in construction funding through the Hurricane Sandy Supplemental funding bill. The subcommittee looks forward to learning more today about how these funds are being spent. I know this will be of particular interest to our full Committee ranking member, Mrs. Lowey.

Lastly, I understand there was a gathering recently of people interested in the future of the National Park System sharing ideas on how to supplement the annual appropriations Congress provides to our national parks. We look forward to hearing about some of these ideas and whether you think they have merit.

I look forward to focusing on these and other issues this morning but first I want to yield to Mr. Moran for any opening statement that he might want to make.

OPENING REMARKS OF CONGRESSMAN MORAN

Mr. MORAN. Thank you very much, Mr. Chairman, and I too want to welcome Director Jarvis. He is doing a hell of a job. I think he has been really dedicated and he has devoted really his life, his career to the Park Service.

Now, with the weather here in Washington, D.C., this week and all the cherry blossoms around the tidal basin in full bloom, it is certainly a reminder that the National Park Service is about to enter its busy summer visitor season, and I know Park Service Police and other employees that are directing the traffic and assisting tourists, and we appreciate all that you have done, but it is an enormous strain on your operations.

But we are going to enter this very busy season hobbled by the sequester that has been imposed on the Park Service because these budget cuts are truly adversely affecting your National Park operations. I fear that the public will very soon see the impact of these cuts. It is a \$139 million reduction from last year due to the sequester, and you have only a few months in which to impose those cuts. I know it is going to hurt the morale and the ability of many of your employees to go about their mission, but also millions of Americans who want to enjoy the beauty and history of our national parks and relax and appreciate what they were intended to provide all Americans. Many of them are going to be adversely affected as well by these budget cuts. Sometimes you do not appreciate things until you start to lose them.

Now, I really do this so that our chairman can have his morning moment of Zen. I would like to quote—

Mr. SIMPSON. And I appreciate it.

Mr. MORAN. He does appreciate it. I want to quote John Muir, who I think we all know and certainly one of the greatest friends of national parks. He said: "Climb the mountains and get their good tidings. Nature's peace will flow into you as sunshine flows into trees. The winds will blow their own freshness into you, and the storms their energy while cares will drop off like autumn leaves." John Muir had a great way of expressing things, and I know that it applies to so many places in Idaho as well as other states throughout the country.

We like to be able to reflect upon the beauty of the national parks, but as I say, these budget cuts over the remainder of the fiscal year may very well diminish that very experience. There seems to be little that can be done to correct the budgetary shortfalls that the Park Service finds itself facing before the end of this summer. But I do think this new fiscal year 2014 budget request turns the page on the sequester and begins to move the National Park Service forward again. I hope that we can reach a negotiated agreement, some reconciliation between those who refuse to provide new revenue to the government and those who refuse to look at the major areas of spending. There is going to have to be some compromise because until there is, discretionary programs like the Interior Department, the Park Service in particular, are going to suffer until we can reach that kind of accommodation. That is not your responsibility but you and your organization are having to pay the price for our not being able to reach the kind of compromise that is reflected in the President's fiscal year 2014 budget.

Now, the budget for the Park Service is by no means extravagant. The pressures on funding over the past several years have taken their toll on park operations, and this budget is just a start on getting the park system on a firmer financial ground.

I can and I do support the increases in funding that are being requested. Some of the decreases being proposed such as offsets in operations, maintenance and construction accounts I think will give us pause because they could further fray the fabric of the national park system, but we do very much appreciate the good work that you do, Mr. Director. You are doing a terrific job, and your people like Bruce Sheaffer and all the folks behind you, we have great confidence in. They work very hard and very effectively day in and day out. We look forward to hearing from you this morning on how the Park Service will, under this budget request, continue to carry out its proud mission as guardians of our national parks.

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

Mr. SIMPSON. Thank you, Mr. Moran. I do not know if you have got a book on those quotes but if you can get me a copy, I would like that.

Mr. MORAN. Well, I think Rick Healey back here, he has—

Mr. SIMPSON. He comes up with them somewhere, does he not?

Mr. MORAN. He comes up with them, they are around, and you know, maybe this summer we can both sit down and just read John Muir for a while.

Mr. SIMPSON. Director Jarvis, welcome to the Committee today. Tell us about America's best idea.

OPENING REMARKS OF DIRECTOR JARVIS

Mr. JARVIS. Well, thank you, Mr. Chairman and members of the subcommittee. If you want to read Muir, I can arrange a great location for that: Yosemite Valley.

Well, thank you for this opportunity to come before you today to talk about the 2014 President's budget request for the National Park Service. I want to summarize my testimony and submit the entire statement for the record.

We really do appreciate this Committee's support. It has been very strong over the years for the work that we do in the National

Park Service as the stewards of our Nation's most cherished cultural and natural resources, and we look forward to working with you as we prepare for our second century of stewardship and public engagement in 2016.

As you know, the National Park Service, like all the federal bureaus, began formulating our 2014 budget well before sequestration became inevitable. We formulated our request based on fiscal 2012 levels, unaware that by the end of fiscal 2013, we would have to cut our operating budget by six percent. The six percent cut is the result of the five percent reduction required by sequestration followed by an additional one percent reduction imposed by the full year C.R. So although the 2014 budget represents incremental changes from the 2012 funding level, it still remains a very good representation of our agency's priorities and reflects some of the difficult decisions we knew we would have to make in this austere budget climate.

The 2014 budget request proposes \$3.1 billion in NPS budget authority. Discretionary appropriations total \$2.6 billion, a net increase of \$56.6 million above 2012 levels. The budget increased funding for essential programs and emerging operational needs while ensuring fiscal discipline by reducing some park and program operations, construction activities, heritage partnership programs and State Conservation Grants. The request also includes an estimated \$479.1 million in mandatory appropriations, with increases above the prior year primarily resulting from a proposal to fund land acquisition and state and local recreation grants from mandatory authority.

The 2014 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, AGO is a landmark investment in engaging people in the outdoors and expanding opportunities for recreation and conservation of our Nation's cultural and natural heritage. Sustaining funding for NPS operations is an absolute key component of this initiative. In these tough economic times, we recognize the value the 401 national parks provide to all Americans as places of introspection and recreation, and as economic engines that create jobs and help our gateway communities. A new economic impact report recently shows that visitor spending in the national parks in 2011 generated more than \$30 billion in sales which supported 252,000 jobs in the U.S. economy.

In addition to this initiative, the NPS has begun a strategic approach to prepare ourselves for our Centennial Year in 2016. The Park Service's "A Call to Action" is a recommitment to the exemplary stewardship and public enjoyment of our national parks. The 2014 budget supports "A Call to Action" as the guiding strategy for creating a more relevant service for the next Century.

Operation of the National Park System, which funds the operations of our 401 parks and related programs, is proposed to be funded at \$2.3 billion, \$48.4 million over 2012 enacted. The ONPS request includes fixed costs of \$28.9 million and \$40 million in targeted program increases. These increases are partially offset by a \$20.6 million reduction to parks and programs. Of the reductions, park base operations are reduced by \$18.4 million.

A number of the strategic increases included in the request will help parks fund critical resource programs. For example, we propose \$5.2 million to control invasive species such as zebra and quagga mussels, and \$3 million to combat white-nose syndrome in bats. Increased ONPS funds will also enhance visitor experiences, increase accessibility, encourage youth engagement, provide support for the U.S. Park Police, and cover increases in centralized billing such as the D.C. water and sewer service.

In 2014, the budget proposes \$100.4 million in discretionary Federal Land Acquisition and State Conservation Grants, a net decrease of \$1.5 million from the 2012 enacted level. Of the total, \$60.4 million is proposed to be available for Federal land acquisition projects and administration, including \$9 million to preserve and protect threatened Civil War battlefield sites outside of the national park system through the American Battlefield Protection Program. The budget also proposes \$36.4 million for State Conservation Grants, to be apportioned to the states in accordance with the long-standing formula.

Additionally, a proposal to fund a portion of the National Park Service land acquisition and recreation grants from LWCF as a mandatory appropriation would provide \$30.2 million to the NPS for Federal land acquisition projects and \$20 million for the State Conservation Grants program.

The 2014 budget also requests \$10 million to reinvigorate the Urban Parks and Recreation Fund. This fund will be used to make matching grants to improve existing recreational opportunities in urban communities. The mandatory proposal will provide an additional \$5 million to UPARR grants.

The National Recreation and Preservation appropriation funds programs that support local and community efforts to preserve natural and cultural resources. The 2014 budget includes \$52 million for this appropriation, a net change of \$7.8 million below 2012. The proposed reduction supports the directive in the 2010 Interior Appropriations Act for the newly established National Heritage Areas to work toward becoming more self-sufficient, yet still promotes the long-term sustainability of the heritage areas and the continued importance of federal seed money for the less mature areas.

The budget requests \$58.9 million for the Historic Preservation Fund, an increase of \$3 million compared to 2012. The \$3 million increase will fund a new competitive grant program targeted towards communities that are currently underrepresented in the National Register of Historic Places.

The budget also proposes \$160 million for Construction, \$4.6 million above 2012 levels. Eighty-three point one million of this request is for our line item construction program.

In formulating the 2014 budget request, the NPS used a variety of tools to evaluate spending and incorporate performance results into decision making. We continue to exercise strict controls on discretionary costs like travel and supplies as we improve oversight over our limited budgetary resources. We remain committed to strategically focusing our efforts and resources on those functions critical to the protection of resources, visitors and employees.

Mr. Chairman, that concludes my remarks, and I will be glad to take questions.

[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 2014 BUDGET
REQUEST FOR THE NATIONAL PARK SERVICE**

April 12, 2013

Mr. Chairman and members of the subcommittee, thank you for the opportunity to appear before you today at this hearing on the 2014 President's budget request for the National Park Service (NPS).

Introduction

The 2014 President's budget request proposes total discretionary appropriations of \$2.6 billion for the NPS. This is a net increase of \$56.6 million above 2012 enacted discretionary appropriations. The request fully funds \$30.5 million in fixed costs and includes a net program increase of \$26.1 million. The budget proposes targeted increases totaling \$66.3 million to fund essential programs and emerging operational needs. Reflecting the President's call for fiscal discipline and sustainability, the budget also includes \$40.3 million in reductions in park and program operations, construction, heritage partnership programs, and state conservation grants. The request also includes an estimated \$479.1 million in mandatory appropriations, a net increase of \$59.4 million, the majority of the increase resulting from new proposals to fund land acquisition and grants to state and local governments for recreation from mandatory authority. In total, the request includes budget authority of \$3.1 billion.

The 2014 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. We recognize the value the 401 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 2011 generated more than \$30 billion of sales which supported more than 252,000 jobs in the U.S. economy. The President's budget will ensure that national parks continue to serve the 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 2012, nearly 287 million visitors came to our national parks.

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 39 actions that advance the Service toward a shared vision for strengthening our parks through 2016 and into our second century. With one year under our belt, three actions have been completed and three new actions have been added. The 2014 budget supports "*A Call to Action*" as the guiding strategy for creating a more relevant service for the next century.

Budget Summary

The 2014 President's Budget requests increases and maintains funding for various 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 initiative and funds the operations of our 401 parks and related programs, is proposed to be funded at \$2.3 billion, \$48.4 million over 2012 enacted.

A total of \$100.4 million is requested for Land Acquisition and State Assistance within discretionary appropriations, a net decrease of \$1.5 million from 2012 enacted. This funding is critical to achieving the goals inherent in the Land and Water Conservation Fund (LWCF) Act of 1965. The budget includes \$60.4 million for Federal land acquisition and administration, a programmatic increase of \$3.4 million compared to 2012 enacted. Of this total, \$32.4 million will 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 through acquisitions in high-priority landscapes. Within funding for Federal land acquisition \$9.0 million is maintained for matching grants to states and local entities to acquire civil war battlefield sites outside of the national park system. The budget also includes \$40.0 million for the State Conservation Grants program and its administration.

The budget proposal includes \$10.0 million in discretionary appropriations to reinvigorate the Urban Parks and Recreation Recovery (UPARR) program to provide direct Federal assistance to eligible urban localities for rehabilitation of critically needed recreation facilities, as well as encourage systematic local planning and commitment to continuing operation and maintenance

of recreation programs, sites, and facilities. The majority of the increase supports competitive grants.

In addition, the Administration also is proposing mandatory funding authority for LWCF programs through a separate legislative proposal. Mandatory funding will increase financial certainty needed to build local and community partnerships in conservation and optimize valuable investments by leveraging other Federal and non-Federal funds. This proposal would provide an additional \$55.2 million for NPS LWCF programs; including \$30.2 million for Federal land acquisition, \$20.0 million for LWCF State Conservation grants; and \$5.0 million in Urban Park and Recreation Recovery grants.

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. The 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 also is sustained for American Battlefield Protection Program Assistance Grants, which assist partners with the preservation of non-Federal historic battlefields at the local level. The budget proposes a \$3.0 million increase 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. The \$3.0 million increase

will fund a new, competitive grant program targeted toward communities that are currently underrepresented on the National Register of Historic Places. These grants will be used to conduct the surveying, community engagement, and other pre-nomination activities to ensure that the National Register of Historic Places is representative of the full spectrum of the Nation's cultural heritage.

Operation of the National Park System

The 2014 budget proposes \$2.3 billion for the Operation of the National Park System, an increase of \$48.4 million from 2012. The request for operations funds increased fixed costs of \$28.9 million and \$40.0 million in targeted program increases. These increases are partially offset with \$20.6 million in program reductions to park operations and programs.

An increase of \$6.0 million will support the Department's Cooperative Landscape Conservation initiative. This increase has two components, \$5.0 million for Climate Change Adaptive Management tools, and \$1.0 million for work on biological carbon sequestration. Other strategic increases proposed related to resource stewardship include \$5.2 million to control invasive species such as zebra and quagga mussels. An increase of \$5.0 million is requested to competitively fund the highest priority natural resource project needs at parks, and \$3.0 million would be used to combat white-nose syndrome in bats and help preserve important cave habitats and bat populations. Resource management and science needs at parks such as management of native bison populations and preservation of natural resources including the Merced River at Yosemite National Park would be addressed with an increase of \$2.1 million. Expansion of ocean and coastal stewardship activities would be accomplished with an increase of \$1.3 million.

An increase of \$1.2 million would ensure a science-based response to proposed energy development adjacent to parks, and \$750,000 will fund NPS participation in inter-agency AGO projects to demonstrate ecosystem and landscape-scale conservation. Dark night skies would be further protected and restored with an increase of \$700,000, and an additional \$653,000 will fund wilderness stewardship activities. An additional \$500,000 is requested for Alaska mapping activities. Cultural resource stewardship is supported through a \$2.1 million request to develop a geographic information system to better manage cultural and historic sites.

Increases proposed also include those which will provide for enhancement of visitor experiences and protection of visitors and resources, including \$920,000 to provide educational and interpretive opportunities for visitors with visual or hearing impairments by creating accessible exhibits and brochures. Accessibility of NPS infrastructure will be improved with an increase of \$2.0 million, of which a portion will also focus on energy and water efficiency. Youth engagement and employment opportunities will be increased with an additional \$1.0 million request. An increase of \$600,000 for U.S. Park Police operations will provide additional patrols and administrative support at national icons in Washington, D.C. and New York City. Additionally, the budget funds priority emerging needs such as \$2.0 million to enhance internal controls and improve financial and programmatic accountability throughout the national park system. An increase of \$1.6 million will support implementation of the Financial and Business Management System, and an increase of \$762,000 will fund fee and rate increases for water and sewer service provided by the District of Columbia at national park sites in the District of Columbia. Lastly, \$2.1 million is requested to fund operational needs at new or recently expanded national park units and critical new responsibilities across the park system.

Of the reductions, park base operations are reduced by \$18.4 million. These reductions would be applied in a manner 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.

Land Acquisition and State Assistance

The 2014 budget proposes \$100.4 million for discretionary Federal Land Acquisition and State Conservation Grants, a net decrease of \$1.5 million from the 2012 enacted level. This includes a programmatic increase of \$3.4 million for Federal Land Acquisition and a programmatic reduction of \$5.2 million for State Assistance. Fixed cost increases for the total account are \$246,000.

Of the total amount, \$60.4 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 \$32.4 million for NPS Federal land acquisition projects. The 2014 land acquisition project request totals over 10,900 acres of the highest priority acquisitions. As required by law, the proposed tracts are located within authorized park boundaries.

The budget also proposes \$40.0 million for State Conservation Grants and administration. Of this total, \$36.4 million is proposed for State Conservation Grants, to be apportioned to the states in accordance with the long-standing formula.

Additionally, a proposal to fund a portion of NPS land acquisition and recreation grants from the LWCF as a mandatory appropriation would provide an additional \$30.2 million to the NPS for Federal land acquisition projects, and an additional \$20.0 million for the State Conservation Grants program. The new authority will provide a level of stability to address the significant acreage that has been identified as endangered or important to the NPS mission, and will allow States to better plan their efforts from year to year. Funding will target an additional 5,727 acres in two parks and seven trails and will support an additional 150 grants to states.

Urban Parks and Recreation Recovery

The 2014 budget requests \$10.0 million to reinvigorate the Urban Parks and Recreation Fund, to be appropriated from the LWCF. The budget requests \$9.5 million for matching grants to improve existing recreational opportunities in urban communities which will fund 15 to 18 projects in urban cities and counties that represent the most physically and economically distressed communities nationwide. The remaining \$500,000 will be provided for administration of the program.

Additionally, the proposal to fund a portion of NPS land acquisition and recreation grants from the LWCF as a mandatory appropriation will provide an additional \$5.0 million for UPARR

grants. Another 10 to 12 projects will be funded from the mandatory funds, and the permanent appropriation will allow for consistent funding and long-term planning for grant recipients.

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 2014 budget includes \$52.0 million, reflecting increased fixed costs of \$547,000 and a programmatic reduction of \$8.4 million for National Heritage Areas (NHAs), for a 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 2014, the budget requests \$58.9 million, an increase of \$3.0 million compared to 2012. The \$3.0 million

increase will fund a new, competitive grant program targeted toward communities that are currently underrepresented on the National Register of Historic Places. The grant funds will be used by recipients to survey and nominate properties associated with communities currently underrepresented in the national Register of Historic Places and as National Historic Landmarks. Funding will allow the NPS to increase the number of minority and underrepresented properties listed on the National Register by an estimated 300 per year. The request also 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 \$160.0 million for Construction, reflecting increased fixed costs of \$878,000 and a net programmatic increase of \$3.7 million, for a total change of \$4.6 million above 2012 levels.

Line item construction is requested at \$83.1 million, \$5.3 million above 2012. The request 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 11 projects including Everglades ecosystem restoration through the Tamiami Trail bridging project at Everglades National Park, and critical new repair projects at parks such as Independence, Grand Canyon, and Yellowstone National Parks. Consistent with the Administration's Campaign to Cut Waste, the budget proposes funding for demolition and removal of unoccupied, excess structures at Indiana Dunes National Lakeshore and Appalachian National Scenic Trail. Additionally, the budget includes reductions of \$760,000 to the Housing Improvement Program, \$228,000 to Equipment Replacement, \$440,000 to Construction

Planning, \$2.4 million to Management Planning, and \$1.8 million to Construction Program Management and Operations.

Performance Integration

In 2012, NPS set out to maintain its all-time high visitor satisfaction level of 97 percent, which we successfully accomplished. For FY 2014, NPS expects to maintain this overall level of visitor satisfaction, but due to park operations cuts, visitor satisfaction among visitors served by facilitated programs will drop to 95 percent from its current level of 96 percent. However, it will remain our top priority to ensure visitors have a safe, satisfying, and enjoyable experience in our Nation's parks. In formulating the 2014 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

In keeping with the spirit of the Administration's commitment to cutting waste in Federal Government spending, the Department continues to pursue an aggressive agenda to reduce administrative costs. Several years ago, NPS began a servicewide process of strategically

prioritizing those mission-critical items essential to each and every park and program. The 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. The FY 2014 budget reflects the priorities of the NPS as the primary agency promoting both conservation and recreation for every citizen and visitor to enjoy.

Mr. Chairman, this concludes my summary of the 2014 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 B. Jarvis began his career with the National Park Service in 1976 as a seasonal interpreter in Washington, D.C. Today, he manages that agency whose mission is to preserve America's most treasured landscapes and cultural icons.

Jarvis's 36-year career has taken him from ranger to resource management specialist to park biologist to superintendent of parks such as Craters of the Moon, North Cascades, Wrangell-St. Elias, and Mount Rainier. Before being confirmed as the 18th Director of the National Park Service on September 24, 2009, Jarvis served as regional director of the bureau's Pacific West Region.

Today, he is responsible for overseeing an agency with more than 22,000 employees, a \$3 billion budget, and 401 national parks that attract more than 280 million visitors every year who generate \$30 billion in economic benefit across the nation.

The National Park Service brings the park idea to virtually every county in America. Grants from the Land and Water Conservation and Historic Preservation Fund help communities preserve local history and create close-to-home recreational opportunities. Since 1976, the Service's tax credit program has leveraged more than \$60 billion in private investment in historic preservation to help revitalize downtowns and neighborhoods across the country.

Jarvis has also reinvigorated the National Park Service's role as an international advocate for protected areas and recognized world leader in cultural and natural resource management.

Managing the National Park Service on the eve of its centennial in 2016, Jarvis has focused on several key areas that are critical for the future: enhancing stewardship of the places entrusted to the Service's care; maximizing the educational potential of parks and programs; engaging new generations and audiences, and ensuring the welfare and fulfillment of National Park Service employees.

Jarvis speaks frequently about climate change, sustainability, the outdoors as a source of public health, and the parks as a unifying, inspirational force for the nation. His blueprint for the agency's second century, *A Call to Action*, calls for innovative, ambitious, yet practical ways to fulfill the National Park Service's promise to America in the 21st century.

From a seasonal interpreter in the year of our nation's bicentennial to the head of an internationally known institution on the eve of its 100th birthday, Jarvis has gained a thorough knowledge of these great American treasures, the national parks.

"America's National Park System is a gift from past generations to this and succeeding generations," said Jarvis. "And while the challenges we face today – like climate change, shrinking open space, habitat destruction, non-native species, and air and water pollution – could not have been imagined when this agency was established in 1916, our mission remains the same: to preserve this nation's natural and cultural heritage, unimpaired for the enjoyment of this and future generations."



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.

Mr. SIMPSON. Thank you, Director Jarvis. I appreciate it.

DEFERRED MAINTENANCE BACKLOG

A couple questions. What is the backlog maintenance of the parks right now?

Mr. JARVIS. It is a little bit over \$11 billion.

Mr. SIMPSON. It is going up or down.

Mr. JARVIS. It is going up.

Mr. SIMPSON. And we have proposed how much in construction this year?

Mr. JARVIS. Let's see. Construction was \$160 million.

Mr. SIMPSON. Well, it will only take us 122 years. So what would it take in appropriations to address the backlog maintenance that is headed in the right direction instead of the wrong direction? Any ideas?

Mr. JARVIS. About \$700 million annually would begin to turn that curve.

Mr. SIMPSON. And when we talk about backlog maintenance, what exactly are we saying? What is the backlog maintenance in?

Mr. JARVIS. Well, the National Park Service has an inventory of assets that is second only to the Department of Defense. We have roads, trails, buildings. An interesting overlay of that is, many of those buildings are historic and incredibly important to the history of this country. Many of our utility systems, wastewater, water, electrical, were installed 60 years ago. Many of them are old, antiquated, sort of being kept alive but many of them need to be upgraded, if not replaced. About half of the backlog is roads. The National Park Service has an extraordinary inventory of critical road infrastructure that provides access to the public, whether it is the Loop Road in Yellowstone or the Going to Sun Highway at Glacier, and so we have a very large backlog in the road maintenance.

NEW PARK UNITS

Mr. SIMPSON. The reason I ask this question, it seems like everybody wants to add new units to the parks. Over the last couple of years, we have added seven new units to the park when we have got a growing backlog maintenance with parks that currently exist, and I am not suggesting that these additions are not appropriate but what pressure is it putting on you as we add new units to the Park Service, and some of them, you have got to wonder if they are appropriate, and some of them probably are.

Mr. JARVIS. Well, in any new proposed unit to the National Park Service, we carefully assess what the liabilities would be for us. I will give you an appropriate example of one that was recently added, and that is the Harriet Tubman Underground Railroad National Monument in Maryland. The property where Harriet Tubman was a slave was purchased privately through an NGO and donated to us, so it cost us nothing. The property sits inside of the Blackwater National Wildlife Refuge, so there is already an operation there by the Fish and Wildlife Service, and the visitors center that will tell the story of Harriet Tubman is being built by the State of Maryland. We will have minimal infrastructure and our responsibilities will be for interpretation at the site. So we are now looking at each of these additions to the National Park Service

through sort of a screen. I do believe that, history does not stop just because we have a budgetary problem. We in the Park Service have a responsibility to tell the complete story of America, and there is a constant desire to add to the system. We do resist a number of them. Probably over 50 percent of the studies that come through, we actually recommend they not be added to the National Park Service because in part we do have a very large maintenance backlog.

Mr. SIMPSON. Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman.

You know, the Senate when they had to find an extra \$20 million in the C.R., they took it out of Park Service operations just because it was the easiest thing to do. So I am glad the chairman raised that, an \$11 billion backlog and we are only able to put—what is the percentage? I will leave it to the dentist to figure out the percentage. But, I mean, it is miniscule.

SEQUESTRATION

Let me ask some other things. The sequester includes cuts to the Park Police budget, and as a result of those cuts, there is going to be a furloughing of Park Police Officers over the next 6 months. This is going to be a tough time to be furloughing Park Police, so I would like to know how you are dealing with it and still ensure the safety and security of our park visitors.

Mr. JARVIS. Yes, sir. So with the sequestration, since it was applied line by line in the National Park Service's budget, each of our operating accounts took a 5 percent cut. The U.S. Park Police is an approximately \$100 million operation annually. It is a program that is essentially all salary and operations, helicopter fleet vehicles, and emergency response. We had to take a \$5 million hit half-way through the year. Of course, the Park Police have been operating. We had a major role in the Inauguration, and a number of other events. The U.S. Park Police, for those of you who are not familiar, they are our elite urban law enforcement. They operate here in Washington, D.C., in San Francisco, and in New York. They protect the Statue of Liberty, the Golden Gate Bridge, the Presidio and then of course here in Washington the monuments and memorials, the G.W. Parkway. We are working very closely with the U.S. Park Police. At current expectations, we will have to furlough every employee in the U.S. Park Police, all 767, 14 days each, literally a full pay period. We are looking to see how we can balance our responsibilities for icon security and emergency response across the U.S. Park Police; we are looking at every major event that we have scheduled for the rest of the year. There is the Fourth of July and Rolling Thunder and, you know, the Cherry Blossom Festival. All of those require extraordinary responsibilities on our part, so we are analyzing data at this point. We have not found a solution that will not require furloughs.

Mr. MORAN. So every one of the more than 700 Park Police will be furloughed for an entire pay period over the next 6 months?

Mr. JARVIS. That is correct.

U.S. PARK POLICE HELICOPTER

Mr. MORAN. You mentioned the Park Police helicopter. We have three of them. Some are as old as 30 years old. While they have certainly exceeded their recommended flight-hour levels, is there any timeline for the replacement of at least the 30-year-old helicopter?

Mr. JARVIS. We think that the current fleet is still fully operational. Having three, one is a backup, and two are prime.

CONSTRUCTION

Mr. MORAN. I understand. You have got a one-time payment of \$30 million for construction of the Tamiami Trail within the Everglades. I do support that but it is going to cost hundreds of millions of dollars, and there are no commitments from the federal and state partners to share in the cost. So what have you worked out in terms of getting some matching for that major commitment? As important as it is, we cannot start the trail and then stop it. It has got to be completed, and it probably ought not have to be funded entirely with federal money.

Mr. JARVIS. The Tamiami Trail bridging is really an extraordinary project, and I want to thank the Committee for the support up to this point. We have gotten the 1 mile bridge in and it really allows passive flow from the north into the Everglades, and we do want to go with the next stretch. The \$30 million request that is in this budget I think is stimulating some excellent conversations. We do not have commitment yet but we are in very close conversations with the State of Florida to see if they have a willingness to put up some funding for this in support of extending the Tamiami Trail because that is a highway that serves the residents of the State of Florida as well.

Mr. MORAN. We will have another round, I imagine, Mr. Chairman, so I will not hold the others. Thank you.

Mr. SIMPSON. Mr. Calvert.

INVASIVE SPECIES

Mr. CALVERT. Thank you, Mr. Chairman, and thank you, Mr. Jarvis, for your service. We appreciate it.

One of the issues that is obviously big in the West is invasive species. You brought it up in your testimony. The zebra mussel is literally attacking the entire water delivery system that we have, and it is extremely costly and difficult to deal with. And then you mentioned the white-nose syndrome with bats, and obviously I know people do not think of bats every day but they are highly effective in limiting insect populations and especially in the farming communities. Are you having any progress with these invasive species or anything good to say as far as handling this?

Mr. JARVIS. Well, we are very concerned, particularly with the spread of the quagga mussel in the Colorado River system. As you know, it is in Lake Meade, full invasion in Lake Meade. We are beginning to be concerned about Glen Canyon and a few other of these systems. I think containment is key. Lake Meade and Glen Canyon have boat inspections coming and going as well as boat washing stations. We have put a significant amount of our fee dol-

lars into this. We are working very closely with the states for inspection and our concessioners. Every boat that parks and perhaps is moored in one of these lakes that has contamination has to be inspected before it is moved. The challenge, of course, is in these big lakes like Lake Meade or Glen Canyon, there are hundreds of places that you could come in with a four-wheel drive and drop a boat in and fish and leave and we would never see you. That is a big problem, so it is really important that we get the funding that we have requested and then work very closely with the state, particularly the fish and game agencies, for some kind of licensing, working with the boating community, because it is not to their advantage either that these things spread.

Mr. CALVERT. You are not getting any beneficial animal that can attack the mussel?

Mr. JARVIS. No, we have not found anything.

WHITE-NOSE SYNDROME

Mr. CALVERT. And any comment on the white-nose syndrome with bats?

Mr. JARVIS. The white-nose syndrome, it is wiping out bat populations. We have curtailed a lot of public use in the bat caves because there is potential for spreading white-nose syndrome. You are spot on about the importance of the bat community to agriculture. I think we underestimate what value they bring in terms of their eating insects. We are working with the U.S. Fish and Wildlife Service, the U.S. Forest Service, and state agencies to see if we can find something that will resolve this.

ENERGY DEVELOPMENT

Mr. CALVERT. Another issue, energy development. You have a permitting process. You are asking for \$1.2 million to ensure a science-based proposal to move ahead on that, and tell me, tell the Committee what are some of the type of energy development proposals that you are looking into.

Mr. JARVIS. Well, these are predominantly working with adjacent land management agencies such as the BLM and the U.S. Forest Service for large renewable energy systems, for instance, the large arrays that are being developed in the California desert have potential to affect the desert tortoise. We also are working to avoid conflicts with the Endangered Species Act. It is not so much that we are developing these facilities on our lands but we are working cooperatively with the other agencies as they are developed on adjacent lands to make sure that they are not impactful to either the park or the local environment.

Mr. CALVERT. Thank you, Mr. Chairman.

Mr. SIMPSON. Just out of curiosity, do Asian carp like quagga mussels? We might have a deal there.

Ms. McCollum.

INVASIVE SPECIES

Ms. MCCOLLUM. Mr. Chair, I was thinking if we could train them to eat them and then the mussels would kill them, it could be a win-win. Maybe we can get the USGS on top of that.

I want to follow up on invasive species a little more. I mean, there are plants too. You know, we are battling common buckthorn. We have got to worry about emerald ash bore, and zebra mussels in Minnesota for over 20 years, and as the chairman pointed out, the growing concern of Asian carp. There are several of us working bipartisanly on an Asian carp bill but we are kind of looking at it as a model of collaboration between federal agencies, state government, local units of government, and getting citizen involvement. I know there is good cooperation but everybody has gotten their budget cut. You got your budget cut so that means you have fewer people doing boater education on zebra mussels. One problem that we have incurred in some of our national forests is that people fish along streams and people used to dump their earthworms, thinking this is good, they are going to help the forest. I remember doing that as a kid because there was not any education, there was no discussion about it. There had not been research about what it meant when everybody was dumping their earthworms around trees.

Mr. MORAN. What is wrong with dumping earthworms?

Ms. MCCOLLUM. He will tell you.

Mr. MORAN. I still do that.

Ms. MCCOLLUM. Do not.

Maybe we need invasive-species legislation. Maybe we need to be talking about how we put all hands on deck both at the national, federal, local and community level on dealing with this, so if you could maybe reflect on that a little bit for me, and then be very careful as you build the trail in Florida because the invasive species there, I do not ever want to see a boa.

Mr. JARVIS. We can arrange that if you like.

Ms. MCCOLLUM. And then I will just put these together. So, the sequester impacts the scenic St. Croix, the Mississippi national river recreation, all the national parks, the ability of families to enjoy them and to have an opportunity for young people to be introduced to the great outdoors. This is an example of where the national parks are present and we do not do a very good job of promoting that these are national parks. Hats off to my two park people, both in St. Croix on the Mississippi, for getting the word out, working with the Department of Transportation in Minnesota to let people know that these are federal treasures. Families that drive by it often do not even realize what is going in some of the urban cores.

So this goes back to the vacant positions, and I totally understand the security that the Park Police provide. There are park enforcement officers that are out there interacting, doing education and making the experience a safe one. You are going to be cutting, at least in my neck of the woods, at a time of great and high-level use. Has there been any discussion about coming to the Congress? With the way we do C.R.'s and everything, we are not doing our job in a timely fashion. It is not the Chair's fault here; it is this Congress's entire fault. So I am not picking on the Chair here, but, maybe we should have been talking about public safety. You are talking about public safety. You are part of public safety and safe enjoyment. And can you just kind of give us some ideas on what you would suggest for us to be looking at.

Mr. JARVIS. Sure. I would be glad to do that. Well, let me start out with the invasive question. The National Park Service has been basically since our beginning working very hard on dealing with invasive species, and one of the more successful programs we have are invasive strike teams, and these are particularly for plants. If you get it early, you can pretty much prevent it, but if you wait too long, then it is generally too late, same thing with animal invasives as well. So our strike teams are available to move around the country and attack these species right when they are first detected, and that is incredibly important.

I think the other key component on dealing with invasives is engagement with the sporting community. I think that the fishermen—you know, I am a fly fisherman and I know now that there is an incentive to not wear felt soles on your boots because you will be moving invasives from stream to stream so the fishing community has moved away completely from those kinds of boots. We have really got to engage the sporting community on this, the boating community, the fishing community, the hunting community, all that, we are all in this together, so that we can have sustainable recreational opportunities that we can predict because invasives can change that completely, so I think public-private partnership is really the key to that.

NATIONAL PARK FOUNDATION

In terms of getting the word out, I want to just comment about this because I think this is a story that you may not know. So with 2016 coming, our Centennial, we recognize that we need to build a new constituency among the American people about our national parks, about all of the units of the national park system, not just the classic ones as well. So through our foundation, the National Park Foundation, we have hired a top-flight Madison Avenue marketing firm, Gray Advertising. They do the eTrade baby, if you are familiar with that. They had a Super Bowl ad. So these guys are great, and we have hired them, not with appropriated monies, it is all philanthropic support, to basically build a campaign for the national parks for 2016: To raise awareness, to connect kids, to reach communities that are unaware, to increase visitation, all of those things that are sort of part and parcel as to who we are, and we are right in the research phase right now. We hope to have the creative content developed by this fall and then the campaign will build towards 2016. The Mississippi Rivers, the G.W. Parkways and the Hagerman Fossil Beds and, the parks that people do not really know are these national assets can benefit from this overall campaign.

SEQUESTRATION

So to the point of sequestration, absolutely every park in the system took a hit because they are line items in the budget, so every park had to find a 5 percent reduction, and I set the bar that the last thing we wanted to do was to furlough permanent employees. Now, we are having to do it within the U.S. Park Police. Across the system, Bruce and I at the beginning of the year, predicting it might be a troubled year from a budgetary standpoint, we put in a lot of controls on parks. We imposed hiring restrictions, travel re-

strictions. I ultimately put in a hiring freeze. And so as a result, we have about 1,200 to 1,300 positions, permanent positions in the Park Service that are unfilled right now.

Ms. MCCOLLUM. Would you say that again?

Mr. JARVIS. Thirteen hundred permanent positions that are unfilled, and we are not going to let them fill 900 right now, plus 1,000 seasonals. We have said that they will not be able to hire 1,000 seasonals, and that has a net effect that ripples across the system from, reduced plowing—you certainly saw some at Yellowstone and Yosemite—reduced maintenance, shorter hours and facilities, fewer interpreters, fewer programs. In some cases, visitor contact stations will be closed, restrooms may be closed, fewer law enforcement rangers which result in longer lead times and response. All of those kinds of things are happening absolutely this summer in every park in the system.

Mr. SIMPSON. Mr. Cole.

Mr. COLE. Thank you, Mr. Chairman.

Mr. Jarvis, always good to see you.

Mr. JARVIS. Good to see you.

CHICKASAW NATIONAL RECREATION AREA

Mr. COLE. I think on a bipartisan basis, we just appreciate the career and the professionalism and the way you do your job, and I know a long time ago I had the opportunity to work with you, I think when you were regional director on the Pacific west area on the U.S.S. Oklahoma Memorial, and you guys did an unbelievable job helping us get that up and operational.

Mr. JARVIS. It is a great memorial.

Mr. COLE. Well, thank you for your efforts. You were a big part of making that happen.

I want to ask a parochial question and then turn it into a little bit larger question. I want to thank you. I know you are in serious negotiations right now with the Chickasaw Nation about the operation of the Chickasaw National Recreation Area, the core of which, as my colleagues know, was actually originally given to the United States by the tribe itself to protect the unique set of sulfur springs that has been added to over the years, and they have been developing quite a complex. They have their cultural center on the edge of it. It actually sits on land that a land swap was arranged with the Park Service years ago. They have got a new hotel downtown. They have got their own crafts center going up. They are working on their version of a visitors center. So, they are anxious to operate the park themselves. They actually do now operate a state park, Boggy Depot, which is a historic park. It is actually one of the areas in Oklahoma where Indians were brought to during the removal process, and they operate for our state the largest visitors center that we have on the Texas border, which they took over and they fund. Actually, these have been situations where the state has saved considerable money.

So what I wanted to ask is, number one, insofar as you can, can you give us sort of the status of the negotiations and discussions and concerns you might have, because I think there is money to be saved here for the federal government. I think it will actually put more resources into the facility than we could ever get in the fed-

eral system. The community is very anxious because they have seen tribal investments that have really benefited the non-Native population. I think the attitude would have been very different a decade ago than it is today because of the commitment that they have seen.

And then finally, after you answer that specifically, if you could talk more largely about other joint management arrangements between tribes and the federal government in areas that are obviously very important to the tribes that they have a long-time association and history with.

Mr. JARVIS. Thank you for that question. This is something that strikes very close to home for me. I have had in my career some of the most extraordinary opportunities of working with tribes—I lived in a Native village for 5 years in Alaska. Native tribes obviously have a deep association with these lands, great cultural connections, incredible stories that need to be shared with the American people, and it is far better to have the tribes share those stories than us share the stories for the tribe, in my view. We are currently working in the Badlands with the Oglala Nation to look at returning the south unit to the tribe and to be operated as a tribal national park. We have been working through the management planning process for that. Again, those were lands that were original tribal lands. They were taken away. They were used as a bombing range during practice in World War II. And then instead of giving the land back to the tribe the land was given to the Park Service. We believe the land should be returned to the tribe but managed as a national park. We have been working very closely with the tribe and ultimately though that is going to have to come here for legislation for that to actually work. We cannot exchange the land administratively. In other places across the country, we are working on co-management agreements where the tribe is returning to these lands and providing interpretation and cultural assessment. They are working side by side with us on archaeological sites, and we are really elevating their story in places like Lewis and Clark and others.

So specifically, the Chickasaw Nation and Chickasaw National Recreation Area, we have been, as you probably know, in close conversations with the former governor and with Tom Johns there at the tribe for a funding agreement. I think it is a very good start. Also, we think that working together in the new visitor center that they have just developed, makes a whole lot more sense than us building another visitor center.

Mr. COLE. Oh, I know. I know we still have a little bit of money I think set back, so we would love to find a way to free that money so you can use it for some of the other pressing needs that you have.

Mr. JARVIS. Yes.

Mr. COLE. Again, they really want to do this.

Mr. JARVIS. And that is our impression, and I have instructed the staff there at the local and the regional level to sit down and hammer out this funding agreement and go from there.

Mr. COLE. Well, I again just want to commend you. I appreciate the effort obviously in this particular case because it is near and dear to my heart. It is my district, but beyond that, I just appre-

ciate the whole attitude in looking for these kind of opportunities because I think they are out there, and more and more tribes have a little bit more wherewithal and certainly your attitude is exceptionally helpful, and it is much, much appreciated. I yield back.

Mr. SIMPSON. Ms. Pingree.

SEQUESTRATION

Ms. PINGREE. Thank you, Mr. Chair.

Thank you very much. It is nice to see you here today. I appreciate your visit to Maine and some of the national park issues that we have been looking at there and particularly your strong support of Acadia. So I guess I just need you to say some of the same things again that you have been previously talking about given the sequester and some of the previous cuts. I know there is a lot of concern in the Acadia National Park, which literally sees millions of visitors. It is a huge economic engine for the surrounding area. They are delaying the opening for a month. There will be fewer staff, reduced hours at the visitors center. I missed a little bit of the beginning of your testimony, but I am just interested to hear if it is going to get back to the normal level, or are we going to be able to have the staffing that we anticipated or have had in the past to run it at a level that we can handle the number of visitors. As you know, they have to come across a tiny little causeway and then there is a huge island and it is difficult population moving. It goes from relatively quiet winter fishing towns to more people than most people would see in a day in New York City. So just go give them a little hope.

Mr. JARVIS. Well, that is why I am here. The budget at Acadia took a hit as part of the sequestration, about a \$400,000 hit, and you know, one important component about this challenge is that most of our parks operate somewhere between 85 to 95 percent in fixed costs on an annual basis, and that means that is your permanent salaries, your supplies, materials, your utilities, your fleet, and then that, 15 to 5 percent is your discretionary summer operation. That is where you hire your seasonals. That is where you bring back your subject of furloughs. That is where you really operate for the summer, and Acadia is obviously a primarily seasonal operation. It provides extraordinary economic benefit to that area and is very, very important to the local businesses who thrive off of the tourism trade that comes to Acadia. We know that very well. The challenge, of course, is that park had, as every park had to, is to figure out how to take a \$400,000 cut halfway through the year, and so everything from reduced hours, reduced maintenance, reduced visitor center hours and reduced programs are having to be absorbed, and I guess that is why in many ways we are here. As you look to the 2014 budget, restoring operations is really the critical component. It is what provides the direct front visitor access.

ECONOMIC IMPACT

I want to make a really important point: the appropriations for the National Park Service is an investment. In my view, and not to be too parochial here, but it puts that investment at the local community level directly into those communities, and for every dol-

lar you put into that community, there is \$10 returned. And so it supports their jobs, and many of these places, you know, they live and breathe on the shoulder seasons. During the core season, they sort of break even. If they are going to make any profit, it is on the shoulders, and that is what we are having to cut back on. The shoulder season extends a little later into October, a little earlier in the spring. We are having to delay openings, delay hiring, and still provide the best possible service in the core of the season but those cuts on the edges are really significant.

INVASIVE SPECIES

Ms. PINGREE. Well, I have some other questions, and I can wait for the second round, but since everyone is adding to the invasive species list, I am kind of interested in how you are doing with the lionfish in the more tropical waters.

Mr. JARVIS. Well, we have teams out. The lionfish have really, really invaded our warm water systems and are moving certainly up the coast. We basically have a kill-on-sight policy for both our own staff and our recreational divers. They are an incredibly voracious feeder. I think we are going to be living with them forever but we are really trying to protect some of our most critical areas like marine reserves from the lionfish.

Ms. PINGREE. Good luck. Thank you.

Mr. SIMPSON. Ms. Herrera Beutler.

FORT VANCOUVER NATIONAL HISTORIC SITE

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman. I too absolutely love our national parks. This is a fun hearing just because everybody is interested in the same issue, and it is something that most of our constituents care greatly about.

I feel like it is important to bring up the issue that we have been working on in my neck of the woods to demonstrate that there are areas of improvement that need to be worked through. You came in and met with me yesterday, and we have talked a few times over the last year about Fort Vancouver National Park, and I think it is important for the Committee to be aware of this issue. Fort Vancouver National Park is an urban park. I remember going there as a child to visit the different Park Service activities. It is a huge part of our community. It is the Hudson's Bay Company. It sits right on the Columbia River across from Portland, and it is in downtown Vancouver along I-5, which is like 95 over here. The Portland International Airport is across the river. It has its own runway on the park, and then there is BNSF. There are rail lines that go right by it. So it is kind of a planes, trains and automobiles urban park. It is not Yosemite, but we love it for what it is. The way that it has worked so far, some of the buildings are owned, I believe it is all owned, and some of it is managed by the city. Officers Row, which actually until recently the Army had a barracks there that was then turned over to the parks as part of the BRAC process. But the Officers Row, which is where my district office sits, is managed by the city, and it is beautiful, it is open, it is historic. It is all under guidelines from the Secretary, so you cannot change anything, which is fine. But then there are sections that are run by the actual Park Service, and we have had some real

challenges, I think, on the local level with personalities. There is a cooperative agreement. We have, as you and Secretary Salazar have talked about, a public-private partnership that, especially at this time when money is scarce, we value. You value it, I value it. It is an opportunity for the public to invest money in a community and be a part of this treasure. It is not just a Park Service separate thing, it is very intertwined. This is an agreement that has been going for about 15, 20 years. The land that the trust manages, was originally part of the city, was given to the Park Service. Then this cooperative deal came about, and it has been working beautifully. They have been raising money to keep this museum open. They have worked with the Park Service. It has been an ideal that I would like to see duplicated. I got involved when we started having some challenges about three months ago. The day before it happened, my office got hand-delivered a letter from the Park Service that said we are terminating the contract and evicting the trust, and we have this controversy, which has led me to introduce a bill to transfer that little piece of land that was originally owned by the city back to the city so that we can continue to have the museum open. I guess this is the one thing that we talked about a lot. Your goal is to have it back opened and operating, my goal is too, so we are on the same page.

I know that you got involved immediately and had talked to the folks on the ground and said you will have a limited amount of time—I believe the time frame was 30 days—to work this out. I guess what I am curious about is, did they ever report back to you on that. Because I feel like there has been a disconnect between what they are doing on the ground and what you, their boss, is telling them to do. And I am not sure how to prevent that in the future, if that makes sense. I guess I am curious, did they get permission from you to terminate that cooperative agreement or was that not something that they ran up the flagpole, so to speak?

Mr. JARVIS. Bruce would tell you that all the superintendents do exactly what I tell them to do.

Ms. HERRERA BEUTLER. But then there is reality.

Mr. JARVIS. Then there is the reality. The reality of the situation is, we have been directly involved. The challenge is, we are one party to a three-party agreement, and so the museum is back open but it is not being run by the trust and it does not have the exhibits. The exhibits were removed by the trust and put in storage, and even though they belong to the city, the trust has not been willing to give them back, so we are stuck with essentially a relatively empty building that open and it is available for special uses under the Park Service's management but it is missing the exhibits.

Ms. HERRERA BEUTLER. It is missing the guts.

Mr. JARVIS. Yes, it is missing the guts. I think, you know, as you all know, winning teams sometimes have a bad season and that is sort of what we have right now, we have got some differences of opinion about how the museum should operate and I think that we can find common ground. As we mentioned yesterday, we are bringing in a mediator to get this worked out.

I think you are absolutely right that these kinds of public-public—because you have two publics, you have the federal and the city partnerships, which are absolutely the wave of the future. I

think we have got some great examples, and the Park Service is actually pretty good at this. When you look across the system at Golden Gate, in New York, other places that we have—

Ms. HERRERA BEUTLER. Here on the National Mall, as we talked about.

Mr. JARVIS. Yes, and we have done this well, but sometimes these relationships go a little south because there are differences of opinion, and in this case, the difference of opinion is around large events, and I think we can work that out and that is what I have instructed. I think I have got the right team on the ground now to make that work.

Ms. HERRERA BEUTLER. Great. Well, thank you very much.

Mr. SIMPSON. Mr. Serrano.

HURRICANE SANDY

Mr. SERRANO. Thank you so much. I do not feel totally lost talking about worms and things like that, but we have the beaver, José the beaver, but it is, as was said before by a colleague, a very exciting hearing as always. We thank you for the work you do and we thank you for what you provide for our community, and these parks are treasures. It has been said millions of times before, but we should do whatever we can to maintain them and to keep them going.

Let me ask you a question. The aftermath of Hurricane Sandy has left many people repairing what is there, and we know you are doing that and everybody is participating in it. The question that I have been asked by a lot of local officials is, are there plans that you can share with us about not only repairs at some of the places like Fort Tilden, but also to begin to prepare for the possibility of another Hurricane Sandy, you know, strengthening the environment, if you will, to deal with this in the future.

Mr. JARVIS. Absolutely, sir. I think this is sort of the core of our response and recovery to Hurricane Sandy. I serve as the Secretary of Interior's representative on the HUD task force under the direction of Secretary Donovan, and so building what could be called resilience into these systems is going to be absolutely the cornerstone, and all of the federal agencies are committing to that as we apply our funds. Now, the National Park Service in particular has two sources of funds that were provided from the supplemental from the Congress. The first is the recovery side, which is going back to reopening the Statue of Liberty and Ellis Island, rebuilding our docks and access, our boardwalks at Gateway and our bike paths and restrooms and utility systems and all of those things that were damaged by Hurricane Sandy. As we redevelop every one of those, we are going through a screening process to ensure that they would persist, shall we say, in the next storm event because we obviously will have another of these sometime in our lifetime as well as the climate change predictions show sea-level rise. So there are new base flood elevation maps out from FEMA, and we are recommending those flood maps plus a foot be applied to all of our infrastructure, and for critical infrastructure, we are going for 2 feet. So if you talk about a utility system or a security system at the Statue of Liberty, we want to build that at enough of a height that a future Hurricane Sandy, it would persist and we

could get it back open because, as you know, we have had the statue closed now since Hurricane Sandy. We do plan to open it on the Fourth of July and have the security back up and running again. On Ellis Island, all of the utility systems, the boilers, the HVAC, the electrical systems, were in the basement of the immigration building. They all went under water, I mean, and under saltwater. The water line is basically at the ceiling of the basement. All of that has to be moved up. It all has to be brought out of the basement and put at higher levels in the buildings in anticipation of these future events.

So the second tranche of money we have is in the mitigation side, and I think this is an area where we can really invest in some green infrastructure. There is always the gray infrastructure. The green infrastructure are the dune fields and the wetlands that really can provide great protection to the communities along the coastlines, and we are working with the states, with the other federal agencies, Army Corps of Engineers, U.S. Fish and Wildlife Service, state parks and all those to do a really good job of investing in the right place and the right kind of sort green infrastructure that can really protect these communities.

Mr. SERRANO. Well, we thank you for that answer. We in New York were used to understanding that we were a target for terrorists, and September 11th unfortunately proved that, and after that, all that we have done to make sure it did not happen again. But we see these kinds of situations, Katrina and so on, happening in other places and we expect a snowstorm maybe here or there, but this was totally different and it has made us open our eyes to understanding what other colleagues go through in their districts, and so we appreciate that.

NEW PARK UNITS

Let me very briefly just touch on another subject and then I will stop. You mentioned the importance of dealing with the history of our country, and I know that you have done a lot, and we certainly recently did something that was a successful monument to Chavez in California. But then the budget cuts come in. Are any of these new additions in danger of not being dealt with properly because of the budget cuts?

In other words, we will get an addition and we celebrate that, and then is there a problem later on in terms of the upkeep and so on?

Mr. JARVIS. There is a request in the 2014 budget for operations at each of these sites including Harriet Tubman, and Charles Young and First State. They do not have appropriations right now. So basically we are supporting them through partnerships or through philanthropy, and it would be our hope that upon your consideration of this 2014 package that these new units would be funded at some base level.

Mr. SERRANO. Thank you so much, sir.

Mr. SIMPSON. Thank you, Mr. Serrano.

RECREATION FEES

Let me ask you just a general question, because as I sit and listen to all this, and the impact that sequestration and the addi-

tional cuts that the Senate put on top of that, the additional 1 percent that actually went after operating budgets which caused some of the problems here, I do not see this changing real quickly. What are we going to do in the long-term interest of trying to fund the national parks with what I think everybody believes is an appropriate level to take care of, as I said, America's best idea? I understand that there is a group of interested stakeholders that has met recently that has looked at additional outside ways to raise money. And I said in my opening statement, I understand the authority to charge fees expires this year and needs to be reauthorized. Are we charging the appropriate level of fees? And this gets into the whole question of how much of a park's budget is supported by entrance fees, and you have some parts that they cannot charge to entrance fees, and how much of the fees generated by a particular park stay at that park, and so forth. I guess the question is, are we looking outside the box when trying to address this in the future? Because I just do not see this budget situation changing really rapidly.

Mr. JARVIS. Thank you for that question, Mr. Chairman. I agree with you 100 percent. Let me take the fee question first. The fee authority does expire in 2014 and we really need that reauthorized. I think if we had the opportunity, we would make some adjustments to the fee legislation, but at a minimum, it needs to be extended.

Mr. SIMPSON. How much revenue do we get from all that?

Mr. JARVIS. About \$170 million, \$180 million in collection of fees. Our operating budget is \$2.1 billion and we collect \$170 million out of that. The money, under the fee legislation, is restricted to certain activities and we have focused that mostly on projects. It has been a great assistance with the maintenance backlog. We have put a lot of emphasis on the maintenance backlog, improving accessibility to parks, and improving facilities. We really have not substituted that for operations except in a very few areas. Fee legislation does need to be extended. I think we are reevaluating increase of some fees. When I first came in as the director in 2009, I put a moratorium on fee increases because I think we pushed the American public about as far as we could get them. We were starting to get some pushback on our fee increases and layering of fees and the like. The public does know that their tax dollars support these incredible places and still they are willing to pay. The Park Service has been collecting fees for almost 100 years and the public, as long as you show them that there is net benefit from their fees, they do not object. But I think we can reevaluate some of that. I did create an active-duty military pass this last year, handed out 130,000 passes to active-duty military and their families to get into parks for free, and we thought that that might have a fee impact. Actually, our fees have gone up. It is actually net growth, which is actually quite cool, plus it is a great gift to our active duty.

Yes, a couple weeks ago there was a gathering of the Bipartisan Policy Council, a large array park supporters; our hospitality association, our tourism sectors, our friends groups, our philanthropic support, our foundation, and they produced 17 white papers on different funding scenarios of how we could approach bringing in non-appropriated dollars in different ways, different partnerships. We saw those papers for the first time basically at that event, and I

have tasked Bruce and his team to evaluate all of them and look at which ones really could produce an additional source of revenue or leverage existing revenues. Another major investment that we are making is in our own National Park Foundation. The National Park Foundation is our legislatively created philanthropic partner. They right now raise about \$20 million a year, though they did a pretty strong lift for Flight 93 and raised more than that for that one project. I think the potential for them to be raising is probably an order of magnitude over that, and that is part of our overall campaign for 2016. I think they should be raising well over \$100 million a year from philanthropic support, and I think some of that is going to come through corporate sponsorships, some individual philanthropy and foundations, but we need to elevate their profile, and that is going to be a part of it.

So all of these ideas I think we have to look at very, very closely and very strongly, and be willing to consider them because I agree with you that I do believe that there is an inherent federal taxpayer responsibility to these places to basically operate them but then as some of our supporters in the past, it is that bright line of excellence, that next phase, that next piece where we can expand, not expand the system but to take care of things like education and climate change and invasive species, that there may be other ways to achieve that. The 2014 budget does have a line in the request to extend the fee program for another year.

Mr. SIMPSON. Mr. Moran.

Mr. MORAN. I share your pessimism, Mr. Chairman. We will find out in a few months whether there is any possibility of what they call a big deal, but if the past is any prologue to the future, it is not going to happen, and so we are going to have to find other means of paying for the upkeep and the preservation of our national parks and heritage areas. I do hope that we will reevaluate fees, and I think we ought to look at concessions. Now, what is going to happen is, we are going to get bombarded just raising the possibility but that is human nature. People want everything they can for free, most people. They do not mind cutting programs as long as they are programs that do not affect their lives. They do not mind raising taxes as long as it is not their taxes. And that continued attitude has brought us to where we are today.

So I do think we need a re-evaluation of fees. I think we ought to look at whether the use of natural resources on publicly owned lands is appropriately compensated to the government, whether it be drilling or mining. We know mining is a fraction. There are foreign firms that pay virtually nothing for the minerals they extract. That is not necessarily national park land but some of it is. Grazing fees are unbelievable—the subsidy that we offer people who graze on public lands versus what it would be in the private sector. I think we need to take a close look at concessions because they are monopolies within the parks. So I hope we will do that. I know we are not going to get support for that, but it is the only thing we can do. Otherwise we are going to see a continued deterioration of some of America's most precious assets.

And while I am on this criticizing the human species, which is basically the problem, I see all my colleagues on the other side have left here. I appreciate your hanging in, Ken.

WHITE-NOSE SYNDROME

Mr. Calvert mentioned the white-nose bat syndrome. Was that not largely spelunkers in caves that introduced that to the bat population? How did it get there in the first place?

Mr. JARVIS. I do not think we really know how it got into the population. We do believe that cavers have the potential for spreading it.

INVASIVE SPECIES

Mr. MORAN. Okay. So they are at least spreading it but did not necessarily introduce it.

We have a serious problem. I do not know whether it has affected the National Park Service but I know it is a serious problem in places like Maine, I suspect Minnesota, this vegetation that gets into our ponds and relatively placid lakes. I do not know that it survives in rivers. And it is introduced by motorboats.

Ms. MCCOLLUM. Are you talking about milfoil?

Mr. MORAN. Yes, milfoil, and we have serious problems in Maine, and you know, it just takes over the ponds, and largely it is just carelessness. I think primarily people with motorboats, they go into relatively small, contained bodies of water and they zoom around and they cut up the milfoil and then get out and go to the next pond and spread it, and it is a serious problem. Do you see that much on Park Service property?

Mr. JARVIS. We do see the extension of milfoil as well as other aquatic invasives, and it is a constant vigil that we have to maintain about protecting these systems. One of the best hedges we have in protecting these systems and keeping them intact is to fight back the spread of these exotics.

BISON

Mr. MORAN. Let me just ask one other, well, two things quickly, on the wild bison program, you have the Yellowstone bison management plan that is 13 years old. The Animal and Plant Health Inspection Service needs to have a policy that works in terms of brucellosis regulation. But the plan envisions 3,000 wild bison. It was developed more than a dozen years ago. Is it still appropriate and relevant today?

Mr. JARVIS. It is, sir. I think we are on the verge of actually kind of a breakthrough in many ways with our bison by recognizing that there are tribes in the West that would like to have bison. It is the core of their culture. They need some support to improve their facilities and structure and training to manage bison herds. Basically we have excess bison coming out of Yellowstone every year. We want to maintain a heard in the 3,000 population class but, some years they can be up to 5,000 and so we need to be able to move those. The concept of bison coming out of the park, being quarantined, and those tested positive for brucellosis would go to the slaughterhouse. Those that are tested without brucellosis would be quarantined for a period, tested in partnership with the states and APHIS and then ultimately transferred out to the tribes. We have done some of that already with Fort Peck Reservation and it has been very successful, and I think the concept is to line up all the

agencies and the states to support that in terms of their transport. Everybody agrees that after the bison have gone through their quarantine and their testing, the brucellosis-free bison belong on the reservations or on the bison range.

Mr. MORAN. That is wonderful that you are doing that. We strongly support it, and we recognize it is tough to transport bison. I mean, you cannot exactly put them in your backseat and—

Mr. SIMPSON. Ride them.

Mr. MORAN. Or you could ride them. You could ride them, Mr. Chairman. They are not really particularly friendly animals. They are wonderful, a great species, but not particularly friendly to humans, and I do not blame them since we wiped them out virtually. If I were a bison, I would mow down every human species I could find.

URBAN PARKS

But anyway, let me just move to the final thing I wanted to ask you about, and that is urban parks. We have talked about this. It is more so with Bureau of Land Management but Interior's focus has largely been in the western area where there are large parks and public lands. But we want more presence in urban areas from a political standpoint, not just the economic standpoint. You finally put some money in for urban parks, the Urban Park and Recreation Recovery program, to revitalize urban park facilities. I want to keep Mr. Serrano interested. He is trying to keep this beaver he has got in the sanitary sewer system and he is trying to survive. What is his name? What do you call him?

Mr. SERRANO. It is not a sewer system, Mr. Ranking Member. It is the Bronx River, and we cleaned it up, and a beaver came back for the first time in 200 years.

Mr. MORAN. That is wonderful.

Mr. SIMPSON. Just a beaver?

Mr. SERRANO. A beaver, then a second beaver came.

Mr. MORAN. You need the second beaver to maintain the population.

Mr. SERRANO. On a serious note, the New York City seal has a beaver on it because that is what New York City started out to be, a beaver pelt colony. So the beaver came back and it became a whole in the community where the cleaning up of this river and the beaver coming back has given just a whole new life. There are festivals. There are all kind of things that are going on. And the beaver is named José. A hundred years ago, he would have been named, Victor or something like that.

Mr. MORAN. Or Patrick or something. José is good.

Mr. SERRANO. It is a sign of the times.

Mr. MORAN. So you get the point that getting that one beaver back is a big deal for the Bronx River. Can you just say a word about what we are doing in urban areas to spread some of our natural resources' wealth around the country?

Mr. JARVIS. Absolutely. Well, one thing, and I know Mr. Serrano knows this, is that the National Park Service's Rivers, Trails, and Conservation Assistance program was very, very involved for the last two decades in the restoration of the Bronx River. I have created a center for innovation around urban parks at Marsh-Millings-

Rockefeller, and they are specifically looking at the role we play in urban parks. I mean, that is where the people are. We are now over 80 percent urban as American people. There are concerns about that in terms of our responsibilities because we are losing the connection to the outdoors. We have got this great experiment going on right now, Prince William Forest Park, which is just about 30 minutes south of here. You know, that was built by the CCC. They used to bring urban kids to the outdoors in the 1930s. We have got a group down there this month bringing kids from the area, urban kids, to spend overnight in those cabin camps, and it can be transformative experiences. Urban parks are the essential threshold experience for urban communities to get them back into the outdoors as well as to form connections with history.

The Park Service roots, as you indicated, were in the big, wild areas, and that is really where innovation started in the Park Service about conservation and historic preservation. We are now bringing that to the urban environment, and the UPARR investment, which we think is really, really important, is to help all of the urban park families really use those assets not only reconnect to the outdoors but to have a great life. Parks are essential to that. We know that. And you can certainly see it across the country. Examples include even here in the District, restoration of the Anacostia River, restoring access to the Potomac and in New York, the work at Gateway to create the largest urban campground in America at Gateway National Recreation Area. is a great—

Ms. HERRERA BEUTLER. Can you camp there?

Mr. JARVIS. No, but you can—it is a great urban park.

Mr. SIMPSON. You probably could.

Mr. JARVIS. You could, in the fort.

Mr. MORAN. Thank you, Mr. Chairman.

Mr. SIMPSON. I appreciate your comment on that. It is something I agree with entirely. If you are going to reconnect younger generations to outdoors, you need these urban parks, and we have a tendency sometimes in the West to forget that because we kind of live in an urban park out there. Mr. Calvert.

EARLY RETIREMENT

Mr. CALVERT. Thank you, Mr. Chairman.

Director, I respect the challenges you have in trying to manage in a difficult budget environment. One of the things I have noticed over the years is the growth of the phenomena of utilization of overtime, and I understand as you are bringing down your employee levels, you probably want to utilize less employees more effectively. But on the other hand, as you know, per-unit of employee that brings that cost up substantially, and I do not know how it is really in your responsibility but I have seen this throughout, for instance, in Department of Defense and federal government which increases that cost substantially. And also the issue of senior employees. Would it be helpful to have a program to encourage early retirement for folks that have already qualified for retirement in order to effectively bring down the costs of operation, bringing on newer employees to obviously a lower number, programs like that where you can have tools to manage the number of employees you

have, the amount of money you are paying to those employees. I suspect it is the largest percentage of cost in your operation.

Mr. JARVIS. It is. The Park Service is a unique organization in that most of the employees, like me, stay a full career. I am 37 years in the Park Service. I am well past my retirement eligibility. And that is true throughout the organization.

Mr. CALVERT. Well, for those who want to voluntarily retire. I am not talking about a mandatory push-out. We have been using that in the private sector for some time.

Mr. JARVIS. I think that if this budget climate continues, then getting the authority for basically VSIP and VERA, which are the buyout or early-out authorities, is a good idea.

Mr. CALVERT. And how about the utilization of overtime?

Mr. JARVIS. I really do not have an idea. I do not know if you, Bruce, have an idea in terms of OT utilization.

Mr. SHEAFFER. Historically, we have not been a high overtime user until an emergency occurs, and then you will find—

Mr. CALVERT. And I understand.

Mr. SHEAFFER [continuing]. Fire emergency, law and order—

Mr. CALVERT. There are other federal agencies that use overtime as a matter of course. It is almost an expected benefit, you know. That is not the case in your agency?

Mr. SHEAFFER. It is not.

Mr. CALVERT. Thank you. Thank you, Mr. Chairman.

Mr. SIMPSON. Ms. McCollum.

INTERNATIONAL EXCHANGES

Ms. MCCOLLUM. I am going to take this in a little different direction for a few minutes here, and especially with as tight as the budget is and with you having to make decisions, I can see where this is going to be at the bottom of the decision level, and that is some of the interpretive work that you have done and that you have lent support to with some of the international exchanges that have taken place in the past, and I will give two examples of two wonderful things that I saw.

I was in Arusha National Park in Tanzania, and the park superintendent there, maybe there was one other employee, a big vast area, but he had the experience of coming over here and working with our Park Service and was very proud of that and was taking the best of practices in what I think was a very difficult situation both with the amount of support he had from his government and dealing with poachers and all kinds of things. And this exchange was a win-win. It was a win-win for conservation around the world, and it was a win-win for soft power in the United States because when people asked him where he got his training and he was in the village and what he had displayed when you walked into his office was the best that the United States has to offer in reaching out and building long, sustainable relationships and friendships on a person-to-person level.

Another place where I saw the Park Service, and this was actually our government learning from the Park Service, was at Normandy when the Normandy Interpretation Center was opened up. A beautiful facility but how do you tell the story. So when our International Battlefields Commission looked at how do we tell the

story of what the greatest generation did, it was the Park Service that they turned to.

Now, these would be programs after you do life, health and safety, after you do your backlog, after you do so many things that we have asked you to do and you are trying to do with a short amount of dollars that I can see would be taken off the table. I know part of a fund that the chairman and this Committee has been very, very instrumental in keeping intact has been the international conservation forest group, which you work hand and glove with. Could you kind of tell me maybe what we are about to lose, and once it is gone, sometimes you can never get it back?

Mr. JARVIS. Thank you for that question. You know, the National Park Service's Office of International Affairs has three employees total, and so our international assistance program is funded predominantly by USAID, State Department or the interested country. We do not have much of an international program, which is unfortunate, in my view, because I think it is incredibly important soft diplomacy and the State Department has always turned to us to provide assistance when they can fund it to send our employees to assist particularly developing countries that are looking to diversify their economies. You look at Costa Rica and their incredibly successful national park program. The Park Service built that, the U.S. Park Service. That was our effort to train them on how to manage and protect their systems, do tourism, do interpretation and now it is an integral part of their economy. We are assisting South Korea, Colombia, a number of African countries, and we work in partnership but it is all through basically no Park Service funding other than paying our staff. There has been a Park Service employee at Normandy probably since the beginning. We have one there right now that is helping with the interpretation at Normandy.

The U.S. Park Service is viewed internationally as the leader in this field. But, for instance, I have had to curtail essentially all international travel for the rest of this year except for a very, very few instances where they were being paid and we had already committed to provide that assistance for the rest of this fiscal year because of sequestration. So I do worry about it because the international parks community really does want to see us there. They really enjoy our participation.

Ms. McCOLLUM. Thank you.

Mr. SIMPSON. Ms. Herrera Beutler.

LEGISLATION AND AUTHORITIES

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman.

In thinking about the dollar issue, that is the number one thing we are hearing about as all the different directors or secretaries are coming before the Committee. It is actually the one thing that I have heard about ever since I came to Congress, partially because most of my region is not heavy government, it is not heavy military, it is small and medium sized business, and we have had double-digit unemployment almost since the whole thing crashed. We are creeping up now, barely creeping up, and not everywhere is double digits, so making do with less is not just a theme here. As I think about them sitting in these chairs, I wonder how they

would respond to some of these conversations. But as I am sitting here, I am wondering what can we do, what would you, if you could, eliminate from your responsibility that we are requiring you to do that would allow you to—I am talking about flexibility. What would allow you to better do the job? So, for example, I have educators who come in and they say well, if you are not going to fully fund this program or this program or this program, take some of these mandates off so that we can best hit the mission. Are there areas within national parks that would allow you to better fulfill the mission in this time? Do you get what I am asking?

Mr. JARVIS. I get what you are asking. In the 2014 budget, there are some things that we have asked to be eliminated but of course, everything has a constituency, and, you know, in these tight times, we do have to have sort of a triage effect on what we do. You know, it is hard for me to pinpoint any one thing that would make a significant difference in our budget. Most of these are small items.

Ms. HERRERA BEUTLER. And maybe not even on a programmatic level but like on operating, I do not know, processes or requirements or—

Mr. JARVIS. Well, we do have, as a part of our 2016 on the authorizing side, some proposals that we would love the Congress to entertain. One is sort of more liberal, shall we say, authority to enter into agreements that can allow better public-private partnerships than we have had in the past.

Ms. HERRERA BEUTLER. Would that be an example where you are talking about trying to get that land back to the nation which is going to take an act of Congress?

Mr. JARVIS. I do not know whether this would apply to tribes but it is more about being able to move money more easily to other organizations and to make it simple sort of mixed funding to be able to complete projects. We are tightly controlled in the way that federal dollars can be used and so sometimes we have a project we want to do and we have got a partner. We almost have to literally say well, you build that half of the building and we will build this half of the building, and it makes it complicated, and it is not the most efficient leverage. We have a lot of organizations that come to us and say they can raise a certain amount of money philanthropically and if you could put up a match. We came in under Secretary Kempthorne, if you remember, in 2007 for a proposal for matching funds for our Centennial, and we had over \$200 million worth of pledges out there from organizations that would put up a match if we had a matching capacity in the organization, and we were not able to achieve that. This Committee gave us \$25 million. That kind of opportunity could leverage a lot of outside dollars, more than we have been able to today.

The other thing I would suggest since you are giving that opening is that we are a perpetuity organization on an annual appropriation and so we go up and down with these vagaries of the appropriations process and that has a direct impact on the public. It would be great to have that leveled out in some way, and everything from the concept of a 2-year appropriation has been put on the table. One of our problems, of course, is that we spend most of our money in the last 3 months of the year because that is when summer is operating, and if we had a 2-year appropriation, that

might work. The second is an endowment. We do not have an endowment. And you look at any other major institution that has a long-term responsibility like a university, they have an endowment, and we would love to be able to work with you to figure out a way to begin building a long-term endowment for the National Park Service.

CLIMATE CHANGE

Ms. HERRERA BEUTLER. Ebbs and flows.

Mr. JARVIS. Right.

Ms. HERRERA BEUTLER. Thank you.

Mr. SIMPSON. Ms. Pingree.

Ms. PINGREE. Thank you. I did want to talk about something slightly different, but I really appreciate everything I have been hearing and learning this morning.

We had a chance to talk a little bit today with our now-former Secretary Salazar and had a nice meeting with him, but a little bit about the overall department but the opportunities and interest in some of the things that you are doing around climate change and the way those things affect all of us. And so I am just asking you a couple things about it but then I am really just interested in hearing what you see fits in and what you think is going on. I know there is an increase in the climate change adaptive management tools in this budget, and so I think that is useful, given some of the concerns that many of us have in coastal communities. So I would like to know a little bit more about what you have been doing, what your timetable is around that and what you see as those needs. And somewhat related are the ocean and coastal programs, the stewardship there. That was initiated 3 years ago. There is some added funding in there that might cover coastal resource specialists in the Northwest and Midwest regions, and I know you already have some in the Pacific and Southeast. So again, as you know, my district has a lot of coastal area, and there is nothing that is not attached to something else, and I went on a tear yesterday about what is going on in our lobster population because of ocean warming, and lobster is a significant resource in our state but it is also significant to the culture of our state and economically. I am sure that many of the visitors who come to Acadia National Park come because they want to eat a lobster or they want to see a fishing boat or they want to get on a boat. It is such a tight identity with our state.

So the problems that we are experiencing now with dramatic changes in water temperature, ocean acidification, the damage it is already doing to our shellfish population, and then in other regions of the world. I mentioned lionfish earlier. I am interested in some of the more southern parks where already tremendous damage has happened to the coral population. You open your eyes and you see these changes happening much more rapidly than we thought and you have park areas in the ocean, you come close to the ocean and a lot of other things. So without taking up too much time because I am happy to learn much more about it in the future. I would just like to touch on a little, where is the money going, what else could you be doing, how big do you see the impact on your operations of things that we actually just do not understand that well?

Mr. JARVIS. Well, thank you for the question. I think climate change is an extraordinary challenge to the National Park Service in a variety of areas, coastal environment particularly in terms of sea-level rise, storm surge, the kinds of events we saw with Hurricane Sandy, and we have a great number of coastal parks, barrier islands, places like Acadia, Assateague. We have marine environments like Biscayne. We have Padre Island and Gulf islands and obviously our coastal environments in the Pacific, and there are cultural resources there as well as natural resources. Fort Jefferson on the tip end of the Dry Tortugas and the Florida Keys are getting hammered by sea-level rise and storm surge.

I have tasked our parks with sort of four categories of focus for climate change. One is science. Parks are great laboratories to see what is happening, and we have long-term monitoring programs in place that are monitoring the changes that we are seeing from climate change. The second is mitigation, so that is our own carbon footprint. The Park Service needs to be an exemplar. Biofuels, use of solar, LEED certification in building design, reducing our fleet, all of those kinds of things, we are all over that. I have a detailed green parks plan and we are actually not only achieving the federal goals, we are actually exceeding them in most categories. I am going to flip these just for a second. The third is communication. The Park Service has a unique role in the American public and the world about the way we talk about things. The way we talk about geology and history, we can talk about climate change. Without pointing fingers and blame, just clinically, this is what the science shows, it is why the glaciers are melting.

And the fourth is adaptation, and I think that is what you are getting to—how do we adapt to the changes that we are seeing from climate change? In very simple terms, as I have told my coastal parks is, learn what is uphill because, you know, that could be the next wetland. Can you get to it, is it protected, will it convert, what is the next salt marsh, what is the next sea grass bed that is going to be important for fisheries and, when the ocean rises, is it protected? That is the way we have got to be thinking about all of these. Assateague Island National Seashore has been one of the leaders on this. For instance, they have a parking lot that is used by the public to get out to the beach, and we think that is great. It was heavily impacted by Hurricane Sandy. As we are replacing it, the bed will be ground-up seashells rather than asphalt and so as it washes out to sea, which it will, you are just putting natural items back into the environment. So fighting exotics, building resilience, looking for alternatives, co-management amongst adjacent lands because we are beginning to understand that maybe the best places for the next habitat is not on NPS land but it is adjacent to us. Cooperative land management is really key.

There are some requests in the 2014 budget for climate change, for participation in Landscape Conservation Cooperatives, which were created by this Administration. There is an ocean and coastal stewardship component in the budget as well, and there is also a piece that we are working with USGS on carbon sequestration. What role we play when we do renovation, restoration, and how

that can play into overall carbon sequestration. It is a big challenge.

Mr. MORAN. That was an extraordinarily reflective response, and I am glad you brought that out onto the record, Ms. Pingree. Excellent.

Ms. PINGREE. And let me say, the only positive use of the sequestration word that ever happens around here.

Mr. SIMPSON. Mr. Serrano.

Mr. SERRANO. Thank you, Mr. Chairman. Before I ask my last question, let me do something I can only do in this Committee, and that is to praise the chairman and the ranking member for the fact that I always, very profoundly or in a kidding form, remind people that I have two districts that I represent, one in the Bronx and one in Puerto Rico where I was born because they are a territory and as such do not have a voting member in Congress, and this Committee was the first one that the chairman especially and the ranking member went out to listen to that message and try to ask agencies to be fair to the territories and inclusive. Now, your agency has always been fair but always keep an eye out for the castle. It is not a castle. It is called a castle. Because you have been good in the past, and we appreciate that.

Mr. JARVIS. Thank you, sir.

LAND AND WATER CONSERVATION FUND

Mr. SERRANO. Now, my last question has to do with the Land and Water Conservation Fund, which I support, and I was troubled to see that the President's budget cuts it by 11 percent but I did see that you have \$10 million going into urban parks and recreation, which is good. But as appropriators, we also see, at least I speak for myself, that there are some changes there in the approach, and that always makes us a little nervous. Could you spend a few moments to explain the thinking on the funding and activities for the fund for the coming year and explain any changes in your list of priorities, especially with regard to the legislative proposal you have included.

Mr. JARVIS. Okay. Thank you for that question.

Mr. SERRANO. And before you leave today, the chairman wants to know where we could get a uniform like yours. I want a badge.

Mr. JARVIS. We will wait and see what you provide in the 2014 budget.

Mr. SERRANO. There is temptation to tell you, you don't need no stinking badges.

Mr. JARVIS. You are absolutely right that the LWCF proposal in the 2014 budget is a little different than what you have seen in the past, and let me try to explain. There are, as I see it, three or four components. One is that I think for the very first time in my career, the four federal land management agencies that benefit from the Land and Water Conservation Fund, U.S. Forest Service, the BLM, Fish and Wildlife Service and the Park Service, are working collaboratively at the ecosystem scale. We have all pitched in a component of our LWCF allocation and said what ecosystems can we really invest in that will make them sustainable in the long term. Probably the best example we have is Crown of the Continent, which is the glacier Rocky Mountain front system, and we

actually believe within fiscal 2014 and 2015, the Crown of the Continent will be ecologically sustainable forever through conservation easements on ranches, through key acquisitions in terms of sustainable forestry, through protection of river systems and corridors for wolves and bears and other species. We want to be able to do that in others, and that is new and that is different and it is requiring all of us to give some of our core LWCF which for us is inholdings, and that is hard because we have a lot of needs to acquire our park inholdings because it is usually the Fish and Wildlife Service and the Forest Service that have the authorities to buy lands outside of park boundaries. We do not have that authority. We can only buy lands inside parks.

The second piece is, focused on acquisition of inholdings and hardships from individuals or willing sellers inside the boundaries of national parks. We always have a long laundry list of that.

The third is UPARR, and that is different. We have not had an urban component in a long time. It has been predominantly the state side of the conservation grants program, so we had to carve that out, unfortunately. And then the last piece is the proposal from the Administration to have a mandatory account, and that is seeking through the authorizing side. Keep in mind that LWCF is the revenue from the Outer Continental Shelf oil leasing, and the request of the Administration is to begin to develop, ultimately to reach full funding of LWCF through mandatory accounts.

Mr. SERRANO. That is a great explanation also, but we still do not know if we are going to get the badge or not. Thank you so much, and thank you for your service.

Mr. SIMPSON. Thank you, and thank you for being here today. Thank you for the job that you do. You have got one of the significant responsibilities in government, taking care of the crown jewels that I think the American people really support. We are in a, as you well know, difficult budget situation, and given the allocations, the budgets that were passed in both the House and the Senate, we have got some challenges, and frankly, what our Committee is going to have some discussions about is, are we going to continue to try and do everything that we do and do it in a less than optimal way, or are we going to say what we are going to do, we are going to do well, but there are some things we are just not going to do anymore, and that is not only within an agency. I am not suggesting that we are not going to come out and say well, let's not have national parks anymore or BLM anymore or Fish and Wildlife Service anymore, but when you look through our budget, there are a ton of smaller agencies that do important things but you are going to have to ask yourself, or at least we are, whether we are going to try and do everything.

The thing that makes it really hard is when you watch on the news at night some report of GSA holding a convention in Las Vegas and then everybody will call you on the phone and say see, you are not really getting at the waste in government and all that kind of stuff, so we need to cut further. I do not want to see any agencies under the jurisdiction of this budget on the news at night facing those situations because it makes it almost impossible for us to do our job then. It is going to be some difficult decisions ahead and we are going to have to have, as I asked in the last question

I asked, we are going to have to have some thoughts outside the box of how are we going to do this in the future, but you have got a committee here that is very supportive of what you do, and we appreciate the work that you and your fine staff here today do also, plus all the park employees across the country. Thank you.

Mr. JARVIS. Thank you, sir.

Mr. SIMPSON. You bet.

U.S. House of Representatives
Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
Budget Hearing: National Park Service
April 12, 2013
B-308 Rayburn HOB

Questions for the Record – Director Jonathan Jarvis

Questions from Mr. Valadao

Merced River

The National Park Service is currently taking public comments on the Merced Wild and Scenic River Draft Comprehensive Management Plan and Environmental Impact Statement. The Service's preferred alternative retains significant recreation experiences, but also proposes the closure of the Curry Village ice skating rink, the bike rental facilities and several other structures, facilities many of my constituents and their families have enjoyed for many years. I encourage you to continue working with the public to identify how to preserve these uses in the Final Plan.

Valadao Q1: I understand, due to the amount of information included in the draft management plan and Environmental Impact Statement, the Service has been contacted by members of the public asking for an extension of the comment period. Has the Service begun to consider those requests for an extension? And do you intend to grant the extension?

Answer: We agree that Yosemite National Park (Yosemite) is one of the crown jewels of the National Park System and believe that thorough public input is a fundamental and important component of long-term park management. Yosemite's process to notify and inform the public, partners, stakeholders, and gateway communities about this planning process has, we believe, been robust, transparent and inclusive. The National Park Service (NPS) has conducted over 50 public meetings on this planning effort, including ten specific meetings on the proposals in this draft plan. In addition, the comment period was set at 100 days which is 40 days longer than required by policy.

As of April 15, 2013, the NPS has received over 22,000 comments on the draft documents. This is 10,000 more comments than received during the previous comment periods on previous Merced River planning efforts.

We extended the comment period until April 30, 2013, which provided additional time for the public to review and respond. Information about this extension has been sent to the public and media. The NPS is under a court-ordered settlement agreement to complete the final plan by

July, 2013, which prevents us from extending the comment period beyond April 30, 2013. To change that date would require agreement from the Merced River Plan plaintiffs and the settlement agreement judge.

Sports Facilities in the National Capital Region

Valadao Q2: Given the difficult fiscal climate and the always high demand for athletic field access, have you instructed your staff to develop community partnerships that support the maintenance of athletic fields in the Park Service's National Capital Region?

Answer: The National Mall Plan, released by the Park Service in 2010, noted that "portions of West Potomac Park will forever be a public park for the recreation and enjoyment of the people," and confirmed that at the park "Opportunities will be improved for active sports." As the Let's Move Campaign emphasizes, active sports are essential to healthy childhood development, and I want to encourage the Park Service to seek new ways to help children be active. Unfortunately, given the difficult fiscal climate, it may be difficult for the Park Service to fund capital improvements for active sports on its own. I understand that organized sport clubs in the National Capital Region have consulted Congress, the District of Columbia government, and the Park Service in an effort to provide such capital improvements that would better accommodate their sports and improve field conditions for all users of the facilities.

Valadao Q3: What steps has the Park Service taken to take advantage of offers of privately supported capital improvements such as these?

Answer: Within the last two years, groups such as the Columbia Doubles Volleyball, the Aussie Football Club, George Washington University Athletic Department and a cricket club have requested exclusive use of fields in exchange for providing turf rehab and volunteer services through a partnership. These groups have been advised that the National Mall and Memorial Parks (NAMA) must provide field use opportunities to all users and that the park stands ready to work with them on improving the fields, so long as they realize that the National Park Service cannot grant any right of exclusive use to said fields. Granting exclusive use to any party for these recreational fields would not best serve the public.

Most recently, NAMA has met with the Aussie Football Club and George Washington University, and are exploring all options available to engage their support. The NPS hopes to work collaboratively with partners to improve fields for all users.

THURSDAY, APRIL 18, 2013.

U.S. FISH AND WILDLIFE SERVICE

WITNESSES

DAN ASHE, DIRECTOR, U.S. FISH AND WILDLIFE SERVICE

CHRIS NOLIN, BUDGET OFFICER, U.S. FISH AND WILDLIFE SERVICE

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. Good morning, and welcome to the subcommittee's hearing on the President's fiscal year 2014 budget for the Fish and Wildlife Service. I am pleased to welcome Dan Ashe, Director of the Fish and Wildlife Service, and Chris Nolin, the Service's budget officer. I look forward to your testimony today and to working with you in the days ahead to enact a responsible, though likely smaller, budget that better balances what appears to be competing Administration and congressional priorities.

The President's fiscal year 2014 budget proposal for the Fish and Wildlife Service is roughly \$1.5 billion, which is \$168 million, or 12 percent above the fiscal year 2013 post-sequestration level. While I am not a proponent of balancing the federal budget solely on the backs of nondefense discretionary programs, I do not see this subcommittee's allocation headed in the same upward direction as the proposed budget at any time soon. It seems reasonable to assume that the House will write a fiscal year 2014 appropriation bill consistent with its budget resolution if the House and Senate cannot reconcile their differences soon. While we do not yet know what that may mean for this subcommittee's allocation, in all likelihood it would mean further cuts below fiscal year 2013.

As I have said in recent hearings, I believe these continued cuts have driven us to the point where we need to get serious about letting go of the things that we might all like to do, even things we should do, in order to shore up those programs that we absolutely have to do, so that we can do them well. No doubt, these are tough choices to be made, and frankly, I am not convinced this Congress truly has the stomach for it, but it is through this lens that the subcommittee will have to start viewing these future budgets.

So what are the Fish and Wildlife's have-to-dos? Are they still have-to-dos when compared to this subcommittee's other responsibilities, such as educating and ensuring the health and safety of some of the Nation's most impoverished people, helping to build and maintain our Nation's drinking water infrastructure, or predicting, mitigating, and responding to natural disasters, and of those have-to-dos with expired authorizations, should we continue to fund them?

These are values questions that will generate a variety of answers around this table, and I look forward to those discussions today and in the days ahead as the subcommittee attempts to work

together to craft a bill in spite of the somewhat partisan gridlock happening all around us.

Mr. SIMPSON. Before turning to Director Ashe for his testimony, let me first turn to my colleague, Mr. Moran, for his opening statement.

OPENING REMARKS OF MR. MORAN

Mr. MORAN. Well thank you, Mr. Chairman. I agree with a fair amount of that, not all of it, because I think if we would stop trying to run government on the cheap and if we would stop these self-created crises, such as the sequester, we would be a lot better off and great programs such as those the Fish and Wildlife Service operates, which is a very small share of the budget, wind up having to absorb an awfully large share of their individual budget.

But I particularly like the Fish and Wildlife Service. Do you know why, Mr. Chairman?

Mr. SIMPSON. Because they deal with those fish that are—

Mr. MORAN. No, it is an interest—that was an interesting try, but no, that is not why. I don't think I want to know why you think I do, Ken, but no. It is because while much of the Interior Department's jurisdiction lies in the Western United States, the Fish and Wildlife Service is one of those Interior agencies that really has a substantial presence in the East Coast as well.

Mr. SIMPSON. There are fish and wildlife out here?

Mr. MORAN. You bet. And when Hurricane Sandy—a lot of wildlife, particularly, but when Hurricane Sandy bore down on the East Coast last fall, it was the Fish and Wildlife Service's barrier islands and coastal lands that bore the brunt of the first wave of the storm. Our East Coast wildlife refuges form an important link in the Atlantic Flyway for migratory birds, and they are an important economic and conservation asset to our local communities. But wildlife refuges are, of course, only part of the Fish and Wildlife Service's fascinating mix of core functions, which includes administering the Endangered Species Act and operating any number of partnership programs for the conservation of fish and wildlife. The Fish and Wildlife Service is also on the front lines of climate change, dealing with the impacts of sea level rise, drought, and of invasive species.

We heard Tuesday from outside witnesses about your important work preventing the illegal trade of plants and animals. We were taken aback by the fact that we lost about 30,000 African elephants last year alone. In the last decade, there has been a drop of 62 percent in their population. That is just not acceptable. That great Republican President and conservationist, Teddy Roosevelt, summed it up well. Are you ready for this?

Mr. SIMPSON. Yes, I am.

Mr. MORAN. When he said "When I hear of the destruction of a species, I feel just as if all the works of some great writer has perished." So good for Teddy, but not good for us if we sit back and allow this kind of devastation of such an important species.

So it is an enormous loss, and we appreciate the Fish and Wildlife Service's efforts to prevent its destruction, but much more needs to be done.

So Director Ashe, we look forward to your testimony this morning and learning more about how you carry out your many responsibilities with a substantially diminished amount of funding. Let's hear how you plan to use what is included in the President's budget, and let's hope someday we can more adequately fund the Fish and Wildlife Service.

Thank you, Mr. Chairman.

Mr. SIMPSON. You bet. Mr. Ashe.

OPENING STATEMENT OF DIRECTOR ASHE

Mr. ASHE. Thank you, Mr. Chairman.

I would like to start off by saying thank you for your support. I know these are difficult times for the American economy, but we appreciate the support that this subcommittee has provided to us, and I think we are giving the American people, for their investment.

When I think about the Fish and Wildlife Service, I think about an organization that is skin and muscle and bone. Our people get more done, I think, than any other government agency with the resources that they have available to them. We have a stellar record in building partnerships and working with the American people to accomplish conservation.

Our mission is global. I know our sister agencies are challenged to do their work, just as the Fish and Wildlife Service is, but the Service's mission is everywhere. Coast to coast, shore to shore, sea to sea, it is a national and an international mission. Your support has been fundamental to our ability to achieve that kind of conservation.

Mr. Moran, you bring up the international wildlife trafficking crisis, which we are seeing. This is a new emergence related to the expanding population in Asia and Africa, and their expanding affluence. As we see growing middle classes in places like China and Vietnam and Thailand, we are seeing a growing demand for wildlife products. We are seeing a whole new generation of wildlife poaching and trafficking that is driven by large scale economies and by syndicated crime. It is not the old poaching of the '40s, '50s and '60s, it really is trafficking. It is organized, it is systematic, and it takes an equivalent capacity to deal with it.

This year, our law enforcement program broke an international rhino horn smuggling ring in Operation Crash, resulting in two dozen arrests, and at this point, seven convictions. We have seized over \$2 million worth of rhino horns, cash, and gold. These are organized, large-scale trafficking operations. We need to have the capacity to match those operations and our budget requests increases for law enforcement and for our international programs to help deal with that.

I think we have also distinguished ourselves in our cooperative conservation work with partners. I think about the work we are doing in the prairies of the United States to address land conversion that we have not seen since the '60s and '70s, right in the heart of the most important waterfowl breeding habitat in North America. That development is driven by \$8 a bushel corn. It is driven by ethanol subsidies. It is driven by crop insurance that is fueling a boom in the American agricultural economy. That is a

good thing, but we need to be able to respond to the result of that if we want to ensure that waterfowl populations are going to be vibrant and strong into the future. I am an avid waterfowler. If I want my children and grandchildren to be able to enjoy the same pastime, we have to make those investments today. We need the capacity to do that. We need the scientific capacity to understand how those conversions are going to affect waterfowl breeding and waterfowl populations, and we need the ability to drive conservation into those landscapes. I think we have shown that we are working with private landowners to do that. Yesterday or the day before, you had Jim Faulstich sitting here, a rancher from South Dakota, who is an avid partner with the Fish and Wildlife Service. He actively goes out and recruits other landowners to work with the Fish and Wildlife Service because we know how to work with private landowners. We know how to make the economies of ranching work with the ecology of waterfowl and migratory bird conservation.

Within the Endangered Species Act, we are showing we can work cooperatively with industry, and with landowners. Last year when I testified before you, we were considering the listing of the dunes sagebrush lizard on the boundary between New Mexico and Texas, overlying the Permian Basin, which produces 20 percent of the domestic oil and gas in the United States. Working with those two states and the oil and gas industry, we were able to avoid that listing because of voluntary cooperative conservation. When I met with them in my office last year, I told them, "I was going to be frank with you. I do not see how we are going to be able to not list the lizard as endangered," but I told them we would try and we would call it as we saw it. We were able through their perseverance, their cooperation, and our good faith effort to avoid listing.

What is required to do that is good science. We have to have science that is responsive to the decision that we have to make, and that is available when we have to make a decision. We also have to have people on the ground in order to develop those candidate conservation agreements and to work with the BLM, which is a huge partner in eastern New Mexico on the dunes sagebrush lizard.

The same thing is happening with sage grouse and lesser prairie chicken. We are building a cooperative, structured approach to look at those listings. Our emerging system of landscape conservation cooperatives has been a key element with the lesser prairie chicken. They have provided key support to developing a five state range-wide assessment of lesser prairie chicken through their funding and their technical know-how. That is going to be a key instrument in our listing decision.

I hope you will ask questions about the Land and Water Conservation Fund proposal. I think that represents one of the greatest opportunities we have to drive cooperative approaches to conservation in these landscapes. In places like the Rocky Mountain Front of Montana, the Swan Valley in Montana, the Flint Hills of Kansas, the Everglades Headwaters of Florida, we can conserve wildlife. We can conserve a way of life, like ranching, and we can have land that continues to be economically productive, yet produces wildlife where we don't have to manage it. We don't have to worry

about a maintenance backlog. We can support the economy and achieve environmental conservation. I think our budget reflects everything I have been talking about. It reflects a great opportunity. I know these are difficult times for the country, and that you have many difficult balancing decisions to make, but we stand ready to work with you, Mr. Chairman.

[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 2014 BUDGET OF THE
U.S. FISH AND WILDLIFE SERVICE**

April 18, 2013

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 2014 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 is confronting the significant funding challenges of the FY 2013 sequester by making difficult choices to do less in certain areas while ensuring the health and safety of our workforce and the public. We have set priorities that guide our operations and allow us to continue the most essential conservation work.

Despite these challenging times and our changing American society, the Service continues to be relevant. Highlights of recent accomplishments include bringing down an international Rhino-horn smuggling ring in "Operation Crash;" expanding our historical commitment to conserving waterfowl breeding habitat in the prairie potholes; achieving voluntary conservation efforts for species like the Dune Sagebrush Lizard, lesser prairie chicken and greater sage grouse; delisting wolves in Wyoming and the Great Lakes; working as part of an integrated state-federal team to keep the invasive Asian carp out of Lake Michigan; and using science to begin a process of refocusing our work on explicit biological goals that can best represent landscape conditions and habitat needs of larger groups of species.

For FY 2014, the Service's budget request will focus funding on the agency's highest priority conservation initiatives, while containing costs through management efficiencies and other savings. The \$1.55 billion request includes program increases for our high priority needs of \$58.8 million compared to the FY 2012 enacted level. The budget also includes approximately \$1.2 billion available under permanent appropriations, most of which will be provided directly to States to support fish and wildlife conservation and outdoor recreation.

The budget proposes an increase of \$7.4 million for activities associated with renewable energy development, including \$1.5 million for the Endangered Species Consultation program to support assessments of renewable energy projects, \$2.8 million for Conservation Planning Assistance to enable the Service to participate more fully in priority landscape level planning to assist industry and State fish and wildlife agencies' siting of renewable energy projects and transmission corridor infrastructure, \$750,000 for Migratory Birds to strengthen migratory bird

conservation in areas with wind development, \$1 million for enforcement of wildlife protection laws to lessen the impact of energy development on wildlife resources, and \$1.4 million for scientific research to identify impacts from energy transmission infrastructure development in the American west and to inform mitigation strategies.

This budget request maintains the Service's commitment to the stewardship of America's Great Outdoors. Understanding the importance of training the next generation of conservation leaders, the Service is requesting \$15.9 million to support Youth in the Great Outdoors, including \$2.5 million for the 21st Century Conservation Service Corps to put young Americans to work protecting, restoring and enhancing public and tribal lands and waters while imparting the importance of fish and wildlife conservation.

The 2014 budget includes a total of \$190.3 million through the LWCF for land acquisitions that the Service has identified as having the greatest conservation benefits. The Administration is proposing legislative language to partially fund land acquisition with \$63.5 million in mandatory funding from the LWCF in 2014. Cross-bureau conservation focus areas for FY 2014 include the Southwest Desert, Crown of the Continent and Longleaf Pine landscapes and National Trails.

Funding is also included to support the Administration's National Blueways System. Through this cooperative watershed management program, the Service will lead the collaborative efforts with the Bureau of Land Management, the Bureau of Reclamation and the National Park Service to form new watershed partnerships, expand existing watershed partnerships, and conduct projects using a "headwaters to mouth" approach.

Human demands on the environment combined with environmental stressors are creating an urgent need for conservation choices. The scale of issues and challenges we face is unprecedented and no single entity has the resources necessary to address these challenges on its own. Only through cooperative efforts can the Service successfully recover our Nation's most imperiled species-endangered, threatened, and candidate wildlife and plants. To promote this concept throughout the Service and with our partners, the FY 2014 budget request includes \$9.4 million for the Cooperative Recovery initiative, which we began in 2013, where Service programs work together to focus recovery actions for listed species on National Wildlife Refuges and surrounding ecosystems.

Sound science is a critical component of conservation. The FY 2014 budget request includes a program increase of \$11.8 million to support applied science directed at high impact questions surrounding threats to fish and wildlife resources. This funding will provide the answers needed to manage species to healthy, sustainable, desired levels. This includes an increase of \$1.5 million for white-nose syndrome. Additional science funding increases include \$1.4 million for researching impacts and identifying mitigation strategies related to energy transmission corridors in the American west, focusing on impacts to Sage grouse and Desert tortoise, \$1.0 million for biological carbon sequestration, \$500,000 for climate adaptation focusing on early detection and rapid response for invasive species, \$1.4 million for America's Great Outdoors ecosystem and landscape scale conservation on demonstration landscapes, and \$1 million for the Landscape Conservation Stewardship Program in General Operations.

The Service budget fully funds fixed costs and supports the President's Management Agenda to cut waste and implement a government that is more responsive and open. Over the last three years, the Administration has implemented a series of management reforms to curb spending in contracting, travel, information technology and other areas. The Department of the Interior is on target to reduce administrative spending by \$217 million from 2010 levels by the end of 2013, and to sustain these savings in 2014.

Cooperative Landscape Conservation

Landscape Conservation Cooperatives (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. Within the Service, LCCs help support and augment many ongoing programs, including Endangered Species Recovery Plans, Refuge Comprehensive Conservation Plans, fish passage programs and habitat restoration. In FY 2014, targeted funding will provide for continued development of critical partnerships associated with more established LCCs and the resources necessary for 16 LCCs to be fully operational, while still supporting all 22 LCCs at some level.

Refuge Inventory and Monitoring Program

In support of LCC development and adaptive science management, the requested increase of \$3 million over the FY 2012 enacted level for Refuge Inventory and Monitoring will be used to continue building the landscape scale, long-term inventory and monitoring network that the Service began in FY 2010.

National Wildlife Refuge System

Funding for the operation and maintenance of the national wildlife refuge system is requested at \$499.2 million. The request includes an increase of \$12.8 million, for National Wildlife Refuges (Refuges) operations, enabling Refuges to complete additional habitat improvement projects. The funding request for refuge operations includes \$3.2 million for the aforementioned Cooperative Recovery Initiative to address current threats to endangered species on and around wildlife refuges and \$3.8 million for the Challenge Cost Share program which funds a variety of small-scale projects with partners. An additional \$2.7 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 and assessing radio infrastructure.

Law Enforcement

The Service budget request provides \$68.3 million for the law enforcement program to investigate wildlife crimes and enforce the laws that govern the Nation's wildlife trade. Wildlife trafficking is increasingly a transnational crime involving illicit activities in two or more countries and often two or more global regions. Cooperation between nations is essential to combat this crime. Investigations of transnational crime are inherently difficult, and they become even more so without organizational structures to facilitate this cooperation. This

request of \$6.1 million above the 2012 enacted level includes funding to foster these needed partnerships, to address technical challenges in the science of wildlife forensics, and includes \$1.0 million to bolster law enforcement activities that address the impacts of energy development and production on wildlife and their habitat.

Endangered Species

The FY 2014 budget includes \$185.4 million to administer the Endangered Species Act, an increase of \$9.5 million when compared with the 2012 enacted level. This increase includes \$1.5 million for renewable energy consultation, \$1.0 million for science for pesticide consultations, and \$1.9 million for Cooperative Recovery for endangered species recovery on National Wildlife Refuges and in surrounding ecosystems.

Fish and Aquatic Conservation

The budget request includes a total of \$140.9 million for the Fish and Aquatic Conservation program, an increase of \$5.6 million over the 2012 enacted level. Facilitating the Service's role and responsibility in promoting ecosystem health, and fisheries and aquatic resource conservation, the budget includes increases of \$5.9 million for Asian carp activities, \$1.5 million for fish passage improvements, \$1.6 million for fisheries management and restoration actions to facilitate currently authorized activities under the Klamath Basin Restoration Agreement to restore high-priority stream habitats and recover listed and native fish species, as well as \$1.5 million for the Service's cross-programmatic Cooperative Recovery initiative.

Migratory Birds

The Migratory Birds program is funded at \$50.1 million, \$1.4 million below the FY 2012 enacted. The North American Wetlands Conservation Fund is funded at \$39.4 million, \$3.9 million over 2012 enacted.

International Affairs

The budget request provides the International Affairs program with \$13.5 million, an increase of \$535,000 above the 2012 enacted level. The Multinational Species Conservation Fund is funded at \$9.8 million, an increase of \$321,000 over the 2012 enacted level.

In sum, the Service's budget request focuses our resources on transforming the agency to meet the conservation challenges of the 21st century and remain relevant in a changing American society.

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.

Chris L. Nolin

Chris Nolin, as Chief of the Division of the Budget for the US Fish and Wildlife Service, leads the national level effort to prepare, justify and execute the Service's \$2.8 billion annual budget. Securing adequate funding in an era of constrained domestic spending is key to managing the 150 million acre National Wildlife Refuge system, conserving migratory birds and their habitat, achieving recovery for threatened and endangered species, conserving aquatic resources and connecting people with nature to ensure the future of conservation. Chris formerly held the position of Division Chief for the Washington Office Endangered Species Program.

Before her time with the Service, Chris worked for the Office of Management and Budget (OMB), where she developed the President's budget for the Service, and handled policy issues for the Executive Office of the President, developing and coordinating Administration policy on natural resource issues. She also served as the OMB examiner for the U.S. Forest Service.

Earlier in her career, Chris spent over ten years in state government, coordinating environmental issues for the central staff of the New York State Assembly, and handling environmental policy issues for the Lt. Governor of New York.

She is a graduate of Georgetown University Law Center, where she received a J.D. *magna cum laude*. She served on the Georgetown International Environmental Law Review, and was inducted into the national law honor society known as the Order of the Coif.

She is married to Joe Tinkelman, a Managing Editor at BNA, Inc. and lives in Silver Spring, MD. She has two children.

Mr. SIMPSON. Appreciate it. Thank you. I am not throwing blame around or anything, but because of the lateness of the President's budget, the Appropriations Committee Subcommittees are having multiple hearings during this restrictive time, so members are at all sorts of different meetings, and Mr. Calvert has to go to one relatively quickly, so I am going to call on him first to ask questions.

Mr. CALVERT. Thank you, Mr. Chairman. I appreciate your courtesy.

LAND AND WATER CONSERVATION FUND

You mentioned, Dan, the Land and Water Conservation Fund, and I know that has done significant work throughout the country. You also note that there is a significant number of species that are endangered in southern California, specifically in my area down in Riverside, San Bernardino, and certainly, San Diego, Orange County area. And we have obviously an urbanized interface. We have a shrinking habitat in that region. Riverside was one of the first to enter into a significant multi-species habitat conservation plan. Somewhat controversial, very costly. We are moving ahead with that, and of course, we are attempting to acquire a land to meet that obligation and to have land set aside for mitigation for endangered species, with the intent, of course, that is not to add additional species to the list and to be more flexible, and that is the whole intent around this issue.

And as you know, money is tight and we are talking about the Land and Water Conservation Fund. What is your opinion about a TIFIA-type program, TIFIA meaning, you know, in the Department of Transportation, we leverage a small number of dollars into large dollars using federal ability to borrow money and to—in the TIFIA case, to build freeways, but in another kind of case—I am working with Senator Feinstein to expand dollars where we can go out and acquire land while the economy is still soft, and buy it and meet our obligation, especially down in the South. It would be very helpful to have that kind of financing mechanism to do that. Are you aware of such a program out there?

Mr. ASHE. I am not aware of that kind of program right now, but I agree that would be the kind of thing to look at. I will come back to southern California, but I will make an analogy to the prairie potholes that I just spoke about.

One of the ways we are proceeding in the prairie potholes is by signing a letter of intent with Ducks Unlimited, and saying to them if we get the request we have sought from Congress, they go out and buy the lands we have already identified as the priority conservation lands, and then we will pay you back. They are using that letter of intent to go out and borrow money. Then they are getting it matched by donors so we end up—

Mr. CALVERT. This—

Mr. ASHE [continuing]. Multiplying that.

SANTA ANA SUCKER

Mr. CALVERT. This would be similar, except, as the economy improves, property tax revenues improve, we have mitigation fees for development in southern California which help offset that cost. But it is important that we—as I bring up endangered species, we have

this issue with the Santa Ana sucker fish, which affects millions of southern Californians in San Bernardino County, Riverside County, and Orange County. The Santa Ana River is a large part of our water supply in that region, and we are very concerned about how we move ahead to rationally deal with this species.

Mr. ASHE. The county has made a commitment in that Habitat Conservation Plan, and I believe that commitment is working for them. I think when the Critical Habitat was established, we proposed and designated Critical Habitat within that HCP. We have told them this designation is not going to affect our biological opinions on the water research development project. It has not, to my knowledge. I think we are square with the people of Riverside County. We are living up to our commitments under the HCP, and we will continue to do that. I believe the kind of thing you are talking about we could do under the President's request for the Land and Water Conservation Fund. A significant portion of our request is for the Cooperative Endangered Species Conservation Fund where we do HCP land acquisition. That would be a way for us to bring capital to the table that could be matched with private investment to accomplish some of the acquisitions that need to occur in places like the Riverside County HCP. Those HCPs are driving large scale economies. California has been a wonderful partner. We have 15 regional Habitat Conservation Plans that were established over the last 10 years. Over the next 30 to 75 years, those permits under those HCPs are going to drive investment over \$1.6 trillion. That is how we can make the Endangered Species Act work with economies. And again, I think we are doing that in places like—

BAY DELTA CONSERVATION PLAN

Mr. CALVERT. Just one last comment. As we move ahead on the Delta Plan, whether it is a diversion around the Delta or through the Delta, or on top of the Delta, whatever the hell they are going to do to the Delta, but I am hoping we can have a workable relationship, because this is a big deal for future water development throughout the central part of the State of California and the South.

Mr. ASHE. Thinking about our budget in that context, to make those things work, like the Bay Delta Conservation Plan, these regional HCPs, we have to have people in our field stations. If we do not have those people, we cannot get the HCPs done and the Bay Delta Conservation Plan is a huge HCP, the scale of which we have never done before. It is our people in our field stations that make those things happen.

Mr. CALVERT. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you.

Mr. Moran has the same hearing with Defense Appropriations Committee, is that right?

Mr. MORAN. That is correct.

Mr. SIMPSON. So Mr. Moran.

ENVIRONMENTAL CONTAMINANTS

Mr. MORAN. Thank you, Mr. Chairman.

I wanted to ask you, Director Ashe, about environmental contaminants. You have an additional million dollars, a small amount

of money, but with pesticide consultations with the EPA, when we think of the damage that DDT did to so many species, you wonder, should we just be limiting to threatened and endangered species, or should we not have some ongoing consultation with the EPA in terms of what pesticides might have the potential of seriously harming other fish and wildlife species?

Mr. ASHE. The \$1 million we have asked for, is for specific obligations with regard to EPA and pesticide consultations that we need to have the funds to address. Our contaminants program in general is the way we have traditionally looked at a broad range of toxic contaminants. For instance, we have contaminant specialists in the southeastern United States who are examining the effects of mercury and other contaminants on mussel populations. We have that capacity internally. We are trying to deploy that capacity to get better results despite a constrained budget. While we have an increase in our budget for our contaminants program, we need to do more. I think your observation is exactly right. We need to do more.

Mr. MORAN. But you put environmental contaminants under—in this reorganization that you just did, under budget and technical assistance Rick Healy noticed that there does not seem to be any diminution of funding, but I would like some assurance that you are not just burying it, that reorganization does not mean that it is going to receive any less emphasis.

Mr. ASHE. Not at all, and it is not really a reorganization. We have just aligned our Washington office program structure so it matches up with our field structure.

Mr. MORAN. Yes, well that is fine, just as long as it is not being wholly ignored.

SEQUESTRATION

And the last thing I wanted to ask you about, the sequestration. Can you just give us some sense of what effect that is having on the Fish and Wildlife Service?

Mr. ASHE. We were talking about the international trafficking crisis, and I guess I would say that is the area where it comes home most starkly. Due to sequestration, we had to cancel the hiring of an entire class of 24 law enforcement agents. Our current law enforcement capacity is the lowest it has been since 1978, right when we are struggling to deal with this wildlife trafficking crisis. We need those agents who are the most trained wildlife law enforcement professionals in the world. We need them now. We need to be able to deploy them to the places where this trafficking is centered. That, to me, brings it right home. We have 29 refuge hunting programs that we may have to cancel this year, again, because we do not have the people to drive the regulatory process. So, if you are a hunter in Florida and you were counting on taking your young son or daughter turkey hunting at St. Mark's National Wildlife Refuge south of Tallahassee, you may not be able to do that. We have 28 other refuges where we have had to delay similar opportunities to bring young people out into the environment and teach them the great traditions of wildlife conservation.

Mr. MORAN. Apparently including the one refuge in my whole district. You are eliminating the position. That shows how much clout I have, right?

Mr. SIMPSON. We will change that.

Mr. MORAN. That is all right.

Yes, the Senate further cut your operating budget. It did in the Sierra, which we were upset about. Both Mr. Simpson and I were very much upset about what the Senate did, and we know you are laboring under very difficult, challenging fiscal circumstances. But you do great work, very important work, and we thank you.

Mr. ASHE. Thank you, Mr. Moran.

Mr. MORAN. Thanks, Mr. Chairman.

DIFFICULT FUNDING CHOICES

Mr. SIMPSON. Thank you. I appreciate your opening statement, Dan. I agree with you. I think the Fish and Wildlife Service does great work, and they have great employees out in the field and here in Washington. But those out in the field that our landowners and others have to work with, it is oftentimes various criticism because everybody can manage wildlife better than the Fish and Wildlife Service does, just like we can all play a better quarterback on Monday morning than the guy did. But as a whole, I think most people appreciate what the Fish and Wildlife Service does, and the oftentimes difficult job they have.

But as we have talked about these budgets, you know, I do not see us getting out of this hole we are in until we get something that solves this overall debt crisis that we have. We keep managing from crisis to crisis to crisis, and all we keep doing is cutting discretionary spending and not addressing the real issues that are causing our debt. Until Congress has the courage to stand up and make some really tough decisions, we are going to be in this downward spiral in a lot of these areas. I do not know if it is going to be resolved this year or not. We are going to come up against, well, the House and Senate passed different budgets. Obviously, being able to reconcile those is very, very difficult to do, and the only way they might be able to reconcile it is if they can also come up with a grand bargain that kind of solves it in the long run so we can get a common number. Otherwise, I am afraid that we might end up in another C.R. and just continue C.R.s at reduced levels on and on and on. That is not the way to go, and that is why I have said that we are getting to a point in this Interior budget, and I suspect in all the other budgets, also, where we are going to have to ask ourselves, are we going to try to do everything in a, for a less articulate term, in a haphazard manner, or are we going to decide some things we are just not going to do anymore, even though we might like to do them, and concentrate on what we have to do and try to do them well? And those are decisions that we are going to have to make.

Mr. MORAN. Mr. Chairman, if I could just interject for a moment? You are absolutely right. Interior, though, has been cut more deeply—

Mr. SIMPSON. Yes.

Mr. MORAN [continuing]. Than any of the other budgets, but as is oftentimes the case, I could not agree with you more.

Mr. SIMPSON. Well, it is going to be a challenge for us, obviously, and it is going to impact the Interior budget, the Fish and Wildlife Service, and all of the budgets across here unless we can solve this.

Mr. ASHE. In that same vein, Mr. Chairman, I explained to our people that we are skin and muscle and bone, there is no excess. When we are making decisions, we are actively deciding what are we not going to do? And the analogy I give to them is a hand. I say okay, I have a hand and if I am asked to give up one of these digits, I am not going to want to do that because I have grown attached to all of them. But if I have to do it, I will make a choice. I really need them. You know, I do like this one, but it is probably the one that is going to go.

I think if we continue in this environment, we have to make hard decisions, and we are preparing the organization to do that. It is uncomfortable and I did not sign up for that when I accepted the job to be director, but it is what it is. I am where I am. People come to me and say mitigation hatcheries are important, and contaminants are important, and national wetlands inventory is important. Absolutely they are. They are vital to the work that we do, but I cannot just snip pieces off of all of them. I am not doing anybody any good by doing that. We are preparing the organization to make difficult choices if we have to. I hope the subcommittee can find a way to consider the reasonable proposals contained in our budget. I think our budget is good for the economy.

For example, there has been a lot of controversy around the Keystone pipeline. Last year, TransCanada came to us because the southern part of that pipeline, which goes from Cushing, Oklahoma, to the Texas coast, needs to be built, regardless of what happens with the northern part of the pipeline. TransCanada needed a Habitat Conservation Plan by the first week of November. They said if we cannot get it, 5,000 people are not going to have a job come the beginning of the year. Well, we moved two people full time to work on that. We got a Habitat Conservation Plan done in record time in a little over 4 months from beginning to end. We had great cooperation from TransCanada, and great cooperation from the states involved, and we got it done. Today there are more than 5,000 people working on that pipeline because we had the capacity to get that done.

The budget we are asking you for, the increases we are asking for in energy and endangered species, are for people that get that kind of work done.

Mr. SIMPSON. Yes.

Mr. ASHE. And they actually make jobs happen. If we could not have gotten that HCP done, TransCanada would not have been able to move forward.

SEQUESTRATION

Mr. SIMPSON. I found it interesting the other day that Director Jarvis from the National Parks was kind of taken to task by one of the committees in Congress. The assumption was that he was overstating the impact of sequestration and trying to throw out scare stories, and I don't think he was. I mean, it is a real impact. There are going to be later openings for some National Parks. They cannot plow the road to open Yellowstone. It so happens that the

local chamber of commerce in Jackson Hole decided it was vitally important to their businesses, and they got together and they raised the money to do the plowing of the road.

But there are real impacts. You cannot just go in and start slashing and burning stuff. Unfortunately, any time you get a government as big as the U.S. Government and you get a budget as big as the U.S. budget, there are going to be some things that people look at and go, "wow, why are we doing that?" And those are the ones you always see on the news. Should we get after those? Certainly we should, but it is having real impacts on the important programs that are being done, and sequestration was a non-discretionary impacter. It went across the board to every line item. That was another one of my problems is that we could not go in and say what are the priorities versus what are the lower priorities, and make some decisions. It went across the board.

Mr. ASHE. I am proud of the Fish and Wildlife Service.

We saw this coming and our mantra was hope and work for the best, but prepare for the worst. We now have 400 fewer positions filled, in the Fish and Wildlife Service than we had a year ago. That is our furlough.

Mr. SIMPSON. What does that mean, exactly, when you say 400 fewer people? What impact is that?

Mr. ASHE. Some positions are being left open to save money.

Mr. SIMPSON. What did they do?

Mr. ASHE. Mr. Moran mentioned Mason Neck National Wildlife Refuge. A recreation planner took a job somewhere else, and we left that job vacant. That person was coordinating volunteers. When you bring a group of volunteers out, they need to have things to do or they will not come the next time. That job was doing environmental education, working with the schools in Arlington and Fairfax Counties, and that person is not there now because we essentially had a hiring freeze and we held that position vacant. So 400-plus positions, that is the equivalent of furloughing 4,000 people for 22 days. But we planned for that.

Now does it have an impact in the organization? Absolutely, for example, I have three desert tortoise biologists in the southwestern United States. If I lose one of those, we are in a heap of hurt. We permitted the world's largest solar facility, the BrightSource Solar Facility in the Ivanpah Valley last year in prime desert tortoise critical habitat. I have got to have biologists to work with the company to figure out how to make it work. If I lose one of those people, we will be in a critical situation. Thankfully none of those biologists have gone elsewhere, but if they did, if that was one of those vacant positions, we would see devastating effects.

But what we are losing is our ability to perform timely work. We were talking about the Cushing, Oklahoma, to Texas pipeline, we had to move people into there that knew the issues surrounding the American burying beetle. It would not do us any good to take a fisheries biologist from Arcadia and move them into Cushing, Oklahoma, for a couple of weeks. I have to have people that know the issues. Those positions are vacant, work will not get done, and 5,000 people would not be working today.

By holding positions vacant, these are the casualties we are going to start seeing. Work will not get done in the time that is

necessary for people who have made a significant investment and significant capital will be at risk. We have got to have those positions.

This year we are managing through that. We are going to start reviewing those 400 vacant positions. They happened randomly. Somebody retired, somebody got a promotion, somebody left to take another job. We are going to start to make some strategic hires to backfill so we have a little bit of a chance to make a recovery. But if we get hit again with another sequester, next year we are going to be in the same position of having to hold any vacancy open. It puts us all in a difficult spot.

MAINTENANCE BACKLOG

Mr. SIMPSON. What is the maintenance backlog of your wildlife refuges and other facilities?

Mr. ASHE. We have about a \$2.6 billion backlog. I am proud of the U.S. Fish and Wildlife Service, our refuge chief, Jim Kurth, is sitting behind me. Since 2010, we have reduced our maintenance backlog by over \$300 million, 10 percent reduction in our maintenance backlog.

Mr. SIMPSON. What does this budget do to the maintenance backlog, if it were to be adopted? Does it decrease it?

Mr. ASHE. We will continue to decrease our backlog. We are looking critically at our condition assessments and removing things from the maintenance backlog that are never going to be repaired, that never should have been on the list there in the first place. We are going through and aggressively managing our maintenance backlog and we are making strategic investments. We will be able to continue that this year, so I expect to see the backlog continue to go down.

SAGE GROUSE

Mr. SIMPSON. Okay.

Let's talk a little bit about sage grouse—

Mr. ASHE. Okay.

Mr. SIMPSON [continuing]. And what is happening in Idaho. There is a state management plan that they have kind of put together, the group has kind of put together. BLM is a little resistant to adopt the state management plan. I understand that. There are the 68 permittees, they have had their AUMs reduced by anywhere up to 50 percent, which is a 50 percent reduction in the 50 percent that has been reduced over the last 20 years. So it is having some significant impact. And you have to list or you have to make a determination on sage grouse by the end of fiscal year 2015. Where are we with that? What is the status of it? What is the likelihood or unlikelihood that BLM will look at the state management plan and those types of things? Because the Fish and Wildlife Service makes the determination of the listing. BLM does the management of the habitats, right?

Mr. ASHE. Yes. I would start off by saying we had a meeting in Secretary Salazar's office a couple of weeks ago on this subject, and I will tell you what I told him. BLM rocks on sage grouse. They have really stepped up under former Director Bob Abbey and the current acting Director, Neil Kornze. They control 54 percent of the

habitat. If we are going to avoid a listing of the sage grouse, then BLM is the key to that. The Forest Service controls about 12 percent of the habitat, so the Forest Service is important, too, and both of them have stepped up. The BLM is modifying 98 resource management plans, and the Forest Service is modifying about two dozen forest management plans.

Mr. SIMPSON. Can they do all that by the end of 2015?

Mr. ASHE. They are on schedule to do it by 2014. They are working with us, because we have to have that information ahead of time. And they are working with the states.

Are we going to have rocky moments? We are. I think with Idaho we have gotten to a very good place. BLM has other issues they need to consider in grazing management in addition to sage grouse. We have written a letter to Idaho with the BLM's concurrence that the state's grazing management provisions are good for sage grouse.

We have done the same thing in Wyoming. We are working with Utah and Nevada. So 10 of the 11 range states are working on comprehensive sage grouse plans. I think this is really how the Endangered Species Act should work and can work. We have a decision to make, but we have enough time to make that decision, so we can get people focused. We have governors like Matt Mead of Wyoming and John Hickenlooper from Colorado that are leading the effort. The Western Governors Association is engaged, and we have great partners like the Natural Resource Conservation Service. They have put over \$140 million on the ground to conserve sage grouse. I think that has been matched by \$70 million in partner money. We have got a good momentum on sage grouse. We have a lot of work to do, but I think we are in a good place. We have everybody talking to one another, and I think that nothing but good can come out of it.

Mr. SIMPSON. Well, the concern I hear, what people tell me is that the state management plan, grazing plan, that the Fish and Wildlife Service has bought off on it, if you will, but BLM is reluctant to do so. I understand that they have concerns about some issues in it and that kind of stuff, but—

Mr. ASHE. I think there are other issues than sage grouse involved there. From a sage grouse standpoint, we are in lock step with BLM and the State of Idaho on grazing management. We do not see grazing management as a significant threat for sage grouse. A well-managed range is good for sage grouse, and I think that is why NRCS help has been critical, because they are delivering technical assistance and support to producers to implement best management practices, and if we can get good range management in place throughout the habitat, then grazing is good for sage grouse.

Mr. SIMPSON. Do you agree that wildfire is the biggest threat to sage grouse habitat?

Mr. ASHE. The biggest threat to sage grouse habitat is habitat disturbance, but in certain parts of the range, fire is a very significant factor, maybe the most significant factor. In the Great Basin Range, Nevada, Utah, which includes parts of California, and southern Oregon, fire may well be the most significant factor now, but historically it has been habitat fragmentation and disturbance.

Mr. SIMPSON. Well frankly, we had put some extra money in the C.R. for wildfire, both in the Forest Service and Department of Interior, which the Senate deemed unnecessary for whatever reason.

Mr. ASHE. Fire is going to be key for us. The fire community has stepped up, so now all the sage grouse leks are mapped and protecting those leks is a priority for the suppression response. The fire management community has acknowledged the problem. BLM is doing great post fire rehabilitation work but we need the resources—

Mr. SIMPSON. Yes.

Mr. ASHE [continuing]. To make all that happen.

Mr. SIMPSON. The fear of most people, and the comparison I have heard time to time again is that sage grouse are potentially the spotted owl of the grazing area. And I do not know if that is true, but it is potentially a listing of sage grouse which could have huge impacts.

Mr. ASHE. I think I would have a much more optimistic message. I think we may list the sage grouse, but I think we have great momentum going so I think “not warranted” is clearly a possible outcome. We may have to list it. I think if we do we could go to a threatened listing. The law gives us the regulatory authority to put in place a special rule for a threatened species and that would acknowledge where we have good work—for example in Idaho, Wyoming—conservation strategy that would allow us to exempt potentially those good conservation mechanisms from the requirements of the law. I do not think it will be a huge impact, even if we have to list it, because there is too much good work going on right now.

MULTI-DISTRICT LITIGATION SETTLEMENT

Mr. SIMPSON. I cannot remember exactly the decision that was made or the agreement that was made about the warranted-but-precluded listing with some environmental groups and a lawsuit that was going on. What was that all about?

Mr. ASHE. The Endangered Species Act has very strict deadlines in it. If a petition is submitted to the Fish and Wildlife Service to list a species, then the law tells us that we have 90 days to make a preliminary determination, and if we miss that deadline, then somebody can take us to court. There is no defense. The law gives us no defense. A judge looks at it and says you either did it or you did not, and if we did not, then they tell us to do it. Once we make that preliminary finding, we have one year to make a proposal. Same thing. If we miss that deadline, somebody can take us to court, and we have no defense. Over the last decade we had a history of this deadline-driven litigation. Because of the workload we were making warranted-but-precluded determinations, which means we think that it should be listed but we do not have the resources to make a listing determination. So we were piling all of those species into our candidate list. We wanted to get out of that. We had 85 cases nationwide, we threw a lasso around them, and dragged them all into this multidistrict litigation. We asked the judge to look at them all together since they are all deadline cases. We essentially pulled those litigants to the negotiating table and said all right, let's settle this. All we did in the settlement was say we are going to make decisions on these species that we piled onto

the candidate list. In return for that, stop suing us and stop driving these deadline cases into courts. It has worked. Our deadline-driven litigation has dropped 98 percent since then. So we are out of court.

Mr. SIMPSON. But it is going to require you to make determinations, right?

Mr. ASHE. To make a decision.

Mr. SIMPSON. Does your budget reflect the amount necessary to do that? Because obviously it is going to take additional resources to do it.

Mr. ASHE. The budget that we have presented to you for 2014 gives us the resources to get that job done. The beauty of it is, like sage grouse, we were able to push the hard ones out a few years which gives us time to work on them. With sage grouse, lesser prairie chicken, these large landscape proposals, we have been able to push those out to give us time, to give partners time to do the voluntary conservation work that could alleviate the potential for a listing. So I think it is working for us. We are out of court. We are making the decisions that the law asks us to make. It does not mean that we are going to list everything. I think we showed that with the dune sagebrush lizard. If we can get the conservation done, we will not have to make hard decisions. A lot of my friends in the environmental community are not too happy about that but I told them our job is not to put things on a list; our job is to get conservation done. And we are getting conservation done. If we list a species, the same things being done voluntarily today are what we would be doing under the law. So why do we need to list it? There are things that require the protection of the Endangered Species Act. The dune sagebrush lizard is not one of them. We are willing to make the hard decisions. We will do that. If the same conditions apply to lesser prairie chicken and sage grouse, we will make the same decision. We will do that based on the best science that we have available.

Mr. SIMPSON. Congresswoman Herrera Beutler.

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman, and thank you, Mr. Director. I am excited to be here. And I want to say first, thank you for your staff's efforts. I am southwest Washington State and we have a road on a dike and it has been a challenge, and Fish and Wildlife has worked very closely with my district staff to accommodate our local community, and I really appreciate that.

Mr. ASHE. The Columbia whitetail deer.

NORTHERN SPOTTED OWL

Ms. HERRERA BEUTLER. That is part of it, yes, and we have had to move the deer, and it is working, so we appreciate your responsiveness on that.

I would like to bring up another issue that is central to just about every county in my region. In fact, the whole Northwest, my district specifically, Gifford Pinchot National Forest, Mt. St. Helens, and 20 years ago, it was used as a byword, the spotted owl. I have a few points I want to make and then ask you about it. It has been 20 years since the Critical Habitat Plan for the spotted owl has been in place, and just last year, your agency decided to effectively double-down on this policy and add to the Critical Habi-

tat Plan. Since the beginning, all 20 years, the spotted owl population has actually declined, right, and on top of that, we are now seeing harm to other species in the forests. Early sorrel forest habitat and the species that live on them are disappearing. Deer and elk habitat is disappearing as a result. We have starving elk herds that my constituents ask me about frequently. Flora species, the little plants that depend on openings in the canopy and the sunlight are disappearing. As a result, the little critters who feed on the flora are dying, which is part of why the more than 40 species of birds that rely on those varmints—or I do not know, mammals, I know there is a more appropriate word. The 40 species of bird including the endangered northern spotted owl rely on them for food. So they do not have a food source. Basically it is all disappearing and now your agency is discussing walking into the forest with shotguns and killing the barred owl, right? To me, this is a mess, to say nothing of the fact that now our forests, our Doug fir stands and others are dying. So we have more trees that are dying in these forests per year than are being removed, and so it is creating negative feedback? It is creating a cycle that is just roaring.

When I say roaring, that also brings me to fire, right? We are having more catastrophic fires that are killing old growth that are supposed to be set aside for the spotted owl habitat. That is where we were as of last summer, and then your agency said this is working so well, let's add more land, private lands to set aside for Critical Habitat. Can you help me understand what the plan is, not just for the single species? And I feel like we had some wildlife defenders yesterday talk about the need to move to an ecosystem approach versus a single species management approach, and I agree. Let me also add, the one species that I am actually considering trying to have listed, the endangered American wage earner to say nothing of the economies that depend on this habitat working. Why is the agency so focused on a single species when it is actually proving that what we are doing is hurting that single species?

Mr. ASHE. We are not focused on a single species. First of all, you could probably run a Fish and Wildlife Service field station.

Ms. HERRERA BEUTLER. I feel like I am almost there.

Mr. ASHE. I think spotted owl is an indicator of a larger kind of ecosystem that is a mess. To be frank, the mess was created by decades of unsustainable timber harvest and—

Ms. HERRERA BEUTLER. I have got to stop you on that.

Mr. ASHE. All right.

Ms. HERRERA BEUTLER. Because it has been 20 years. We harvested out of that forest 3 million board feet last year. Under the Clinton forest plan that your agency is supposed to support, we are supposed to get 65 million board feet. In our heyday, we were getting 300 to 400 million board feet.

Mr. ASHE. I am not talking about today, I am talking about what transpired decades before, which is what got us to this place.

Ms. HERRERA BEUTLER. When I was probably about 5 years old, I remember this. I grew up in this community.

Mr. ASHE. We did almost double the amount of designated Critical Habitat, from a little more than 5 million acres to over 9 million acres, but that is all federal and state land. We designated no private land.

Ms. HERRERA BEUTLER. Did you guys carve out some private landowners? Because I have been working with them since last summer that fall under the Critical Habitat.

Mr. ASHE. Not that I am aware of. We designated no private land as Critical Habitat.

Mr. HERRERA BEUTLER. So the owl circles then do not touch any of the private land? Because we have very little private land in the area that we can still log.

Mr. ASHE. Owl circles might touch private land but our Critical Habitat designation excluded all private lands. A private landowner still has an obligation not to take a spotted owl. The law prohibits take.

Ms. HERRERA BEUTLER. Absolutely. They know that. I am talking about as you double-down on—this is the land that was set aside, we are going to add roughly half.

Mr. ASHE. No private land. None.

Ms. HERRERA BEUTLER. Okay, that is good.

Mr. ASHE. I think we should have a longer conversation about what our recovery plan reflects, and now our Critical Habitat reflects. We have a commitment to the idea of ecological forestry. We can go into the forest, we can harvest timber, we can create healthy forests, and healthy forests are good for spotted owl. I am going to be in the Northwest next week with Tom Tidwell from the Forest Service and Neil Kornze from the BLM. We are bringing our collective people together to talk about this, as the land management and regulatory agencies for these federal lands that have been designated as Critical Habitat. We have an opportunity to get behind this concept of ecological forestry. We have been implementing pilot projects up there, which are demonstrating that you can cut big trees.

Ms. HERRERA BEUTLER. Where? Gifford Pinchot?

Mr. ASHE. I do not think we had one in Pinchot but we have five pilot projects throughout the Northwest. We are working with the Forest Service, and the BLM to look at how we can implement these pilot projects. I was with Secretary Salazar last year on one of those projects where they are taking out big-diameter trees. They are thinning the forest. We are trying to demonstrate how we can do that in an economical way and how we can support it with a regulatory structure that says even though the project is going to take a spotted owl, it is making a healthy forest in the long term. It will abate the fire risk, and it will make better habitat. We can allow that take in the short run because we are going to get a big payoff in the long run. Again, it depends on having good science, being able to show that we are monitoring that, and if our plans do not meet expectations, we are going to adapt and we are going to improve as we go through time. I think we have an opportunity today to develop an alignment that we have not had for a long time.

Ms. HERRERA BEUTLER. Can I ask, because what you are saying, I agree with that. I think you are going to get better species management if you look at it as a forest community, right? We have got this mess and we have been living with this, or not living. I mean, I have moms and dads who cannot make their mortgages. The timber resources of Skamania County, 85 percent federal

lands. They gave some of that land to the federal government 50, 75 years ago, wish they would not have. They cannot pay for their schools. They cannot raise taxes. They cannot generate revenue. Yet they are watching the owls be pushed out by predator owls. They are watching the forest burn. They are worried about beetle or bark disease or infestation, and then you say hey, we have a plan, we can really do this now, we are going to add double the land to the Critical Habitat and they are going, you are not harvesting under current law what you should be harvesting now. Why?

Mr. ASHE. But Critical Habitat does not mean that those forests cannot be managed.

Ms. HERRERA BEUTLER. We know. By law, you are supposed to be taking, but we have not seen any of that.

Mr. ASHE. We have a recovery plan that is now supported by a Critical Habitat designation that adopts this principle and this perspective of ecological forestry, and our commitment is that we will make that work. Skepticism is understandable, and that is partly why Tom and Neil and I are going up there next week to talk to our people and say all right, we have to make this work.

Ms. HERRERA BEUTLER. When are you guys going to be there, by the way?

Mr. ASHE. I am flying out Monday. I will be there next week.

Ms. HERRERA BEUTLER. So will you there be on Tuesday maybe?

Mr. ASHE. I will.

Ms. HERRERA BEUTLER. You know, this is important enough to my region.

Mr. ASHE. Let's talk.

Ms. HERRERA BEUTLER. Having the three of you in one place. I apologize. Secretary Salazar has already been here and heard my spiel on this. So has Tom Tidwell. We have not had BLM yet. They will be next.

Mr. ASHE. I think we have an opportunity. Again, I will underscore that the budget that we provided to the subcommittee provides key resources for us to be able to do this. For instance, on our science funding, we are providing some key support for barred owl control because one of the other things that we have to do is, we have to go out there and we have to—

Ms. HERRERA BEUTLER. I have got people who will do this for you.

Mr. ASHE. I think there are a lot of people that would.

Ms. HERRERA BEUTLER. Yes.

Mr. ASHE. But we have to begin the science to underpin that to make sure. The people on the other side are skeptical about that, so we have to have the good science to underpin that. We are committed to making this work.

Ms. HERRERA BEUTLER. And I have seen in your bio, you know, science is a big part of what has driven you into the place that you are now. I will take you at your word and the commitment that we will "make this work" but I am going to need significant updates on it and I am going to want to see the science because the science thus far has hurt the spotted owl and the endangered American wage earner. It certainly has not helped. We could have had a decline on its own with what we were doing, right?

Mr. ASHE. When we listed the spotted owl back in the 1990s, we knew the owl was going to continue to decline. It had been on a long-term decline and we knew the owl was going to continue to decline. What we have been doing is trying to do things to arrest that decline and hopefully plateau the population at some level. We have had some unexpected things happen like barred owl invasion. You have to be able to deal with that and roll with those punches and make it work. I think this concept of ecological forestry and the general mindset that we believe that healthy forests, fire-resistant forests, are good for the spotted owl and we are willing to make some risk-based decisions to try to make that work. Will we be sued? Yes, we will be sued, but if we are standing shoulder to shoulder with the Forest Service and the BLM and the States of Washington and Oregon and California, then I believe we are usually pretty good at winning on the merits. We get hung up a lot of times on process, but we are pretty good on the merits. I think if we are shoulder to shoulder and moving forward together, I think we will be successful.

Ms. HERRERA BEUTLER. Thank you. Thank you, Mr. Chairman. Mr. SIMPSON. Mr. Valadao.

BAY DELTA CONSERVATION PLAN

Mr. VALADAO. Thank you, Mr. Chair. Thank you, Mr. Director.

The Bay Delta Conservation Plan addresses problems that are vitally important to the State of California and the Nation. With the change in leadership at Interior, do you see the Administration and Fish and Wildlife Service maintaining its high value, a high-priority initiative? If not, why?

Mr. ASHE. I absolutely do see that commitment being maintained.

Mr. VALADAO. Short answer. I am looking forward to that.

The Administration has also been pretty ardent about science leading decision making but on many issues science has failed obviously, as Ms. Herrera Beutler just pointed out. Well, we are going through the same issue in our district as well. How would you propose to make decisions that face scientific uncertainty when maintaining the status quos is simply untenable, such as the California Bay Delta? What do you see as potential for problem solving through scientific collaboration between federal agencies, state agencies and other regional and other local interests with appropriate expertise? We are having some issues there obviously. A couple of the biological opinions have been thrown out of court for different reasons.

Mr. ASHE. There is no more complicated environment in the Nation than what we are trying to deal with in the San Francisco Bay Delta area, but again, I think we are building a relationship where we are doing everything we can possibly do to support the states' development of the bay delta conservation plan. That is going to be a Habitat Conservation Plan under the Endangered Species Act. Our job is to lay the groundwork to be able to permit that, but the project has not even been formulated yet. We are building that plane as it is being flown because we have a project that is operating. We have to do biological opinions to support the project that is operating. In the meantime, we are trying to design a new

project and to put in place the permitting framework for a new project that has not even been designed yet. I think we have made a tremendous commitment. We are working with NOAA Fisheries, with the state water agency, the state fish and wildlife agency, NGOs across the board, and I think we have been making progress. Now, whether we are going to be able to make enough progress fast enough is the question. I will use as an opportunity to underscore that requires people and it requires scientific capacity to invest in that effort.

Mr. VALADAO. Well, we have got communities in my district obviously farmland and communities. Some of that the farmland is about 20 percent of their water allocation when a normal rain year like we have had this past year, which has been a little bit dry, we will probably get 70 percent but we are at 20 and there is rumor it might even go lower. I have got communities that are supposed to get—it shows on paper they are getting 70 percent of their water but if you actually look, they are actually getting more like 50 percent because it is 70 percent of their historical use, not 70 percent of their contracted amount. And so when you have got communities that cannot afford because of the high unemployment, because of the lack of water for the farmers that created their jobs, now they cannot afford to actually have water for their homes. This has had a pretty dramatic effect on my constituents, and when you have a biological opinion that has been thrown out of court and you are still using it, it sounds like we could go back and maybe use the old biological opinion that has not been thrown out of court that I think has a little more credibility. Why have we not gone in that direction to actually help people?

Mr. ASHE. We are operating under a biological opinion that we have been operating under for quite some time. The courts have been telling us to do a new biological opinion, and that is what we have been struggling with. This approach is build the airplane as you are flying it. The project is operating under a standing biological opinion.

Mr. VALADAO. The one that has had trouble in court?

Mr. ASHE. They have all had trouble in court but it is standing and we are operating, so we make two decisions. We are helping the state manage water, and avoid take of delta smelt. I think we are being as facile as we can be. At the same time, the courts are telling us to do a new biological opinion, which means we have to divert people to that task because the courts are not giving us an opinion; they are telling us what to do.

Mr. VALADAO. And on taking the delta smelt, I think the pumps are allowed to take 305 or 300 something.

Mr. ASHE. Something like that, 325.

Mr. VALADAO. When they do the actual testing, they kill thousands of them.

Mr. ASHE. They do not kill thousands of them, but they do—

Mr. VALADAO. It is in the four-digit numbers and so there is quite a few killed just to test and you have got 305 that are taken to create jobs, feed the world, allow people the decency of having a job and feeding their families, putting their kids through college. It sounds like we do not have our priorities straight and we need

to get that really looked into and see if we can figure out a way to make sure that we allow both.

When you look at the smelt, there are a lot of issues with communities around the delta dumping 380 million gallons of sewage into the delta. I am pretty sure that is going to have an impact on the smelt. I am pretty sure that invasive species like the bass or whatever is in there that we are not allowed to fish because it is protected, I guess, that eats smelt. I mean, there are a lot of things going on there and it is not just the pumping. I would ask that you put a little emphasis on that and let's see if we can help these people.

Mr. ASHE. Thank you, sir.

Mr. VALADAO. Thank you.

Mr. SIMPSON. I appreciate that, and I tell the members that I have found over the years that Dan has been very willing to come up to your offices and sit down and talk to you about the issues and stuff and try to have a reasonable conversation about those. I am sure you can make that availability any time that you might have.

Let me ask you a couple other things. The fish mitigation hatcheries or mitigation fish hatcheries budget, is there enough money in the energy and water appropriation to the Army Corps to fully reimburse Fish and Wildlife Service? That has been a pet peeve of mine for some time.

MITIGATION HATCHERIES

Mr. ASHE. We have the funding in fiscal 2013 to meet our obligations to produce fish and we are working with the Corps to get an increase. The Corps has been very cooperative in this endeavor. This past week we signed an agreement with the Tennessee Valley Authority to provide 3 years of funding for those mitigation hatcheries and in the meantime work on a longer-term solution. So our mitigation hatcheries are actually in pretty good shape. With TVA and Corps funding we can meet our obligations.

Mr. SIMPSON. The requested amount by the Army Corps in their budget request would be sufficient.

Mr. ASHE. The Corps is requesting \$4.7 million, and that is what we have asked for. We will look for increases in the next year's budget. I think we would like them to get up to something like \$5.0 million. But again, they have gone from \$3.8 to \$4.7 million this year, so the Corps has been excellent.

WOLF LIVESTOCK LOSS DEMONSTRATION PROGRAM

Mr. SIMPSON. Another issue that is kind of—I actually did not know that this was an issue until I met with some county commissioners a couple weeks ago when I was out in Idaho, and that is the Wolf Livestock Loss Demonstration program, a program that was authorized under Public Law 111-11, and while we can agree or disagree about whether this program is a high enough priority in the fiscal year 2014 and whether the Service has the authority to terminate the program in fiscal year 2013, which might be a discussion between us because it was actually in report language and does the report language continue on through a C.R., that is an interesting debate. The report language might not continue on but

the need to come back to this committee for funding does continue on, so that is an issue. But I take issue with the fact that the Service still has not spent the funds appropriated for fiscal year 2012, and with the rumors that the Service intends to reprogram those fiscal year 2012 funds without seeking approval from this appropriations committee as is required under the fiscal year 2012 re-programming guidelines. Talk to me about that.

Mr. ASHE. Well, first I will say with regard to the program overall, I think as you and I have been talking about here today, we have had to make some very difficult decisions because of where we are with sequestration and other matters. Our priority with wolves has been to support the delisting of the wolves. Two weeks ago, I was with all the state directors—Idaho, Montana and Wyoming—and depredations are down since the delisting. We have been controlling wolves. The wolf population is fine, it is healthy. This year, though, we saw the first overall decline in the northern Rocky Mountain population. It went down by about 6 percent overall, 11 percent in Idaho, and that has shown up in depredations. So I think the best thing that we can do for depredation control is make sure that that delisting sticks and that we are meeting our commitments for monitoring. The States are effectively managing the wolves and we are demonstrating that population continues to be healthy. That is our highest priority, to make sure the delisting holds and that we are living up to all of our commitments on that.

I will come up and speak to you about the wolf livestock loss demonstration program. Our feeling was, it was under the re-programming limits within the House report language, but let me come up and we will talk to you specifically about that.

SCIENCE

Mr. SIMPSON. Okay. I appreciate it. You mentioned today several times science and the need for sound science, and as you recall, back in the Babbitt Administration, they had this idea of taking all the science from all the different agencies, consolidating it and putting it with USGS, and with that went all the money, and now we are trying to rebuild the science programs in the agencies that we took it from. What is this going to cost us and should some of the funds not come out of the USGS to re-fund those science programs if we are going to put them back in the agencies? I do not know what the thought process was when they decided to take it all and put it in the USGS to start with. I am a fan of the USGS but I am not sure that they do fish and wildlife stuff real well.

Mr. ASHE. I am a fan of the USGS as well. Let me back up. That is a very good question. It is a complicated question. I think Bruce Babbitt is a great man. He was a great Secretary of the Interior. The decision to move science out of the resource bureaus was one that I did not support, but his original vision was to create a National Biological Survey, a separate entity within the Department of Interior whose principal client was going to be the management bureaus—the Fish and Wildlife Service, the Park Service, the BLM. His promise was that the Fish and Wildlife Service was giving \$120 million and 1,600 people but would get more science and better science from this National Biological Survey. That vision never materialized and what happened in the intervening 18

months was that the capacity that we donated to the NBS was diminished, the budget was cut, so the USGS got a bad hand. They got less capacity than we originally donated but the same expectation. It was never fair for the U.S. Geological Survey to be expected to live up to that commitment. We have had a 20-year discussion about this.

Mr. SIMPSON. So would we be better off trying to live up to that commitment or trying to rebuild the science back in the agencies?

Mr. ASHE. I think what you see before you in the budget today is a maturation of that discussion. I think USGS is an exceptional partner. They do very good work. I think the USGS can provide long-term, deep-dive, fundamental, ecological scientific support, and they are excellent at that.

What the bureaus need is nimble, application-driven science, I have to make a decision today, I need to know what to do on barred owl, I cannot wait 5 years or even a year for that to materialize, I have to make a decision today. The management bureaus, whether it is me or it is Mike Connor at Bureau of Reclamation or Jon Jarvis at the Park Service, we need that kind of very tactical, applied scientific capacity. It needs to be portable. It needs to be nimble. I need to be able to move it where today's problem and biggest decision is so I can deal with sage grouse, I can deal with northern spotted owl, I can deal with delta smelt, I can deal with manatee; deal with things as they come up and I have to make decisions.

I think the President's budget reflects a maturation from 1993 toward developing a very good relationship between the USGS and the management bureaus in general. I think we are going to see a new generation of science. I think right now with the Landscape Conservation Cooperatives and the USGS Climate Science Centers, we are seeing that integration where the USGS is doing what they do very, very well. There is an integration of that kind of applied, driven science, we have to make a decision for the longer term, what is a changing climate going to mean for the sage grouse and fire-driven ecosystems like in the Pacific Northwest? We can look out farther and we can make today's decisions with a context for what the future is going to look like. I think the budget represents a very important kind of maturation of really a good relationship between the management bureaus and a science bureau.

Mr. SIMPSON. Well, I guess I could understand where Secretary Babbitt was coming from to some degree in that I have been frustrated by and looking at the same issue with all the money we spend on climate change. While I am not a denier of climate change or anything else, and I do think we need to do research and so forth, almost every federal agency gets money for climate change study. We give it to the Park Service, we give it to the Fish and Wildlife Service, we give it to BLM, we give it to the Forest Service. Everybody has money to do climate change studies, and I do not know that there is any coordination or enough coordination between all those, and I have actually thought maybe we ought to gather up all this money in our budget and put it in one place, and the place I have looked at is USGS because that is kind of what they do. I have had resistance from a variety of people, but I guess that same type of thing is maybe what drove Secretary Babbitt to

say maybe we need to consolidate our science and do it in a more holistic manner, if you will. But nobody can actually tell you how much money we spent in our federal budget studying climate change. I mean, the Department of Defense gets climate change money. Everybody gets climate change money.

After 9/11, everybody that came in to my office to lobby for something attached the word "homeland security." If you wanted to grow corn in Iowa, we were going to do it because of homeland security, and now the key word is "climate change," and so it is almost like all the agencies say well, if we want to get in on this and get our share of this, we better do some climate change study, and I just do not see the coordination.

NATIONAL FISH, WILDLIFE AND PLANTS CLIMATE ADAPTATION STRATEGY

Mr. ASHE. You are asking the right question, as you usually do, but I do think I see the coordination. Three weeks ago, the Service in conjunction with NOAA Fisheries and the State Association of Fish and Wildlife Agencies, published a National Fish, Wildlife and Plant Climate Adaptation Strategy. When we started that endeavor several years ago, the states were insistent that we develop not a federal strategy but a national strategy that was done hand in glove with them, and I think that is exactly the reason for that strategy, to pull everybody together.

Everybody has equity in the subject of climate change because it affects all of us. Today in the Albemarle Peninsula of North Carolina, we have 500,000 acres of refuge land. It is the only place in the wild where we have the endangered red wolf, endangered red cockaded woodpecker, and millions of migratory birds that depend on that as wintering habitat. Much of it is already below sea level, and in 50 to 100 years it is all going to be underwater. Right in the middle of that is something called the Dare County Bombing Range, which is a vital asset for the Department of Defense. Duke Energy sees that as important because is it all pocosin-based soil that is sequestering millions of metric tons of carbon. We have a partnership emerging between Duke Energy, the North Carolina Nature Conservancy, the Fish and Wildlife Service, the State of North Carolina and the Department of Defense to figure out how can we make an orderly transition in this ecosystem. We are all bringing assets to the table, and I think that if people are going to tackle this issue of climate change, that is what we have to do more of. We all have to bring some capacity to the table, but I realize what you are saying that we need to see more of that kind of cooperation and coordination, and you have to have some way to account for that. That is in fact why we are putting such a premium on the development of Landscape Conservation Cooperative network. We are bringing all these partners to the table and saying what do we need to know, what are the priority things that we need to know in these large landscapes and who has the capacity so that we are not just building stovepipes and going on our merry way. All of the sudden the Forest Service would say well, you know what, we can do that, we have got exactly the right person at one of our experimental forest stations or the NRCS or NOAA or the Fish and Wildlife Service can say, you know, we can bring that ca-

capacity, we do not have to go make it new, we already have it, and I think we are seeing that LCC network do the same thing for us in the Gulf of Mexico. Over the next decade, we are going to collectively put \$10 billion or more of restoration funding into the Gulf of Mexico. How are we going to coordinate that? That is what we are trying to do. I think it is responsive to your concern, but you are asking exactly the right questions.

Mr. SIMPSON. Well, I appreciate that, and I am certain that it is going on. I am just not smart enough to see it yet. If I get it explained to me enough times, I will. Other questions?

Ms. HERRERA BEUTLER. I just wanted to follow up on your comments about the budget and requirement authority, and it just stuck, one thing you said when you were assuring me that we are going to try. I wrote it down and put it in little quotes. I have heard this a few times. You know, being on this committee, it is budget time so all the different directors and secretaries are coming to the different committees that I sit on and talking about the budget. I am going to hold you to this expectation regardless of what the final budget looks like. So I can guarantee you—because last year the Democratic-controlled Senate did not pass the President's budget. I am going to guarantee you, you are not going to get the President's budget hook, line and sinker. I believe in compromise. I believe in governing. I think we are going to work something out. We are going to have a budget, right? But I can guarantee you it is not going to be line upon line anybody's proposal and so irrespective of how that all comes out, I am still going to hold you to this. Because we have had some different secretaries say well, we will do all this if we get the budget we want. Nobody can say that in these times we will do this if we get our budget. It is the nature of compromise.

Mr. ASHE. We are committed to making that work in the Pacific Northwest and we are going to do everything within our ability to make it work. I have two key field stations up there. I have the Portland Ecological Services Office and the Lacey, Washington office, and I would bet today we are carrying between 20 and 30 percent vacancies in those offices. I can only do what I can do, and if there is another sequester and I have to hold further vacancies, is that going to affect our ability to deliver? Absolutely, it will. But it is a priority, and we are going to continue to make it a priority. We are going to do everything possible to make it work.

Ms. HERRERA BEUTLER. Great. Thank you. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you, Director Ashe. We appreciate you being here today and working with us and working with members of the subcommittee as we try to put together a budget for next year, and as I said in the beginning, we have no idea what it is going to look like. I am optimistically hopeful that the House and Senate can come to some resolution and get a budget out that will serve the needs of the American people.

Mr. ASHE. Thank you, Mr. Chairman.

Mr. SIMPSON. You bet.

U.S. House of Representatives
Committee on Appropriations
Subcommittee on Interior, Environment, and Related Agencies
FY14 Budget Hearing: U.S. Fish and Wildlife Service
April 18, 2013

Questions for the Record for Director Ashe

Questions from Chairman Simpson

Priorities

I posed these questions in my opening statement, and now I'd like to give you the opportunity to answer them.

Simpson Q1: In your opinion, what are the Fish and Wildlife Service's "have-to-do's"?

Answer: The Service has a number of "have-to-dos," but there are several overriding priorities in our work. One is to take care of our lands. The Service has been entrusted with nearly 150 million acres of land and waters that are used for wildlife habitat and recreation. These acres are the property of the US taxpayer, and one of the Service's most important obligations is to take care of them for the taxpayer. Second, our must-do list includes conserving species. We have obligations under the Endangered Species Act, the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, CITES, and other statutes and treaties, to conserve species. The Service takes this obligation very seriously, and works through all of its programs to achieve conservation. In addition, the Service believes that Endangered Species Consultations and other environmental clearances provided by the Service are must-dos. The Nation's goal to achieve energy independence and the resurgence of growth with a strengthening recovery are requiring the review of more projects every year. The Service wants to help developers of these projects design environmentally friendly projects that can be quickly approved. Our assistance is necessary for that to occur. The Service is appropriated a great deal of funding that goes to States and others for the conservation of fish and wildlife. These funds are also a priority so our partners can continue to make their essential contributions to conservation. Finally, the Service has many other programs that are must-dos, each of them important in their own respect. We have no programs that are low priority, although we can easily identify the most important of our priorities.

Simpson Q2: Of those with expired authorizations, why should we continue to fund them?

Answer: Congress should continue to fund programs with expired authorizations because even though the authorizations may have expired, the requirements of the laws are still in effect. The Service will still have the responsibility to list species, and consult with other Federal agencies about whether their actions may have an adverse effect on listed species. The Service will still have the obligation to issue permits for take and import of listed species. The Service will retain all of the other requirements imposed on it by law. Without funding to implement these requirements, the courts would look to Service funding in other areas for redirection to legal required activities.

Simpson Q3: Do you believe that continuing to fund expired programs reduces or removes the incentive for stakeholders to compromise in order to achieve reauthorization and future appropriations?

Answer: No, leaving programs funded and operating as directed by Congress will have the greatest impact on the impetus to reauthorize programs. To the extent Congress wishes to change the program, legislation will need to be passed.

The Service's FY14 budget justification lists 128 authorizing statutes, Executive Orders, and major treaties and conventions governing the agency's activities. Some like the Fish and Wildlife Act of 1956 provide broad authorities, while others like the Endangered Species Act of 1973 mandate specific actions. Some have expired, while others never expire. The budget fails to list the numerous court orders and other mandates that are no doubt driving what the agency does.

Simpson Q4: Do you consider all of these statutes, orders, and agreements to be "have-to-do's", or are some of them optional?

Answer: The Service considers all legal requirements "have-to-dos". In addition, the Service believes it has a legal obligation to conserve threatened and endangered species and take care of the lands that have been entrusted to us.

Twice in your written testimony you mention remaining relevant in today's changing American society.

Simpson Q5: What do you mean by that?

Answer: We have obligations under the Endangered Species Act, the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, CITES, and other statutes and treaties, to conserve species. The Service takes this obligation very seriously, and works through all of its programs to achieve conservation. In addition, the Service believes that Endangered Species Consultations and other environmental clearances provided by the Service are must-dos. The Nation's goal to achieve energy independence and the resurgence of growth with a strengthening recovery are requiring more projects every year to be reviewed. The Service wants to help developers of these projects design environmentally friendly projects that can be quickly approved. Further, the Service believes that we have been entrusted with land used for wildlife habitat and recreation. These lands are the property of the US taxpayer, and one of the Service's most important obligations is to take care of these resources.

Simpson Q6: What is changing about American society that is changing what the agency has to do?

Answer: Our Nation's population has been changing rapidly, becoming more diverse and urban. Americans are also living longer, creating new opportunities and challenges to engage them in volunteer work on our lands and offer accessible programs that appeal to diverse populations. Located near thousands of communities across the country, the National Wildlife Refuge System is well situated to engage large segments of the American population in our conservation work and outdoor recreation programs. The Service is also mindful of the dramatic shifts in how our population communicates, relying more on digital media to learn and share information, and the needs of younger Americans to find meaningful work experiences to enhance their career opportunities. As part of the Refuge System's long-term strategic planning effort, "Conserving the Future: Wildlife Refuges and the Next Generation," we are developing a variety of strategies to help respond to these large scale societal changes and their effects on our conservation and engagement programs. We are engaging key urban audiences by developing the use of digital media to enhance our long standing education and interpretive programs to benefit youth, millions of visitors, and nearby schools and communities. Our Urban Refuge Initiative will create an urban presence through cooperation and partnerships with other urban land management entities such as parks and nature areas.

The Service has a responsibility to inform the public through our education and outreach programs about the realities of a changing climate and its effect on fish and wildlife, and what individuals can do to help mitigate the buildup of greenhouse gases in the atmosphere. The Service has made this a priority.

Population and development increases, have led the Service to be even more strategic in our wildlife conservation efforts, focusing resources and funding on high priority areas which are likely to have a greater conservation benefit for the investment. For example, the Service has initiated an aggressive inventory and monitoring program to more thoroughly identify and conduct long-term monitoring of species on refuges and is leveraging funding through its citizen science initiative in which Service personnel train volunteers to conduct biological activities such as wildlife surveys, habitat monitoring, and invasive species control. The Service is also positioning itself to be more nimble and better able to respond to changing conditions by working under the framework of the Strategic Habitat Conservation (SHC) initiative that implements a landscape approach to conservation that is more strategic, science-driven, collaborative, adaptive, and understandable.

Sage Grouse

The Fish and Wildlife Service must make a decision about whether or not to list sage grouse as an endangered species by the end of FY15. The BLM and western states have been working to meet an FY14 deadline to have robust plans in place to protect the bird and, hopefully, prevent a listing.

Simpson Q7: Say FY15 comes and you determine that the sage grouse should NOT be listed. What assurances will the BLM, the states, and land users have that this decision will be final and

that another lawsuit from the same groups won't render all the work done by the states and the BLM irrelevant and force land users back into uncertainty?

Answer: If, following a review of the best scientific and commercial information available and after taking into consideration the conservation measures afforded the species and its habitat, the Service determines that the sage-grouse does not meet the definition of an endangered or threatened species under the Act, the Service would publish this decision in the Federal Register. Because this determination would constitute the final agency action for the sage-grouse, it would be judicially reviewable and could be subject to litigation. However, any challenge or resulting court action would not render the work done by BLM, States, private owners and others to address the threats to sage-grouse as "irrelevant." In a legal challenge, the Service would defend its decision. The efforts by States, BLM, private landowners, and others contribute significantly to the long term conservation of the sage-grouse, and are an important part of the information considered during the listing decision-making process.

Simpson Q8: It's my understanding that the greatest threat to sage grouse is not grazing, but wildfire. Is this your understanding as well?

Answer: As reported in our 12-month finding in 2010, sage-grouse warranted listing based on two factors – habitat fragmentation and loss, and the inadequacy of the existing regulatory mechanisms. In the Great Basin portion of the species' range, wildfire fueled by the continuing invasion of non-native plants in the sagebrush understory (such as cheatgrass) is currently the most significant impact to sage-grouse habitats. There are few effective tools to currently manage these synergistic threats. However in other portions of the species' range, other threats to the species' habitats such as energy development and poor livestock management are more significant. In respect to livestock management, we are working with our partners to improve rangeland management practices.

As you know, the House has made it a priority to fund wildfire suppression. Unfortunately, in its CR the Senate decided that this isn't a priority.

Simpson Q9: What impact will these cuts have on the Fish and Wildlife Service in general and on sage grouse efforts in particular?

Answer: Fire suppression in important sage-grouse habitats is essential for the conservation of the species. We work closely with our land management partners and on our National Refuge System lands to develop and implement an annual strategic plan to address wildfire in important sagebrush systems after all human safety and property concerns have been addressed. Lack of funding to implement fire management and effective rehabilitation, including the acquisition of native seed, are concerns. In addition, funding for research on techniques for effective restoration, and new suppression/prevention options is critical to the conservation of the sage-grouse.

Wolves

Lately the Service has been playing a game of “hot potato” with the wolf livestock loss demonstration program—a program which was specifically authorized in P.L. 111-11. We can agree to disagree over whether this program is a high enough priority in FY14, *and* whether the Service had the authority to terminate the program in FY13 under the terms of the continuing resolutions. However, I take issue with the fact that the Service still has not spent the funds appropriated in FY12, and with rumors that the Service intends to reprogram those FY12 funds without seeking approval from the Appropriations Committees, as is required under the FY12 reprogramming guidelines.

Simpson Q10: Please clarify what’s going on with this program.

Answer: As authorized by Congress in the FY 2012 Interior and Related Agencies appropriations, the Service initiated program development of the Wolf Livestock Demonstration Project Grant Program (WLDPGP) in FY 2012. On April 2, 2012, the Service published in the Federal Register (77 FR 19682) a Notice of our intent to request that the Office of Management and Budget (OMB) approve our Information Collection Request (ICR) on the WLDPGP. In that Notice, we solicited public comments for 60 days, ending on June 1, 2012.

On October 25, 2012, our second Notice and 30-day comment period was published in the Federal Register (77 FR 65203). With that Notice, the ICR was sent to OMB for review and approval. We received OMB approval of the ICR on December 26, 2012.

The Service will solicit the submission of grant proposals from eligible States and Indian Tribes for the Wolf-Livestock Demonstration Project Grant Program through the Grants.gov web portal by May 31, 2013. Grant awards from this program will support States and tribal governments that assist livestock producers in undertaking proactive, non-lethal activities to reduce the risk of livestock loss due to predation by wolves or to compensate livestock producers for livestock losses caused by wolves. Grant awards will be made in accordance with the Omnibus Public Lands Management Act of 2009 (P.L. 111-11) (Act). The Act requires the funding for the program be expended equally (50:50) between proactive and compensatory projects, and the Federal cost-share is not to exceed 50 percent of the project cost. The Service will award the grants divided equally among the two project types. The Service will announce the grant awards by August 1, 2013.

Maintenance Backlogs

I believe there’s merit in the argument that the Federal government ought to be taking better care of what it already has before taking on additional financial burden, but I also recognize that “better care” is a subjective call.

Simpson Q11: What are the maintenance backlogs at national wildlife refuges, national fish hatcheries, and other Service-owned facilities?

Answer: As of September 30, 2012, the deferred maintenance backlog for the National Wildlife Refuge System was \$2.4 billion and for the National Fish Hatchery System was \$178 million.

Simpson Q12: What are the recent trends of these respective backlogs, i.e. have they been increasing or decreasing?

Answer: In the past three fiscal years, FY2010 to FY2012, the Refuge System's list of deferred maintenance projects decreased from \$2.7 billion to \$2.4 billion. Repairs to roads and parking lots, bridges and trails, dams, levees, and other water control structures are among the most common deferred maintenance needs.

The Deferred Maintenance backlog for the National Fish Hatchery System has remained relatively flat over the past few years with a slight increase from \$170 million to \$178 million from FY2010 to FY2012. Repairs to wells, water lines, ponds, fish production raceways and other facilities that keep aquatic species alive and thriving are among the most important maintenance needs.

Simpson Q13: If Congress appropriates the requested funding in FY14 for maintenance and construction, will these backlogs increase or decrease?

Answer: Funding at the FY2014 Request level would allow the Service to complete roughly 200 deferred maintenance projects. At this level, the Service will maintain the current downward trend in the backlog barring any unforeseen events. For example, damages from major natural disasters will add to the backlog unless Congress provides Emergency Supplemental Funding.

Simpson Q14: Do the existing backlogs influence any of the following Service activities: fish production; public visitation; recovery plan implementation; or deferred maintenance and construction?

Answer: As infrastructure investment directly supports the Service's wildlife and habitat mission, available funds are prioritized to meet highest priority needs and the Service continues to work towards reducing the deferred maintenance backlog by refining its condition assessment process, using maintenance action teams, actively pursuing local partnerships, and disposing of unneeded assets.

Endangered Species

Your budget proposes to spend \$9.4 million to incentivize Fish and Wildlife Service programs to work together to recover listed species—an initiative started in FY13 despite prohibitions of new starts in the Continuing Resolutions. According to your budget, the Service will consider proposal submissions from its various programs, and “criteria have been developed for evaluating project proposals and monitoring outcomes.”

Simpson Q15: Why would you ever need a financial incentive to get your own agency programs to cooperate?

Answer: Through the cooperative recovery initiative, the Service is combining the expertise of multiple Service programs and providing project funding to address urgent endangered species conservation needs for listed species found on or near national wildlife refuges. Available resources to address large scale collaborative projects has been limited, and this initiative provides funding for projects between \$500,000 to \$1 million in scale, that can be completed in one to three years, and will significantly advance conservation of a species. By working across programs to fund these efforts, the Service maximizes the conservation impact of its resources to achieve specific, collaborate conservation needs. These projects are not new starts, they build on current recovery efforts and could have been funded normally through recovery or refuge funding.

Simpson Q16: If recovery is a high enough priority, then why do you have to incentivize your programs to focus on it?

Answer: Both the Recovery and the Refuges program have limited funding available for on-the-ground projects. Setting aside these funds to address urgent endangered species conservation needs allowed the Service to make substantial progress toward recovery of several species. The Service undertook a national, proposal-driven process to identify and implement the highest priority projects. From the 24 projects submitted Nationwide, ten were selected based on their likelihood of achieving recovery on the ground for these imperiled species. The Service continues to seek efficient and effective approaches to maximize its conservation impact to achieve species recovery.

Simpson Q17: How much are you proposing to spend Service-wide to recover listed species? Please list by program element for the record.

Answer: As noted in the FY 2011 Expenditure Report (the most recent available report), the Service-wide expenditure related to listed species was \$175,449,080. While this comprehensive amount is not broken out by service areas or activities, specific recovery highlights in the FY 2014 budget include:

Cooperative Recovery	FY 2014 President's Budget Request
Ecological Services	\$ 1,900,000
Partners	\$ 1,483,000
Refuges	\$ 3,200,000
Fisheries	\$ 1,500,000
Migratory Birds	\$ 500,000
Science	\$ 770,000
Subtotal CRI	\$ 9,353,000
ES Recovery	\$ 84,643,000
TOTAL	\$ 93,996,000

Simpson Q18: Your budget states that, “Project teams must show their efforts have improved the status of target species within three years.” Are you applying this same standard agency-wide?

Answer: The call for proposals for Cooperative Recovery Initiative projects was issued by the Director’s office to all Regional Directors. The same process and requirements were used for all project submissions. Because of the uncertainty of long-term funding, the objective of the FY 2013 Cooperative Recovery Initiative was to make a difference with the funding as provided with a reasonable amount of time to achieve success. While this specific requirement limited the number of project submissions, the Service wants to show results in the near term.

Simpson Q19: Is making your own programs compete for project funding the best way to budget for results? If not, then why do it with this money? If so, then why not apply the same model across the agency? Is this where you’re headed?

Answer: In times of more limited resources, the Service believes that it needs to focus its resources where it can make the most difference. The Cooperative Recovery Initiative (CRI) is one step in realigning resources to achieve two of the Service’s highest priorities: threatened and endangered species recovery, and wildlife and habitat management on National Wildlife Refuges. At the same time, the Service still needs to retain funding to achieve program specific goals such as recovery planning, refuge maintenance, etc., that meet specific mandates or directives for each program. An initiative such as the CRI allows the Service to develop a balance between collaborative, cross-program, large-scale investments while retaining program specific funding to meet the highest program specific priorities. Through this balance, Service programs will continue to contribute to listed and candidate species recovery to the best extent possible given the various mandates and needs within the various programs.

Science

Your budget proposes to “separate funding for Cooperative Landscape Conservation [LCC’s] from Science Support to *enable broader application of funding* for scientific activities across the Service and LCC’s.”

Simpson Q20: What is the specific problem you are trying to fix with this proposed budget reorganization? Are you also proposing to reorganize personnel?

Answer: The Service is trying to develop a permanent science line item in the budget that is dedicated to science needs across the entire bureau, exclusive of the science funds that are LCC related. For example, the Service needs funding for science related to eagles and desert tortoise to inform renewable energy permitting activities, research on white-nose syndrome, sylvatic plague, and other wildlife diseases, Spotted owl/Barred owl research, etc. Currently, basic science needs are funded on a case-by-case basis through different programs and sub-activities, at the expense of other conservation actions. This activity does not require any reorganization since most of these science needs are fulfilled through contracts, grants, or agreements with established research institutions outside of the Service.

You are proposing to spend some of this science funding at Cooperative Fish and Wildlife Research Units located at various universities across the country. As you know, these Research Units are primarily funded through the USGS budget.

Simpson Q21: What is the USGS overhead rate for services purchased at these Research Units? What is the USGS overhead rate for services purchased at USGS facilities?

Answer: The Cooperative Research Units indirect cost rate is a standard 6%, and the partner university usually applies an additional 15%. The average indirect cost rate at other USGS facilities is 45%.

Requesting your own funds for science clearly implies that you are not getting the services you need from USGS, which, ironically, was the recipient of significant FWS personnel and funding during the massive science reorganization during the Clinton Administration.

Simpson Q22: Is it fair to say that that reorganization experiment didn't work?

Answer: The Department of the Interior is committed to delivering the right science at the right time to inform decision making and its 2014 budget reflects that commitment. The Department is also working to improve its processes to identify science needs and collaboratively plan to address them, with each bureau bringing their resources and best capabilities to bear, in order to inform management decisions.

USGS provides exceptional support to the Service. However, the conceptual model that all science should be consolidated into one bureau has not worked as intended. USGS alone cannot provide for all of Interior's scientific needs. Bureaus have their own science needs apart from what USGS can deliver and USGS does not have the funding to address all of the needs of the bureaus. The Department must develop a new conceptual model that relies on working collaboratively to address natural resource issues.

The science model the Department is promoting establishes answering natural resource questions as a shared responsibility. The bureaus need to work collaboratively to address critical issues by employing their specific expertise and resources to identify issues and inform management decisions. This will create synergies that accelerate the understanding of key factors and sound management practices.

The USGS and Interior bureaus must work collaboratively to find the answers needed for important natural resource management questions. Science funding at the bureau and office level allows bureaus and offices to participate more fully in that collaboration, providing required resources to purchase studies, models, and expertise, and to hire scientists to help managers interpret the vast body of knowledge generated by the USGS, universities, and other scientific institutions. This science helps answer imminent and important natural resource

management questions and provides near-term solutions to address urgent and emerging issues such as the white-nose syndrome in bats.

Simpson Q23: If FWS wants to rebuild its science capacity, why shouldn't we pay for it by shifting the money out of USGS and back to the FWS where it was in the first place?

Answer: There is no duplication of effort between what the USGS can do, and what the Service needs. However, to be most effective, the Service needs to have a nimble and separate source of science funding to address emerging management and policy decisions and USGS does not have funding available for this purpose. The Service is pursuing broad scientific collaborations with both USGS and other research institutions. The work is coordinated in advance to ensure there is no duplication of effort and that the results are shared. The requested funding for the Service will provide the capacity to fund research institutions to deliver science needed to make resource management decisions.

Simpson Q24: The budget proposes \$1M for biological carbon sequestration. How will this not duplicative of what USGS is already doing?

Answer: Work identified for the \$1 million in biological carbon sequestration would not in any way duplicate USGS efforts. Rather, this work represents a true collaboration between the Service's managers and USGS scientists to apply decision-support tools previously developed by USGS to current, on-the-ground biological carbon sequestration efforts on high-priority National Wildlife Refuge System lands.

Questions from Mr. Calvert**Endangered Species**

Calvert Q1: Why did the US Fish and Wildlife Service propose to designate critical loggerhead habitat without first conducting an economic analysis supporting such a proposed designation? How can the public properly evaluate USFWS' proposed designation without a full understanding of its impact on the economy?

Answer: The current regulation at 50 CFR 424.19 states: "The Secretary shall identify any significant activities that would either affect an area considered for designation as critical habitat or be likely to be affected by the designation, and shall, after proposing designation of such an area, consider the probable economic and other impacts of the designation upon proposed or ongoing activities."

FWS has interpreted 'after proposing' to mean after publication of the proposed critical habitat rule. We are currently developing the draft economic analysis for the proposed critical habitat designation. We will announce the availability of the draft economic analysis as soon as it is completed, at which time we will reopen the public comment period on the proposed critical habitat rule to allow the public to review and provide comment on the draft economic analysis and the proposed critical habitat designation.

In addition, we have proposed a revision to the 424.19 regulations to change the timing of the economic analyses for critical habitat proposals in the future, making them available when draft critical habitat proposals are available for public comment. We will follow our current practice until such regulation revision is finalized.

Calvert Q2: Some coastal areas proposed as critical habitat are immediately adjacent to other coastal areas that were not given that designation. What was the cutoff for the number of nests that kept an area from being designated as critical habitat?

Answer: For the Northern Recovery Unit, we divided beach nesting densities into four equal groups by State (North Carolina, South Carolina, and Georgia) and selected beaches that were within the top 25 percent (highest nesting densities) for designation as critical habitat. These high nesting density beaches along with the beaches adjacent to them as described below encompassed the majority of nesting within the recovery unit. The reason we determined high-density nesting beaches within each State, rather than the entire Northern Recovery Unit, was that doing so allowed for the inclusion of beaches near the northern extent of the range (North Carolina) that would otherwise be considered low density when compared with beaches further south (Georgia and South Carolina), thus ensuring a good spatial distribution.

For the Peninsular Florida Recovery Unit, we took a similar approach to the one used for the Northern Recovery Unit. However, we used recent information on loggerhead genetics within the recovery unit to break the unit into smaller regions for the purpose of assessing beach nesting densities (analogous to assessing nesting densities by State for the Northern Recovery Unit). Therefore, we split the Peninsular Florida Recovery Unit into the following five regions for an assessment of nesting densities based on recovery unit boundaries and recent genetic analyses:

- (1) Northern Florida – Florida–Georgia border to Ponce Inlet;
- (2) Central Eastern Florida – Ponce Inlet to Fort Pierce Inlet;
- (3) Southeastern Florida – Fort Pierce Inlet to Key West in Monroe County;
- (4) Central Western Florida – Pinellas County to San Carlos Bay off Lee County; and
- (5) Southwestern Florida – San Carlos Bay off Lee County to Sandy Key in northwest Monroe County.

Once we defined the beaches within these five regions of the Peninsular Florida Recovery Unit (which is described in the proposed rule), we used the same approach described above for the Northern Recovery Unit. We divided beach nesting densities into four equal groups by region and selected beaches that were within the top 25 percent (highest nesting densities) for designation as critical habitat. The reason we determined high-density nesting beaches within each region (rather than the entire Peninsular Florida Recovery Unit) was to ensure the inclusion of beaches that would otherwise be considered low density when compared with beaches along the southeastern Florida coast and thus ensure a good spatial distribution of critical habitat units within the recovery unit.

For the Northern Gulf of Mexico Recovery Unit, once we defined the beaches by State (which is described in the proposed rule), we used a similar approach as the one described above for the Northern Recovery Unit. For Mississippi, nesting data are not collected regularly or in a standardized manner; however, based on existing data, Horn and Petit Bois Islands have had the most nests and were selected for inclusion as proposed critical habitat. For Alabama and the Florida Panhandle, we divided beach nesting densities into four equal groups by State and selected beaches that were within the top 25 percent (highest nesting densities) for designation as critical habitat. The reason we determined high-density nesting beaches within each State (rather than the entire Northern Gulf of Mexico Recovery Unit) was that it allowed consideration for the inclusion of beaches near the western extent of the range that would otherwise be considered low density when compared with beaches in Alabama and the Florida Panhandle, thus ensuring a good spatial distribution.

Within each of the Recovery Units, we also identified adjacent beaches for each of the high-density nesting beaches based on current knowledge about nest site fidelity. Given what we know about loggerhead internesting movements and nest site fidelity (which is described in the proposed rule), FWS has determined that it is important to include the areas adjacent to high-density nesting units as critical habitat to ensure nesting loggerheads have nearby beaches to nest on should their highest density nesting beaches be lost.

Calvert Q3: To what extent, if any, did the US Fish and Wildlife Service consider existing regulations and programs at state and local levels that ensure that loggerhead habitat is protected and maintained? Will this proposed rule potentially use federal funding for efforts already being performed by state or local agencies?

Answer: FWS is supportive of beach communities, local governments, and State and Federal lands that have management plans or agreements, permit conditions, laws, regulations, ordinances, or educational campaigns that address threats to the loggerhead sea turtle and its

habitat. These may cover recreational beach use, beach driving, predation, beach sand placement activities, artificial lighting, and coastal development.

A critical habitat designation does not require the use of Federal funds for conservation efforts, and the FWS would not duplicate efforts already being performed by State or local agencies. Some Federal funding is, however, available to support conservation and recovery of listed species, such as the loggerhead.

Calvert Q4: Why is USFWS proposing to designate critical habitat now, approximately 35 years after the loggerhead sea turtle was listed as endangered?

Answer: The loggerhead sea turtle was originally listed worldwide under the Endangered Species Act (Act) as a threatened species on July 28, 1978 (43 FR 32800). No critical habitat was designated for the loggerhead sea turtle at that time. The Endangered Species Act of 1973 referred to the concept of critical habitat, requiring that Federal agency actions not modify or destroy habitat determined to be critical. However, the 1973 Act did not define critical habitat or specify a procedure for its designation (Pub. L. 93-205, 87 Stat. 884, codified at 16 U.S.C. 1536). Amendments to the Act, enacted on November 10, 1978, defined "critical habitat" and provided that critical habitat "may be established" for species listed prior to the date of enactment of the 1978 amendments, but did not make designation mandatory nor set a certain timeframe for designation (Pub. L. 95-632, section 2(2), 92 Stat. 3751).

In 1982, amendments to the Act established the requirement to designate critical habitat at the time of listing to the extent such designation was prudent and determinable, but excluded from that requirement any species listed prior to November 10, 1978 (Pub. L. 97-304, sections 2(a), 2(b) (4), 96 Stat. 1411 (1982)). Therefore, for species listed prior to the 1978 amendments, such as the loggerhead sea turtle, USFWS is not required to retroactively designate critical habitat.

On July 12, 2007, USFWS and the National Marine Fisheries Service (NMFS) (collectively referred to as the Services) received a petition to list the "North Pacific populations of loggerhead sea turtle" as an endangered species under the Act. NMFS, with USFWS concurrence, published a notice in the Federal Register on November 16, 2007 (72 FR 64585), concluding that the petitioners (Center for Biological Diversity and Turtle Island Restoration Network) presented substantial scientific information indicating that the petitioned action may be warranted. Also, on November 15, 2007, the Services received a petition to list the "Western North Atlantic populations of loggerhead sea turtle" as an endangered species under the Act. NMFS, with USFWS concurrence, published a notice in the Federal Register on March 5, 2008 (73 FR 11849), concluding that the petitioners (Center for Biological Diversity and Oceana) presented substantial scientific information indicating that the petitioned action may be warranted.

In early 2008, a Loggerhead Biological Review Team (BRT) was assembled to complete a status review of the loggerhead sea turtle. The BRT was composed of biologists from USFWS, NMFS, the Florida Fish and Wildlife Conservation Commission, and the North Carolina Wildlife Resources Commission. The BRT was charged with reviewing and evaluating all relevant scientific information relating to loggerhead population structure globally to determine if any

population met the criteria to qualify as a Distinct Population Segment (DPS) and, if so, to assess the extinction risk of each DPS. The findings of the BRT, which are detailed in the “Loggerhead Sea Turtle (*Caretta caretta*) 2009 Status Review under the U.S. Endangered Species Act” (Conant *et al.*, 2009; hereinafter referred to as the Status Review), addressed DPS delineations, extinction risks to the species, and threats to the species. The Status Review underwent independent peer review by nine scientists with expertise in loggerhead sea turtle biology, genetics, and modeling. The Status Review is available electronically at <http://www.nmfs.noaa.gov/pr/species/statusreviews.htm>.

On March 16, 2010 (75 FR 12598), the Services published in the Federal Register combined 12-month findings on the petitions to list the North Pacific populations and the Northwest Atlantic populations of the loggerhead sea turtle as DPSs with endangered status, along with a proposed rule to designate nine loggerhead sea turtle DPSs worldwide and list two of the DPSs as threatened and seven as endangered. The Federal Register notice also announced the opening of a 90-day public comment period on the proposed listing determination.

On March 22, 2011 (76 FR 15932), the Services published in the Federal Register a notice announcing a 6-month extension of the deadline for a final listing decision. At this time, we solicited new information or analyses from the public that would help clarify this issue. The public comment period was open for 20 days, and closed on April 11, 2011.

On September 22, 2011 (76 FR 58868), the Services jointly published a final rule revising the loggerhead’s listing from a single worldwide threatened species to nine distinct population segments listed as either endangered or threatened species (50 CFR 17.11(h)). The 2011 final rule listed the Northwest Atlantic Ocean DPS of the loggerhead sea turtle as a threatened species.

Pursuant to section 4(a)(3)(A) of the Endangered Species Act, critical habitat shall be designated to the maximum extent prudent and determinable at the time a species is proposed for listing under the Act. At the time of listing the nine DPSs of the loggerhead sea turtle, we lacked the comprehensive data and information necessary to identify and describe physical and biological features of the terrestrial and marine habitats of the loggerhead and found critical habitat to be “not determinable.” However, in the final listing rule, we stated that we would later propose to designate critical habitat for the two DPSs (Northwest Atlantic Ocean and North Pacific Ocean) in which loggerheads occur within the United States’ jurisdiction.

On March 25, 2013, FWS published a proposed rule to designate areas in the terrestrial environment as critical habitat for the Northwest Atlantic Ocean DPS of the loggerhead sea turtle (78 FR 17999). In total, 1,189.9 kilometers (km) (739.3 miles) of loggerhead sea turtle nesting beaches are being proposed for designation as critical habitat in the States of North Carolina, South Carolina, Georgia, Florida, Alabama, and Mississippi. These beaches account for 48 percent of an estimated 2,464 km (1,531 miles) of coastal beach shoreline, and account for approximately 84 percent of the documented nesting (numbers of nests) within these six States. FWS has jurisdiction over sea turtles on the land, and loggerheads come on land only to nest; therefore, the only terrestrial habitat they use is for nesting.

Questions from Mr. Cole**Lesser Prairie Chicken**

The state wildlife directors of Oklahoma, Kansas, Texas, Colorado and New Mexico—acting under the auspices of the Western Area Fish and Wildlife Association (WAFWA)—recently filed a Range Wide Plan for the conservation of the Lesser Prairie Chicken (LPC). That RWP represents a first for the protection of any multi-state species and is designed to eliminate the need to list the LPC as a threatened species.

Cole Q1: How quickly do you intend to process and approve the Candidate Conservation Agreements with Assurances that are a core element of that plan so that the sponsors can enroll acreage under those CCAAs in time to consider that protected acreage in any final determination you will make in this matter?

I note that FWS references the need to make a decision on the LPC proposed listing by September 30, 2013, which appears to be tied to the end of the federal government's fiscal year. However, the standard rules for a proposed listing provide 12 months for the public comment period and review of the comments, which in the case of the LPC would put that decision date at December 11, 2013, one year from the date of the Federal Register notice on the proposed listing of the LPC.

Answer: Currently, the States have released a draft of their rangewide plan for public review and comment. We recently re-opened the comment period for the proposed listing rule to accept any new information that may inform our final listing decision, including comments regarding the States' rangewide plan and how it may inform our listing determination. At the same time, we also proposed a 4(d) special rule that would allow for take of the lesser prairie-chicken incidental to activities conducted pursuant to a comprehensive conservation program that was developed by or in coordination with a State agency and that has been determined by the Service to provide a net conservation benefit to the species. Following the close of the comment period in June, we will continue to work closely with the States to assist in addressing Service comments on their plan as well as other comments submitted by the public to the States. We anticipate that the States will submit the final plan to the Service in June or July. The Service would then determine whether the plan could be covered under a final 4(d) rule should the species need to be listed and advise the States so that they can begin to enroll participating landowners.

Cole Q2: Why is the December 11 date not the appropriate date?

Answer: Pursuant to a settlement agreement with WildEarth Guardians, a proposed listing determination was to be submitted to the Federal Register on or before September 30, 2012. We found it necessary to seek a 90 day extension on that deadline, but were unable to extend the original final deadline. So the final listing determination is due September 30, 2013, unless the Secretary finds that substantial disagreement exists regarding the sufficiency or accuracy of the available data relevant to the listing determination, in which case the final listing determination is to be submitted to the Federal Register on or before March 31, 2014.

Cole Q3: Given the intense interest in this matter and the strenuous efforts of the WAFWA group and numerous others to create a RWP that will obviate the need for a listing, why would you not avail FWS and all the interested parties with the additional time between September 30 and December 11 to get to a fully informed and scientifically justified decision in this matter?

Answer: We are required to complete the rulemaking under the deadlines set forth in the settlement agreement with WildEarth Guardians.

Cole Q4: What are the specific timelines for public comments on the FWS proposed listing of the LPC?

Answer: The proposed listing rule had a 90-day comment period that ended March 11, 2013. We also held public hearings in order to accept formal oral comments in Woodward, Oklahoma, on February 5, 2013; in Garden City, Kansas, on February 7, 2013; in Lubbock, Texas, on February 11, 2013; and in Roswell, New Mexico, on February 12, 2013. Further, FWS reopened the comment period on the proposed listing rule on May 6 with a 45-day comment period associated with that reopening.

Cole Q5: If FWS proceeds to list the LPC as a threatened species, when will the recovery plan and critical habitat determinations be done?

Answer: If a listing occurs for the LPC, critical habitat will need to be finalized one year after the date of the final listing determination. Our regulations provide for 18 months for a draft recovery plan and another year for a final recovery plan. We do our best to meet these target dates based upon available staff and resources.

Cole Q6: How many FWS staff will need to be assigned to do the necessary federal permitting for Section 7 Biological Opinions and Section 10 Habitat Conservation Plans?

Answer: This will depend upon the outcome of the listing determination and whether the Service finalizes a 4(d) special rule that may relax the take prohibitions as necessary and advisable for the conservation of the LPC. Also, see responses to Q7 and Q8 below.

Cole Q7: How many FWS personnel do you currently have working on Section 7 and Section 10 permits in the five states impacted by the LPC issue?

Answer: The Service has one FTE as the conservation lead for the LPC who is working primarily with the States on the rangewide conservation plan for the species. The conservation lead has support from FWS biologists in the five State field offices plus Regional Office support from Regions 2 and 6, our Southwest and Northern Rocky Mountain regions. The Service also has a team of six staff working part-time on section 7 conference opinions with the Natural Resource Conservation Service (NRCS) and the Farm Services Agency (FSA) to cover incidental take associated with landowners participating in the NRCS-LPC Initiative and the Conservation Reserve Program, should the LPC be listed.

Cole Q8: Understanding that a listing of the LPC entails a huge additional workload in biological consultations and permitting, how many FTEs would need to be allocated for the work necessitated by a listing of the LPC?

Answer: This will depend upon the outcome of the listing determination and whether the Service finalizes a 4(d) special rule that may relax the take prohibitions as necessary and advisable for the conservation of the LPC. If the LPC is listed, we anticipate having the consultation with NRCS and FSA completed such that incidental take coverage is in place at the time of listing and no additional section 7 consultation is needed for those federally funded activities.

Cole Q9: Would you agree that as a matter of policy strong state-lead conservation strategies are preferable to federal administration of conservation strategies?

Answer: States play a vital role in the conservation of species throughout our Nation. With respect to the LPC, the Service has been working closely with the five States in the range of the LPC for over a decade on multiple fronts to protect and enhance habitat for the species across its range. The Service strongly supports the States' rangewide planning effort for the LPC and has worked closely with them as they developed their plan. We hope that the rangewide conservation plan can serve as the foundation for LPC conservation into the future and as a successful model for other plans. The Service is committed to working closely with States, other Federal agencies, private landowners, industry and others to conserve the LPC and its habitat.

Cole Q10: If FWS were to list the LPC or any other of the 250-or-so species that are the subject of the settlement agreements with various petitioners, in the absence of agreements with the private sector and the state and local governments to fund conservation activities and perform best practices on the relevant habitat does FWS have the financial and personnel resources to conduct the conservation that would protect any of the species and their habitat from further risk and would those federal resources be sufficient to rehabilitate the species to the point where they could be de-listed?

Answer: Once a species is listed, FWS uses the funding provided for Endangered Species Consultations and Habitat Conservation Planning and Endangered Species Recovery to work towards recovery of the species. For example, Recovery program funding supports the development of the interim recovery strategy or outline that guides conservation until the recovery plan is drafted and finalized. Recovery funding also supports recovery actions identified by the recovery strategy or recovery plan needed to minimize or eliminate the threats to the species that are causing its imperilment. In addition, FWS uses its other authorities, such as the Partners for Fish and Wildlife and the National Wildlife Refuge System's Wildlife and Habitat Management program, and other partners to support conservation and recovery of listed species. Service resources are rarely sufficient to support the recovery of a listed species alone. It usually takes the resources of many agencies, organizations, and landowners to achieve recovery of a listed species.

Cole Q11: The average administrative cost of listing a species under the Endangered Species Act is \$16 million. What impact will sequestration and other budget challenges have on a potential listing of the Lesser Prairie Chicken, and how does the Fish & Wildlife Service plan to carry out such a complex and geographically massive listing in this constrained budget environment?

Answer: The average package cost for a stand-alone listing determination is \$225,500; the Service requests a total of \$15.012 million in FY 2014 to conduct listing determinations as well as critical habitat designations identified on its FY 2014 work plan. While sequestration has created management challenges for the Service this year, the Service has prioritized our work plan to ensure that we have the resources to get a final listing determination completed for the Lesser Prairie Chicken as scheduled.

Cole Q12: With respect to the LPC specifically, what is your estimate of the annual cost to federal taxpayers to conserve that species and how would FWS fund that activity in the absence of CCAAs and other agreements with the private and public sector?

Answer: The Service does not currently track the cost to conserve species that are not yet listed. For the LPC, the Service does not currently have an estimate of the annual cost to conserve the species. The Service utilizes the limited resources it has, through its Candidate Conservation funding, Partners for Fish and Wildlife program funding, and other resources to support as much conservation for the species as possible. Conservation of imperiled species requires engagement and support of multiple partners.

Cole Q13: Under current federal budgetary constraints that appear to project into the indefinite future, does listing of a species make any sense from a federal financial and personnel resources perspective if there are no funds and conservation behaviors coming from non-federal parties?

Answer: The Endangered Species Act calls for utilizing the authorities and resources of all partners to achieve conservation of listed species. Much of the recovery and conservation actions currently funded are through States, non-governmental organizations, and other non-Federal partners. Many private individuals, businesses, and organizations continue to support conservation of imperiled species in recognition of conserving America's unique biological ecosystems and species.

Cole Q14: Compared to the state and regional efforts currently underway that bring in money for conservation, how much money does Fish & Wildlife Service expect commit to conservation and recovery programs specific to the Lesser Prairie Chicken?

Answer: As noted above, once a species is listed, the Service uses the funding provided for Endangered Species Consultations and Habitat Conservation Planning and Endangered Species Recovery to work towards recovery of the species. For example, Recovery program funding supports the development of the interim recovery strategy or outline that guides conservation until the recovery plan is drafted and finalized. Recovery funding also supports recovery actions identified by the recovery strategy or recovery plan needed to minimize or eliminate the threats to the species that are causing its imperilment. In addition, the Service uses its other authorities, such as the Partners for Fish and Wildlife and the National Wildlife Refuge System's Wildlife

and Habitat Management program, and other partners to support conservation and recovery of listed species. Service resources are not sufficient to support the recovery of all listed species alone. It takes the resources of all agencies, organizations, and landowners to achieve recovery of a listed species.

Questions from Ms. McCollum**Invasive Species**

McCollum Q1: Mr. Ashe, what is the Fish and Wildlife Service doing to coordinate with States to address the impact caused by invasive species?

Answer: Operating under the provisions of the Nonindigenous Aquatic Nuisance Prevention and Control Act, as amended by the National Invasive Species Act (NISA), the Service's Aquatic Invasive Species (AIS) Program nationally coordinates and integrates activities to prevent and control AIS. A major component of this work includes providing a national and regional coordination role to the Aquatic Nuisance Species Task Force (ANSTF) and its regional panels, other program partners, and States in three key ways:

1. **State ANS Management Plans** – Working with the ANSTF, the Service provides technical and financial assistance to support State and Interstate ANS Management Plans (State Plans). These plans identify feasible, cost-effective measures for States and cooperating entities to effectively manage their AIS infestations. There are currently 40 approved State Plans with more under development or revision.
2. **Regional AIS Coordinators** – The Service has at least one AIS Coordinator in each Region to maintain excellent working relationships with the States, work closely to coordinate and integrate State and Federal activities, prevent duplication, and effectively and efficiently manage AIS within each region.
3. **ANSTF Regional Panels** – Through NISA, the Service supports a series of six regional panels of the ANSTF as the working arms of a regionally coordinated program. They bring together States and their partners to discuss regional issues and coordinate work activities. The Service annually provides \$50,000 to each Regional panel.

The Service also has representatives actively participating on State and Territorial Invasive Species Councils. For example, a Cross-Program Invasive Species Team includes Fish and Wildlife Service representatives on every State Invasive Species Council in the Pacific Region. In addition, the Service has worked with AFWA (Association of Fish and Wildlife Agencies) on specific invasive issues. The Service also has six Invasive Species Strike Teams (ISST) located in the Pacific Islands, Southwest and Lower Colorado River area, Oklahoma and Texas, Upper Missouri/Yellowstone/Columbia River, North Dakota, and the Florida Everglades.

McCollum Q2: Does Fish and Wildlife Service need additional statutory authority to better address plant, insect, and aquatic invasive species? If so, what?

Answer: Recognizing the invasive species threat, the limited tools that are available, and the need to take proactive action, the Service is conducting an internal review of recommendations to address the current regulatory tools under the injurious wildlife provisions of the Lacey Act. If the Service determines that additional authority is necessary, it will convey that information.

McCollum Q3: How does the Fish and Wildlife Service Strike Team handle invasions on adjacent private land?

Answer: Currently, the Service has six Invasive Species Strike Teams (ISST) located in the Pacific Islands, Southwest and Lower Colorado River area, Oklahoma and Texas, Upper Missouri/Yellowstone/Columbia River, North Dakota, and the Florida Everglades. The ISST program mission seeks to contribute to the restoration and maintenance of native plant and wildlife communities on refuge lands and neighboring landscapes by reducing impacts from invasive species. In some cases, ISSTs assist neighboring landowners to manage invasive species through education and project partnerships.

In Florida, the Partners for Wildlife and Private Lands program addresses invasive species control on adjacent lands. Also, the multi-agency Florida Invasive Species Partnership (FISP), on which the Service has a committee representative, has been instrumental in forming regional Cooperative Invasive Species Management Areas (CISMAs). Most of the regional CISMAs, when requested, have conducted field workdays in some regions on adjacent private lands. There are some limitations on agency personnel conducting field work on non-agency lands and some personnel are prohibited from doing so, but FISP is trying to develop standard operating procedures to permit such activities in case of injury, liability, etc. that may occur on private land.

The New Mexico Invasive Species Strike Team is developing closer relations and looking for opportunities to work with Partners for Fish & Wildlife, State Wildlife granting programs, and other natural resource protection and improvement programs (based on above mentioned landscape analysis of threats being developed for priority work, Early Detection and Rapid Response) to work on adjacent and/or priority private lands. Outreach to landowners is beginning to be coordinated with the local Soil and Water Conservation Districts, local weed districts, and NRCS.

McCollum Q4: Do you think that the Fish and Wildlife Service Invasive Species Strike Team is something that can be replicated in other federal agencies and possibly state and local agencies?

Answer: Invasive species pathways go beyond refuge boundaries and across borders. The Fish and Wildlife Service does collaborate with State, local and tribal agencies to identify shared invasive species concerns and work cooperatively to solve them.

There has been some discussion of possibly forming a DOI Strike Team - combining a NPS-Exotic Plant Management Team and a FWS- Invasive Species Strike Team within Florida. The combined team would work with Everglades Restoration and other serious invasive species problems in South Florida. An Everglades Invasive Species Strike Team would better coordinate invasive species activities in South Florida in a cost efficient manner.

The Florida Fish and Wildlife Conservation Commission - Invasive Species Management Section (STATE) and Palm Beach County-Environmental Resource Management both have implemented invasive vine strike teams as of the early 2000s. Utilization of these 'Teams' is

dependent upon target species, density (infestation levels) and infestation acreage, and has been successfully implemented in Florida at the State and County levels.

The ISST in New Mexico is modeled after the NPS Exotic Plant Management Team, but with improved capacity for Inventory and Monitoring and analysis of treating invasive species on the larger landscape. One benefit to the FWS team is that the crew returns yearly to the sites treated which develops a stronger sense of changes on the landscape (yearly climate patterns, land use changes, etc.) so the team can assist refuge management in addressing invasive issues in a concerted way.

International Program/Law Enforcement

McCollum Q5: Mr. Ashe, what is the Fish and Wildlife Service doing to stop the illegal trade and slaughter of African Elephants and Rhinos, both abroad and here in the United States?

Answer: The poaching rates of African elephants and rhinos for ivory and horn exceed the levels before the ban on new ivory trade. The U.S. Fish & Wildlife Service (Service) is committed to working across federal agencies with foreign governments, international organizations, nongovernmental organizations and the private sector to curb the illegal trade and protect these iconic species. Increasingly, we are striving to address this problem throughout the trade chain, which includes focusing on demand reduction in key consumer countries. We approach the conservation of elephants and rhinos through four different points of intervention: in situ activities to protect the species and their habitats in the African range states; focusing coordinated international attention and action through the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); addressing illegal wildlife trade through coordinated law enforcement activities; and measures to control and reduce the demand for illegal wildlife products in consumer countries, especially in Asia.

The Service has developed strong partnerships around the globe and established itself as a leader in the fight against wildlife trafficking. Within the Multinational Species Conservation Fund, the African Elephant Conservation Fund and the Rhino Tiger Conservation Fund, both administered by the Service, provide range states with financial assistance for essential protection activities, including anti-poaching efforts. The Service is the world's premiere wildlife law enforcement agency with a long history of conducting highly successful investigations of international wildlife trafficking. In 2011, the Service launched Operation Crash – an ongoing nationwide and international investigation of rhino horn trafficking that has already secured 13 arrests, six convictions, and the seizure of more than 40 rhino horns and horn products, more than \$1 million in cash, and \$1 million in gold. At the recent 16th Meeting of the Conference of the Parties to CITES, the United States delegation, led by the Service, played a major role in the development of decisions and actions to strengthen controls on illegal trade in ivory and rhino horn and hold countries accountable for their implementation. The 2014 budget request for the Multinational Species Conservation Fund provides critical support for these actions.

McCollum Q6: What can the Fish and Wildlife Service Office of Law Enforcement do to help other countries do a better job of combatting illegal wildlife trade?

Answer: Recognizing this need, the FY 2014 budget request includes funding to provide for better support to other countries in combatting the illegal wildlife trade with the proposed agent/attaché program. This agent/attaché will function on a regional basis to create, maintain, and utilize government-to-government relationships to combat wildlife crime and build wildlife crime enforcement capacity in the host country and region.

Wildlife trafficking is increasingly a transnational crime involving illicit activities in two or more countries and often two or more global regions. Wildlife crime is a threat not only to global environments and ecosystems but also to international stability, the rule of law, and civil society. Cooperation between nations is essential to combat transnational crime.

Research studies conducted over the past 10 to 15 years have documented the effectiveness for U.S. and other national law enforcement agencies of stationing liaison officers overseas where they can facilitate inter-organizational relationships and provide a consistent communication mechanism with both governmental, international, and NGO entities. Foreign attaché programs for agencies with international investigative responsibilities such as the Federal Bureau of Investigation, the Drug Enforcement Agency and Immigration Customs and Enforcement have proven effective. They have also been used effectively by other countries such as Australia and New Zealand. The Service's proposed program would provide agents to plan, conduct, and coordinate investigations of complex and highly sensitive transnational crimes with officials from one or more other countries and multiple agencies or levels of foreign and U.S. government. Attachés will serve as an official Service representative to foreign governments and organizations. They will identify and address training deficiencies in wildlife crime enforcement within the region, eliminating the need for the Office of Law Enforcement to staff and send training teams overseas as has become standard practice.

Budget Reductions

Mr. Ashe, the Fish and Wildlife Service has been asked to do more with less for years.

McCollum Q7: What impact has the long-term reductions in Fish and Wildlife Service funding had on the agency's ability to fulfill its mission?

Answer: Realizing we are operating in times of constrained budgets, the Service has focused resources on our highest priority projects and worked cooperatively with partners to leverage funding and resources whenever possible to achieve our conservation mission.

The Service has a backlog of permitting and other approvals needed to clear economic development and energy projects. We are currently operating significantly below our request levels for these activities. In particular, renewable energy projects are a major portion of our increasing workload. Renewable sources of energy are supplying an increasing portion of our energy needs. In 2012, new wind energy generating capacity represented 44 percent of all new energy capacity in the U.S.—more than coal and nuclear generation combined. Energy

development is a strategic priority for the Department, and the Nation, as the Service seeks to address economic, environmental, and national security challenges related to energy production and use. These activities have a direct impact on fish, wildlife, plants and their habitats, and have the potential to affect public recreational opportunities and experiences on national wildlife refuges. In terms of the Department's goal to "...increase approved capacity for production of renewable (solar, wind, and geothermal) energy resources on Department of the Interior managed lands, while ensuring full environmental review..." the Service has a clear role in providing environmental review, especially in the area of Endangered Species Act compliance. The Service's ability to conduct consultations and planning activities are critical to ensuring that the Nation can expand the production of renewable energy and create jobs without compromising environmental values.

Equally, recovery of threatened and endangered species is a Service priority. Human demands on the environment combined with environmental stressors are creating an urgent need for conservation actions. The scale of issues and challenges we face is unprecedented. Without additional funds for recovery, and in particular for on-the-ground recovery projects, species will remain on the list longer, costs to recover species will be higher as time passes, and overall we will invest more to achieve the same outcome.

The National Wildlife Refuge System (NWRS) comprises approximately 150 million acres of land and waters, including 54 million acres of submerged land in six Marine National Monuments. These lands and waters provide habitat for species of fish, wildlife, and plants, and sanctuary for hundreds of threatened and endangered species, and secure spawning areas for native fish. With nearly 300 listed species located in or around units of the NWRS, the ecosystem surrounding refuges provide important habitat for listed species, and can provide essential connectivity for species conservation. Funding for these programs is limited, and the Service could accomplish much more with additional funding.

Fundamental to the Service's ability to make good decisions as a natural resource agency is sound science. Current budget cuts have eroded our ability to fund science to back up our decision making.

We need funding to support applied science directed at high impact questions surrounding threats to fish and wildlife resources, and to provide the answers needed to manage species to healthy, sustainable, desired levels.

Questions from Ms. Herrera Beutler**Endangered Species**

Herrera Beutler Q1: Mr. Ashe, can you provide an update on the many FWS ESA listings driven by the legal settlement in *WildEarth Guardians v. Salazar*...especially where there are some differences in scientific opinion on the need for such listings, such as in Washington State over the proposed listing of the Mazama Pocket Gopher? Have you approved the extensions of time requested for these circumstances, and if not, why not?"

Answer: Section 4(b)(1)(A) of the Act requires that listing determinations be made on the best scientific and commercial data available after taking into consideration any efforts made by States, local jurisdictions, and others to protect or conserve a species or its habitat. Following the publication of a proposal, a 60-day public comment period is opened to allow the public to review and comment on the proposal, including the underlying data, analyses and conclusions. Following, a final listing determination is to be developed within one-year of the publication of the proposal that takes into consideration any relevant, substantive information provided by the public during the comment period or that otherwise has become available. The determination in the final rule can be one of the following: (1) finalize the determination, (2) withdraw the proposed determination, or (3) invoke the statutory extension of up to six months if there is substantial disagreement regarding the sufficiency or accuracy of the available data relevant to the determination. If the statutory extension is invoked, then a new comment period will be opened to inform the public of the extension. That notice will include a request for specific information concerning the issues of disagreement and there needs to be a reasonable likelihood of resolving the disagreement within the time period. Most recently, the Service has invoked this six month extension for the dunes sagebrush lizard to evaluate and analyze additional scientific information that became available during the public comment period on the proposal.

With regards to the final listing determination for the Mazama pocket gophers, the Service is currently considering the information provided through the public comment period and from other sources concerning the species. At this time, there has been no decision to invoke the six month statutory extension for the listing determination. If it is determined that there is substantial disagreement regarding the science used in the listing determination, then the Service may invoke the extension.

Questions from Mr. Joyce**Oil and Gas Leasing**

Programs such as the NAWCA and LWCF have provided resources to help us protect and conserve land, and I wish to keep these programs adequately funded moving forward. However, I've heard from the non-profit sector that there is confusion within the FWS about how to deal with oil and gas leases. Fish and Wildlife funds are not being utilized in some areas of the country with oil shale deposits. I believe that it's in our national interest to find domestic sources of oil and gas, and as far as I know, no one has presented strong evidence that horizontal drilling which takes place thousands of feet underground will impact the habitat, breeding grounds and wetlands on the surface level.

Joyce Q1: Can you discuss what actions the FWS is taking to clarify the confusion that organizations are facing when it comes to leases for oil and gas drilling?

Answer: FWS has review responsibility for oil and gas development outside of National Wildlife Refuges, if there are trust resources issues (e.g., threatened or endangered species, migratory birds, bald and golden eagles, impacts to plants or wildlife on Wildlife Refuges). For example, under Section 7 of the Endangered Species Act, Federal agencies must consult with the Service when any action the agency carries out, funds, or authorizes (such as by issuing a permit) may affect a listed endangered or threatened species. The FWS Endangered Species program provides formal and informal consultations, including recommendations to avoid, minimize or mitigate the effects of oil and gas development on threatened or endangered species.

FWS is conducting a national assessment of oil and gas activity on National Wildlife Refuges (both private and Federal minerals) and evaluating the environmental effects. Preliminary data analysis indicates there are over 7,000 wells (including active and inactive oil and gas wells, disposal wells) and over 3,000 miles of pipeline across 260 refuges. Of those 7,000 wells, there are about 2,000 active wells that occur on 124 National Wildlife Refuges. Most of these wells are associated with private mineral owners that have a right to develop their resources.

Over the last 10 years, FWS developed training, official guidance (i.e. handbooks) and provided support to field staff to best allow oil and gas development while limiting its effect on wildlife resources and the public's enjoyment of refuges. Current efforts to clarify oil and gas management include exploring revisions to existing regulations for permitting private minerals development on refuge lands, and establishing a Memorandum of Understanding with the Bureau of Land Management on leasing of Federal minerals associated with refuges.

Invasive Species

Joyce Q2: Can you give us an update on what preventative actions the FWS is taking on invasive species, particularly Asian Carp, and how funds from this budget are being used in conjunction with other agencies also working to prevent Asian Carp from entering the Great Lakes?

Answer: The Service is working with State, provincial, U.S and Canadian Federal, and other partners in the Great Lakes basin to prevent the establishment of Asian carp. These actions are

conducted through goals specified within the Great Lakes Restoration Initiative (GLRI), GLRI Asian Carp Framework, and base allocations operating under the aegis of the National Asian Carp Management and Control Plan. For FY 2014, the Service is requesting an increase of \$5.9 million from FY 2012 enacted for Asian Carp. The Service will build upon our initial investment of funds in FY 2012 for work inside the Great Lakes and continue work initiated in FY 2013 for Asian carp activities outside the Great Lakes. The goal of the activities outside the Great Lakes is to prevent Asian Carp from continuing their spread into new areas where they can alter the existing ecosystem and cause harm.

Included in the requested increase is \$903,000 to support critical monitoring, prevention and control actions in the Great Lakes as identified in the Asian Carp Control Strategy Framework.

Inside the Great Lakes, the Service also continues:

- Using environmental DNA (eDNA) to monitor the Chicago Area Waterway System to document Asian carp potential range expansion and life stages present, for implementing a comprehensive early detection and rapid assessment surveillance program for areas of high concern in the Great Lakes, and for combining with traditional sampling gears to support integrated pest management for incipient invasions.
- Increasing Lacey Act enforcement of illegal transporting of live carp to minimize risk.
- Continuing public outreach and education to inform and engage the public in helping reduce the risk of Asian carp spreading.
- Working with the States of Illinois and Indiana through cooperative agreements to implement the Asian Carp Framework; and,
- Supporting approved State and Tribal Aquatic Invasive Species Management Plans that address Asian carp and other invasive species issues.

Questions from Mr. Valadao**Bay Delta Conservation Plan**

Valadao Q1: The Bay Delta Conservation Plan (BDCP) addresses problems that are vitally important to the State and nation. With the change in leadership at Interior, do you see the Administration and Fish and Wildlife Service maintaining it as a high value, high priority initiative? If not, why?

Answer: The Fish and Wildlife Service agrees that the resource conflicts and environmental degradation of the Bay Delta are critical problems of vital importance to the State and nation. The Service will remain committed to helping our State partners develop a sound and defensible Bay Delta Conservation Plan. We will continue to provide technical assistance and policy level support as we work through the critical technical and regulatory issues of the permit. The Service's Bay Delta Fish and Wildlife Office was created to support the State and Federal water projects and will continue to provide staff and expertise needed to ensure that Federal and State Bay-Delta initiatives are successful.

Valadao Q2: The Administration has been ardent about science leading decision making but, on many issues, science has failed to deliver a clear answer and decision making has been stymied. How would you propose to make decisions in the face of scientific uncertainty when maintaining the status quo is simply untenable, such as in the California Bay Delta? What do you see is the potential for problem solving through scientific collaboration between federal agencies, state agencies, and other regional or local interests with appropriate expertise?

Answer: Conservation questions can be complex and difficult to answer to a high level of certainty. Estuarine conservation studies, in particular, often require the simultaneous engagement of multiple scientific disciplines and considerable time for modeling, field work, and analysis.

The Service agrees that decisions about the Bay Delta need to be made. The present situation is unsustainable. Because of this, we consider adaptive management to be essential to efforts to manage the Bay-Delta system. Adaptive management provides a widely accepted means to make initial decisions while actively collecting information to improve those decisions, including permitting decisions. Adaptive management in the Bay-Delta context would allow the agencies and stakeholders to collaboratively explore new management approaches that have the potential to more efficiently deliver water for beneficial uses while contributing to the recovery of native fish, and otherwise preserving the unique natural legacy of the Bay Delta.

The Service is committed to collaborative science and adaptive management for the Bay Delta. The Service is taking a lead role along with the other Federal and State agencies to engage other interests in a new collaborative science effort. A truly collaborative approach to science in the Bay Delta should accelerate efforts to identify more widely acceptable solutions to management challenges. Our recent progress assessment of the BDCP highlighted the substantial progress California has made on revisions to the plan. In addition to remaining technical and analytical issues, we identified a few remaining concerns related to how the plan incorporates adaptive management. When the plan adaptability issues are resolved, the Service will be confident that

the BDCP has the necessary flexibility to adjust in response to new scientific information, ensuring that the plan will meet its conservation goals.

National Ocean Policy

Recommendations adopted in Executive Order 13547 stated that Coastal and Marine Spatial Planning will require “significant initial investment of both human and financial resources,” and in early 2012 the National Ocean Council noted that federal agencies had been asked to provide information about how “existing resources [can] be repurposed for greater efficiency and effectiveness” in furtherance of the National Ocean Policy. Furthermore, according to the Interior Department, U.S. Fish and Wildlife Service officials in the Alaska, Caribbean, Great Lakes, Gulf of Mexico, Mid-Atlantic, Northeast, Pacific Islands, South Atlantic, and West Coast regions have been involved in Coastal and Marine Spatial Planning activities.

Valadao Q3: Please describe how many USFWS resources and personnel have been directed toward activities specifically in support of the National Ocean Policy to date, and how many resources and personnel are being requested to support such activities in the FY 2014 budget request.

Answer: While the U.S. Fish and Wildlife Service will devote approximately \$245.8 million in FY 2014 to activities related to Oceans, the Service has no dedicated resources for work on the National Ocean Policy. Several U.S. Fish and Wildlife Service personnel have been and are currently working on activities that relate to the National Ocean Policy since some existing activities fall under the policy; however these positions are not dedicated solely to implementing the Policy. Many of the activities these staff undertake would be conducted irrespective of the Policy. No additional financial or human resources are being requested in the Service’s FY 2014 budget to support the National Ocean Policy. For example, Regional Service staff are supporting Federal interagency working groups that are evaluating opportunities to conduct marine planning in the mid-Atlantic region.

Valadao Q4: Please describe the USFWS response if any to the National Ocean Council inquiry about the repurposing of existing resources, and any actions that USFWS has taken or plans to take in this regard.

Answer: The National Ocean Council has not asked the U.S. Fish and Wildlife Service to repurpose existing resources to accomplish actions in support of the National Ocean Policy.

Section 6(b) of Executive Order 135474 that established the National Ocean Policy in July 2010 requires “[e]ach executive department, agency, and office that is required to take actions under this order shall prepare and make publicly available an annual report including a concise description of actions taken by the agency in the previous calendar year to implement the order, a description of written comments by persons or organizations regarding the agency’s compliance with this order, and the agency’s response to such comments.”

Valadao Q5: Pursuant to this requirement, has USFWS been asked to prepare and/or actually prepared a summary of such activities for calendar years 2010, 2011, or 2012?

The recommendations adopted by the National Ocean Policy Executive Order state that effective implementation will require “clear and easily understood requirements and regulations, where appropriate, that include enforcement as a critical component.” In addition, the Executive Order requires federal entities including the Interior Department to implement the policy to the fullest extent possible. At the same time, the National Ocean Council has stated that the National Policy “does not establish any new regulations or restrict any ocean uses or activities.”

Answer: The actions in the National Ocean Policy Implementation Plan are assigned to the Cabinet-level members of the National Ocean Council, including the Department of the Interior. The bureaus in the Department of the Interior, including the U.S. Fish and Wildlife Service, are supporting the Department’s implementation of the National Ocean Policy. Since 2010, the National Ocean Council Office within the Council of Environmental Quality has periodically asked the Department to report on activities that support the National Ocean Policy, and the Service contributed information to reports such as the Federal Ocean and Coastal Activities Report to the U.S. Congress.

Valadao Q6: What if any commitment can you make that USFWS will not issue any regulations or take any actions having a regulatory impact pursuant to the National Ocean Policy, including Coastal and Marine Spatial Planning?

Answer: The U.S. Fish and Wildlife Service has no plans to take any actions in support of the National Ocean Policy or marine planning that would have a regulatory impact and it does not anticipate that such actions will be necessary.

FRIDAY, APRIL 26, 2013.

**UNITED STATES FOREST SERVICE 2014 BUDGET
REQUEST**

WITNESSES

**TOM TIDWELL, CHIEF, UNITED STATES FOREST SERVICE
BARBARA COOPER, ACTING DIRECTOR OF STRATEGIC PLANNING,
BUDGET AND ACCOUNTABILITY**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. Good morning, Chief Tidwell and Ms. Cooper, members of the subcommittee and those of you in the audience in attendance, I would like to start by again pointing out the beautiful pictures behind me of the Sawtooth National Forest and the Sawtooth National Recreation Area in my district, while we all pause and take a look. These were taken by my good friend and a Forest Service employee, Ed Cannady.

This past August, I had the pleasure of camping with the Chief in the Frank Church River of No Return Wilderness Area up in the Boulders in the White Clouds. While we were there, a fire ban was imposed, and I must let everyone know in the audience that even though this was the Chief of the Forest Service, he complied with the campfire ban, so we had no fires after the first night when the ban went into effect. Unfortunately, that meant that the mosquitoes had a good meal and we all went to bed relatively early, but it was a fun time and thanks for coming out, Chief.

Chief, I normally try to start with something positive, but the President's fiscal year 2014 budget for the Forest Service makes that a little difficult. I will say that new Restoration Partnership programs appears to be a positive step toward Forest Service working closely with municipalities and utilities to protect vital water infrastructure and utility corridors from catastrophic fire. I do believe this program should require a cost share and would like to work with you on this.

Regarding the rest of the budget, one thing is clear: As the costs of the fires continue to grow, it consumes funding available to manage the national forests. Every time I am in Idaho, I hear from Forest Service supervisors, district rangers and other Forest Service employees that they cannot manage their forests with the shrinking amount of funding they receive. Their concerns are echoed throughout the West. The bipartisan Western Governors Association has written Secretary Vilsack pointing out that in the mid-1980s, roughly 70 percent of the Forest Service funding was dedicated to managing the national forests. In 2010, that number was a pathetic 30 percent. Fire is devouring the Forest Service's budget.

Those of us on this subcommittee recognize the challenges you face. As you know, the House of Representatives included an addi-

tional \$513 million in the second fiscal year 2013 Continuing Resolution to help pay for wildfire costs and reimburse the Forest Service for fire borrowing in fiscal year 2012. Unfortunately, our friends in the Senate stripped out this funding, leaving you with a hole to fill in fiscal year 2014. The Senate's decision not to fund fires in the C.R. did not do you any favors, but this budget proposal does not seem to help matters either.

I realize some of the budget decisions were not yours and are probably directed by OMB. In fact, I suspect a lot of those budget decisions are directed by OMB. I am guessing that is what explains these puzzling cuts. Generally, we know that projects reducing the threats of catastrophic fire also create jobs, generate revenue for the Treasury and reduce future fire suppression expenditures so I am extremely disheartened by the dramatic cuts in Hazardous Fuels funding and the targets associated with timber and hazardous fuels, and I am utterly baffled that while the Administration is cutting almost every item under the National Forest System, they have somehow found funding to increase research and land acquisition. These cuts have real consequences and they will be felt acutely in communities that depend on the public lands for their economic vitality and way of life.

In many counties in my district and across the country, public lands make up the vast majority of the land base and is one of the only sources of income for residents. The budget justification makes a point of noting the economic values of the forests with the pie graph depicting the contributions to the Forest Service by program to jobs and gross domestic product. But then that same budget proposes to cut nearly all of those programs including recreation, livestock grazing, minerals and energy and forest products. Essentially, the Administration is cutting the programs that have the most positive impact on the economy.

I understand that this is a challenging budgetary environment with difficult choices that must be made and that we must cut spending, and over the past 2 years this subcommittee has actually done that, but this budget, which sacrifices forest management for fire research and land acquisition, tells me the operation of the national forests is no longer a priority for the Forest Service. I have to disagree. To me, the management of the national forests should be the top priority of the Forest Service.

I want to raise a couple of other issues regarding the budget. Let me start with IRR. Two years ago, we authorized a pilot for the Integrated Resource Restoration line item. The full-blown proposal is again in the budget. I have to be honest: Although I support the theory, I also have concerns. I so far have not been impressed with either the results of the IRR program or the difficulty our staff has had in getting timely and thorough reports from the agency. Unfortunately, the IRR now appears to be somewhat of a gimmick to hide additional cuts in the National Forest System and Hazardous Fuels.

Next, let me talk briefly about the grazing management. For the past 2 years, we have worked very hard to increase funding for grazing management for both the Forest Service and the Department of Interior to eliminate longstanding backlogs that is getting in the way of effective land management. I am dismayed that after

all of that work, the budget proposes to reduce funding for grazing by a whopping 36 percent. The Forest Service only plans to complete NEPA on 50 grazing allotments for fiscal year 2014. How will the Forest Service catch up on permit backlogs, complete required NEPA work, respond to appeals and litigation, and do other much-needed work? How will the Forest Service grazing staff complete the work needed on sage grouse consideration as we approach a listing decision in fiscal year 2015?

Also, concerning the decision for minerals and geology, the dollars appropriated to this line item have the biggest financial return to the taxpayers of any of the Forest Service budget. In 2011 and 2012, the receipts to the Treasury for this program were \$647 million and \$629 million, respectively. These receipts offset the national debt yet the budget proposes cutting the programs, which will likely reduce the revenue to the Treasury in the future.

Finally, Chief, we continue to be very concerned about the future of the heavy air tanker fleet. I know you need to replace the current aging air tankers now. We expect that you will keep us updated and work with us on potential solutions to ensure we have sufficient and safe firefighting aircraft. I know that is not just my concern, it is your concern also, and something that we need to address.

This Committee had to make very difficult choices last year, and this year will be even more challenging. We do our best to be thoughtful with the funding allocations we have but we must focus on the highest priorities. Chief, I ask that you and all of the Forest Service employees work with me on ways to do more with less.

Again, thanks for being here today and thanks for the job that you are doing.

Mr. Moran.

OPENING REMARKS OF MR. MORAN

Mr. MORAN. Thank you, Mr. Chairman. It is good to see you again, Chief. You and the other employees of Forest Service do carry out very important work in managing one of the great conservation systems of the United States.

While the Forest Service is viewed as a multi-use agency, its foundation lies in its conservation heritage. In fact, our Nation's first forest reserves were established to protect our national forestlands from the timber barons of the era to conserve the watersheds of many communities in the West. The first Chief of the Forest Service who, as you know, was Gifford Pinchot, remarked on his conservation legacy when he described the national forests, and here is the quote: "The purpose of conservation is to provide the greatest good to the greatest number for the longest time." The work of Pinchot, who would later serve two terms as the Republican Governor of Pennsylvania, and that of his good friend, the Republican President, Teddy Roosevelt, as well as the efforts of Republican Congressman John Weeks, author of the Weeks Act, laid the foundation for our National Forest System. So I thought that was a point worth making. Gifford Pinchot was somebody that is really iconic in terms of preserving our national forests.

Of course, when he created it, it was not without controversy. It was established in 1905 when the existing forest reserves were re-

moved from the Interior Department and placed in the Agriculture Department because it was thought then that the Interior Department was too cozy with the commercial interests. There is also a story about how in 1907 a rider was attached to an appropriations bill that would strip the President of the power to create forest reserves. Now, President Roosevelt believed he needed to sign the appropriations bill, but before he did, Chief Pinchot prepared and President Roosevelt signed proclamations establishing 17 new or combined forest reserves covering 60 million acres. So the President acted before the Congress could and of course we are really better off for it.

Today we have nothing as exciting as that going on but the Forest Service still faces challenges in modernizing its forest management plans dealing with insects and fire and disease and maintaining its national leadership role in forestry management. So I especially appreciate the challenges the Forest Service faces in dealing with the sequester, and later I will ask the Chief more about the sequester's impacts on the Forest Service. But this 2014 budget request for the Forest Service which we are going to be discussing today, is by no means extravagant. In fact, it only begins to partially reverse the downturn in funding. There has been \$400 million in cuts since fiscal year 2010 that the agency has faced over the past several years and includes several proposed cuts that some of us on the subcommittee I suspect are going to take issue with.

So Chief Tidwell, I appreciate your taking the time to again sit down with the subcommittee and discuss the important work that the Forest Service does, and I know we all look forward to your testimony this morning, and thank you, Mr. Chairman.

Mr. SIMPSON. Thanks. Just as an aside, if you really want to learn about the early relationship between the Forest Service when they were getting established, Timothy Egan's book, *The Big Burn*, about the 1910 fires that happened out West, had some really interesting history of the Forest Service at that time and the communities that it affected, and you are right, it was not easy. Not everybody got up and said yea, let's have a Forest Service.

Mr. MORAN. Not all the members of the Congress, probably the majority of the Congress was not all that helpful. But Teddy Roosevelt got it done.

OPENING REMARKS OF CHIEF TIDWELL

Mr. SIMPSON. Yeah. Chief Tidwell, again thanks for being here today. We look forward to your testimony.

Mr. TIDWELL. Thank you, Mr. Chairman and members of the subcommittee. Once again, it is a privilege to be here to be able to discuss the President's budget request for fiscal year 2014 for the Forest Service.

Once again, I cannot express my appreciation for the work you do, the support that you provide us and especially the efforts to repay the funds we had to transfer last year to cover the costs of fire suppression, so thank you for that.

ECONOMIC CONTRIBUTION

The President's budget request reflects our commitment to a strategic investment that we believe is needed to help grow the economy, especially in rural America. It makes some really tough tradeoffs between programs. We feel that overall this is a good mix. The other thing is, it helps us to really focus on being able to support the 450,000 jobs that come from activities on the national forests and grasslands.

RESTORATION

The reason I think this is a good investment is based on three key objectives. The first one is that this budget request will help us to be able to get back on track with our restoration strategy to restore the resiliency of our national forests, and with that, we recognize there are 65 to 83 million acres that need some form of restoration including over 12 million that will require some form of mechanical timber harvest to be able to restore these forests. We are going to do that by our request to continue full funding for the Collaborative Forest Landscape Restoration Program. We also want to request permanent authorization for stewardship contracting, which has proven to be a very successful tool to help provide certainty so that private corporations can make the investments to be able to maintain the wood products industry.

We also want to continue our use of looking at landscape-scale EISs where we are now doing analysis for hundreds of thousands of acres with one EIS that allows us then to have the NEPA analysis completed so we can go forward and do the work we need to do on these large landscapes for a period up to 10 years without any additional analysis. Part of that comes from our collaborative efforts, and we have a couple of them there in Idaho that you are familiar with that are really making a difference to bring people together so that we are able to move forward to get more work done with more support than we have had throughout the entire length of my 35-year career.

RESEARCH

We also have a request for additional research funding, and I know that is a tough ask in a budget climate like this but it is essential that we maintain our research programs and especially our Green Building Initiative, our Wood Energy program and also our Nanotechnology. These are the programs that we focus on to expand the current markets for timber and biomass and also to create new markets so that the removal of this biomass that needs to occur on our national forests is economically viable so that we continue to be able to do the work that is essential.

FIRE

Now, the second part of our budget, the key objective is of course fire. This request does provide for a level of preparedness that will continue our success at 98 percent of suppressing wildland fires during initial attack. It also requests a 10-year average for suppression, which includes an increase of \$138 million more in suppression from where we were in fiscal year 2012. \$138 million has

to come out of our other programs. The budget also will continue our efforts to reduce the threat of wildfire to homes and communities by reducing hazardous fuels on 685,000 acres of the highest priority acres that we have, which is going to be focused on the wildland-urban interface. Over 32 percent of the housing units in America are in the wildland-urban interface, and that is not all on national forests but we have 65 million acres of wildland-urban interface on our national forests today, and that is why we are going to focus our hazardous fuels work in those areas. It also requests an additional \$50 million to help modernize our large air tanker fleet.

COMMUNITIES

The next objective is our focus to help Americans reconnect to the outdoors and provide more economic opportunities, and we are going to do that through maintaining our recreation facilities, increasing opportunities for the 166 million people that visit the national forests every year, and that support over 200,000 jobs. We also want to expand our Youth Employment programs. We feel it is essential to use our limited funding to be able to work with partners to be able to expand more opportunities for our youth to be out in the woods doing good work but also learning about the importance of conservation.

LAND AND WATER CONSERVATION FUND

The budget request does ask for a small increase in LWCF funding. For acquisition, it is a little over \$5 million. In legacy, it is about 6 million. This is to respond to what we hear from our public about the need to acquire these key parcels of land, relatively small acres, that provide recreational access and also allows us to reduce our administrative costs because it eliminates the costs we have to deal with boundaries. It also facilitates the work that needs to be done restoring these forests. If we can eliminate many of these small inholdings, it allows us to be able to do more work across a larger landscape without having to then be able to make sure we stop the project at this boundary that is often around 40 or maybe a 400-acre parcel.

SECURE RURAL SCHOOLS

We also do have a request in our budget to reauthorize Secure Rural Schools, and we think it is essential, especially in the economic climate that we are in. We need to be able to continue to provide that bridge to provide the support for our counties.

OPERATIONAL EFFICIENCIES

The other thing I want to stress with our budget is that we are going to continue our focus on operational efficiencies, so between fiscal year 2013 and fiscal year 2014, we are going to reduce our overhead costs by \$100 million, and I can tell you that we have already made good progress on reaching that goal.

We are also going to continue our efficiencies like with NEPA and sale preparation for timber sales. Since 1998, the funding for these types of programs has been reduced by \$185 million when it

has been adjusted for inflation. Staffing has been reduced by 49 percent. But during the same time, we have actually reduced our costs to be able to do the NEPA analysis, the sale prep for timber sales by 23 percent.

The other thing I want to stress is with fire suppression. We will respond to fires when we need to, but I also want you to know that we are working very hard to use the science we have, the expertise, the technology we have today to identify those times when our actions will be ineffective and unnecessary, and by doing that last year with that record fire season, we can show you that we reduced costs by about \$377 million because of the techniques that we are using today versus what we were doing even 5 years ago.

So our overall goal is to continue to work with our communities to be able to manage the national forests the way they want their national forests managed, and we need to have healthy landscapes but we also need to have healthy communities. We need to have vibrant economic activities that are occurring to continue to be able to support these 450,000 jobs, especially in rural America.

Mr. Chairman, thank you for your time and I look forward to your questions.

[The statement of Tom Tidwell follows:]

Statement of
Tom Tidwell, Chief of the USDA Forest Service
Before the
House Committee on Appropriations, Subcommittee on Interior,
Environment, and Related Agencies
Concerning
President's Fiscal Year 2014 Proposed Budget for the USDA Forest Service
April 26, 2013

Mr. Chairman and Members of the Committee, thank you for inviting me here today to testify on the President's Budget request for the Forest Service for Fiscal Year (FY) 2014. I appreciate the support this subcommittee has shown for the Forest Service in the past, and I look forward to continuing to work together with Members of the Committee to ensure that stewardship of our Nation's forests and grasslands continues to meet the desires and expectations of the American people. I am confident that this budget will allow the Forest Service to meet this goal while demonstrating both fiscal restraint and efficient, cost-effective spending.

Our Nation can and should take steps to make Government more effective and more efficient in the 21st century. The FY 2014 budget that the President is proposing reflects the difficult choices we need to make to reduce spending while investing in long-term economic growth and job creation. To make the strategic investments needed to grow the economy while exercising fiscal restraint, this budget makes difficult tradeoffs between programs. It also reflects efficiency and improvements to reduce our administrative costs. It is designed to appropriately fund many of the programs that matter to Americans.

Value of the Forest Service

Our mission at the Forest Service is to sustain the health, diversity, and productivity of the Nation's forests and grasslands to meet the needs of present and future generations. The mission includes helping Americans use and enjoy the lands and waters that belong to them as citizens of the United States. The Forest Service manages a system of national forests and grasslands on an area almost twice the size of California—193 million acres in 44 States and Puerto Rico. These lands entrusted to our care provide some of the richest resources and most breathtaking scenery in the Nation, as well as drinking water for millions of Americans.

As the Nation's leading forestry organization, we also serve Americans in other ways. The Forest Service was founded in 1905 to stop the degradation of watersheds and manage the lands for the benefit of all Americans. To that end, in addition to the National Forest System, agency programs support the sustainable stewardship of more than 600 million acres of forest land across the Nation, including 423 million acres of private forest land, 68 million acres of State forest land, 18 million acres of Tribal forests, and 100 million acres of urban and community forests.

In addition, we maintain the largest forestry research organization in the world, with more than a century of discoveries in such areas as wood and forest products, fire behavior and management, and sustainable forest management. In an age of global interconnectedness, we also support the sustainable stewardship of forests around the world; we have served people in more than 80 countries, which have direct benefits to the American forestry economy through marketing American forest products and invasive species prevention.

America's forests, grasslands, and other open spaces are integral to the social, ecological, and economic well-being of the Nation. The benefits from Forest Service programs and activities include jobs and economic activity, especially in rural areas where other sources of employment and economic growth might be few. In FY 2011, for example, the various activities on the National Forest System contributed over \$36 billion to America's gross domestic product, supporting nearly 450,000 jobs.

The most popular uses of the national forests and grasslands are associated with outdoor recreation. Our increasingly diverse visitor population engages in activities such as camping, picnicking, snowmobiling, cross-country skiing, equestrian use, firewood and forest product gathering, all-terrain vehicle riding, skiing, snowboarding, hunting, fishing, hiking, wildlife viewing, driving for pleasure, and visiting cultural sites and visitor centers. The national forests and grasslands attract about 166 million visits per year, supporting about 205,000 jobs and contributing \$13.6 billion to the Nation's gross domestic product each year. Fifty-five percent of our visitors engage in a strenuous physical activity, contributing to their health and well-being.

Noncommercial uses of forest and grasslands also provide vital benefits to the American people. For example, more than half of our Nation's freshwater flows from public and private forest land, and about 60 million Americans rely on drinking water that originates on the National Forest System. Forest Service land management, combined with Forest Service assistance to private landowners, helps protect the single greatest source of drinking water in the Nation.

The Forest Service's creation of jobs and economic opportunities is not limited to rural areas. Through Job Corps and other programs, we provide training and employment for America's urban youth, and we help veterans transition to civilian life. Our Urban and Community Forestry Program has also provided jobs and career-training opportunities for underemployed adults and at-risk youth through activities such as tree care and riparian corridor restoration.

We also engage a wide range of partners who contribute to investments in land management projects and activities. In FY 2012, we entered into more than 7,700 grants and agreements with partners who contributed a total of about \$535 million in cash and non-cash (in-kind) contributions. Combined with our own contribution of nearly \$779 million, the total value of these partnerships was over \$1.3 billion. The growing value of grants and agreements demonstrates the increasing importance of partnerships in fulfilling the Forest Service mission.

Forest landowners of all kinds benefit from our forest-related research, as does anyone who buys products made from wood. For example, Forest Service scientists have developed a free software application that helps people identify invasive plants and provides control recommendations. Our research and development bring all kinds of benefits to the American people, improving their quality of life.

More than 50 percent of the Nation's forests—over 420 million acres—are privately owned. Working with the State Foresters, we help State forest managers and private forest landowners manage America's working forests sustainably. Through our Forest Health Management program, for example, we monitor and assess forest health conditions on all lands nationwide, both public and private, tracking outbreaks of insects and disease and providing funds for treating areas at risk.

In February 2011, President Barack Obama launched the America's Great Outdoors Initiative, setting forth a comprehensive agenda for conservation and outdoor recreation in the 21st century. The initiative challenges the American people to work together to find lasting conservation solutions, based on the premise that protecting America's natural heritage is a goal shared by all. In tandem with the President's initiative, Secretary of Agriculture Tom Vilsack outlined an all-lands vision for conservation. He called for partnerships and collaboration to reach shared goals for restoring healthy, resilient forested landscapes across all landownerships nationwide.

Our FY 2014 budget request is accordingly designed to help us work with partners across borders and boundaries to invest in America's green infrastructure at a landscape scale. Our focus on landscape-scale conservation dovetails with broader Administration priorities, including the President's America's Great Outdoors initiative, the Secretary's "all-lands" vision, and the Department of Agriculture's priority goal of enhancing water resources. Our goal at the Forest Service is to ensure the ability of our Nation's forests and grasslands to deliver a full range of jobs and benefits, both now and for generations to come.

Challenges to Conservation

Our Nation's ability to protect its forest and grassland resources is now at risk due to drought, invasive species, and uncharacteristically severe wildfires and outbreaks of insects and diseases. Such stresses and disturbances are affecting America's forests, grasslands, and watersheds on an unprecedented scale. Twenty-seven percent of all forest-associated plants and animals in the United States, a total of 4,005 species, are at risk of extinction. Habitat degradation is the main reason—affecting 85 percent of all imperiled species. Many species are also threatened by nonnative invasive species, which affect 49 percent of all imperiled species.

Although biodiversity is exceptionally high on the national forests and grasslands, habitat degradation and invasive species remain serious threats. We estimate that watershed functionality is impaired or at risk on 48 percent of the watersheds on National Forest System lands. Severe outbreaks of western forest pests have affected 32 million acres on the national forests alone. Between 65 and 82 million acres are in need of fuels and forest health treatments—up to 42 percent of the entire National Forest System.

Part of the problem is severe drought, resulting in extreme fire weather, very large fires and longer fire seasons. Since 2000, at least 10 States have had their largest fires on record, and some have had their records broken more than once. In 2000, for the first time since the 1950s, more than seven million acres burned nationwide; and in 2012, more than nine million acres burned.

The spread of homes and communities into areas prone to wildfire is an increasing management challenge. From 2000 to 2030, we expect to see substantial increases in housing density on 44 million acres of private forest land nationwide, an area larger than North and South Carolina

combined. More than 70,000 communities are now at risk from wildfire, and less than 15,000 have a community wildfire protection plan or an equivalent plan.

A growing proportion of the Forest Service budget has been needed for fire-related activities of all kinds. In FY 1991, for example, fire-related activities accounted for about 13 percent of our total budget; by FY 2012, it was 40 percent. That has left a smaller amount of funding for nonfire purposes (watersheds, wildlife, recreation, and other benefits and services). With increasingly limited funding, we need to approach our work differently.

Budget Request and Focus Areas

The FY 2014 President's Budget request is designed to meet the challenges we face. The President's proposed overall budget for discretionary funding for the Forest Service in FY 2014 is \$4.9 billion. It shifts \$62 million from key programs to meet the requirement to fund the 10-year rolling average of fire suppression costs.

In response to the challenges we face, we are focusing our efforts on three key areas: restoring ecosystems; strengthening communities while providing jobs; and managing wildland fires. In these tough economic times, our proposed budget balances spending on priorities in each of these three focus areas against measures to decrease costs. Through strategic partnerships, we will continue to leverage our funds to accomplish more work, yielding more benefits for the people we serve while also sustaining forest and grassland ecosystems for future generations.

Restoring Ecosystems

Our approach to ecological degradation is to accelerate ecological restoration. The Forest Service is restoring the ability of forest and grassland ecosystems to resist climate-related stresses, recover from climate-related disturbances, and continue to deliver the values and benefits that Americans want and need. Reforestation, habitat enhancements, invasive species control, hazardous fuels treatments, and other measures can help to make an ecosystem more resilient and more capable of delivering benefits, such as protecting water supplies and supporting native fish and wildlife. Our budget request for FY 2014 is specifically designed to support integrated restoration efforts across the Forest Service.

Through **Integrated Resource Restoration**, land managers are accelerating the pace of restoration and job creation, in part by using the Forest Service's Watershed Condition Framework to identify high-priority watersheds for treatment. Managers use Integrated Resource Restoration to integrate activities such as hazardous fuels reduction, road decommissioning, and removal of barriers to fish passage. Outcomes include reducing risk from fire, insects, and diseases; maintaining clean drinking water for communities; and supporting more local jobs and economic opportunities. For example, in FY 2012 through our overall efforts we treated almost 2.6 million acres to sustain or restore watershed function and resilience. Under the pilot program, through restoration activities we treated almost 800,000 acres. We propose fully implementing Integrated Resource Restoration across the Forest Service in FY 2014.

The growing need for restoration-related work and investments on the National Forest System is providing jobs and community benefits. The ***Collaborative Forest Landscape Restoration Program*** was created in 2009 to restore high-priority forested landscapes, improve forest health, promote job stability, create a reliable wood supply, and reduce firefighting costs across the

United States. After the program was created, the Secretary of Agriculture evaluated collaboratively developed project proposals, selecting 20 large-scale projects for 10-year funding, along with three additional high-priority projects for funding from other sources. They support an array of restoration activities, including reducing hazardous fuels, restoring watershed function and resilience, and improving forest vegetation and wildlife habitat. Continued implementation of these projects is a high priority in our FY 2014 budget request. For example, the 23 projects under this program have created or maintained approximately 7,500 jobs over the last two years and generated almost \$272 million in labor income. They have also reduced the danger of fire on more than 600,000 acres near communities and enhanced clean water supplies by remediating or decommissioning 6,000 miles of roads.

The Forest Service is creating partnerships across the country to help protect water by reducing the risk of fire in municipal watersheds that provide communities with water for drinking and other uses, such as irrigation, fisheries, and recreation. To help leverage our funding, we are proposing a new program for **Restoration Partnerships** in FY 2014. The program will foster some of the most advanced public-private partnership initiatives in the Federal government, leveraging new outside resources to support the Forest Service's restoration efforts. Most funding under the new program will go to support cost-share projects that will be competed for at the national level to attract matching financial support from partners.

Another Forest Service program with a restoration emphasis is **Forest Health Management**. Under the program, we conduct risk mapping and surveys to identify the areas at greatest risk from insects and disease, including invasive species such as emerald ash borer and white pine blister rust. In identifying the areas at greatest risk and deciding on how to respond, we work with the States, in part by utilizing the State Forest Action Plans to help inform response decisions.

The Forest Service is finalizing directives for implementing the new National Forest System Land Management **Planning Rule** governing how land management plans are written for the national forests and grasslands. Half of all units on the National Forest System have plans that are more than 15 years old. Successful forest plan revisions are key to meeting the Forest Service's contemporary land management challenges. The new 2012 Planning Rule will help land managers focus on collaborative watershed restoration while promoting jobs and economic opportunities in rural communities.

In concert with the President's America's Great Outdoors Initiative and Secretary Vilsack's all-lands vision for conservation, the Forest Service has launched an initiative to accelerate restoration across shared landscapes. The **Accelerated Restoration Initiative** builds on Integrated Resource Restoration, the Collaborative Forest Landscape Restoration Program, the Watershed Condition Framework, the 2012 Planning Rule, and other restoration-related programs and initiatives to increase the pace of ecological restoration while creating more jobs in rural communities.

The Forest Service is supporting accelerated restoration through our programs in **Research and Development**. We have seven high-priority research areas, including Watershed Management and Restoration, which is designed to support our focus on protecting and enhancing water resources. In our Bioenergy and Biobased Products research area, we are developing technology to sustainably produce woody biomass and convert it into liquid fuels, chemicals, and other high-value products. In partnership with the wood products industry, we are also developing science

to commercialize nanocellulosic technologies to generate new high-value products such as durable composites and paper that is stronger and lighter. This will revolutionize technology to create new jobs and revenues and help restore America's economy through industrial development and expansion.

We are also pursuing longer term strategic research. For example, sustainable forest management is predicated on decades of data on forest conditions collected through our Forest Inventory and Analysis program. We conduct long-term research in such areas as forest disturbances, the effects of climate change, fire and fuels, invasive species, wildlife and fish, and resource management and use to meet local needs. In all of our research, we are committed to delivering new knowledge and technologies to support sustainable forest and grassland management.

Strengthening Communities and Providing Jobs

Our FY 2014 budget request emphasizes the role that communities play in sustaining the forests and grasslands around them and the benefits they provide. Working with State and local partners, we are focusing on landscape-scale outcomes through cross-boundary actions including forestry projects identified through the State forest Action Plans. Accordingly, we propose building on our State and Private Forestry Deputy Area Redesign initiative through a new program called ***Landscape Scale Restoration***. Our new program will capitalize on the State Forest Action Plans to target the forested areas most in need of restoration treatments while leveraging partner funds.

We also work with the States through our ***Forest Legacy Program*** to identify forests critical for wildlife habitat and rural jobs. Through the program, we provide working forests with permanent protection by purchasing conservation easements from willing private landowners.

In a similar vein, and supporting the President's America's Great Outdoors initiative, our ***Land Acquisition*** program is designed to protect critical ecosystems and prevent habitat fragmentation by acquiring inholdings on the National Forest System and other lands where we can improve public access. We are working in collaboration with the Department of the Interior to leverage our joint investments by coordinating our efforts to protect intact, functioning ecosystems across entire landscapes. We propose transferring \$177 million in discretionary and mandatory funding from the Land and Water Conservation Fund to support these goals.

The Forest Service also engages urban communities in protecting and restoring America's 100 million acres of urban and community forests. For example, we are working with 10 other Federal agencies in the ***Urban Waters Federal Partnership***, designed to restore watersheds in urban areas. Through our ***Urban and Community Forestry*** program, we are benefiting communities by helping them to plant trees, especially through demonstration projects. Through our ***Conservation Education*** programs, we are engaging millions of children and their families in outdoor experiences.

In addition, we are helping communities acquire local landscapes for public recreation and watershed benefits through our ***Community Forestry and Open Space*** program. Our goal is to help create a Nation of citizen stewards committed to restoring the forests around them to health.

Our community focus supports the President's America's Great Outdoors initiative to achieve landscape-scale restoration objectives, connect more people to the outdoors, and support opportunities for outdoor recreation while providing jobs and income for rural communities.

Building on existing partnerships, establishing a 21st century Conservation Corps will help us to increase the number of work and training opportunities for young people and veterans through high-priority conservation and restoration work on public lands. To engage communities in conserving the lands around them, the Forest Service is building public-private partnerships that leverage new resources to support the Forest Service's restoration goals. Our new **Restoration Partnerships** program features national competitive grants to support local restoration projects, with matching funds from partners.

We are also building public-private partnerships through our **Sustainable Recreation Framework**. Many economic opportunities and other community benefits generated on the national forests and grasslands are associated with outdoor recreation. Through the Sustainable Recreation Framework, we are engaging communities to protect and increase recreational access as well as jobs, benefits, and opportunities associated with outdoor recreation.

Our associated **Trails** program designates trails for multiple uses, consistent with our travel management rule, while building partnerships in trail stewardship. Our **Roads** program is designed to maintain forest roads and bridges to protect public safety and water quality while meeting access needs for both resource stewardship and the recreating public. Our **Facilities** program promotes the safe and energy-efficient use of agency infrastructure while emphasizing cost-effectiveness and a smaller environmental footprint through the use of green building techniques and materials.

Managing Wildland Fires

Our restoration efforts are partly in response to growing fire season severity, one of the greatest challenges facing the Forest Service. We continue to suppress in initial attack at very small sizes up to 98 percent of the fires we fight. However, the few fires that escape initial attack tend to get much larger much faster. Extreme fire behavior has become far more common. Firefighters are largely limited to protecting certain points around homes and communities.

In 2009, Congress passed the Federal Land Assistance, Management, and Enhancement (FLAME) Act, calling on Federal land managers to develop a joint wildland fire management strategy. Working with the Department of the Interior, the Forest Service took the opportunity to involve the entire wildland fire community in developing a joint long-term National Cohesive Wildland Fire Management Strategy.

This strategy is the product of a collaborative effort between wildland fire organizations, land managers, and policy making officials representing Federal, State and local governments, Tribal interests, and nongovernmental organizations that builds on the successes of the National Fire Plan and other foundational documents. Phase I was completed in 2011 and outlines the national strategy to address wildland fire issues across the Nation. Phase II was completed in 2012 and provides a risk based framework for evaluating local, regional, and national alternatives for wildfire response and preparedness at a mix of different temporal and geographic scales.

Our new strategy has three components:

1. **Restoring fire-adapted ecosystems.** More than a thousand postfire assessments show that fuels and forest health treatments are effective in reducing wildfire severity. Accordingly, our fuels treatments have grown; from 2001 to 2011, the Forest Service treated about 27.6

million acres, an area larger than Virginia. We focus our treatments on high-priority areas in the wildland/urban interface, particularly near communities that are taking steps to become safer from wildfire, such as adopting the national Firewise program or developing community wildfire protection plans.

2. *Building fire-adapted human communities.* With more than 70,000 communities at risk from wildfire, the Forest Service is working through cross-jurisdictional partnerships to help communities become safer from wildfires, for example by developing community wildfire protection plans. Through the Firewise program, the number of designated Firewise communities—communities able to survive a wildfire without outside intervention—rose from 400 in 2008 to more than 700 in 2012.
3. *Responding appropriately to wildfire.* Most of America’s landscapes are adapted to fire; wildland fire plays a natural and beneficial role in many forest types. Where suppression is needed to protect homes and property, we focus on deploying the right resources in the right place at the right time. Using decision support tools, fire managers are making risk-based assessments to decide when and where to suppress a fire—and when and where to use fire to achieve management goals for long-term ecosystem health and resilience.

Hazardous fuels reduction is an important part of protecting communities and infrastructure in the wildland/urban interface, and the materials removed can often be utilized as biofuels. Our **Hazardous Fuels** program therefore supports grants and other forms of assistance for wood-to-energy initiatives. We fund business plans and feasibility studies that help make a project more competitive for other sources of funding; we provide technical assistance to support project development or improve air quality, and we help develop financially viable approaches for building and sustaining facilities that convert wood to energy.

In FY 2014, the Forest Service will work with municipal water providers and electrical service utilities to leverage our funds for fuels and forest health treatments. For example, our new **Restoration Partnerships** program will support public-private partnerships for investing in projects to protect water supplies on the Colorado Front Range and elsewhere. Our Hazardous Fuels program complements activities conducted through **Integrated Resource Restoration** and the **Collaborative Forest Landscape Restoration Program** to reduce fuels, protect communities, and restore forested landscapes. Contracted services for fuels reduction provides jobs, as do the forest products and woody biomass utilization activities that result from fuels reduction and removal.

Our budget request for FY 2014, taking the **Suppression** and **FLAME** line items together, fully covers the 10-year rolling average of annual amounts spent on suppression. Taken together with the **Preparedness** line item, our budget request reflects our emphasis on assessing strategic risks and improving operational decision-making for responding to wildland fires, including using fire, where appropriate, for resource benefits. Our efforts are expected to result in more effective and efficient use of Forest Service resources as well as the resources of our partners.

Airtankers are a critical part of an appropriate response to wildfire, but the Forest Service’s fleet of large airtankers is old, with an average age of more than 50 years. The cost of maintaining them is growing, as are the risks associated with using them. The Forest Service is implementing a **Large Airtanker Modernization Strategy** to replace our aging fleet with next-generation airtankers. Our FY 2014 budget request includes \$50 million to pay for the increased costs of

modernizing the firefighting airtanker fleet. This is in addition to the \$24 million requested in the FY 2013 budget for a total of \$74 million proposed over the last two years to further enhance the agency's ability to fight wildland fire.

Cost Savings

Since 2011, the Forest Service has conducted more than a thousand postfire assessments in areas where wildfires burned into previously treated sites. In 94 percent of the cases, our fuels and forest health treatments were determined to have changed fire behavior and/or helped firefighters control the fire.

The Forest Service is also taking steps in other areas to cut our operating costs. For example:

- Taking advantage of new technologies, we have streamlined and centralized our financial, information technology, and human resources operations to gain efficiencies and reduce costs. We will continue to work together with other USDA agencies under the Blueprint for Stronger Services to develop strategies for key business areas to provide efficiencies.
- For the same reasons, we have integrated work across our deputy areas for National Forest System, State and Private Forestry, and Research and Development. For example, all three deputy areas have collaborated to develop the Southern Forest Futures project – the first comprehensive analysis of the future of Southern forests over the next 50 years.
- In FY 2012, we began implementing a new Planning Rule that will reduce the length of time it takes to revise management plans, saving costs. We are also saving costs by streamlining our environmental review process under the National Environmental Policy Act.
- We are implementing measures to achieve \$100 million in cost pool savings in FY 2013 and FY 2014 combined.
- We have adopted new public-private partnership strategies for leveraging restoration funding. For example, over 10 years the Collaborative Forest Landscape Restoration Program is expected to leverage \$152.3 million in partner funding, about 62 cents for every Federal dollar spent.
- We also signed an agreement to use municipal funds to restore fire-damaged national forest land in the municipal watershed of Denver, Colorado. Over five years, Denver Water is matching the Forest Service's own \$16.5 million investment in watershed restoration. We have signed similar agreements with Santa Fe, New Mexico, and with other cities on the Front Range in Colorado, including Aurora and Colorado Springs.
- We are proposing a number of changes in our budget line items for FY 2014 to better integrate accomplishments, to increase efficiencies in administration, and to make our program delivery more transparent. For example, combining the State and Volunteer Fire Assistance programs under Wildland Fire Management will improve program management, reduce administrative complexity, and will assist with improved performance management.
- In accordance with sustainability and efficiency mandates, we are working to reduce our environmental footprint. We are acquiring more energy-efficient vehicles and using the latest technologies to reduce our greenhouse gas emissions and cut our electricity and natural gas costs at facilities.

Future Outlook

Our budget request focuses accordingly on America's highest priorities for restoring ecosystems, strengthening communities and providing jobs, and managing wildland fire. We are developing a kind of land and resource management that efficiently and effectively addresses the growing extent and magnitude of the challenges we face, as well as the mix of values and benefits that Americans expect from their forests and grasslands. We will continue to lead the way in improving our administrative operations for greater efficiency and effectiveness in mission delivery. Our research will continue to solve complex problems by creating innovative science and technology for the protection, sustainable management, and use of all forests, both public and private, for the benefit of the American people. Moreover, we are working ever more effectively to optimize our response to cross-cutting issues by integrating our programs and activities.

The key to future success is to work through partnerships and collaboration. Our budget priorities highlight the need to strengthen service through cooperation, collaboration, and public-private partnerships that leverage our investments to reach shared goals. Through this approach, we can accomplish more work while also providing more benefits for all Americans, for the sake of generations to come. This concludes my testimony, Mr. Chairman. I would be happy to answer any questions that you or the Committee Members have for me.



Tom Tidwell

Tom Tidwell has spent 33 years in the Forest Service. He has served in a variety of positions at all levels of the agency, including as district ranger, forest supervisor, and legislative affairs specialist in the Washington Office. As deputy regional forester for the Pacific Southwest Region, Tom facilitated collaborative approaches to wildland fire management, roadless area management, and other issues. As regional forester for the Northern Region, Tom strongly supported community-based collaboration in the region, finding solutions based on mutual goals and thereby reducing the number of appeals and lawsuits.

In 2009, after being named Chief, Tom set about implementing the Secretary's vision for America's forests. Under his leadership, the Forest Service is restoring healthy, resilient forest and grassland ecosystems—ecosystems that can sustain all the benefits that Americans get from their wildlands, including plentiful supplies of clean water, abundant habitat for wildlife and fish, renewable supplies of wood and energy, and more.

Such benefits are at risk from the effects of climate change, and Tom has led the way in forging a national response. Under Tom's leadership, the Forest Service has charted a national roadmap for addressing climate change through adaptation and mitigation. The Forest Service is taking steps to help ecosystems adapt to the effects of a changing climate while also taking action to mitigate climate change, partly by reducing greenhouse gas emissions.

Tom has facilitated an all-lands approach to addressing the challenges facing America's forests and grasslands, including the overarching challenge of climate change. Such challenges cross borders and boundaries; no single entity can meet them alone. Under Tom's leadership, the Forest Service is working with states, Tribes, private landowners, and other partners for landscape-scale conservation—to restore ecosystems on a landscape scale.

Tom is married to Kim, and they have one daughter, MacKenzie.

BIO – Barbara L. Cooper
Acting Director Strategic Planning, Budget, and Accountability Staff

Barbara L. Cooper currently serves as Acting Director for the Strategic Planning, Budget, and Accountability office for the Deputy Chief of Business Operations at the USDA Forest Service, in Washington, DC. She is responsible for management and oversight of the execution, formulation and presentation of the agency's budget, developing and integrating implementation of the agency strategic plan, and all performance and accountability measures and agency strategic goals. The agency budget averages \$5.3B annually. She began her career as a cooperative education student with the Forest Service in the Regional Office in Milwaukee, Wisconsin on the Program Development and Budget (PD&B) staff. She received her Bachelor of Science degree from Jackson State University in Jackson, Mississippi, and her Certified Government Financial Manager (CGFM) certificate from the Association of Government Accountants (AGA). Her career spans over 33 years in government service in various positions in budget and she has worked in Region 8 and 9 as well at the Washington Office level of the agency.

She currently resides in Alexandria, Virginia and is the proud mother of two children, Aisha and Dominic.

STEWARDSHIP CONTRACTING

Mr. SIMPSON. Thank you, Chief, and I agree with an awful lot of what you said. It is surprising to me that we are somehow in this fix where I do not know of anybody in Congress that does not support stewardship contracting. It has been a great program in managing some forests and so forth, but we seem to have this problem with the Budget Committee and the rules that we create that make it hard to reauthorize it, and you cannot do it for a single year because contracts extend beyond that, and so consequently we are assessed the costs for multiple years in one year, and when you have got reducing budgets, that is pretty hard to accept.

SECURE RURAL SCHOOLS

Let me ask you, you are proposing the reauthorization of Secure Rural Schools for, what a 5-year period?

Mr. TIDWELL. Yes.

Mr. SIMPSON. How are we going to fund that?

Mr. TIDWELL. We recognize there needs to be mandatory funding so it is just part of the overall federal budget with an understanding that the receipts that come off the national forests need to be part of that. It is one of the ways that we do not manage the national forests to generate revenue but there is no question, if we can move forward with accelerating restoration, then it is going to create not only more jobs but it is going to create more revenues. Because you have got to remember, right now—last year our base rates, our stumpage value was about the same as it was in 1973. There is just—I think any time you have a program like Secure Rural Schools, it is based on just pure revenues, you are going to hit times like we are in right now when there is not a lot of revenue being created. There is not a lot of market for saw timber. Luckily, that is starting to turn around. But that is how we are planning to fund it—it is just part of the mandatory budget.

Mr. SIMPSON. It is going to be difficult in that—not difficult, but it is an issue that we reauthorize it for 5 years. That is kind of Craig Widen started to start with was that they established it for a certain period of time to allow these communities to transition to something else. Well, it is 94 percent federal land. There is not a lot to transition to. And consequently, we are still in this mix and somehow we have got to find a way to fund this that is ongoing instead of just for a 5-year period. But I appreciate you suggesting that we reauthorize that for a 5-year period in your budget.

FIRE

Let me ask you just in general, as I said in my opening statement, I am becoming more and more concerned that more and more of the Forest Service budget is being used to fight fires and less and less to be used to manage forests. As a general overview of this budget, as you know—I am not telling you anything you do not know—when you exceed the fire costs that we have appropriated on a 10-year average because when we have a high fire year, you have to strip funds out of the other budgets, the other operating budgets within your department, which reduces them. It seems to me that in this budget proposal, what we have done is

anticipated that beforehand, put a lot more money into firefighting and stripped that money out of those operating budgets to start with. That concerns me because the operating budgets, which we try to fund in our appropriations bill, are what keeps the Forest Service going. Is that an accurate assessment of what we have done?

Mr. TIDWELL. Yes.

Mr. SIMPSON. How do we get ahead of this fire issue? You are essentially the Fire Service now instead of the Forest Service, becoming that more and more.

Mr. TIDWELL. Our fire program is very important not only for the ecological benefits but also we need to respond.

HAZARDOUS FUELS

Mr. SIMPSON. Well, let me ask you as part of that question, OMB told the staff when they were in discussions with them that hazardous fuels reduction, they cannot see any results or an imperative results on doing fuels reduction. Do you agree with that?

Mr. TIDWELL. No. In fact, since 2006 we have done over 2,000 case studies on individual fires, and out of those, 94 percent showed that our fuel treatments have been effective to reduce the fire behavior, reduce the impacts, and reduce the costs of that fire.

Mr. SIMPSON. Good. Has OMB ever seen any of those studies?

Mr. TIDWELL. Mr. Chairman, OMB has never shared their concerns with me on this.

Mr. SIMPSON. Okay. Well, we will make sure that they get the information because apparently they are operating on a different wavelength than we are.

AIRTANKERS

Along those same lines, air tankers is a huge issue and getting the resources necessary with Forest Service. What are we doing about air tankers? I know you got \$50 million in here for tanker support or whatever.

Mr. TIDWELL. It is to recognize the increased costs with moving forward to modernize our air fleet, and even with the legacy contracts that we just issued, the costs for those eight older planes have gone up. We anticipate when we release or award the contract for the next-generation aircraft, we should be able to do that in the next few weeks. We realize the costs of those modern, faster aircraft is going to be more.

The other part of the \$50 million is to be able to use some of that to basically do modification of our Modular Airborne Firefighting System (MAFFS) units that we use with the military aircraft so that we can get more retardant in a better unit and then also to have a unit that would be flexible to be able to use in the C-27s if those become available from the Air Force.

Mr. SIMPSON. Thank you. I will yield to Mr. Moran.

SEQUESTER IMPACTS

Mr. MORAN. I share your concerns, Mr. Chairman, for what it is worth.

Let me start out by the way we started out with our other witnesses. We asked Jon Jarvis and then the Fish and Wildlife Service Director Dan Ashe what the impacts of the sequester is having on their agencies. I think it is only fair to ask you, Chief, how the sequester is impacting Forest Service operations. How many permanent positions are being left unfilled? How many fewer seasonal workers will be hired this year, for example? What is the impact?

Mr. TIDWELL. Congressman, I first of all want to just stress that sequester does not have an impact on the Forest Service. It has an impact on the communities, the people that rely on these places, where they recreate. We will reduce staff. We have reduced staff, and for instance, with firefighters, we are going to hire 500 less firefighters this year than what we normally bring on.

Mr. MORAN. Five hundred fewer firefighters.

Mr. TIDWELL. We will have probably 50 to 70 less fire engines, and at least at the start of the year, probably a couple less aircraft. We also need to close or at least shorten the season on over 600 recreational facilities.

Mr. MORAN. I just want to repeat these. We are going to be having this debate for some time pretty intensely. It is obviously on this broader context on the Floor today. So you are going to shorten 600?

Mr. TIDWELL. We are going to either close or shorten the season on over 600 of our recreation facilities, and that is out of the 19,000 that is we manage.

Mr. SIMPSON. Can I say something?

Mr. MORAN. Yes, please, Mr. Chairman.

Mr. SIMPSON. Because I have the same concerns that Jim does. What does that mean on the ground? What does that mean to forest restoration and those types of things? What will not get done that we would be doing normally if sequestration was not in effect?

Mr. TIDWELL. With our forest restoration, we are going to have less crews out there to be able to prep the sales of projects for next year and so we recognize there may be an impact on this year's programs so we adjusted our expectations of how much work will get done. It is going to reduce the work we will do on about 200,000 acres. It will also impact next year because the way we do our sale preparation, we do the planning, we do a lot of prep this year, and then those are the projects we implement the following year. So I am optimistic our folks are going to continue to find more efficiencies and do everything they can to do the work this year but there are going to be impacts this year and they are going to go into next year.

Mr. MORAN. Well, now, those of us on the left side of the panel here tend to have fewer national forests in our district, I think it is fair to say, than on the right side. The majority tends to represent somewhat more rural areas generally. But, that is not to suggest that we are not very supportive of the Forest Service, and even if we do not have forests in our district, it still is a great asset to our constituents.

URBAN AND COMMUNITY FORESTRY

But with regard to this perception, which is an accurate one, that much of the Forestry Service is focused on western states, we do

have an Urban and Community Forestry program, and yet when that suffers a \$6 million cut, that is a big deal versus some of the larger programs. Eighty-three percent of Americans live in metropolitan areas with urban trees and community forests that are nevertheless very important to their environmental and social fabric. So, it is troubling to see. Even though it is a small amount of money, it is a big deal for a program we have been trying to nurture and get started so people in the East can appreciate some of the wonderful assets that are more easily accessible to folks in the western states. Can you address why we had to take such a deep cut in urban and community forestry?

Mr. TIDWELL. Congressman, I think Mr. Chairman ran through the whole list of reductions in the majority of our programs, and part of that is driven, a majority of it is driven by the need to meet our agreement on the 10-year average, put more funding into fire suppression and then also the additional money that we need for air tankers. These are hard, difficult choices. At the same time, we are expanding our partnerships, especially in the urban and community forestry program, to be able to find more people that want to be part of that and bring their time, their resources, their financial resources into those programs. They are essential, and I can make a strong argument that we need to put a lot more funding in that program but I can also do it with every program that we have. They are just hard, tough choices that we have to make in this economic time.

COLLABORATIVE FOREST LANDSCAPE RESTORATION

Mr. MORAN. One program that I think we have got particularly broad bipartisan support for is this Collaborative Forest Landscape Restoration program. It really seems to be working. It is maximizing our resources, bringing in partners' resources. You have been funding 20 projects, but I understand that you could do a whole lot more if you had any more to work with, and you have got an authorization cap apparently. You did fund three additional projects out of regular Forest Service appropriations but how much more could you do if you had the resources for a program that is really working well?

Mr. TIDWELL. There is definitely more interest. You already identified those three additional projects that we are trying to move forward with under a similar scenario but we just do not have the same authorities. So I would be interested in working with you to be able to expand that authority so that we are not limited by just the number of 20 of those projects.

STATE AND PRIVATE REDESIGN

Mr. MORAN. Okay. The last thing I wanted to ask, you suggest you want to redesign the State and Private Forestry program. How are you going to do that with fewer funds? I mean, you have got less money to work with than you did in fiscal year 2012, so how are you going to redesign it?

Mr. TIDWELL. We are going to continue the work we have been doing, and we have our proposal to basically take a portion of the funds and put it into one fund, similar to the IRR concept, so that the state foresters then have a pool of these mixed funds so that

when they look at the work they need to do in their states, they do not have to be lining up to do this acre of forest health, this acre of stewardship, but be able to work with a broad group of land-owners to be able to address all the programs. We would like to have that authority so we can move forward, work with our state foresters and then once again set up a system so that we can track the results of that and be able to share those with you. We feel this is a better way to be able to increase the efficiency of their state programs, just like we are doing with our National Forest System programs.

Mr. MORAN. Thank you, Chief. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Calvert.

HAZARDOUS FUELS

Mr. CALVERT. Thank you. I find it hard to believe that OMB would actually say that the Hazardous Fuel Reduction program is not working. From my own experience in the San Bernardino National Forest, Lake Arrowhead and Big Bear and the rest, I mean, it basically saved those communities if it were not for that program. I just wanted to make that comment.

But also as a comment, over the years serving both on the Resources Committee and this Committee, I think there is somewhat of a recognition that maybe we went too far on the reduction of timber harvesting in the West, and that timber harvesting had a place in replacing what God would have normally done and is doing now in reducing the amount of forested acres in the United States because we are just basically overgrown the forest, and those of us who live in the West, you look at old photographs from well over 100 years ago at national forest growth versus what we had, we are doing a great job of putting out fires, as you point out, and because of that job, we have overgrown those forests, and then when we do get a fire, it is devastating, and we just basically sterilize the earth, as you know, and it is very difficult at that point to restore that forest to where it should be. But that is where we are at today, and I think you are going to find it is going to be very difficult to go into Oregon and Washington State, probably Idaho and California, because most of those are gone. They are out of business. People who worked in those mills dispersed and are doing something else. And we bring more and more of our timber products in from Canada and other places, and that is too bad because that was revenue that was coming into the forestry that we used for restoration programs. I know it was somewhat controversial but I think hindsight being 20/20, that we overreacted, and that is just a point I want to make.

AIRTANKERS

But now we are here and now we have these fires, and we need tankers and we need to spend money to fight these fires. I am hopeful. I am working on the C-27 with Mr. McCain to get those planes transferred over. These are newer aircraft, smaller than the C-130 but they are very capable. But beyond that, there is new technologies out there called PCAD technology. I do not know if you are familiar with that. That is utilizing containers that can be filled up with chemical resources and dropped out of any kind of

aircraft and inventory for the United States Air Force or Army or whatever including large aircraft like the C-130 but also C-17s, and anything you can have a roll-off on, and you can attach a GPS device to them, you can use it at higher altitudes where it is a safer environment to fly in. As you know, it is very hazardous flying conditions sometimes going into these fires, smoke and air drafts, the rest, and I think you should take a serious look at that. Spending \$50 million modernizing a fleet of old airplanes which you may get marginal utilization out of over time versus having some kind of an agreement with the military to use that aircraft may be a better way to go. I do not know if you ever looked into this technology. It seems to me, it is becoming very mature and capable technology. Have you ever seen it?

Mr. TIDWELL. I have not, but I will talk to my staff about it, and I can tell you, if there is a better way, another tool that we can use to address fire suppression, we are very interested in doing that.

Mr. CALVERT. It would seem to me it would give you a lot more flexibility because right now, how many aircraft do you have right now?

Mr. TIDWELL. This year between the military and contracted aircraft, we will probably be using about 24, 25, large air tankers.

Mr. CALVERT. And see, the problem with the military, as you know, they have to outfit these C-130s for that purpose. So they sit on the tarmac for 9 months out of the year, 8 months out of the year, so we are not utilizing an expensive piece of equipment, whereas if this PCAD technology works as they say it will work, you are using an existing aircraft so any aircraft within the inventory, as long as it has roll-off capability—of course, the C-27 has roll-off capability, the C-130 has roll-off capability, the C-17s have roll-off capability, that you can take that aircraft and use it, and we have those throughout the United States. A C-17 can carry one heck of a lot of chemicals or water or whatever we are going to use. So I would encourage you to look at that because I think that is a realistic way of doing it. I think it saves money at the same time. I am not sure of that, but it would certainly be worth looking into.

HAZARDOUS FUELS

Mr. TIDWELL. We will look into that just like we are always trying to improve our effectiveness and the safety of the pilots at the same time, so we will look into that.

I did want to just go back to your comment about the effectiveness of our fuel treatments. We have thousands of assessments that show they are effective. I think maybe the concern might be from OMB is economically is it the right thing to do. That is a little different question, but we are actually moving forward with it and additional research to be able to do that level of analysis too because we have been focused on, is this the right place, the right type of treatment to be able to stop the fire. That has been our focus.

Mr. CALVERT. In some of these areas that you had to go into now, there are no roads and so you are using helicopters. They are an expensive way to get fuel modification. And then because we let it go so long that you have got the bark beetle so much of that wood

has no economic value so it becomes a cost of disposal rather than a sale opportunity. We have got too many trees and not enough water. It is putting the trees under a lot of stress. You are the expert, but I have other experts that tell me that is the case, and that is going on all over the West.

Mr. TIDWELL. We are in agreement that we need to be doing more work. That is why we put out our strategy last year and recognized they are 65 to 83 million acres that we need to do some restoration work on, so we are in agreement without any question that we need to get more work done out there to reduce the hazard but also to restore these forests.

Mr. CALVERT. Thank you. Thank you, Mr. Chairman.

Mr. SIMPSON. Ms. McCollum.

TRIBES

Ms. MCCOLLUM. Thank you, Mr. Chair. It was interesting that you had mentioned about moving a lot of what Forestry does into the Agriculture Committee to protect it. I live in St. Paul. I am four blocks from J.J. Hill's mansion, and we just finished up 2 days of testimony, public testimony from our brothers and sisters in Indian Country, and the Nelson Act, which is something that we just kind of finished distribution of funding for last Congress and we all voted on it, was enacted in 1889 and it became United States federal law and it was intended to relocate the Anishinaabe people—Ojibwe, Chippewa, they are known by many times but their preferred name is Anishinaabe—in Minnesota to the White Earth reservation so that their land could be up for sale and for allotment, and it was not necessarily for farming, it was for timber, and it created this whole patchwork of individual—they gave title to individual Native Americans. They did not want that. They did not want to have individual title, they wanted to keep their lands in whole but people knew that if it was individual they could try to pick people off one at a time to sell, especially when the United States government was slow in getting its food and its promised medicine and help to the Ojibwe people in Minnesota. And so that is why we have such checkerboard reservations.

And Mr. Chair, the treasurer of Red Lake was here, one of two closed reservations in the United States. They refused to sign to allow for the land allotment, and Darrell shared with me yesterday. I said, well, just kind of tell me from your perspective why your people were so successful in doing that, and he said, Betty, he said, our community elders, our chief had a hatchet and he always kept it on the table and he said any hands that start picking up pens and start signing for an allotment, and he demonstrated that they would lose their hand. And that is why Red Lake is intact. So all things go around, and in this Committee, they all come in together.

AIRTANKERS

I want to follow up on part of the discussion that we have had about doing the work on military aircraft. I have had conversations with our National Guard, and our National Guard is on the ready. They are involved in working with the Forest Service when appropriate. So what about some of this equipment that we are talking

about, you know, buying surplus from the Army, transferring over to you folks, what if the National Guard was outfitted, given opportunities to work with the Forest Service but they retain the asset and then the asset is fitted as needed. Then they are doing the flight hours, they are doing the mechanical repairs on it, they are close by. You have more planes in different places but you work to coordinate them. So there are several of us, as we found out the past 2 days, that are both on the Defense Committee and on this Committee, and I think to look at another tool in the toolbox as to where the National Guard can be part of a role in firefighting because they are called up at times to do it, and they are looking at having some of these assets that well might work, and it looks like the gentleman from California—

Mr. CALVERT. Would the gentlelady yield?

Ms. MCCOLLUM. Yes.

Mr. CALVERT. The Guard has a lot of C-130s. They can practically park one in every garage, they have so many of them around the country, that this technology, without having to fix the airplane for that permanent use because a lot of these C-130s, for instance, we have parked in Oxnard is only for that purpose, and that seems silly to me when the Guard can be using these not only for fighting fires but for whatever else they are doing, and that is a great idea, and the Guard should be a big part of this.

TRIBES

Ms. MCCOLLUM. The problem I see is, we do not talk to each other. As Members of Congress, sometimes, you know, we really do not sit down and discuss things and talk to each other, but as federal agencies, as we found out with sequestration, not caring for the health care of Native Americans and Native American schoolchildren, we do not talk to each other very well. So we need to come up with better plans to do that. So I think there is a group of us who would be interested in talking to the Forest Service and figuring how we sit around the table and talk about these issues.

INTERNATIONAL FORESTRY

The two points that I would like to bring up, and you have heard me talk about this before, and I think, you know, Congress has shown its commitment to the International Forestry Program. Reduced funding is now at \$4 million and sometimes you cut something and you make it ineffective, and the way that this program leverages dollars through USAID, State relies on it to go in and help through soft power in places that cannot do it the way that we do that, to protect migration of species, just a lot of things, watersheds, and indigenous people in other parts of the world benefit from our past mistakes how we treated our first Americans in negotiating trade agreements and making sure there are protections there. So I would like you to comment, are we cutting this to the point where it is not going to be as effective? What do we get for \$4 million for State Department, non-governmental organizations with what is going on currently with poaching around the world, poaching that appears it is not an inside criminal activity, it is an international criminal activity, and I know you brought this up in the Defense hearing—I was not there but my staff told me—where

it is being used to find terroristic activities. So that is one thing I would like you to touch on.

INVASIVE SPECIES

And then I would like to kind of circle back to the urban forestry. I do not have a national forest in my district but I will tell you, the critters do not know the boundary, whether it is an international forest or an urban forest. So if you could elaborate more about what you are doing about invasive species, whether it be emerald ash borer or gypsy moth or whatever, to work in conjunction, to make sure that you have all the tools in your toolbox, and there again, part of that is working with Ag. Your budget, like the Bureau of Indian Affairs, you have got a two-step dance you need to do, and if we are not moving both feet where they are supposed to be at the right time and the right direction, we are going to trip over and it is not going to work successfully.

The President cut the Healthy Management program, which works on these invasive species. The cuts to urban communities who sometimes are some of the watchdogs about what is going on, what are we doing with that?

And then Mr. Chair, if I was to have another chance if we go around before there are votes, we heard many of our tribal leaders talk to us about tribal climate change, and I would be interested in your role in that.

INTERNATIONAL FORESTRY

Mr. TIDWELL. First of all, with our International Programs, you know how successful those have been and the work that we do also has the direct benefit to this country as far as dealing with illegal logging, dealing with the impact of migratory species that have made a huge difference in our programs directly here plus helping other countries develop sustainable forestry and programs in various countries. It is a significant reduction, and it will force us to set just the minimum number of priorities in places that we can work, but I can tell you, it is an essential program for us to maintain. I wish I could find a better way to quantify the benefits of this program, and that is something I will continue to look to do to be able to find some ways to provide the benefits and economic hard data that would help folks to understand just how important this is. And then also the work that we do with the State Department, and we have excellent results, but the thing is, this is a tough budget climate, and once again, I cannot stress enough that having to respond to emergency fire situations in a constrained budget, it has impacts on all of our programs, and to maintain our commitment to the 10-year average, that money has to come from other programs, and so this is just another example.

INVASIVE SPECIES

On urban forestry, I especially wanted to talk about the invasives part of it. A lot of our problems, the invasives, they come up on the national forest, they start in the urban communities. They come through our ports. And by doing a better job with urban community forestry, we not only can benefit the cities but we can

also do a better job to stop those invasives before they get up onto the national forests. And so that is a key part of our Urban and Community Forestry program, and yes, we do have a reduction and request from past years, but I want to point out that it is an increase over what we are receiving this year, and I think that is essential for us to be able to move forward with that. I think you are very familiar with emerald ash borer, that it is a species that if we do not continue our research and our work together with APHIS to be able to first of all detect that and be able to take steps and then continuing our research on a parasitic wasp that we are hoping will be the biological control, without that research, we will no longer have ash trees in the eastern United States.

Ms. MCCOLLUM. And Minnesota is not the eastern United States. We found out through mapping that they come in, that the emerald ash borer hitched rides on the railroad, because wherever there is a railroad stop now that they have been able to do the mapping, that is where you see the outbreaks. So now we kind of know where to look for it to stop it and do it, but I do not want to lose the ability working with USGS, Forest Service, and everyone else to do that.

Mr. SIMPSON. Mr. Serrano.

Mr. SERRANO. Thank you. Actually as always, it is very interesting to me these things, coming from the Bronx, all these subjects, and in my frustrated attempt a long time ago at being a stand-up comic, I am wondering if there is a meeting in the forest right now with critters talking about how we infringe on their territory over time.

URBAN WATERS FEDERAL PARTNERSHIP

But we thank you for your service, and I want to ask you a question about the Urban Waters Federal Partnership. As you mentioned in your written statement, your agency is taking part in the Urban Waters Federal Partnership, which then-Secretary Salazar kicked off in my district along the Harlem River in the Bronx. We spent years cleaning and restoring the Bronx River in a collaborative and community-oriented fashion. This federal partnership was designed to build on this model and bring the sort of success that we have had to other urban waterways. I am particularly interested in hearing what the Forest Service has done in support of this great initiative and what you plan to do in the coming year. Please tell us about the successes you have had and the challenges that you face.

Mr. TIDWELL. The Urban Waters program was an initiative to bring all the federal agencies together that have different resources and knowledge to be able to address issues with water quality, especially in our urban settings. We have the lead on two of these projects around the country. The Department of Interior has the lead on, I think, the rest of them. What we bring to the table was not an additional request for funding. It was to be able to use our existing resources but do it in a way that we could increase our effectiveness because we are all working together. The programs that we bring to it are the science that we have about forest health, the importance of being able to demonstrate maintaining forest environments in our communities. Forests help cleanse that water be-

fore it makes it into the river. So those are the things that we are helping to work with the communities to be able to show hard economic data that you can save money by planting trees in your city. Not only do you reduce energy consumption but you can also reduce stormwater runoff and reduce the infrastructure costs of stormwater by planting more trees. So this is the thing that we bring. We bring the science and our research and the importance about urban forestry as our level of science and expertise, and what we are doing not only in your community but also in Baltimore and then outside of Denver, we are making a difference by just increasing the ability to work together.

URBAN AND COMMUNITY FORESTRY

Mr. SERRANO. Let me ask you a question. It seems to me over the years I have been in public office that I have seen a change, a dramatic change in the Bronx, in New York City, is that unique—I cannot believe it is—or is there more of a desire nationwide for folks who live in urban areas to do more about the waterways, to be more closer to them, to plant more trees? I mean, New York City did a great job of planting trees just about everywhere, and there seems to be more activism that I have seen ever before in the last, I would say 10 years. Is that true everywhere?

Mr. TIDWELL. I believe it is true not only in our urban areas but also our rural areas, that there is a greater recognition about the importance of forests, the importance of green spaces, and what that means not only to our quality of life but to the clean air and clean water, and I think you see it in your city. We have been proud to be part of the effort there with the million trees planting. In fact, I was just up in New York City a couple weeks ago and toured some of the areas where we have been working together, not only to expand using the right trees but also a great jobs program there where we are taking youth right there from the inner city, teaching them how to care for these trees, because urban trees do need maintenance, they need care, and because of that, these folks have been able to move on and be able to get jobs in this field.

Mr. SERRANO. And one thing I noticed too, Mr. Chairman, and this could get me in trouble for saying it out loud, that you are always asking folks in certain communities to take care of certain things but there seems to be an understanding about trees. People seem to want to take care of them once they are planted in the city. I think some of it, interestingly enough, has to do with so many of the immigrants coming into the country now who come not from urban areas but come from rural areas back home, and so they had water near them, they had trees near them, and now they come and they are planting those trees and they take care of them, and I commend you for the work you are doing, and I hope we can do more.

Mr. TIDWELL. Thank you.

Mr. SERRANO. Let me just ask one quick question. What is the status of the Urban Fuel Station in New York City? The Urban Fuel Station enables science about trees and urban forests to improve people's lives in my district and those like it around the Nation. What does the proposed budget for the Forest Service include for urban forestry science research? Does the proposed budget sus-

tain the current emphasis of the fuel station and its work? I know you have partly answered some of those questions but I just want to get you on the record.

Mr. TIDWELL. We will have reductions overall in that program but we will maintain that station. I was so impressed with the work not only that the foresters are doing but also our social scientists are doing to really make a difference there by working with that great city. So you have my guarantee, we are going to continue that effort.

Mr. SERRANO. Okay. One last personal question. If I get a palm tree from Puerto Rico, my other district, and bring it to the Bronx, do we have to protect it in a special way? And I am serious about this. In the winter, will it die eventually?

Ms. MCCOLLUM. An invasive species, really?

Mr. SERRANO. A palm tree?

Mr. SIMPSON. There are not a lot of palm trees in Idaho so I would suspect it is going to die.

Mr. MORAN. I would not worry about it being an invasive species because it will be dead as a doornail in the winter.

Mr. SERRANO. But in Virginia Beach they have some and they cover them up and they survive the winter.

Mr. MORAN. The Bronx is not Virginia Beach, I do not think.

Ms. MCCOLLUM. You could put one in your apartment.

Mr. SERRANO. I know you guys do not take me seriously, but some day I will invite you to the palm trees in the Bronx. I cleaned up a river and you did not think——

Mr. MORAN. But they never change because they are plastic.

Mr. SERRANO. No, they are not.

Mr. MORAN. I have seen those palm trees in the Bronx.

Mr. SERRANO. Do not listen to him. Unlike me, he has never had any success in stand-up comedy, which is evident today. But anyway, can some trees survive in urban environments?

Mr. TIDWELL. They can with extra care, but I would probably encourage you to look at more of the native species. That would work out better.

Mr. SERRANO. All right. We will call it the Big Mango and not the Big Apple from now on. Thank you so much.

COLLABORATION WITH STATES

Mr. SIMPSON. Okay. Let me ask you, Chief, recently the Western Governors wrote Secretary Vilsack stating their frustration with the Forest Service regarding reducing fire threats and improving forest health. They recommended that the Forest Service work with them on ways the agency can become more efficient and rely on the private sector to accomplish forest health goals. I think they recognize that a vast amount of the work that needs to be done cannot be accomplished through the current Forest Service process, and the reason I ask this, Governor Otter was here and testified about, is there some way to use the states and their abilities, because they have forestland also, and we have state foresters and they have about 400 land managers that work on Idaho lands and they drive through Forest Service land to get to the state land and stuff. Is there some way or can we improve the relationship with those

states that wish to participate in helping manage Forest Service lands to allow them to do some of this?

Mr. TIDWELL. We work closely with all the States. One authority that we have had in Utah and Colorado, the Good Neighbor authority, is something that I think would have some benefit to be able to use that. It would allow us to have when we have a project that is on both national forest and state lands, especially when they are adjacent, we can do it under one contract and the state can actually then administer that contract. That is one way that if we had that authority that we could make some better use of the resources that they have and be able to just work across these larger landscapes. You know, that is one thing that definitely would be helpful.

Mr. SIMPSON. Yes, it is strange that, you know, whether it is forest health or forest fires or whatever, they do not seem to recognize that boundary between state land and federal land for some reason. I just do not understand that. It would be nice to be able to manage these altogether. And like I say, there is great resources out in the state. Now, there are some people who want—I think Idaho passed a resolution last year to send to Congress to transfer all of the federal lands in Idaho over to the state. I do not see that happening real soon, if at all. It is not something that I would actually support. But with the management and using the states to help manage, I think we could stretch scarce resources further using them.

Mr. TIDWELL. That is why the Good Neighbor authority is one tool that we would like to be able to have to be able to expand that and use it in more states instead of just Utah and Colorado.

Mr. SIMPSON. Well, I would like to see some proposals on how you respond to the Western Governors' letter and if there are ideas out there about how to do some of these things. Some people think that if the states took over the management of the forests, all of a sudden they would not have to do NEPA and that kind of stuff. That is not the case. I am just saying that we could use resources that are out there that they are currently managing adjacent lands to do a better job.

GRAZING MANAGEMENT

Another question. I am concerned, as I said in my opening statement, about the 36 percent cut in the grazing program. The Forest Service will only be able to complete NEPA on about 50 allotments. As you know, we have a real problem in the West in that there are groups that want essentially to get cows off public lands altogether and they are going to sue just about everything, and it seems like reducing by a third the amount of money we are putting in to renewing these grazing permits, we are going to open ourselves up to more lawsuits, not fewer. Do you want to comment on that?

Mr. TIDWELL. It is essential that we complete the analysis on the allotments to be able to understand the mitigation, the actions we need to take to maintain those grazing operations and restore those systems too. But once again, making tough choices. The money in our budget, we are going to focus more on the administration and monitoring, which I think is the most important work. It will slow down the number of allotments we complete NEPA on and we are

going to have to come back and request a readjustment on the rescission schedule again. We do have a proposal, a legislative proposal, that by charging an extra dollar per head month, that those funds then would be available for us for administration but also to be able to move forward and get some additional NEPA done. I know that is another burden on the livestock industry and I know that is a tough thing on them, but it is one of the things that we have looked at. We have kept our grazing fees at the minimum level now for quite a few years but it is just one option to look at how to be able to get some additional resources.

FIRE

Mr. SIMPSON. I appreciate that, and I will tell you and I will tell the rest of the members of this Committee, what is going to be fascinating to watch is, we see the allotted forest fire cuts this year and they end up having to transfer funds out of their operational budgets. We will probably do a supplemental as we have done in the past. But unlike with major disasters like Hurricane Sandy, we did \$60 billion there in appropriations, did not offset it. I am one who does not believe we have to offset emergencies. They are by definition an emergency. And you watch, they will come down with a supplemental for \$500 million for additional forest firefighting costs, someone will say where is your offset, and we will be required to offset it, and what that generally means is that we have to go in and cut the Forest Service's budget in other areas to offset those funds and stuff. So it is something that we need to address. Either emergencies need to be offset or not offset, one of the two.

Ms. MCCOLLUM. I agree.

Mr. SIMPSON. Anyway, Jim?

Mr. MORAN. I think you have unanimous consent here to try to stop that offset and to fully pay for emergencies, but the problem is further compounded by the fact that what they are going to offset are the very programs that are designed to prevent the fires in the first place. Many of us, and I think Betty is going to address this issue of climate change, but we know that a lot of these forest fires are as a result of the conditions that are creating more and more extreme weather that induces fires, very large fires for longer fire seasons. Ten states have had their largest fires on record over the last decade. Some had those records broken more than once. You said that in your testimony, Chief. You know, 9 million acres burned in 2012, and yet it is these efforts to try to address the climate change that we are going to be eliminating from the budget and, you know, it is like putting all of our efforts into sewing up wounds instead of trying to prevent the damage in the first place. We are very bad at that, but I guess that is part of human nature.

RESEARCH

The other thing that we really need more of, not less of, but that is going to be seen as expendable is research. Now, you talked about the fact, we are going to lose the ash tree. We lost the chestnut. We have basically lost the elm in many ways to Dutch elm disease. And in your testimony, it was pretty compelling. You talked about how much of the forests we are losing to invasive species and insect infestation that we cannot seem to stop, and that is where

we need the research. You used to be able to do a whole lot of very good research. You are still doing some, but we are not giving you the tools that you need because the problems are even more complex and pervasive. Could you talk about some of the preventive efforts that if you had your druthers we would be putting more money into instead of funding fires after the fact?

Mr. TIDWELL. In our research, it would probably help to accelerate invasives research. I feel that we are working on the issues we need to be working on today, but at the same time because of the amount of work that can be done each year, it is taking longer to maybe find some of the solutions to these invasives, and so that is one of the areas that we could probably accelerate.

The other thing that is important is, in this country we used to have a lot of research that was done by the industrial forest landowners, the large timber companies, and they basically have moved on and have had to focus in other ways, and so the research now falls back on the Forest Service working with the universities and so that is another thing that has really slowed down. The other part is to be able to move forward with new markets, to be able to make biomass more economically viable, to be able to find a use of that small-diameter material. We are just moving forward with the research to be able to show builders, architects, contractors that you can use wood to go much higher than four stories, and we are doing a couple pilot projects in the country to be able to demonstrate that. The reason for that is we did the research, we did the studies, we did the tests on these new wood products out of our Forest Products Lab so that they passed all the safety tests as far as being able to withstand high heat and have the strength that is necessary. So it would help to be able to accelerate the pace of our research.

CLIMATE CHANGE

Also, so much of this is driven by this changing climate. I cannot stress that enough. It is not just the fire seasons that we see now. We are having fire seasons that are 50 to 70 days longer. This is part of having a change in our fire season but also this warmer climate in a lot of areas creates a much more favorable environment for invasives and so we are seeing the rate of these invasives spread at a much faster rate than what we saw just a few years ago. Emerald ash borer has been in the country for decades but it is just really in the last 10 or 15 years when it has really taken off and moved north and it is actually now all the way into Canada.

Mr. MORAN. Well, the other members want to ask questions, Mr. Chairman, so I will not take up any more time. Thank you.

Mr. SIMPSON. Ms. McCollum.

Ms. MCCOLLUM. Thank you. Oddly enough, I have two nieces who are graduates in forestry from the University of Minnesota, which no longer considers itself a forestry school. So I have to believe that is happening in other parts of the country. One of them is working now doing urban. In Chicago, you would be very happy to know that she is taking care of urban trees and working on things like that, but she did some research on the emerald ash borer through the University of Minnesota. What is happening

with people going into forestry as a career, and how does that affect you being able to do some of the research that you want to do? And then the other question I have to follow up a little more on climate change; we are watching the prairie creep. We are watching our prairie come east. We are watching the different types of—we have three different forest zones and they are all changing, and we are now having drought and you start wondering if that is going to start affecting bogs and wetlands and just the whole thing. We are seeing it happen, and our DNR started talking about it and tracking this well over 20 years ago through legacy funds. So we are trying to work with the tribes on that. So if you do not have the R&D to provide the research opportunities, we are watching our universities in part because the demand is changing, what does it look like for foresters out 10, 15, 20 years from now for job opportunities, places to graduate and having research opportunities to have the best and brightest?

Mr. TIDWELL. Our challenges, I believe, 10, 20, 30 years from now, there is going to be a much greater demand for that level of expertise with forests because there is going to be more impacts, more stresses to deal with, and we are going to actually need more people in the field in the future than we have today. We are working with the universities to be able to maintain their programs. They have tough decisions they make so that we are getting the programs that can stay in place and the graduate programs that we need to be able to make sure that we are basically training and providing for our future foresters that we are going to need. So we spent a lot of time working closely with our universities and then through our programs to be able to provide internships and so we can get folks that are interested in this type of work. So in the future, there is going to be a greater need. The challenge we have right now is to be able to maintain these programs and then to make sure that we continue this strong interest. That being said, the last few jobs that we have been flying recently, we get hundreds and hundreds of applicants, so there is a very strong interest to be able to be part of this overall conservation mission that we are so lucky to be part of.

TRIBES

Ms. MCCOLLUM. And working with tribes?

Mr. TIDWELL. With tribes, you are familiar with the work that we have been doing the last couple of years. We spent a lot of time to look at our tribal programs to see how we can improve that, and we sat down with tribes throughout the country and basically put out a report about the things that we need to change to be able to do a better job, not just through formal consultation with the tribes but actually to be able to have our programs be better aligned with the needs of our tribes and at the same time to take advantage of the tribal resources. We have some of the best foresters in the country that work for the tribes and work on the reservations, and we need to do a better job to make sure we are sharing our information with them and vice versa.

So we released that report, I think it was late last year, that laid out a few steps that we are going to be taking to increase our cooperation with our tribes and also to take advantage of authorities

like the Tribal Forest Protection Act where it is an authority we have now that we can do a better job to be able to work with our tribes, be able to use their expertise, their resources to be able to help us to restore these national forests.

CLIMATE CHANGE

Concerning your question about the changing ecosystems, once again, a lot of this is driven by, you know, the climate change. We want to make sure that we are working together so that the changes that we see that are coming their way, that we are sharing that information so they too can take the steps that they need to to be able to restore their systems, and it is not just to be able to restore it to the way it used to be. The challenge that we have today is, we have to understand what we need to restore it to, to make sure that these systems, these forests can deal with the stresses they are going to deal with 20 years from now.

Ms. MCCOLLUM. Thank you, Mr. Chair.

Mr. SIMPSON. Mr. Serrano.

U.S. TERRITORIES

Mr. SERRANO. Just very briefly, my participation at these hearings always ends with the same request: do not forget the territories—Guam, Samoa, the Virgin Islands, Puerto Rico, the Northern Mariana Islands, American citizens, and in this particular area, there is a lot of work for you, a lot of involvement because as you know, they are not large in size but there are a lot of trees, a lot of plants, a lot of forests. So while our legislation never speaks to directing special attention to this, this Committee, and I will keep saying this out loud to the leadership of our chairman and our ranking member but the chairman has been great with my mantra that the territories are part of the folks who live under the American flag and they should get the same attention. That is my request.

Mr. TIDWELL. Thank you for your recognition, and we are going to continue the work that we are doing through our state and private forestry programs in the territories, and those are essential areas, the ecosystems. We know that we still have opportunities to be able to deal with some of the problems they are facing and do it right now on a smaller scale before these things become a much larger problem. So we are going to of course be able to continue that work.

Mr. SERRANO. I thank you for that.

Mr. SIMPSON. Ms. Herrera Beutler.

RESTORATION

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman. I apologize. I just came from that briefing, so I am happy to be here, and I wanted to say first, thank you, Chief Tidwell. I know our staffs are working on you coming out to see firsthand Gifford Pinchot. I am very excited to have you, so thank you for that.

And as you know, my biggest concern is with our forests and the health of our forests and the health of our communities, and I am very encouraged by the conversations we have had recently and

with Director Ashe a few weeks ago. I still have some really major concerns, especially with this proposal, and I wanted to make sure you were aware of them. As you mentioned in your testimony, the request calls for almost 10 percent increase in land purchases. However, management funds are being cut by about 10 percent, and you predict the output will drop from 3 billion board feet, which is already very, very low, to 2.3 billion board feet. So in my view, forests already being severely undermanaged, this is going to add to that. The budget calls for shifting \$62 million from several programs for fire suppression but I am not seeing the thinning efforts we need to see for the fire prevention. You talked about job creation. On Monday, I just found out that the last mill in southern Oregon is closing its doors.

And finally, and I think most importantly because this is something that a lot of folks are very concerned with, as we talk with the Native American communities, as we talk with Fish and Wildlife, we are worried about the species and the health of the forest. Gifford Pinchot has roughly 50 species dying, dying because of our single-species approach, and we are not even doing so good there. That is the species we are supposed to be managing is declining. And I know there are reasons, people will say there are reasons, this, that and the other, but those are the facts of where we are at and so I wanted to make you aware that those issues in this budget I am tracking very carefully and am going to want to see progress if I am going to be asked to support it.

SECURE RURAL SCHOOLS

Let me quickly switch over to another issue having to do with Secure Rural Schools, also a timber health and community health issue. I joined several Members of Congress. We sent a letter to Secretary Vilsack at USDA and Jeffrey Zients at OMB, and as you know, SRS was authorized in fiscal year 2012 in the highway bill, one of the few bills we have actually gotten signed into law, right? And on March 20th of this year, the Administration contacted the states who got the money for fiscal year 2012, not fiscal year 2013, and said we want it back, and so now those counties are being ordered to pay back funds that have already been expended, which I think is just ridiculous, and it is not just me. You know, Democratic Senators from both states in our region have sent letters, Western governors have sent letters and Members of Congress, all bipartisan, and none of us have had a response to date. So I was hoping that you could share with me specifically the legal basis that the Administration has to do this, or maybe, I do not know, share with me good news that the Administration is not trying to recall funds from last year pre-sequestration and using sequestration as the reason.

Mr. TIDWELL. I will start with your last issue. We looked at every avenue possible not to have the sequester affect Secure Rural Schools. I agree with you. When I first saw it, I thought well, this is fiscal year 2012, it does not have an effect; I was wrong. I sat down with many of our attorneys. I sat down with the Secretary twice on this. He brought his attorney staff in there to be able to explain it to me why this is legal. You know, I am not an attorney, but after the second time, I did agree with them. We looked at if

there was a possibility to use other funds from other appropriations so that this would not have an impact, and I was told once again that because sequester applies to every appropriation, we did not have that flexibility.

In hindsight, I have to admit, when we sent the payments and we were doing our work last December, I did not think it was going to happen. I was wrong on that too. So I tell you, I regret having to do this. We offered to the states to be able to take the reduction out of the Title II monies that actually just go to work which reduces jobs, reduces work but it would not have an impact on the counties' schools programs, but I mean, that is the only flexibility I have been able to find, and I tell you, I am continuing to keep asking the questions but I will tell you, the attorneys have convinced me that—

Ms. HERRERA BEUTLER. Would you encourage them to respond to the Senators, the western governors and the Members of Congress who would like to see the legal language for taking money, pre-sequestration money that was signed into law before and then saying it is sequestration? Because we are all very curious as to how this is legal.

Mr. TIDWELL. I think the letter is in the final steps of clearance and we should be able to get out in the very near future, next few days, hopefully.

Ms. HERRERA BEUTLER. And with the previous, I just want you to be aware of those issues and those budget items.

RESTORATION

Mr. TIDWELL. We were making very good progress to accelerate the restoration on the national forests and to be able to work with our communities, and our numbers that we put out as far as the impacts of sequester on the reduction in timber harvest and how that is going to carry over in 2014 are based on our very conservative estimates but I do want to point out that when we started this focus to accelerate restoration, it was with an understanding that our budget would not go up. I did not anticipate that it would go down, especially after we were making such good progress. So we are going to continue to work on our efficiencies. We have opportunities in your part of the country to be able to move forward and to actually use our restoration efforts to make a difference to benefit the spotted owl. We need to make sure that we are going to move forward and be able to show how good forestry is not only good for our communities, good for the forests, but it is also good for the spotted owl, and I am looking very forward to working with the new Critical Habitat designation that gives us an additional flexibility that we have not had in the past.

So things look good to be able to move forward. We just have to somehow be able to find the capacity to be able to expand the work that needs to be done.

Mr. SIMPSON. Thank you, Chief, for being here today and thank you for your answers. This Committee, as you know, is committed to making sure the Forest Service works and that we have the resources to do it in really, really ugly budgetary times, but we want to work with you to make sure that we can address the concerns of the members of this subcommittee as we put the budget together

and also to allow you to be able to go forward with the job you do. I appreciate it.

Mr. TIDWELL. Thank you. Thank you for your time and thank you for the work you folks are doing. I do appreciate it.

Mr. SIMPSON. Thank you.

Mr. MORAN. Thank you for the work you are doing.

[CLERK'S NOTE.—Questions for the Record for the Forest Service were not returned to the Subcommittee in time for inclusion into the public record.]

TUESDAY, MAY 7, 2013.

**BUREAU OF LAND MANAGEMENT 2014 BUDGET
REQUEST**

WITNESSES

**NEIL KORNZE, PRINCIPAL DEPUTY DIRECTOR
LINDA SMITH, BUDGET OFFICER**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The Committee will come to order.

Principal Deputy Director Kornze—Principal Deputy Director?

Mr. MORAN. He is Acting Director.

Mr. SIMPSON. That is kind of what I thought. I was going to say, that is too many words.

Mr. KORNZE. It is a mouthful.

Mr. SIMPSON. I would like to welcome you to today's subcommittee hearing addressing the fiscal year 2014 budget priorities for the Bureau of Land Management. I would like to begin by making several points on a few specific issues before we receive your testimony.

As I stated last year, I am disappointed with the proposed decrease in range management and especially the new fee of \$1 per animal unit month. For several years, starting in 2009, I have been working with the BLM to permanently reduce the backlog of grazing permits. Nonetheless, the BLM is still losing ground. In fiscal year 2014, the BLM's goal is to complete 33 percent of grazing permit renewals. While I understand the workload of permit renewals fluctuates from year to year, this level of completion is not acceptable, particularly given this subcommittee's focus on this issue.

Further, as I pointed out last year, the \$1 fee per AUM is a 74 percent increase, which is totally unreasonable. I am not opposed to discussing the AUM fee—we all know that it is low—however, a 74 percent increase is a huge shock to livestock producers. Just like other small businesses, livestock producers 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. The fiscal year 2014 President's budget is an improvement from the fiscal year 2013 President's budget, but more needs to be done to deal with all of the challenges facing range management and livestock grazing. A \$1 increase in the AUM fee is not the solution.

As I say nearly every year now, I am disappointed with the budget gimmicks that are a mainstay of the BLM budget. From grazing fees to numerous oil and gas fees, this makes our job more difficult as we have to find the funds to offset those proposals, many of which are simply non-starters in the House of Representatives. Particularly confusing is the fee for non-producing leases. Last year

the President's budget proposed a \$4-per-acre fee for non-producing leases. This year that proposal is \$6 per acre. Non-producing oil and gas leases already pay rental fees, and I do not understand how this proposal is not duplicative of the rental fee. Instead of playing these games, I prefer to work in a constructive way with the Bureau to solve the problems. I suspect these games come from OMB and not from the BLM itself.

I commend the BLM for taking a proactive approach on the conservation of the sage grouse, and this priority is rightly reflected in the proposed budget. That said, I want to make sure this investment will actually improve sage grouse habitat and prevent 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, not just wasting this funding on planning exercises that do not help us reach our goal. I want to make sure that the agency has the time and resources to meet the court-imposed listing deadline, and I will need your help to do that.

As we all know after the last fire season, the greatest threat to sage grouse is wildfire. Two million acres of priority sage grouse habitat burned in wildfires. Related to wildfire are invasive species, especially cheat grass. While the BLM is focusing on sage grouse, it seems the agency is looking mostly at limiting existing uses rather than controlling cheat grass and preventing wildfires. I mentioned to former Secretary Salazar that I am very concerned by the cut in the Hazardous Fuels funding for the Department.

Mr. Kornze, I hope the BLM will start looking at being more proactive rather than reactive. Last year's fire season shows us that no matter how much we limit existing uses of public lands, wildfires could easily be the nail in the coffin for sage grouse listing. This is a top priority for me, and we need to work together on a real solution.

Finally, I could not hold a BLM hearing without mentioning litigation. When I raised this issue with outgoing Secretary Salazar a couple of months ago, he responded that he was at that time the defendant in over 3,000 lawsuits. Three thousand. That number alone tells you we have a problem with frivolous lawsuits, and 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 Justice Act 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 their assistance.

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. Well, thank you, Mr. Chairman, and Mr. Kornze, it is good to see you again, and Ms. Smith.

While some federal land management agencies administer more money, the Bureau of Land Management administers the most

land, 248 million acres, almost a quarter of a billion acres. Most of these public lands are in the western United States but the BLM does have a presence in the East as well where it makes several hundred million acres of subsurface mineral estate along with scattered land holdings. I was amazed that it is as much subsurface area, but if Mr. Healy tells me it is so, it is so.

While we consider our public lands an asset today, there was a time when we practically gave them away. In fact, because of the continued existence of the 1872 mining law, that era does still live on. In fact, it is only because of language carried in this appropriations bill each year that multinational mining companies, most of whose profit really goes out of this country, but they are prevented from acquiring outright title to public lands that would be worth billions of dollars but they would only have to pay \$2.50 an acre because of this law that is egregiously outdated.

With 83 percent of Americans living in urban areas today, we desperately need the open space that public lands offer. In fact, even someone like President Richard Nixon understood this when he stated in an environmental message to Congress in 1971—

Mr. SIMPSON. Richard Nixon?

Mr. MORAN. Well, if it is not Richard Nixon, it is Teddy Roosevelt. You know, once in a while we find something Abe Lincoln said, but I think the point is gotten.

So Republican President Richard Nixon said: "Our public lands represent in a very real sense the breathing space of the Nation." Terrific quote. We will use it again.

The BLM faces significant challenges in managing our public lands, and of course, the mindless sequester that is now underway also adds to those challenges. Instead of saving money, the sequester is in fact costing American taxpayers money and job opportunities as the BLM is forced to slow down approval of oil and gas drilling permits and cancel lease sales to meet the spending reductions required by the sequester. That means less revenue to the federal government and fewer jobs in the oil and gas industry.

I am happy to see in the BLM's budget request a package of legislative and administrative reforms of the agency's oil and gas programs with a focus on improving the return to the taxpayer for the use of these public resources which were so far removed from the market. If the market was to dictate the price, it would be a whole lot higher than what the Administration is asking for. So I understand. I do not have a whole lot of oil and gas leases in my district and I do not do a lot of grazing, but when looking out for the taxpayer, I think the point needs to be made that this is an enormous subsidy that is going to some industries, and the Administration's budget would marginally improve that disparity from the real value versus what we are charging.

So it is only fitting that those who profit so handsomely from the use of public lands should provide a more fair return to the owners of those lands, in other words, the American people, and should help shoulder the cost of their management, which they are not doing in an adequate manner right now.

So Mr. Kornze, I recognize the challenges that BLM faces in managing the diverse resources of our public lands, and I look forward to your testimony this morning on how the agency is attempt-

ing to meet those challenges with the smaller resources that it has available and will continue to have available in the future. Each year, it does seem that this bill gets cut disproportionately. I also want to note, though, with appreciation the work of the BLM Eastern Lands office staff. John Lyons and Robert Gilcash of the Meadowood facility did a terrific job in working with the community. I know it is just a small area, but I know it is indicative of what the BLM does in so many ways in so many areas around the country, and I wanted to give that shout-out to Mr. Lyons and Mr. Gilcash.

So I thank you, Mr. Chairman, and look forward to the hearing.

OPENING REMARKS OF NEIL KORNZE

Mr. SIMPSON. Thank you.

Mr. Kornze, the floor is yours.

Mr. KORNZE. Thank you. It is a pleasure to be here, and I have enjoyed the opportunity to visit with both of you in recent weeks to hear about the priorities that are important to you.

Mr. Chairman and members of the subcommittee, thank you for inviting me to testify on the President's fiscal year 2014 budget request for the Bureau of Land Management. Within the Department of the Interior, the BLM manages 248 million surface acres and 700 million acres of federal onshore mineral estate and has responsibilities on 56 million acres of Indian trust lands for mineral operations and cadastral surveys. The BLM works with a broad array of land users, contributes to the vitality of state and local economies and delivers benefits to all Americans through outdoor recreation, natural and cultural resource conservation, livestock grazing, mineral development and energy production. This breadth of responsibility defines the BLM mission under FLPMA, a multiple-use mandate to sustain the health, diversity and productivity of our public lands for this and future generations.

The BLM is an excellent investment for America. We are proud to note that for every \$1 invested in this organization, we bring more than \$4 back to the U.S. Treasury. That totals about \$4.6 billion in 2012.

The 2014 BLM discretionary budget request is \$1.2 billion, which translates to a cost of less than \$4.50 per acre, and ensures that the BLM can continue to generate and support jobs through the extractive and non-extractive uses of public lands. In 2011, it is estimated that the BLM supported over 750,000 American jobs and more than \$151 billion in economic output, and this is an amazing figure. That is slightly more than 1 percent of U.S. Gross Domestic Product.

Timber activities on BLM lands support an estimated \$670 million in economic activity. The BLM's grazing program supports an estimated \$1.4 billion in economic activity with the greatest impacts in Idaho, Montana, New Mexico and Oregon.

Livestock-based economic opportunities on public lands contribute to and help preserve the social fabric and identity of the American West.

Public lands also offer a myriad of recreational opportunities. Nationwide, recreation on BLM lands is estimated to support over

58,000 jobs and bring more than \$7 billion to the American economy.

The BLM 2014 budget is designed to support the critical work that keeps the American economy moving and fulfills BLM's core functions. I will take a few minutes to share some of the highlights of our budget request this year.

Of special interest is that we have asked for an increase of \$6 million for transmission. The American West has seen, for the first time in a generation, major upgrades in our need and our backbone for our transmission grid, and we are excited to be part of that process but we do need to increase our capacity.

The budget request continues strong support for renewable energy options for the Nation, advancing the Administration's energy goals and strengthening management of onshore oil and gas development. The budget requests an increase of roughly 20 percent to bolster BLM's oil and gas programs and will expand BLM's inspection and enforcement capabilities, enhance general oversight, and support implementation of BLM's leasing reforms from 2010.

The BLM is charged with managing 27 million acres of National Conservation lands. The 2014 budget includes an increase of \$6 million for the National Landscape Conservation System and \$2 million for Recreation Resource Management to support increased use of science and better planning for those areas.

Public land consolidation through land acquisition increases the efficiency of pursuing land management goals, allowing the BLM to improve access to public lands and resources. Leveraged funds spent on the landscape provide recreation opportunities, preserve national and cultural heritage resources and protect sensitive and at-risk habitats.

The 2014 budget includes a number of legislative proposals including oil and gas program reforms, hardrock mining reform, reauthorization of the BLM's federal helium program, and the continued reauthorization of the Federal Land Transaction Facilitation Act.

The BLM 2014 request provides funding for the Bureau's highest priorities and supports critical work that keeps America moving.

Thank you for the opportunity to present this testimony. I will be pleased to respond to any questions you have.

[The statement of Neil Kornze follows:]

**Statement of
Neil G. Kornze, Principal Deputy 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 2014 Budget Request
for the Bureau of Land Management**

May 7, 2013

Mr. Chairman and Members of the Subcommittee, thank you for inviting me to testify on the President's Fiscal Year (FY) 2014 budget request for the Bureau of Land Management (BLM).

Within the Department of the Interior (DOI), the BLM manages 248 million surface acres, 700 million acres of Federal onshore mineral estate, and has responsibilities on 56 million acres of Indian trust lands for mineral operations and cadastral surveys. The BLM oversees roughly 13 percent of the U.S. land surface and 30 percent of its subsurface. Under the Federal Land Policy and Management Act, or FLPMA, the BLM works with a broad array of land users, contributes to the vitality of State and local economies, and delivers benefits to all Americans through outdoor recreation, natural and cultural resource conservation, livestock grazing, mineral development and energy production. This breadth of responsibility defines the BLM mission under FLPMA – a multiple-use mandate to sustain the health, diversity, and productivity of public lands for present and future generations.

2014 Budget Request

The BLM is an excellent investment for America. Public lands generated an estimated \$4.6 billion in revenues in 2012, returning more than four dollars for every dollar invested. Beyond this efficient production of non-tax revenue for the U.S. Treasury, the BLM's management of public lands supports significant economic activity and hundreds of thousands of jobs for Americans.

The 2014 BLM discretionary budget request is \$1.2 billion, which is \$32.6 million or 2.9 percent above the 2012 enacted level. This request translates to a cost of less than \$4.50 per acre to taxpayers and ensures that the BLM continues to generate and support jobs through extractive and non-extractive uses of public lands. In 2011, in carrying out its multiple use mission, we estimate that BLM supported over 750,000 American jobs and more than \$151 billion in economic output, slightly more than one percent of U.S. Gross Domestic Product.

A Strong Value for the Public

One critical economic benefit BLM provides the Nation is its contribution to America's energy portfolio. We estimate that oil, gas, coal, and non-metallic mineral activities on the Federal mineral estate directly and indirectly support nearly two percent of jobs in Colorado, nearly 10 percent of jobs in New Mexico, and over 40 percent of jobs in Wyoming. The BLM continues its important role in supplying feedstock and transmission access for the Nation's electrical infrastructure. Approximately twelve percent of domestic natural gas production, which is

helping drive a resurgence in American industry, is derived from BLM-managed lands. In addition to responding to increased demand for natural gas, coal produced from BLM's Federal mineral estate has provided approximately 22 percent of U.S. electrical production annually over the last ten years.

The BLM is investing in renewable energy, including reviewing and approving environmentally sound wind, solar, and geothermal projects on the public lands. Since 2009, the BLM has approved 42 renewable energy projects, including 23 utility-scale solar facilities, nine wind farms, and 10 geothermal plants, with associated transmission corridors and infrastructure to connect to established power grids. If fully built, these projects will provide more than 12,000 megawatts of power, or enough electricity to power nearly four million homes, and support an estimated 14,000 construction and operations jobs. For calendar years 2013 and 2014, the BLM has identified 23 renewable energy projects for review, including 14 solar facilities, six wind farms and three geothermal plants.

Timber activities on BLM-managed lands are concentrated in Oregon and support an estimated \$670 million in economic activity. In addition, the BLM's other forestry work has a range of benefits beyond timber production. Stewardship contracts, managed by the BLM, make forests and rangelands more resilient to natural disturbances and wildfire, while allowing local businesses and communities to retain forest and rangeland products in exchange for services like thinning trees and brush and removing hazardous fuels. These projects foster public-private partnerships that conserve public lands, support local economies, and restore forest and rangeland health at a savings to taxpayers.

The BLM's grazing program supports an estimated \$1.4 billion in economic activity, with the greatest impact in Idaho, Montana, New Mexico, and Oregon. Livestock-based economic opportunities on public lands contribute to and help preserve the social fabric and identity of the American West. Together, public lands and the adjacent private ranches maintain open spaces in the fast-growing West and provide habitat for wildlife.

Public lands also offer a myriad of recreational opportunities; nationwide, recreation on BLM-managed lands is estimated to support over 58,000 jobs and contribute over \$7.0 billion in economic output.

The BLM 2014 budget request is designed to support critical work that keeps the American economy moving and that fulfills the BLM's core function – responsibly managing resources on the landscape for the present and for posterity.

Supporting Domestic Energy Independence

The budget request also continues strong support for the New Energy Frontier, by investing in renewable energy options for the Nation, advancing the Administration's energy goals and strengthening management of onshore oil and gas development. In support of this work, the President's Budget requests an increase of roughly 20 percent to bolster BLM's Oil and Gas Management program. The increases will expand BLM's inspection and enforcement capabilities, enhance general oversight, and support implementation of BLM's leasing reforms. The BLM is also improving permitting processes for oil and gas, including transitioning to an electronic, streamlined system that will significantly reduce the time for approval of new drilling projects. The request includes a \$7.1 million program increase for renewable energy activities and geothermal management.

The Nation's electric power transmission grid has not been significantly altered since the 1970s and substantial upgrades and expansions are needed to improve reliability and increase capacity. The BLM budget request includes an increase of \$6.0 million to position the BLM to strategically plan for the long-term increased demand and updates to the electric grid throughout the West with an improved process for the development and siting of energy corridors and rights-of-way.

Addressing Increased Stresses on the Landscape

The extensive scope of the BLM's mission and the diversity of uses for BLM-managed lands pose a variety of challenges given both increasing ecosystem stresses and increasing demand for competing uses. For instance, a decade-long drought, coupled with the continued proliferation of non-native plant species and accumulation of hazardous fuels in forests and rangelands, resulted in a 2012 fire season that was one of the worst on record for rangelands and woodlands in the lower 48 States. Wildfires in the West burned more than 3.3 million acres of BLM-managed land, including about 2.0 million acres of priority sage-grouse habitat and 400,000 acres of wild horse and burro herd management areas. Fires also burned approximately 18 percent of BLM-managed grazing allotments, which are critical to the economic well-being of ranchers and rural communities. These and other stresses combine to impact the management of many of the bureau's program areas.

The BLM manages about half of the remaining sagebrush habitat in the United States. The Greater Sage-Grouse, which relies on sagebrush habitat, is a candidate species for listing under the Endangered Species Act (ESA). The BLM is working to maintain and restore sagebrush landscapes on public lands to conserve sage-grouse populations. An ESA listing of sage-grouse would significantly affect many facets of public land use, including oil and gas exploration and production, communication and wind turbine towers, electrical lines, grazing, and recreation.

The combined impacts of drought and wildfire have also increased the cost burden for managing wild horse and burro populations. Current populations exceed appropriate management levels by 41 percent. Because of persistent drought conditions, many of the Nation's rangelands are less healthy than when the management levels were established. As a result, removing some horses from the range continues to be necessary and new tools are needed to meet bureau responsibilities in this area. The BLM is continuing to explore population control methods and to pursue adoptions; however, herds can double in size every four years. Existing population control methods have underperformed and are inadequate to ensure appropriate management levels. In addition, the economy has impacted adoption numbers. Combined, the increased herd sizes and the decreased ability of drought-stricken land to support planned herd sizes, stress the rangelands further, necessitating removal of some horses for the health of the animals and lands.

Meanwhile, the BLM faces increased public scrutiny of and litigation over wild horse gather and removal methods, increasing costs of these operations. Once animals are removed from the range, the BLM faces escalating feed prices for animals in short-term holding and decreased availability of long-term holding solutions. In 2012, removals from the range exceeded adoption rates by nearly three to one. In the administration of the Wild Horse and Burro program, the BLM is challenged not only by budget limitations but also practical limitations such as the lack of contractors willing to house the animals.

Reconnecting Americans to their Public Lands

Population growth in the western U.S. and increased demand for opportunities on public lands are ongoing challenges of multiple-use public land management. Over half of BLM-managed public lands in the West are within 25 miles of an urban area. Given the proximity to so many Americans and the broad range of recreational and other opportunities on BLM-managed lands, the BLM plays a key role in connecting Americans to the great outdoors.

The America's Great Outdoors (AGO) initiative promotes the BLM multiple-use mission by expanding opportunities for a wide range of activities – including hunting, fishing, and off-road vehicle use – that each have a place on public lands under the BLM multiple use mandate. In 2011, 59 million visitors to BLM lands participated in recreational activities such as hiking, camping, hunting, fishing, and rafting. In many parts of the West, amenity values, such as scenic landscapes and availability of recreation areas, are supporting the growth of service-related industries such as health care, restaurants, and hotels.

Congress and the President have charged the BLM with managing 27 million acres as National Conservation Lands, which includes the BLM's national conservation areas, national monuments, wilderness, wilderness study areas, wild and scenic rivers, and national scenic and historic trails. These are some of the West's most iconic landscapes and attract over a quarter of the recreational visits to BLM-managed lands. The hiking, hunting, fishing, and rafting, among many other recreational activities, that take place on the public lands play a vital role in the economies and cultures of local communities. The vast majority of National Conservation Lands are grazed and also provide crucial habitat for a wide variety of wildlife.

The 2014 budget request includes an increase of \$6.0 million for the National Landscape Conservation System and \$2.0 million for Recreation Resource Management from 2012 levels to support habitat conservation and remediation, provide additional law enforcement in targeted areas, and strengthen scientific analysis underpinning recreation management practices and policies.

The BLM continues to provide youth education, engagement, and employment programs. Programs for school age youth, such as Hands on the Land and Conservation Corps and internship programs, expose young people to natural and cultural resources and to career pathways in those fields. Through a variety of programs to conduct natural resources activities such as inventorying and monitoring, trails construction, and habitat restoration, the BLM provides not only employment to young people, but also encourages careers in natural resources by fostering a connection to the public lands. The 2014 budget requests an additional \$2.8 million for expanded youth programs and partnerships.

Managing Resources in Stressed Ecosystems

The 2014 budget provides an increase of \$15.0 million over 2012 enacted levels to support work to enhance the viability of the sagebrush biome, habitat vital for the survival of the Greater Sage-Grouse. While the impact of a Greater Sage-Grouse ESA listing is not fully quantifiable, the ramifications would be widespread and potentially devastating for western communities where the varied uses of public lands are linchpins of local economies. The 2014 request maintains funding for sage-grouse conservation activities at the 2013 Operating Plan level to allow the BLM to continue incorporating necessary regulatory mechanisms into land use plans

and to conduct key habitat restoration projects and mapping, assessment, and monitoring activities.

The BLM budget request includes an increase of \$1.1 million for the BLM to participate in interagency AGO projects to demonstrate ecosystem and landscape-scale conservation in three different geographic landscapes, including the Crown of the Continent, the Grasslands of the Northern Great Plains, and the Southwest Deserts. The budget also includes a total of \$3.3 million in increases in support of the Cooperative Landscape Conservation Initiative. This includes \$2.5 million that is part of an integrated multi-bureau proposal to effectively plan for and respond to the impacts of climate change. The funds will support such activities as vegetation inventory work, conducting a pilot project in the Great Basin to develop innovative approaches and tools for early detection of and rapid response to invasive species, and designing and developing tools to help predict the spread of invasive species. An additional \$776,000 will be used to implement programs that implement the utilization of Rapid Ecoregional Assessments in land use decisions.

Resource management planning provides the basis for responsible management of public lands and underlies every management action taken on those lands. Keeping plans current in an era of evolving demands for use, climate and other changes in ecological condition, and continued population growth is a precondition to the BLM achieving its mission. The 2014 budget requests an increase of \$4.0 million for these efforts, including the initiation of several plan revisions in 2014 and plan evaluations and implementation strategies.

Continuing BLM Support in the Pacific Northwest

The BLM manages Oregon and California (O&C) Grant Lands according to the principle of sustained yield. The 2014 budget requests an increase of \$3.5 million for resource management on the O&C lands to implement the Secretary's Western Oregon Strategy. This increase includes \$1.8 million to increase timber volumes offered for sale while increasing surveys of species under the Northwest Forest Plan as well as facilitating recovery of the northern spotted owl. Also included is a \$1.7 million increase for the BLM to continue its comprehensive effort to prepare new Resource Management Plans covering six BLM Districts in western Oregon: the Coos Bay, Eugene, Medford, Roseburg, and Salem Districts, and the Klamath Falls Resource Area of the Lakeview District.

Improving Land Management Efficiency through Land Acquisition

Public land consolidation through land acquisition increases the efficiency of pursuing land management goals, allowing the BLM to provide public access to public lands and resources, leverage funds spent on the landscape, provide recreation opportunities, preserve natural and cultural heritage resources, and protect sensitive and at-risk habitats. The 2014 budget proposal includes a total of \$48.9 million for BLM's land acquisition program, including \$32.6 million in requested current appropriations and \$16.3 million in permanent funding. The 2014 total represents an overall increase of \$26.6 million over the 2012 enacted budget. The total includes \$29.3 million for collaborative projects, including projects in the southwest desert, National Historic/National Scenic Trails landscapes, and Crown of the Continent/Northern Rockies. The Department initiated these collaborative efforts in response to Congressional direction to use Land and Water Conservation Fund land acquisition funds strategically to protect contiguous landscapes.

The BLM proposes to continue its core land acquisition efforts, acquiring parcels that may

otherwise become lost opportunities to provide hunter and angler access, other recreational opportunities, and increase the efficiency and effectiveness of managing public lands. Eight projects, totaling an estimated \$11.5 million, are associated with hunter or angler access.

Other Program Increases

The proposed 2014 budget also includes the following increases:

- \$2.0 million for Wild Horse and Burro Management for new and existing applied research towards the development of tools intended to improve wild horse and burro management and rangeland health. This funding will also be used in consideration of a forthcoming National Academy of Sciences' study of the program.
- \$3.5 million for applied science projects to improve the BLM's understanding and management of public lands and improve the effectiveness of riparian habitat conservation and restoration projects.
- \$8.2 million in the Bureau-wide Fixed Cost Program to cover bureau-wide costs previously funded through program assessments. The requested increase will properly align these costs, obviating the need to fund through program assessments.
- \$1.3 million to improve management of BLM's Land Mobile Radio facilities, including modernizing and consolidating facilities and infrastructure. This Interior-wide approach to management of radio facilities builds on successful BLM pilot project to address radio infrastructure deficiencies.

Reforming Federal Oil and Gas Leasing and Hardrock Mining

The 2014 budget includes a package of legislative reforms to bolster and backstop administrative actions being taken to reform the management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources. Proposed statutory and administrative changes fall into three general categories: 1) advancing royalty reforms, 2) encouraging diligent development of oil and gas leases, and 3) improving revenue collection processes. Royalty reforms include: evaluating minimum royalty rates for oil, gas, and similar products; adjusting onshore royalty rates; analyzing a price-based tiered royalty rate; and repealing legislatively-mandated royalty relief for deep gas wells. Diligent development requirements include shorter primary lease terms, stricter enforcement of lease terms, and monetary incentives to get leases into production. Revenue collection improvements include simplification of the royalty valuation process, elimination of interest accruals on company overpayments of royalties, and permanent repeal of Interior's authority to accept in-kind royalty payments. Collectively, these reforms will generate roughly \$2.5 billion in net revenue to the Treasury over ten years, of which about \$1.7 billion would result from statutory changes. Many States will also benefit from higher Federal revenue sharing payments.

The Administration will also submit legislative language to repeal portions of Section 365 of the Energy Policy Act of 2005, beginning in 2015. Section 365 diverts mineral leasing receipts from the Treasury to a BLM Permit Processing Improvement Fund and prohibits the BLM from establishing cost recovery fees for processing applications for oil and gas drilling permits. Upon

repeal of Section 365, the BLM will promulgate regulations to establish cost recovery fees for applications for drilling permits.

The 2014 budget includes two legislative proposals to reform hardrock mining. The first component addresses abandoned hardrock mines through a fee on hardrock production. The second legislative proposal institutes 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, new mining for these metals on Federal lands would be subject to annual rental payments and a royalty of not less than five percent of gross proceeds. Half of the receipts would be distributed to the States in which the leases are located and the remaining half would be deposited in the Treasury. The Department's Office of Natural Resources Revenue will collect, account for, and disburse the hardrock royalty receipts.

Helium Program Reauthorization

The 2014 budget includes a legislative proposal to reauthorize BLM's Federal helium program, while facilitating a gradual exit from the helium market. Under current law, once the helium program debt is retired, the authority for the helium production fund terminates, and the BLM will no longer have the resources to continue program operations. The Secretary will make the final repayment on the helium debt at the beginning of FY 2014.

Federal Land Transaction Facilitation Act Reauthorization

The 2014 budget also proposes to reauthorize the Federal Land Transaction Facilitation Act (FLTFA), which expired in July 2011. The proposal would allow lands identified as suitable for disposal in recent land use plans to be sold using the FLTFA authority. Revenues would be used to fund acquisition of environmentally sensitive lands and to cover the administrative costs associated with conducting sales.

Program Reductions and Proposals to Offset Costs

The BLM was able to fund the priorities previously described by proposing to reduce funding for select programs and to shift the cost of some commercial activities on public land to users profiting directly from those uses. The 2014 budget proposes to shift a share of the cost of inspection activity to the oil and gas industry. Through new inspection fees totaling \$48 million, this plan saves taxpayers \$38.0 million, while providing for a net increase of \$10.0 million to this critical program. These funds will support high priority inspections and address deficiencies identified by the Government Accountability Office (GAO) that have led the GAO to apply a high risk designation to management of Federal oil and gas resources since 2011.

Additionally, the budget proposes a three-year pilot project to begin to pursue cost recovery in the grazing program with an administrative processing fee that offsets a portion of the costs of issuing grazing permits and leases on BLM-managed lands. The proposed grazing administration fee is estimated to generate \$6.5 million in 2014 and would help mitigate the impact of a \$14.1 million reduction to the Rangeland Management program.

The budget also requests a \$12.3 million reduction for Alaska Conveyance in BLM's discretionary appropriation, while proposing to use a portion of receipts from the National Petroleum Reserve – Alaska to complete remaining land conveyances and legacy well remediation.

The BLM proposes to reduce funding of Information Technology (IT) Management funding by \$2.1 million. This savings supports government-wide efforts to control IT costs.

Finally, the BLM proposes to eliminate the Construction appropriation account, with a proposed reduction of \$3.6 million. Beginning in 2014, construction projects would be funded in the Management of Lands and Resources (MLR) Deferred Maintenance and Capital Improvements subactivity. This elimination, along with the proposal to shift funding for O&C deferred maintenance to the MLR Deferred Maintenance and Capital Improvements subactivity will allow projects to be prioritized across the public lands.

Conclusion

The President's Fiscal Year 2014 budget request for the BLM provides funding for the Bureau's highest priority initiatives and supports critical work that keeps the American economy moving and that fulfills the BLM's core function – responsibly managing resources on the landscape for the present and for posterity. The Nation's public lands and resources have an important role in American lives, economies, and communities and include some of America's greatest assets. Under this budget proposal, the BLM is targeting investments to advance its mission of managing these lands for multiple uses, including recreation, conservation, and safe and responsible energy development.

Thank you for the opportunity to present this testimony.

Neil Kornze
Principal Deputy Director
Bureau of Land Management

Since March 1, 2013, Neil Kornze has been leading the Bureau of Land Management as the agency's Principal Deputy Director. Kornze oversees the agency's management of more than 245 million acres of public land nationwide.

Prior to serving in his current role, Kornze was the Bureau of Land Management's Acting Deputy Director for Policy and Programs starting in October 2011. Kornze joined the organization in January 2011 as a Senior Advisor to the Director. In these roles, he worked on a broad range of issues, including renewable and conventional energy development, transmission siting, and conservation policy.

Kornze was a key player in the development of the Western Solar Plan and the agency's successful authorization of more than 10,000 megawatts of renewable energy, surpassing a congressionally-established goal three years ahead of schedule. He has also been active in tribal consultation, especially as it relates to oil and gas and renewable energy development.

Before coming to the Bureau of Land Management, Kornze worked as a Senior Advisor to U.S. Senate Majority Leader Harry Reid of Nevada. In his work for Senator Reid, which spanned from early 2003 to early 2011, he worked on a variety of public lands issues, including renewable energy development, mining, water, outdoor recreation, rural development, and wildlife. Kornze has also served as an international election observer in Macedonia, the Ukraine, and Georgia and is co-author of an article in *The Oxford Companion to American Law*.

Raised in Elko, NV, Kornze is a Phi Beta Kappa graduate with a degree in Politics from Whitman College in Walla Walla, WA. He earned a master's degree in International Relations at the London School of Economics.

Linda Smith
Budget Officer
Bureau of Land Management

Linda Smith has responsibility for developing the BLM annual budget requests, providing review and synthesis of budget execution activities and oversight for performance management. She serves as advisor to the Director and Bureau leadership on the budget, accountability, and performance management.

Prior to joining the BLM in May 2012, Mrs. Smith served as the Deputy Budget Officer for the U.S. Geological Survey where she advised the Director and Bureau leadership on budget development and formulation issues for the Nation's largest water, earth, and biological science and civilian mapping agency.

She started her career with the USGS in the Congressional Affairs Office where she was responsible for the geologic sciences portfolio, including energy, minerals, and natural hazards activities. Linda was awarded the Shoemaker Communications Award for Communication Product Excellence for the USGS Congressional Briefing Series, the cornerstone of USGS communications activities on Capitol Hill.

Linda began her career with Interior with the former Minerals Management Service in the Pacific Region Office in Camarillo, California.

Mrs. Smith received a Bachelor of Science degree in Environmental Studies and Public Policy from the University of West Florida in Pensacola and has completed graduate studies at Georgetown University.

EFFECTS OF SEQUESTER

Mr. SIMPSON. Thank you, and thank you for being here today. We look forward to working with you to solve some of the problems facing the BLM and other federal agencies as Mr. Moran said with the sequester that has been put in place.

How has sequester affected your agency's budget?

Mr. KORNZE. So the sequester, well, there are two pieces of it. One, the sequester was a 5 percent across-the-board cut, as you know, in every activity and subactivity, and additionally, we took a cut with the continuing resolution this year. So in total, about \$70 million was cut in our discretionary budget, which is a big hit for a \$1.2 billion budget. So it is the equivalent of eliminating almost an entire State.

But specifically speaking, we expect that this year we will issue probably 300 fewer drilling permits, we will have a handful of fewer lease sales and those combined will probably lead to potentially up to \$200 million in reduced revenue, part of that coming to the Treasury, part of that going to States. A number of recreational sites have either had limited hours or have been shut down completely. In recreation-heavy states like Oregon, we are seeing that particularly. Also, we are having a delay in being able to implement monitoring and other activities so that hits programs like timber and grazing. Our timber program should be able to stand tall this year. However, because we are not able to get the same amount of people into the field to do the monitoring and assessments, we will likely see major impacts next year and the year after because we do have a 1- to 2-year delay on those programs. We are also likely to see delays in at least two coal sales, which could mean \$50 to \$60 million in revenue.

Mr. SIMPSON. One of the things that this Committee has been focusing on, as I said in my opening statement, is trying to address the backlog of grazing permits, trying to get those up to current speed so that we do not have these backlogs that exist, and we have put additional resources into it over the last few years to do that. Is this going to have an impact on addressing the backlog of grazing permits?

Mr. KORNZE. It will, but you know what has a bigger impact are the drought conditions and fires that we have been facing the last few years. Drought conditions continue, as you know. Idaho has a bad forecast for this year for fire and for drought and we are trying to get our arms around this problem. As you highlighted in your opening statement, we have a backlog of about 5,000 grazing permits. We need to do better, and we are looking for ways to do that. You have been very helpful in trying to provide additional funding in the past, but unfortunately, for some of that work, as I was noting, like in timber and grazing, you do the monitoring and that allows you to have more impacts going forward. So we are hopeful that we will be able to issue a higher number of grazing permits in the next few years, but I do think that we also need to look at greater efficiencies.

One of the ways we approach this right now is that we reauthorize permit by permit instead of allotment by allotment, and so one of the inefficiencies that comes from that is that you could have a

permittee with five or ten allotments and those could be spread over winter range, summer range, and that could be over a large geographic area.

So we are looking at whether it makes sense to follow a model similar to the Forest Service where they look on a geographic basis where we might be able to move into a valley or watershed and do the assessments across the board and potentially move faster that way.

LITIGATION COSTS

Mr. SIMPSON. What is the cost of litigation, and is that driving up our inability to catch up this backlog? Because I look at the amount of money that we as a federal government and the land management agencies spend in litigation in trying to defend decisions we make and it is an enormous amount of money, and in fact, it has been one of our concerns that we have not kept track very well as a Department. Who is getting those funds, what rate the attorneys are getting paid, etc., etc., etc. EAJA was a very good idea in that people ought to have a say in how their public lands are managed, and if you are an individual that cannot afford to take the federal government to court when you disagree with a decision they make, you ought to have the ability to do that, and that was kind of the basis behind EAJA. Now we have created kind of a cottage industry where there are a lot of organizations that actually are pretty well off that make money from suing the federal government over every decision we make. Are the amount of lawsuits and the costs of those lawsuits affecting our ability to address this backlog?

Mr. KORNZE. We do have a substantial impact from litigation in this agency more than others because we are a ground of contestation. You know, multiple use means a lot of different things to different people. We face more litigation than any other agency in the Department. It has an impact on everything we do. So my quick answer is yes. I cannot give you finer detail on what impact it has on the grazing programs but, as you know, our Idaho program in particular, has a great challenge when it comes to litigation and some of the issues that you raised.

Mr. SIMPSON. Is the Department starting to keep track? I mean, we have required language that required the Department of Interior to report to us on EAJA fees and how much was being paid and to whom and etc., etc. Are you keeping track of how much EAJA fees are being paid and who is getting them? Because the first thing we need to know if we are going to make some changes is where it is going currently and how much is being paid currently, and I do not believe we have got a report on that yet. Is someone in the Department looking at that?

Mr. KORNZE. I inquired with my team just last week as to what we had spent on litigation, and we had a back-of-the-envelope answer but we did not have a formal answer, and so I have redirected my team to make sure we have a system in place to track litigation costs. So the next time we sit in front of you, we will have a much better answer, and I will also check with the Department.

Mr. SIMPSON. Okay, because that is important to us because we make broad statements based on what we think we know. We actually need the facts on what we are spending on those.

GRAZING FEES

Let me ask you about the proposed \$1 fee for AUM that is, as I said in the opening statement, 74 percent increase in grazing permittees for grazing permittees. The BLM states it would like the authority to collect an additional \$1 AUM for 3 years until it can complete the cost recovery regulations. Do you have a current estimate of what those cost recovery fees might be, and have you started drafting cost recovery regulations, and why does the BLM propose grazing fee charge per AUM rather than per permit when the fee is supposed to offset the cost of permits?

Mr. KORNZE. So the cost recovery discussion is an important one. I think, as the Ranking Member raised, we are in a situation where with increasing responsibilities but declining budgets. We simply have to find ways to keep going with our core functions. So we have programs like renewable energy, some oil and gas efforts, some coal efforts, which run on a cost recovery basis. I think we are seeing a trend where this is where we are going to have to go. So related to the grazing program, the concept of the \$1 fee per AUM is an administrative fee separate from the grazing fee. So the grazing fee, as you know, this year is \$1.35. This administrative fee would help us deal with some of the backlog that you mentioned earlier but it is not a complete answer. I think it is taking a step towards cost recovery but it certainly would not be full cost recovery for our range program.

Mr. SIMPSON. Do you think a 74 percent increase in one year is okay?

Mr. KORNZE. I think we would like to have a conversation about ways to work on the grazing program. We have got work to do on our end, as I highlighted earlier. I think we need to think harder about how we approach some of these permitting issues but also we certainly have budget issues as well.

RENEWABLE ENERGY COST RECOVERY

Mr. SIMPSON. Do we have some comparison on what we charge for BLM land to put up wind towers or whatever as opposed to what the private sector gets out of them when they put them on private lands?

Mr. KORNZE. What we charge in terms of cost recovery?

Mr. SIMPSON. Yes. I mean, if you put them up on private lands, generally you get a monthly check from the company that put them on your land. Is it more expensive to put them on private lands than it is on BLM lands or less expensive to put them on BLM lands, and why is there a difference, if there is a difference?

Mr. KORNZE. So our rental and production fees?

Mr. SIMPSON. Yes.

Mr. KORNZE. We can get back to you with a specific comparison but the calculations we put together are based largely on land value and highest and best use. So, we are doing our best to make sure that we are competitive with private offerings.

Mr. SIMPSON. I would like to see that comparison, because I hear all the time—again, I do not know if it is true or not but I hear that we would make substantial revenue if we charged what the private sector charged on private lands. I do not know if that is true or not but I hear that all the time.

Anyway, we will get into sage grouse in a minute. Mr. Moran?

Mr. MORAN. I wait for the sage grouse discussion.

Mr. SIMPSON. It is a very important issue.

GRAZING FEES

Mr. MORAN. I know it is. Thank you, Mr. Chairman. You raised some interesting issues that I was not going to get into but since you brought them up, I will do so.

I am told by Mr. Healy that we are required to charge fair market value when you put, for example, cell towers on public lands and so on, but there does seem to be at least the impression, probably the reality, that there is an underpricing compared to the market, but I do not know, but obviously we need to recover as much revenue as we can, given the appropriations situation. So I understand that difficulty.

But with regard to grazing and in that context, is the \$1.35 fee not the same fee that was established by Executive Order by President Reagan about, what, 30 years ago?

Mr. KORNZE. Well, let me start with fair market value. Rick is right, that we are required to get fair market value for all of our uses unless it is specified otherwise. The grazing fee was laid down in the 1980s and it is based on a number of factors including production costs for cattle.

Mr. MORAN. Is it the same rate of 30 years ago?

Mr. KORNZE. It is the same calculation, so it sets up a formula and then you put the numbers in.

Mr. MORAN. But has it followed, for example, the increase in land value?

Mr. KORNZE. I do not believe that land value is part of the equation, so it is \$1.35 this year and it has been \$1.35 in a number of recent years.

Mr. MORAN. As long as I can remember, and I have been around here for a little while. I know it has been a consistent issue. I guess one was of measuring comparable value would be to compare the federal grazing fee to what states charge. What do some of the states charge for grazing per animal unit?

Mr. KORNZE. So there is a wide variety of fees but I will say as a rough average that States usually charge about \$4. In Utah, I think they have two categories. If it is high-value, high-quality land, it is \$7. If it low value, it is \$4. And, you know, it becomes a tough side-by-side comparison because a lot of the lands that private parties and States secured back over the last 150 years were the higher-value lands that had better water sources.

Mr. MORAN. That is the feds with the lower value, but looking of comparability, it would appear that there is some subsidy going to those that use federally owned lands, given the price that some states are charging. Texas is a place which, although they are private, charges as much as \$65 per unit, but I know some states charge \$12 to \$15, but I am sure there is some difference in quality

of land but it does seem, Mr. Chairman, just for the record, that there may be some significant underpricing when we are looking for ways to balance the budget and to protect the taxpayer. But again, I do not have a lot of grazing lands in my district. The largest is probably on a windowsill.

Mr. SIMPSON. If the gentleman would yield, I am actually not opposed to looking at the grazing fees and what needs to happen there over the long haul, but we need to plan over the long haul instead of a 74 percent increase in one year. And as I understand from Erica, it was set at \$1.35 by Executive Order, but if you use the formula that was established, at this time it would be about 27 cents.

Mr. MORAN. Really?

Mr. KORNZE. Yes, \$1.35 is the floor, and in some years, there are negative values that would come out, so it sits at \$1.35 when it would be lower. It is all based on the formula.

Mr. MORAN. I mean, if we went to market value, I would not have a problem with that.

Mr. SIMPSON. And I do not have a problem with that concept either. The problem is finding what comparable market value is when you look at lands that might be in the Midwest or something that actually have grass on them as opposed to Nevada and Idaho.

Mr. MORAN. We do that in terms of leasing or making land available for cell towers and so on, so it is conceivable we could do fair market value, but I do want to make the point that if I was in the position that Mr. Kornze is in having, for example, to take \$70 million out of my budget knowing that that is going to reduce revenue by \$300 million because there are fewer permits, I would look for any way to generate revenues so that I could apply to those revenue-generating activities.

IMPACT OF CLIMATE CHANGE ON PUBLIC LANDS

Mr. Kornze, could you share with us what impact climate change is having on invasive species and wildland fires and public lands?

Mr. KORNZE. I would be happy to. Climate change does come in a few varieties for us. One is invasive species, and we are seeing a huge spread of cheat grass and leafy spurge and red broom and other unwanted plants throughout our system and also fire, and that relates back to the invasive species. So in northern Nevada and southern Idaho, for instance, once you lose the sagebrush, if you cannot get in there and replant efficiently and get back to the ecosystem that you lost in that fire, very likely cheat grass is going to move in, and instead of being on a 10- to 20-year or similar fire cycle, you are going to be on a much faster fire cycle. So there are huge impacts for us in terms of our fire program and overall management issues, and it gets back to sage grouse as well, which I know we are going to talk about.

Mr. MORAN. And no real prospects for improvement in the future. I will leave it at that, Mr. Chairman. I am going to run over to the Navy/Marine Corps hearing but Ms. Pingree will represent the minority for the rest of the hearing, if that is acceptable.

Mr. SIMPSON. You bet.

Mr. MORAN. Thank you very much. Thank you, Mr. Kornze, and to all of your staff. Thanks, Mr. Chairman.

Mr. SIMPSON. Ms. Pingree?

Ms. PINGREE. Thank you, Mr. Chair and Mr. Ranking Member. As you already know, I am brand new on this committee so everything is a tutorial and kind of a learning experience for me.

GRAZING FEES

I have a couple of questions. But I am just a little curious about the issue that was being discussed, so I too would be interested to understand a little bit better how those formulas work on grazing lands. As you know, I represent Maine and New England, so this is so far from our, you know, realm of understanding. We have tiny little bright green fields that are walled by stone walls and have been in a certain family since the 1600s. So to us, it is a lot of foreign turf. On the other hand, we have a lot of farmers, and I understand a little bit about competitive pricing. So at some point I would be interested in understanding the formula that was just being discussed, when it was last updated, just to kind of understand how far we are in anything related to market pricing, and I understand there is very little grass that grows, particularly in a drought condition, but the price of a finished product has gone up considerably since the Reagan era and so maybe there are other factors. It would just be interesting to see how it compares to market pricing, again, given that this is the taxpayers' resource, and as the chair has said, there is probably some thoughtful way to look out into the future as some of these conditions continue that does not catch the people who are ultimately using the resource totally off guard in this time of diminishing resources.

RENEWABLE ENERGY DEVELOPMENT

In that light, one thing I am also interested in—because my state is very interested in renewable energy. We put a considerable investment into offshore wind development and been the recipient of a lot of the Department of Energy grants and so we are very interested in how renewable resources play into our future energy mix, and you talked a little bit about that, but I would like to hear more about how those decisions are made, how the Department is leasing for renewable energy, geothermal, wind power, what the impact is right now. I would just be interested in hearing more about it.

Mr. KORNZE. You bet. Well, I will start and then you tell me what you want to hear more about.

Ms. PINGREE. Okay.

Mr. KORNZE. So we are very proud on the renewable energy front that in the last 4 years we have been able to authorize 41, I believe, renewable energy projects totaling about 12,000 megawatts, and that is through geothermal, wind, and solar. The notable point about solar is that before the Obama Administration came in, there were zero public land solar projects that had been approved. There were about 200 pending applications. We stood up, with the help of the Recovery Act and this Committee, a team of about 100 people, which put a system in place and allowed us to move forward and find places that would have the smallest impact to authorize some of these projects. So we have been moving forward aggressively. We put together a strike team within the Department of the Interior where we had deputy agency directors, that level or high-

er, pull together on a weekly basis to track field progress and make sure we were moving forward. So we have 5,000 or 6,000 megawatts that we are looking at over the next 2 years, and it has been a huge success.

Ms. PINGREE. When you say looking at, are there solar projects in place and you have 5,000 to 6,000 more coming online?

Mr. KORNZE. We have 5,000 to 6,000 megawatts of potential projects, geothermal, wind and solar, in the pipeline over the next few years, so we are going through the EIS process and we do not know if we will ultimately authorize them or not, but they are our focus right now.

Ms. PINGREE. Do you still at this point have a lot of pending applications for all these areas?

Mr. KORNZE. We do. We have much fewer on the solar side. That has shaken out a lot so initially it was a bit of a gold rush. Folks were filing on top of each other, so you might have three or four applications for the same spot. Some of the companies turned out not to be real, so to speak, so they have washed away. Through asking for diligence on these applications, we have been able to get down to the serious players and move forward that way.

Ms. PINGREE. And how about wind?

Mr. KORNZE. Wind has been a big part of our portfolio. The biggest project we have that we have been working on and continue to work on is the Chokecherry-Sierra Madre project, which is south of Rollins, Wyoming, and I believe it would be the largest wind project in the world, at least on land. It is 3,000 megawatts, about 1,000 turbines, half private, half public lands, and would potentially serve as part of the baseload for some of the new major transmission lines that are being built in the West. So we have got that. There are some projects, such as Ocotillo Wind near the Mexican border in California that has been built. Spring Valley Wind in eastern Nevada, I went out for the groundbreaking on that one, and it is a phenomenal facility that sits right below Great Basin National Park. It is quite a scene.

Ms. PINGREE. So I am not going to learn everything about this today, but two things I would be curious to know. The chair asked about competitive pricing. Do people have a significantly different cost by doing it on public land than they would if they were using private lands? You may not know the answer right away but it seems like it would be interesting to understand the comparison. Just sort of ballpark, is this 10 percent of what could be done ultimately on public lands, 40 percent? How far have we gone in terms of what you think will eventually be reasonable and likely to be done? And I know that is just a wild guess probably.

Mr. KORNZE. Well, on the last question, it relates to the technology more than anything. So when we developed a western solar plan, we were looking at a certain solar insolation rate, which is sort of how much sun are you getting. It stopped, say, a third of the way up Nevada and California. So Arizona was hot, New Mexico was hot, but once you got up into southern Idaho and Oregon it did not hit the standards that we wanted to be analyzing. But I do think that in the coming years, in a decade or so, you could very much see large solar projects in some of those areas. I was out visiting a project south of Las Vegas, and they had built their su-

perstructures to put the solar panels in, and they had these empty racks. So I asked the project manager what those were, and he said from the time they designed the project last year to when they were building it this year, the production rate for the individual panel got so much higher that they actually did not need to fill in those last racks. So it is changing that fast.

And, also, you see a country like Germany that is very heavily into solar. They have been subsidizing it but they are very heavy into solar, very productive, and they have a similar insulation rate to what you would see in Oregon and Washington in the rainy parts, so there is a lot of potential.

Ms. PINGREE. Okay. Thank you, Mr. Chair.

Mr. SIMPSON. As I said, if you need wind for wind power, Wyoming is a great place to put it because that is why they call them the Wind River Mountains. Go ahead.

HYDRAULIC FRACTURING

Mr. GRAVES. Thank you, Mr. Chairman. Good morning. I want to talk a little bit about hydraulic fracturing, if we could. I know, or at least understand, that you all are currently in the process of re-proposing the regulations as I relates to hydraulic fracturing on public lands and the stated intent of the proposed rule is to require the public disclosure of the chemicals used in hydraulic fracturing operations and to ensure well bore integrity and ensure safe water management practices. But recently, and I just want to get your opinion and see if you agree with this statement, the former director, Mr. Abbey, and former Administrator, Lisa Jackson, have both testified before Congress saying that hydraulic fracturing is a safe process and there has been no evidence of any invasiveness in water. Do you agree with that, their assessment? I am sort of trying to get to the reason for the process of re-proposing rules and where all that is going.

Mr. KORNZE. Well, thank you for the question. It is a good one. So I think one of the reasons that the hydraulic fracturing rule is important, and many States have expressed similar feelings, is that we have such significant resources when it comes to groundwater that we need to make sure are protected, and the oil and gas industry is not just important in this country but through the discoveries we have made in recent years, we have a potentially 100-year energy base to work from, particularly in the gas realm. So in order to make sure that we can access and harvest those resources responsibly, at the Bureau of Land Management, we feel it is very important that we put rules in place to, one, on the technical side, give ourselves confidence that we are protecting groundwater and other resources; and on the other side, that we are giving the public confidence they know what is happening and the resources are being protected since they are public resources. So there are three pieces to the rule that we put forward previously, and that will largely remain the same when we re-propose, and that is requiring disclosure of the chemicals that are being put down hole, making sure that we have proper well bore integrity standards in place, and making sure that we have standards for the water that flows back. Once you push a million gallons of water down the hole, you

get a bounce back, and we want to make sure that we are dealing with that water responsibly.

Mr. GRAVES. I appreciate that response. It is a very clear answer. And with the former director and administrator saying there have been no proven cases where hydraulic fracturing itself has affected drinking water or groundwater, and have there been any since they made those statements that you are aware of?

Mr. KORNZE. I do not think we are aware of any clear proven cases. But going back to my last answer, I do think this resource is so important we want to make sure it is accessed appropriately.

Mr. GRAVES. And you referenced the states, their rules and regulations. Do you see a gap between what states are proposing and what the Bureau would like to see the federal government propose? Is there a large gap there, or what would be the differences?

Mr. KORNZE. Part of the difficulty in this issue is that there are so many moving pieces. So when we started this effort over 2 years ago, people were saying we are not going to disclose. It was to disclose or not to disclose. And now you have got a number of States that are leading Wyoming, Texas, Arkansas, Colorado—they were the first tranche. There is a second tranche and so there are multiple proposals in multiple States and they are all changing. We are doing our best to be in touch with the governors' offices and have discussions with them to make sure we are not duplicative. It is very important to us that we are not doing something that is unnecessary but at the same time, because we manage 30 percent of the Nation's underground, it is important that we have a consistent standard.

Mr. GRAVES. Right. And one more comment, if I could, Mr. Chairman. Just curious in trying to make that link, you had mentioned the confidence of the American people, and that would be one of the, I guess, silos or buckets or reasons for re-proposing the rules or regulations. But yet there are really no cases of where groundwater has ever been impacted. And so I guess what I am hearing, Mr. Chairman, is that in order to restore public confidence, the Bureau is proposing rules and regulations when there is no impact. Is that something we should expect more in the future if there is lack of confidence with the American people in an area or category but yet there has been no impact that we have to propose rules and regulations to restore confidence. I have actually sort of learned the opposite, that the American people generally do not like rules and regulations. They actually lose confidence when government interferes. So it is interesting you made that connection the other way.

Mr. KORNZE. Well, I think hydraulic fracturing is kind of a question of two different issues. Hydraulic fracturing is one thing. Oil and gas development on the accelerated pace that we have seen is a very different thing. And so when you look at the literature from the industry themselves, they will tell you that a certain percentage of their bore holes they put down have problems that have to be remediated before they proceed. So part of what we are looking at is making sure that as part of the invigorated oil and gas world, we are playing a responsible role, and part of that is related to the fact that our regulations on hydraulic fracturing, where we already have regulations, date back to 1983 and they really do not track

well with the increase in the technological abilities that have taken place over the last 10 years.

Mr. GRAVES. Thank you. I am just glad with our approval rating at 8 or 9 percent—

Mr. SIMPSON. We are all the way up to 13.

Mr. GRAVES. Oh, we are up to 13 now? Okay. No rules and regulations on us, right?

Mr. SIMPSON. We put money in our budget last year to the USGS, some to the EPA and others to study the impact of hydraulic fracturing because of all the controversy that exists out there. You know, you need to resolve some of these problems of whether it is really going to have an impact, and the problem with groundwater is, once you contaminate it, it is contaminated. It is hard to go back from that point of view, so we want to make sure that it does not happen, but I have not seen yet from either the EPA or the USGS what their studies might indicate, but I understand why we have to do some of that, and yes, some of it is, in my opinion, anyway, to at least create some public confidence or some standard by which we can judge that. I was watching a report the other day, the difference between New York and Pennsylvania, where New York does not allow or has much tougher standards or whatever, and so they do all the fracturing across the state line in Pennsylvania, and all the companies are over there making pretty good money. It is an issue that creates enough uncertainty in the public's minds that we need to resolve it for them, which is why we put that funding in there to the USGS and the EPA.

SAGE GROUSE CONSERVATION

Let me ask you a couple of other questions about sage grouse. You knew that was coming up, did you not? Obviously one of the biggest or potentially biggest impacts, and I guess whether it is listed or not listed, it still has huge impacts, particularly for the West. Tell me where we are to try to prevent this listing, which I think both states and the federal government want to do, because to list the sage grouse would, I think, be devastating in the West to a lot of the public use of our public lands.

I continue to hear concerns about overly restrictive sage grouse interim management guidelines, and as I said in my opening statement, it seems we are focusing on existing uses, namely grazing, when the major concern for the sage grouse habitat is invasive species and fire, and I look at your budget proposal, and the amount of money that we have put in there for wildfires is actually down. How does that square with where we are, and where are we with the sage grouse listing?

Mr. KORNZE. Well, thank you for the question. Sage grouse is a major priority for the Department and particularly for this agency. Where we are in the BLM's treatment of the issue is that since we have half of the sage grouse habitat in the country, we are working very, very closely with the States, with the Fish and Wildlife Service, NRCS and others, and we are amending nearly 70 land-use plans across the West, and so a few of them have come out. We are doing 15 different tranches to incorporate all 70 of those, and I believe three of them are on the street and you will see the majority of the rest come out this summer and this fall. So we are mov-

ing aggressively and we are making sure that we have a cohesive answer and the plans speak to each other so we do not have different approaches. We are in active discussions with Fish and Wildlife Service about those since they are the ultimate decider when it comes to the listing of the species.

Mr. SIMPSON. You just control the habitat. They make the decision of whether it is going to be listed or not, right?

Mr. KORNZE. They do. And I do want to compliment the Fish and Wildlife Service. To my knowledge, they have never engaged in a process like this before where they have been so proactively involved in the planning efforts ahead of time. So that relates to your question, but also fire, you are spot on. Fire is a major, major issue, and so we do see different challenges. So in Wyoming, oil and gas is one of the primary threats to sage grouse, which is why Governor Mead and Governor Freudenthal have moved out with their Executive Order. But in Nevada and Idaho and eastern Utah, there is sort of a crescent of fire which runs from Reno up through Boise and down into eastern Utah, and fire is our number one threat.

So one of the ways that we have—policy prescriptions are good but really, you need folks on the ground who know where the sage grouse habitat is and know how to responsibly protect those areas. So we have repositioned a lot of our firefighting teams near sage grouse territories and we have made sure that every engine boss and other leaders within our fire teams are well briefed on habitat as part of our fire plans.

LOCAL FIREFIGHTING

Mr. SIMPSON. I have been interested recently that there are landowners or lessees that have been leasing this land for years and years and years that have private lands sometimes mixed up with BLM land. They are pretty confident they know how to protect the land from fire and where it is going to burn because they have been there for generations, and yet sometimes when they go out, a wildfire starts out on the BLM ground and they go out—in fact, we had one guy that started a back fire against a bunch of BLM people that were out in the field trying to put the fire out and caught them in the middle of this fire. And from that in the Mountain Home area, they have created, I am not sure exactly what you call it but it is kind of a cooperative where they allow these people, they get some equipment and training, and once they have been trained, these local people can help with these fires because a lot of times they are the first ones there and the first ones to see it and everything else. But we need to give them some training. Is that being spread out in the West where we are trying to get more local—I cannot think of the term of what we call them—but local people involved in fighting those wildfires?

Mr. KORNZE. I am glad you raised this. This is a success story for us in the Twin Falls-Mountain Home area, and you are right, I think a cooperative is the best way to describe it where we are providing training for ranchers and local residents, and that gives them the ability to be literally on the same frequency with us when fires are taking place and that we are responding in the same way in a cohesive manner. I want to get back to you on how far we have pushed this to other States but I have been getting up to speed on

this in recent weeks and I do think it is something we need to be offering around the West, and I have actually talked to the public lands council of the cattlemen about making sure that that is happening.

Mr. SIMPSON. Yes, it seems to me in talking to the people that are involved in this, the local ranchers and stuff, they really believe this has been successful and they are excited about it, so I compliment you and the Department on working on that and trying to get local people involved in this.

HAZARDOUS FUELS REDUCTION

What about the preventive work that we do with hazardous fuels reduction, the dollars that we put into that?

Mr. KORNZE. So that has gone down in our budget this year. Fire gets budgeted at the Department level. We are the largest recipient of fire funds within the Department but a lot of it relates to the fact that suppression costs continue to go up and up and up. It runs on a 10-year average and we had a very large fire year last year, which went well beyond the 10-year average. So we had to dip into this year's funds a little bit. It is one of the more complicated budgeting pieces, as I am sure you and your team have had to face, but because suppression gets higher, activities like preparedness and hazardous fuels have shrunk, and the greatest threat I think that we see on this is when it comes to reseeding and rehabbing areas.

Mr. SIMPSON. Is there some way to improve the efficiency of doing the reseeding? Sometimes I am told that the rules are so cumbersome that they have difficulty getting the seed and putting it out there, and of course, when you have fires the way we have recently, it is sometimes difficult to find the seed, to get enough seed. But are the rules too cumbersome to allow the local BLM to get out and do the reseeding?

Mr. KORNZE. It is a complicated system. The reseeding comes through a couple programs. One is emergency stabilization, and that can be up to 10 percent of your suppression account, but that does require quite a bit of coordination and can slow the process down because it is part of another pot. There are also explicit rehab funds, which we try to use aggressively. So the fire program overall is maybe in need of a hard look in terms of how funds are allocated and some different categories we have, but we want to make sure at the end of the day that whatever comes out we have the ability to move swiftly and get out on the ground, because if we do not get out in the first season, the productivity of reseeding goes way, way down.

Mr. SIMPSON. Well, and then you have the invasive species issue, which is one of the ones that I am frankly very concerned about in that I have had a group of people from the West, university professors, local landowners, etc., etc., that have come in and they have talked to me about the potential of rewriting how we deal with invasive species. Their contention is—and I have no idea whether this is true or not—but they look through all this and they say that actually about 18 percent of the money—I think it was 18 percent of the money that we spent on invasive species actually gets down to the ground in trying to address the invasive species

issue, that most of it is used up in the bureaucracies that go from the federal government, state government to the local governments, you know. They have not introduced a bill yet, but they are trying to redesign how the money goes to invasive species that actually gets down to the local people so they say 90 percent of it would be used on the ground. I do not know if you have had a chance to look at our invasive species management issue and efficiency. I suspect they are going to be introducing a bill sometime this year, this group of individuals, but there are some from Colorado and Idaho and Wyoming and Nevada and some of the other states that have been looking at this that have been out for about a year and frankly, they would kind of like me to do it just through the appropriations process, and I keep telling them, you actually need to introduce a bill and have it considered by the appropriate committee and stuff. The Resources Committee might get a little fired up at us if we just tried to do it through our bill.

But that is a huge issue, and your agency needs to look at it because you are going to have to respond to this, whether it is good or bad or whatever. So I appreciate that.

Mr. Joyce.

Mr. JOYCE. I do not have any at this time. Thank you.

Mr. SIMPSON. Ms. Pingree.

HYDRAULIC FRACTURING

Ms. PINGREE. Thank you, Mr. Chair. I would hate to be the only member of the Committee not to weigh in on fracking.

Mr. KORNZE. Please.

Ms. PINGREE. But I will not repeat everything that has already been said. I will just say that I, for one, am pleased that you are looking at this rule, updating it from 1983. It seems appropriate, given the incredible presence this has, and this is one of those things that is not just a western issue because of the Marcellus shale and what is going on in New York and Pennsylvania. Again, I do not represent those states but I certainly hear about it a lot, and I actually appreciate the thought that you are going after some of the concerns that are out there about public confidence. I hear my colleagues saying, you know, sometimes you raise some issues, sometimes if people knew the chemicals that went into the ground, maybe they would get unnecessarily concerned, but there is a pretty high level of concern as things stand right now, and I hear about it frequently from people who have no impact in their communities about the future potential of challenges with the drinking water, and people certainly have the perception that there has been an impact or could be a future impact on drinking water, and as we go through more and more drought conditions and drinking water becomes an increasingly precious resource just as fuel is, I am grateful that you are doing that.

I also appreciated your comments on the well bore integrity, and from your account, you said that the industry itself says that about 30 percent of the well bores turn out to be ineffective or inappropriate or have some other problems. Given some of the issues that we dealt with around the Deepwater Horizon and the challenges we know can be faced by not appropriate well bore integrity, I am glad that is part of your role.

So I do not need you to answer any more questions. I will just say that, given the fact that there were changes to the Clean Water Act to enable us to do this, I think it is an appropriate revisiting of, are we doing everything we need to do to ensure the integrity of our groundwater, our communities that could be affected. People are already rewriting the future economy of the United States and are looking internationally at making investments in the United States who for a long time had written us off as, you know, they are just going down the tubes and their economy is done because of this enormous energy resource that we are going to have. So I think we need to protect the integrity of our environment while we are going through it because it could have an enormous ability to turn around some of the challenges we are looking at today that brought us to the sequester and everything else. So that is probably more of an editorial comment.

Even though I made a long comment, just briefly, one thing I wanted you to discuss a little is the successful partnership you have had with National Fish and Wildlife Foundation, and just say a little more about that. I know they play a big role in bringing money to the table and working on joint projects, and so many agencies are looking at public-private partnerships and how to expand it, and if you just want to talk briefly about what I think is a very positive way that you have been able to go after resources.

Mr. KORNZE. You bet. On hydraulic fracturing, very quickly, you raised 30 percent. I am not sure what the percentage is, but I have seen some of the industry literature saying that there is remediation needed on a predictable basis.

Ms. PINGREE. I just took that figure out of the air, but that does not have to be a figure for the record, just to say that even if the industry itself knows that there are issues with well bore integrity, it is an important thing to have some regulations, in my opinion.

NATIONAL FISH AND WILDLIFE FOUNDATION

Mr. KORNZE. On NFWF, National Fish and Wildlife Foundation, we have a great partnership with them. On an annual basis, we contribute some resources to them and they have a very efficient contracting and recruiting program for our youth hires. So we take great advantage of that. A lot of our summer monitoring and data collection comes from our youth and temporary hires. So we have got folks working in forests, we have got kids doing stream surveys, and we have got a lot of our future BLM and Department of the Interior employees out on the ground getting firsthand experience. So the National Fish and Wildlife Foundation has been incredibly helpful in making that possible. And I will say that one of the biggest and most unfortunate, in my mind, impacts of the sequester is that we are going to be able to hire many, many fewer students and temporary employees this year, at least. And so as Secretary Salazar often said, by 2016, I believe it is 40 percent of the 70,000 employees at the Department of the Interior will be eligible for retirement. So we have to look ahead and think about who we are bringing through the door, whether we have people entrusted and get them training on the ground so that they know the resource. And so these student summer programs are very, very important to us.

Ms. PINGREE. Thank you, Mr. Chair.
Mr. SIMPSON. Thank you. Mr. Graves.

HYDRAULIC FRACTURING

Mr. GRAVES. If I can just follow up a second, there is clearly a delicate balance between consumer protection and free market. I understand that, and one of America's great heroes, Ronald Reagan, said the government's view of the economy is, if it moves, tax it; if it keeps moving, regulate it; if it stops moving, subsidize it. So I want to make sure that we are not getting into an area where something has been taxed, you regulate it, but it is still moving, so let's regulate it some more, and if there has been no evidence of groundwater contamination or negative effect in groundwater, I would hope that you all would take that into consideration after years of regulations being in place that there is no need for new regulations to fix something that does not need fixing.

But with that, the chairman mentioned that the EPA was in a multimillion-dollar, multiyear study to study this scientifically to see if there is any evidence of groundwater effects. When is that study due to be completed and when will your rules be proposed?

Mr. KORNZE. So the EPA rule, they are doing a 4-year cradle-to-grave study on water and how it interrelates with oil and gas development. I believe they are just past the 2-year mark, and they may—do not quote me on this but I think their schedule may have slipped a little bit. I saw some clip about that. So we could see a few more years before their study comes out. Our hope is to have our re-proposed draft rule out in the near future and so depending on timing and how many comments we get and other issues, we would very likely complete our process before that study comes out. But it is not a certainty.

Mr. GRAVES. Why would you do that? I mean, the chairman mentioned that this Committee set aside money to study this issue, to find out what are the impacts, and would it not make sense, at least from a wide stewardship perspective of taxpayer dollars at least include that data in your rules? It seems out of order a little bit.

Mr. KORNZE. That is something we can certainly look at and consider. I will tell you, on the original draft we had, which was put out last May, we received 177,000 comments. One of the reasons that we ended up with a re-proposal, which is somewhat unusual, going from a draft to a new draft, is that we took the comments very, very seriously. We got a lot of comments from industry, and we are trying to use the best available science, the best available industry knowledge, and the input of others to make sure that we are doing something that is not a huge additional burden but is simply a responsible, commonsense step that will fit in with the existing oil and gas regulations that we have in place.

Mr. GRAVES. Regardless of what the EPA study produces?

Mr. KORNZE. Well, these things, it is a rolling process, so if there are important issues that the EPA raises in the interim or later on, we can work to address those.

Mr. GRAVES. Thank you.

Mr. SIMPSON. Thank you, Acting Director. I will go with that instead of Principal Deputy Director. I appreciate your being here.

You have an enormous job. You have some great people actually that work out in the states. Steve Ellis, the State Director for BLM in Idaho, does a fantastic job in Idaho and tries to work with many groups that have different points of view on a variety of things. I have often said in Idaho that we actually love our public lands. Sixty-four percent of Idaho is public lands. I am not sure what Nevada is percentage-wise.

Mr. KORNZE. I usually say 87.

Mr. SIMPSON. Eighty-seven percent. Yes, 64 percent is public lands, and we always have some criticism. Our state legislature passed a resolution this year to turn over all the federal lands back to the states, and I tell people, you know, it is not that Idahoans do not like public lands. In fact, that is why we live there. We love our public lands. We are often PO'd at our landlords. But that is the case no matter what because everybody can do it better, frankly, and sometimes they do not understand the challenges that you face, and you have got a lot of challenges as evidenced by no matter what decision you make, you are going to get sued from somebody. So it is incumbent that we try to use the best science and the best strategy we can in trying to make some of these decisions. I appreciate the job the BLM does in Idaho and their work to try to make sure that we do not list sage grouse, which as you and both know would have a devastating impact on the West and the uses that we have out there.

So I appreciate you being here today and look forward to working with you to try to help you solve some of these problems as we can with the budget. Thank you.

Mr. KORNZE. Thank you.

Bureau of Land Management FY 2014 Budget Hearing
May 7th, 2013

Questions for the Record

Questions 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 BLM is asking Congress to enact appropriations language that will allow BLM to collect this Permit Administration Fee since it could be implemented (billed and collected) using the same process as the annual grazing fee.

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.

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. There is a 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 rather than external factors. In addition, this pilot spreads out the cost over a period of years. If the fee were charged on a “by the permit” basis, the cost would range from \$900 to \$40,000 depending on location, public interest, and complexity rather than on the amount of resource used. The pilot period and development of regulations with participation by permittees and the interested public will give the BLM an opportunity to assess whether the proposed “per AUM” basis for the fee is equitable.

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 used the \$15.8 million increase in 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. Specifically, the funds were utilized as follows:

- \$2.1 million was distributed to State Offices and Headquarters for sage-grouse plan amendments;
- \$10.2 million was distributed to State Offices for permit processing tasks;
- \$2.2 million was distributed for the Idaho Stipulated Settlement Agreement (SSA); and
- \$1.3 million was used to restore previous budget reductions to States for the ID SSA, and land health assessment, monitoring, evaluation, and permit processing.

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 2014 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. The BLM is also exploring ways to streamline permit renewal processes through legislation, regulation, and/or policy.

Sage Grouse

Simpson Q6: 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: In implementing State plans, the BLM (through Instruction Memorandum No. 2012-043, Greater Sage-Grouse Interim Management Policies and Procedures) has made the commitment to not apply BLM interim conservation policies and procedures when a State and/or local regulatory mechanism has been developed for the conservation of the Greater Sage-Grouse in coordination and concurrence with the U.S. Fish and Wildlife Service (FWS). In these situations, the BLM is already implementing State conservation measures. This process is in place in Wyoming through the Wyoming Governor's Executive Order 2-11-5, Greater Sage Grouse Core Area Protection which serves as a state regulatory mechanism.

During the formal scoping period for the National Greater Sage-Grouse Planning Strategy, the BLM solicited States impacted by this planning strategy to submit their own Greater Sage-Grouse conservation plans to the BLM so the Bureau could analyze the plans in the range of alternatives for the appropriate subregional Environment Impact Statement (EIS) as part the NEPA process. Nevada, Utah, Oregon, and Wyoming have submitted plans to the BLM and the U.S. Forest Service and the analysis is currently underway. The State of Montana recently announced that it is in the process of organizing an advisory council tasked with creating a statewide plan to conserve the sage-brush grasslands that support Montana's sage-grouse population. The BLM will be an active member on this council.

Simpson Q7: How is BLM coordinating with the FWS and the states to address resource management plan amendments?

Answer: As the BLM works on revising and amending land use plans to address Greater Sage-Grouse, the Bureau is continually working in close coordination with State governments, which manage all resident wildlife, including Greater Sage-Grouse, through their respective wildlife

management divisions or departments. Included in the coordination is full participation with the Western Association of Fish and Wildlife Agencies (WAFWA) sage-grouse executive oversight committee and the Sage-Grouse Task Force. As outlined in BLM's Instruction Memorandum No. 2012-044, the mapping of Preliminary Priority Habitat and Preliminary General Habitat data (in which the land use planning efforts have been basing their action alternative management prescriptions) have been developed through a collaborative effort between the BLM and the respective state wildlife agencies.

Regardless of whether or not an impacted State has submitted its own plan to the BLM for analysis, each of the 10 States' Departments of Fish and Wildlife (or similar institution) impacted by this planning strategy have been invited to be cooperating agencies on these planning efforts. A cooperating agency relationship provides the States with the opportunity to review and comment on the draft and final EIS documents before they are released to the public. The BLM has also established a cooperating agency relationship with the FWS through a formalized memorandum of understanding. Aside from the cooperating agency responsibilities, the FWS Deputy Regional Director Mountain-Prairie Region and a Director of a State fish and wildlife agency within the range of the Greater Sage-Grouse are invited to and are active participants on the BLM's monthly National Policy Team (NPT) meetings. The NPT provides overall national oversight throughout the planning process and verifies that draft and proposed plan amendments and revisions associated with this planning strategy are ready to be reviewed by the BLM Director. Local field staffs from both the FWS and individual State fish and wildlife agencies are also active participants on the individual planning efforts.

Simpson Q8: I continue to hear concerns about overly-restrictive sage grouse interim management guidelines. It seems BLM is focusing on existing uses rather than the major concern with the sage grouse—invasive species and fire. What is the BLM doing to address invasive species and fire?

Answer: While this extensive planning process is underway, the BLM and the Forest Service have also developed conservation measures and policy direction for the interim protection of sagebrush habitat. These measures will help the BLM and Forest Service determine whether to authorize or continue certain activities in Greater Sage-Grouse habitat. They are designed to ensure that Greater Sage-Grouse populations and habitats are maintained or improved and that habitat loss is minimized. The interim management guidelines utilize existing policies and procedures for Greater Sage-Grouse conservation that are consistent with the BLM multiple-use and sustained-yield management direction of the Federal Land Policy and Management Act.

Wildfires are a leading cause of sagebrush loss, and the BLM is addressing the effects of wildland fire on Greater Sage-Grouse habitat by taking appropriate action before and during wildfires. The BLM's aim is to limit the damage to sagebrush by engaging in thorough planning before a fire, taking prompt action during a fire, and employing effective rehabilitation of a burned area after a fire. The BLM has developed national Instruction Memoranda to guide actions in Greater Sage-Grouse habitat for field offices conducting wildland firefighting, hazardous fuels reduction, and post fire treatments.

In September 2012, BLM purchased \$23 million in seeds to begin rehabilitating western lands that were burned in the 2012 fire season. All of this seed was focused toward addressing burned sage-grouse habitats. As fall and winter weather allowed, both drill seeding and aerial seeding efforts resulted in the treatment of 406,000 acres across California, Colorado, Idaho, Nevada, Oregon, and Utah. Early spring field monitoring indicated that in most areas, the seed was germinating with plants beginning to grow. Given past experience, it may take up to 20 years to reestablish a thriving Greater Sage-Grouse population. Biological studies suggest it might take even more time for Greater Sage-Grouse to return to burned-over areas.

The first preference of BLM's fire rehabilitation program is to purchase and use native species, although the agency does use non-native seeds depending on site characteristics and seed availability. The BLM works with its partners, particularly in the State fish and wildlife agencies, in developing the seed mixes used.

The BLM conducts restoration efforts with both short- and long-term restoration goals in mind. Over the short-term, the BLM works to:

- Prevent invasive annual grasses and noxious weeds from colonizing burned areas;
- Address the loss of soil due to wind and water erosion; and
- Reduce potential dust and flooding hazards due to the loss of vegetation holding soil and water.

Over the long term, the BLM's goals are to:

- Reestablish native species; and
- Recover important habitat and healthy lands.

Wild Horse & Burros

Simpson Q9: 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). How will this affect the range in a time of severe drought?

Answer: The BLM will conduct gathers in the highest-priority areas based on land-health needs and other resource concerns. The costs to restore or rehabilitate rangelands are much higher than the costs of maintaining rangeland health.

The full impact of the drought and the effects that a large population of wild horses will have on the range is unknown. In principle, as drought affects availability of water supplies, wild horse herds as well as other large animals such as elk and deer tend to concentrate around available open water and developed watering sites. Long-term range health is not usually affected during short-term drought, but over an extended drought period, heavily used sites are at risk of invasive plants becoming established. A recent National Academy of Sciences (NAS) report suggests that range health could be affected and expressed in the form of reduced vegetative cover, shifts in species composition, and increased erosion rates. The NAS report explains that none of these consequences are inevitable.

Simpson Q10: 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, the BLM will work to identify the significant causal factors and take the appropriate action to restore rangeland health. If livestock management or current level of use is a significant factor, livestock use would be adjusted. If a thriving natural ecological balance is not occurring on a broad basis in a Herd Management Area (HMA) due to overpopulation of wild horses, the BLM will take actions to reduce the overpopulation, including planned gathers, or an emergency gather if warranted.

Simpson Q11: 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 will continue to conduct gathers in high priority areas driven by wild horse over-population, sage-grouse concerns, water and forage availability, and public safety issues. In addition, the BLM is increasing the use of population growth suppression applications which will help balance wild horse and burro populations with the land's ability to support them. At this time the BLM has seen no direct data that would support the claim that wild horses have any greater effect on sage-grouse habitat than other large herbivores. The BLM will continue to monitor the range and utilization rates and make adjustments based on sound rangeland management practices and the best available science to maintain the long-term health of rangeland habitats.

Simpson Q12: What is the cost to administer the fertility vaccine?

Answer: The cost to treat one mare during a "Catch, Treat, and Release" gather is approximately \$2,000. The BLM has several HMAs in which mares are being treated with ZonaStat-H, a one-year liquid vaccine, and the cost to administer the vaccine is minimal because these animals 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, which leads to the higher average cost of approximately \$2,000 per mare treated.

Simpson Q13: How much does the vaccine cost per animal?

Answer: The cost of ZonaStat-H, the one-year liquid vaccine is \$25 per dose. The cost of PZP-22, the 22-month vaccine, is \$310 per dose. Each vaccine available to the BLM for potential use in wild horse and burro population growth suppression has specific limitations and costs. ZonaStat-H, a one-year vaccine, costs \$25 per dose, but must be applied every year to be effective. PZP-22 is a two-year vaccine, and costs approximately \$310 per dose. PZP-22 has not yet been approved by the EPA for broad use outside of research studies. Another vaccine,

GonaCon, is not currently used by the BLM as a fertility control method, but was recently approved by the EPA for use in wild horses. The cost of GonaCon is anticipated to be about \$25 per dose. The last vaccine that the BLM is considering is the SpayVac vaccine. Research is currently being conducted in pen trials on the effectiveness of SpayVac in wild horses. It currently costs approximately \$200 per dose.

Simpson Q14: How many animals will be treated?

Answer: The number of animals treated by the BLM is dependent on several critical factors including the availability of funding and the number of animals the BLM will have to gather and remove due to emergency conditions or unforeseen issues.

Simpson Q15: How effective is fertility control in wild horses?

Answer: The effectiveness of each vaccine varies. 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, is intended to be a two-year formulation using the same active ingredient as ZonaStat-H; however, recent studies indicate that it could have substantially reduced effectiveness in the second and third year of treatment. GonaCon is currently being used in a study in the Theodore Roosevelt National Park and is believed to have the same efficacy as PZP-22. The BLM is currently evaluating the effectiveness of SpayVac in wild horses as part of a 5-year pen trial that started in March 2011.

Simpson Q16: What studies exist to show the efficacy of fertility control?

Answer: The Humane Society of the United States (HSUS) 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. A research study was just completed by HSUS, in cooperation with BLM. Preliminary results to date for the same PZP-22 agent have shown efficacy rates much lower than those previously reported 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 more important publications are as follows:

- Kirkpatrick, J. F., I. K. M. Liu, J. W. Turner, Jr., R. Naugle, and R. Keiper. 1992. Long-term effects of porcine zonae pellucidae immunocontraception on ovarian function of feral horses (*Equus caballus*). *Journal of Reproduction and Fertility* 94:437-444.
- Liu et al. 1989. Contraception in mares heteroimmunized with pig zonae Pellucidiae. *JR&F* 85:19-29.
- Ransom, J.I. 2011. Foaling Rates in Feral Horses Treated With the Immunocontraceptive Porcine Zona Pellucida. *WSB* 35:343-352.
- Ransom, J.I. 2012. Population ecology of feral horses in an era of fertility control management. Dissertation, Univ of Colorado, Fort Collins.
- Turner et al. 1996. Remotely delivered immunocontraception in free-roaming feral burros (*Equus asinus*). *JR&F* 107:31-35.

- Turner, J. W., Jr., I. K. M. Liu, A. T. Rutberg, and J. F. Kirkpatrick. 1997. Immunocontraception limits foal production in free-roaming feral horses in Nevada. *Journal of Wildlife Management* 61:873-880.
- Turner et al. 2001. Immunocontraception in feral horses: one inoculation provides one year of infertility. *JWM* 65:235-241.
- Turner et al. 2007. Immunocontraception in Wild Horses: One Inoculation Provides Two Years of Infertility. *JWM* 71:662-667.
- Turner et al. 2008. Controlled-release components of PZP contraceptive vaccine extend duration of infertility. *Wildlife Research* 35:555-562.

Simpson Q17: What is the BLM doing to control wild horse populations in the mean time?

Answer: The BLM will continue removals at a reduced level. Removals will occur in the highest priority areas considering rangeland and herd health, sage-grouse habitat conservation, and emergencies related to public safety. The BLM will also continue efforts to increase applications of population growth suppression methods to slow the rate of population growth on the range. These efforts are supported by the continuation of existing research, as well as the initiation of new research, which focus on developing more effective and longer lasting fertility control agents to aid in reducing population growth. Research will also focus on human dimensions of the Wild Horse and Burro Program, including social and economic factors affecting the program.

Hazardous Fuels

Last year there were terrible range fires. The subcommittee worked closely with the BLM and the Department trying to expedite the release emergency stabilization dollars so that the BLM could buy seed and start replanting some of the areas burned by fire. Still, this seemed like a needlessly complicated process.

Simpson Q18: How could this process be improved/streamlined?

Answer: The Wildland Fire Management program, like the rest of the Department, operated under a Continuing Resolution for the first six months of fiscal year 2013 (from October 1, 2012 through March 27, 2013). The delay in the Department's release of Emergency Stabilization funding to BLM last Fall was due to the considerable amount of time it took for each bureau and office (e.g. Office of Wildland Fire Management) to develop Budget Operating Plans and have them approved. Apportionments for each appropriations account then had to be approved before actual transfers of funds from the Wildland Fire Management parent account to the BLM child account could occur. The apportionment process is a normal activity, but it took longer than usual last Fall because of the workload associated with the Operating Plans. The Department will continue to look for ways to improve and streamline those aspects of the budget process that are under its control.

Simpson Q19: Why don't state directors have the flexibility and funding they need to re-seed and rehabilitate rangelands as quickly as possible?

Answer: The estimated costs for conducting all identified emergency stabilization work can exceed available funding. The availability of seed in the marketplace and the unit price of that seed can also be limiting factors. The BLM prioritizes projects and funding at the national level, across the 11 western State offices. This national-level approach prevents different offices from competing for the same limited seed resources, driving up project cost and reducing the overall emergency stabilization work conducted on the landscape.

Simpson Q20: As you know, the budget proposal reduced hazardous fuels funding by 34%--a cut of \$87 million. What does this mean for BLM?

Answer: The BLM's ability to treat hazardous fuels will be reduced. At the request level, the BLM and the other three DOI fire bureaus will continue to use Hazardous Fuels Reduction (HFR) program funding to treat the highest priority projects in the highest priority areas. The HFR program will continue to use the Hazardous Fuels Prioritization and Allocation System as the analytical, decision-making process to determine when and where fuels management activities will be funded. In 2014, the HFR program will more closely coordinate with Bureau natural resources programs to accomplish targeted land and resource management objectives. Natural resources programs will be relied upon to help plan and monitor projects.

Landscape Conservation Cooperatives (LCCs):

Simpson Q21: Please explain what the Department's Landscape Conservation Cooperatives do.

Answer: The Landscape Conservation Cooperatives (LCCs) are applied conservation science partnerships with two main functions. The first is to provide critical landscape scale conservation planning needs by leveraging the science and technical expertise of partners that span multiple organizations and planning areas. Through the efforts of BLM and other agency staff and science-oriented partners, the LCCs are generating the tools, methods and data that managers need to design and deliver conservation more effectively and consistently at a landscape scale. The development of these tools is guided by the leadership of each LCC, including the involvement of Tribal, State, and local governments, non-governmental organizations, and Federal partners. The second function of LCCs is to promote collaboration among their members in defining shared conservation goals. With these goals in mind, partners can identify where and how they will take action, within their own authorities and organizational priorities, to best contribute to the larger conservation effort.

Simpson Q22: How are they funded through BLM's budget?

Answer: BLM leads one LCC, the Great Basin LCC, by housing the Coordinator position and funding project development. The U.S. Fish and Wildlife Service provides funding for the Science Coordinator and project funding. The BLM supports ten other LCCs with staff time on various committees and project review. Additionally, two LCCs are involved with reviewing

BLM's Rapid Ecoregional Assessments in their respective geographic areas. The Colorado Plateau REA is under review by the Southern Rockies LCC and the LCC will be providing a "Challenges and Opportunities" report in the near future.

Simpson Q23: What are their performance measures?

Answer: To build upon and improve on previous measures, the U.S. Fish and Wildlife Service developed the Science Investment and Accountability Schedule (SIAS) to guide the FY 2013 funding allocation. The SIAS was also developed in response to Congressional direction that "the Service establish clear goals, objectives and measurable outcomes for LCCs that can be used as benchmarks of success of the program."

The SIAS is comprised of nine interrelated Conservation Activity Areas (CAA):

1. Organizational Operations
2. Landscape Conservation Planning
3. Landscape Conservation Design
4. Informing Conservation Delivery
5. Decision-based Monitoring
6. Assumption-driven Research
7. Data Management and Integration
8. Science and Conservation Community Integration
9. Conservation Science and Adaptation Strategy

Associated with each CAA are benchmarks for achievement that support the LCC Network's Vision and Mission. The purpose of the SIAS is to provide one component of a performance standards system that can be used to manage all the Landscape Conservation Cooperatives and the National Landscape Conservation Cooperative Network. The SIAS will help specify the investment and participation of each LCC in the LCC Network to ensure effectiveness, efficiency, and transparency. The SIAS also clearly recognizes that the LCC network is a broad partnership relying on multiple investments. The construction of the SIAS reflects many of the values of these partners, and the BLM fully expects and encourages them to help develop other performance expectations to reflect their LCC involvement in future versions of the SIAS.

Simpson Q24: What accomplishments and goals are they meeting?

Answer: The Great Basin LCC has convened several multi-agency, multi-interest group workshops to make LCC science relevant in a management context to benefit land management decisions across jurisdictional boundaries. The new Great Basin Weather & Climate Dashboard is an example of how the LCC worked with public and private stakeholders to design a website to fit specific end-user weather and climate information needs. It has also developed a science strategy and is beginning to implement projects. Five Great Basin projects were recently funded, leveraging over \$800,000 of in-kind funds to address topics like cheatgrass die-off, techniques to increase native plant restoration success, and evaluation of species management guidance and monitoring. The LCCs have also recently funded four highly innovative studies which are landscape-scale collaborative processes to address sage-grouse management and conservation across the birds' range.

The Great Basin LCC is also successfully building on existing partnerships to meet goals and interests of a wide variety of participants. For example, it is co-sponsoring a course on Climate Adaptation Planning for Tribes this October.

Oil & Gas

Simpson Q25: What do you anticipate to be the annual costs to the BLM of being able to administer the BLM hydraulic fracturing rule?

Answer: Since the public comment period and tribal consultation are in progress, it is too early in the rulemaking process to accurately determine the budgetary impact of the final rule. The BLM will continue to look for opportunities to increase cost-efficiencies in the Oil and Gas Management program by streamlining processes and employing automation to minimize the need for additional budget resources to implement the hydraulic fracturing rule.

Simpson Q26: Has BLM conducted any budgetary assessment of what impact this new rule might have upon its ability to efficiently process APDs, conduct inspections and enforcement, process applications for renewable energy projects, or even how the increased burden might divert resources from exploding costs for the wild horse program?

Answer: The hydraulic fracturing rule will add complexity to the processing of Applications for Permit to Drill, Notice of Intent Sundry Notices, Subsequent Report Sundry Notices, and variance requests, as these are the vehicles through which applicants will send fracking information to BLM. The BLM will continue to endeavor to implement efficiencies in the Oil and Gas Management program to stay on top of the increased workload associated with the fracking rule without impacting other components and activities in the Oil and Gas Management program.

Simpson Q27: While it is clear that there will be some impact to other programs as BLM diverts its limited resources to duplicate state regulatory efforts, why has BLM not conducted any analysis of how this new regulatory effort might impact ongoing activities that BLM has stated are a priority and this committee has made clear are a priority?

Answer: Since the public comment period and tribal consultation are in progress, it is too early in the rulemaking process to accurately determine the budgetary impact of the final rule. The BLM will continue to look for opportunities to increase cost-efficiencies in the Oil and Gas Management program by streamlining processes and employing automation to minimize the need for additional budget resources to implement the fracking rule.

Simpson Q28: Does BLM plan to hire new personnel to administer this new hydraulic fracturing rule?

Answer: As part of its FY 2014 budget request, BLM is seeking a substantial increase in funding for its Oil and Gas Management program in order to hire new personnel and implement a range of other management improvements to strengthen oversight of oil and gas operations. A

number of variables are still unknown at this time to say with certainty that BLM will plan to hire new personnel specifically to implement this rule.

The FTE needs analysis may be affected by:

- The final proposed rule may have significant changes from the revised proposed rule;
- The level and location of industry oil and gas development activity;
- Many of the requirements in the final proposed rule may be accomplished as ancillary duties for either existing personnel or new personnel that will be hired to perform other tasks; and,
- The number of APDs filed for federal and Indian trust leases.

These are just a few of a wide range of variables which would impact the personnel needs assessment.

Simpson Q29: BLM has had a difficult challenge in attracting people with highly technical capabilities to come to the agency because they can be paid substantially more in industry. Where will these new hires come from?

Answer: The BLM will follow existing protocols for attracting new employees. These efforts typically include broadly advertising vacancies; direct recruitment from universities with the necessary disciplines; veteran initiatives; and using internships while candidates are finishing their academic schooling.

Simpson Q30: Do you expect that the agency will attempt to hire away personnel from state agencies since those agencies have decades of experience already in regulating these activities?

Answer: The BLM will broadly advertise new positions if needed. Just as is the case now, all qualified applicants will be considered, regardless of where they were previously employed.

Simpson Q31: If the BLM does not have the resources to carry out oil and gas lease sales as directed to do by law under the Mineral Leasing Act, such as those sales recently cancelled in California, why is it choosing to add a new regulatory program not directed by Congress that is duplicative of what the state is already regulating?

Answer: BLM has a responsibility under FLPMA to manage the Nation's public land under the principles of multiple use, sustained yield, and environmental protection. This includes regularly reviewing and updating both regulations and oversight of operations on public lands as conditions warrant. Although some States have regulations in place, not all of the States that contain Federal lands under the BLM's jurisdiction have hydraulic fracturing regulations. Some States and Tribes have no regulations for hydraulic fracturing. For those States and Tribes that do, the regulations are not uniform between them. The BLM rule creates a consistent oversight that will apply across all public and Indian trust lands.

Oil and gas companies with leases on Federal and Indian trust lands must generally comply with both BLM and State regulations, and where appropriate Tribal operating requirements, to the extent they do not conflict with BLM regulations. Moreover, BLM will work with States and

Tribes to establish formal agreements that will leverage the strengths of partnerships, and reduce duplication of efforts.

The BLM must also comply with the Federal Land Policy and Management Act (FLPMA) and other Federal laws that provide for public involvement that is not always required in State law. In addition, the BLM has responsibilities for Indian trust resources, and State regulations do not apply to Indian trust lands. Furthermore, States do not uniformly require measures that would uphold the BLM's responsibilities for federally managed public resources, to protect the environment and human health and safety on Federal and Indian trust lands, and to prevent unnecessary or undue degradation of the public lands.

Simpson Q32: Why is the BLM cancelling activities that Congress has directed to take place while proactively choosing to regulate activities where no such direction exists and for which states have already been regulating?

Answer: BLM's responsibility under FLPMA is to manage the Nation's public land under the principles of multiple use, sustained yield, and environmental protection. To meet the present and future needs of the American people for renewable and non-renewable natural resources, BLM's revised proposed hydraulic fracturing rule creates a balance that will allow for developing domestic energy supply in an environmentally sound manner while protecting human health and critical natural resources.

Issues of Tribal sovereignty with respect to State regulations and Secretarial trust responsibility require BLM to develop a set of regulations to ensure the protection of trust assets. The revised proposed hydraulic fracturing rule will establish a baseline minimum level of environmental protection applying to both Federal and Indian trust properties.

Simpson Q33: Please identify any incident of groundwater contamination that directly resulted from hydraulic fracturing that was identified by BLM and served as the catalyst for interjecting a major new rulemaking on top of what states are already doing?

Answer: There have been no conclusive determinations made regarding claims that hydraulic fracturing fluids are the primary source of contamination to shallower freshwater formations. The increased use of hydraulic fracturing, however, over the last decade has generated concerns from the public about surface and subsurface water quality and resources, including heightened calls for improved environmental safeguards for surface operations and the disclosure of chemicals and materials used in fracturing fluid.

As stewards of the public lands and minerals and as the Secretary's regulator for operations on oil and gas leases on Indian lands, the BLM has evaluated the increased use of hydraulic fracturing practices over the last decade and determined that the existing rules for hydraulic fracturing require updating.

Simpson Q34: 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: The BLM is evaluating options for changes to the royalty rate. Since the evaluation is still ongoing, the BLM has not analyzed the comprehensive impact of an increased royalty rate on industry.

Simpson Q35: Will this discourage domestic development on public lands?

Answer: The BLM does not anticipate that a change in royalty rates will discourage domestic development on public lands as any proposed changes will be competitive with private and state royalty rates.

Simpson Q36: Could this lead to the US losing many of the small 'mom and pop' businesses that bid on and develop onshore leases?

Answer: The BLM does not anticipate that a change in royalty rates will lead to the U.S. losing many of the smaller operators that bid on and develop onshore leases as any proposed changes will be competitive with private and state royalty rates.

Mining

The Department's proposed budget includes funding for increasing renewable energy production 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 Q37: 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 Q38: 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. Although many factors affect plan processing time such as environmental and technical complexity, the time to process a plan of operation improved to 14 months in 2012. 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. As modern mining has become more complex, so too has the permitting of operations, leading to longer time lines to ensure that unnecessary or undue degradation of public lands is prevented. Several factors can lengthen the time it takes to bring a mine into production. Modern mining operations are often large and complex, and require detailed analysis of but not limited to air quality, surface water quality, hydrogeology, geo chemistry, rock characterization, cultural resources, native American and traditional values, hazardous waste, paleontological resources, recreational resources, wilderness resources, social and economic values, visual resources, vegetation, soils, reclamation, noxious weeds, range, wildlife, land use, climate change, noise environmental justice, energy requirements and climate change. Additionally, due to the volatility of commodities prices and other business factors, operators have occasionally had to revise or delay implementing their plans of operations.

Simpson Q39: 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: Public awareness and participation are important parts of ensuring that public lands decisions are made transparently and with appropriate stakeholder engagement. BLM has recently taken steps to improve the speed of Federal Register notice publications. In April 2012, the BLM issued IM 2012-094, which expedites the review process for some notices, including Notices of Intent to prepare environmental impact statements. Also, in spring 2013, the BLM started using a new electronic Document Tracking System, which should make it easier to route notices to the various reviewers and to incorporate edits. The BLM anticipates that these steps will substantially reduce the time required to do thorough and complete reviews of these notices before publication.

Simpson Q40: 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: The Administration strongly supports the responsible development of rare earth elements and other critical minerals on Federal lands consistent with environmental protection and public involvement in agency decision-making. Under its multiple-use mandate, BLM is working with local communities, Tribes, State regulators, industry, and other Federal agencies to promote environmentally responsible development of mineral resources on Federal and Indian lands with a fair return to the American people.

With regard to the introductory statement, the 2014 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 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 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, 2014. The receipts will be distributed by allocating funds directly to the States, giving each State the flexibility to reclaim the highest priority abandoned sites. 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.

Invasive Species

According to the Department, the BLM budget includes \$18M for invasive species in FY14.

Simpson Q41: Considering you manage 245 million acres, how will this funding make a difference?

Answer: Noxious weed and invasive species management is a critical component of the BLM's Rangeland Management Program and its landscape-level efforts to ensure the health of public lands. The BLM invasive species program receives most of its funding from the Rangeland Management Program. Additional funding for weeds and invasive species management is contributed either directly through funding for a project or through program support from other BLM programs such as the Riparian, Forestry, Recreation, Wildlife, and Fisheries Programs. The Range Improvement account also provides funding for invasive species management activities.

The BLM's invasive species funding focuses primarily on early detection and rapid response, prevention, control and management, and habitat restoration. In these efforts, the BLM coordinates and collaborates with partners on the ground in over 70 Cooperative Weed Management Areas and Invasive Species Management Areas in the Western and Eastern U.S. The BLM proudly partners with counties, states and local governments to achieve land health standards by controlling the introduction and spread of invasive species on the public lands.

Simpson Q42: The University of Nevada has been working with landowners to use late-season grazing of cheat grass to bring back native grasses. So far, the efforts have had great success across the Great Basin. Is the BLM working with the UNR and others? This seems like a win-win strategy for controlling cheat grass and feeding livestock with no herbicides needed. I ask the BLM to work with the UNR on these efforts.

Answer: The BLM is coordinating with the University of Nevada, Reno (UNR) on using livestock grazing to control cheatgrass and recover native grasses. The opportunity exists for grazing permittees and the BLM to work together to propose late-season cheatgrass grazing with the goal of recovering native grasses. The BLM must do the proper analysis prior to implementing this approach on any permit. The Bureau continues to pursue other integrated vegetation management options to reduce the need for herbicides, and will continue to coordinate with UNR and grazing permittees as the opportunity arises.

Cost of Litigation

Lawsuits are having a large impact on land management agencies. Appropriators need to know the true cost of litigation to understand exactly what Congress is funding.

Simpson Q43: How can the BLM start accounting for these costs so that Appropriators know what they're funding?

Answer: The BLM is exploring options on how to best track these costs for the future. Our records indicate that in FY 2012, the BLM paid a total of \$1.7 million in 15 cases for settlement costs. This is an increase from FY 2011, with 7 cases totaling \$500,000 for settlement costs. The figures do not include other costs associated with litigation, such as staffing costs.

BLM Foundation

Simpson Q44: Given sequestration and recent budget cuts, how does the BLM justify establishing a foundation?

Answer: The one-time increase of \$1.0 million to establish a congressionally-chartered foundation would afford the BLM an opportunity to more effectively leverage private partnership dollars against appropriated funding in support of the public lands. Historically, the BLM has successfully initiated and maintained partnerships at the local level to achieve land restoration and conservation goals. With the Restore New Mexico initiative, similar projects in Utah, and the Challenge Cost Share program, the BLM has worked with an array of partners to restore habitat and native plants and offer environmental education to the public. However, the scope of BLM resource issues and partnerships has broadened across a larger landscape in recent years, which has affected a wider group of constituencies. The foundation will allow the BLM to broaden its partnership capabilities and employ innovative approaches for leveraging resources

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 Q45: Why doesn't the BLM initiate consultation on those plans rather than spending tens of millions to develop new plans?

Answer: The BLM is initiating revisions to its existing resource management plans (RMPs) which guide the uses on approximately 2,493,655 acres of land in 6 western Oregon districts (Salem, Eugene, Roseburg, Coos Bay, Medford, and the Klamath Falls Field Office. The land status of BLM-administered lands in the planning area is as follows:

Land status	Acres	% of decision area
O&C lands	2,025,826	81.2
Coos Bay Wagon Road lands	74,598	3.0
Public Domain	384,273	15.4
Acquired lands	8,958	0.4

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 critical habitat designation (December 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 Q46: 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 RMPs for six western Oregon districts. The Bureau has placed a high priority on these plans and is allocating available funds. The Operating Plan for 2013 includes funds for planning in Western Oregon, a post-sequester amount of \$5.3 million. The President's budget for 2014 includes \$7.3 million for Western Oregon Resource Management Planning, a \$1.7 million increase over 2012 enacted levels. The BLM initiated the planning effort in March 2012 and anticipates a completion date of June 2015.

Simpson Q47: The Committee understands that BLM timber sales in Western Oregon are being significantly delayed by the Department's inability to respond to administrative protests in a timely manner and lengthy delays by the Interior Board of Land Appeals (IBLA) in deciding appeals. Does Interior agree that a problem exists?

To help us better understand the extent of these delays please provide the following:

Answer: Western Oregon has experienced an increase in protests and appeals in some districts. Since the question does not specify the type of information requested, BLM provides the information in the table below to show, in the aggregate, the timber sales that have been protested and appealed during 2010 – 2012. Information on the extent of the delays caused by protests is addressed in the response to question 48.

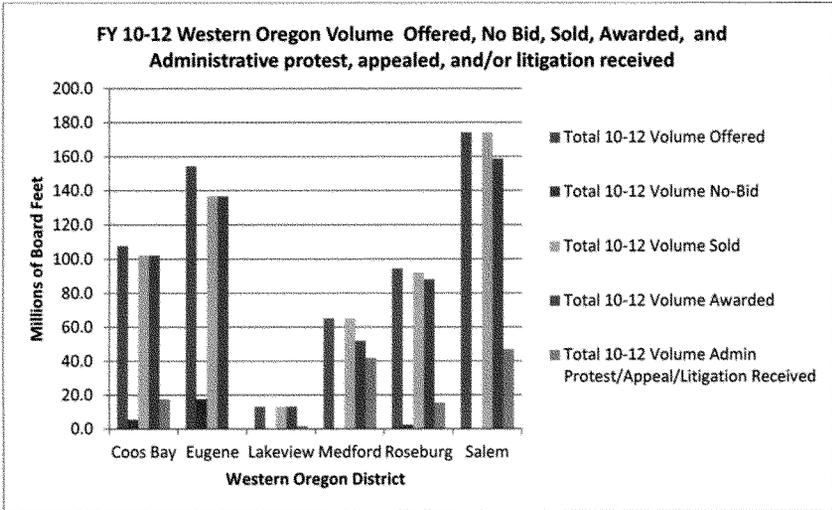
Status of FY10-FY12 Western Oregon Volume Offered / Protested / Appealed / Litigated		
Total FY10-FY12 Volume Offered	MMBF	%
Total FY10-FY12 Volume Offered	609	Total
FY 10-FY12 No-Bid Sales - Not Reoffered	-26	-4.2%
FY10-FY12 Sold Volume (A high bid received from a Purchaser)	583	95.8%
Total Administrative Protests/Appeals/Litigation Received:		
FY10-FY12 Sold Volume	583	Total
FY10-FY12 Volume Where Administrative Protest/Appeal/ Litigation Received	-124	-20.4%
FY10-FY12 Volume Where No Administrative Protest/Appeal/Litigation Received	459	78.7%
Present Status of FY10-FY12 Administrative Protests/Appeals/Litigation Received		
FY10-FY12 Volume Where Administrative Protest/Appeal/ Litigation Received	124	Total
FY 10-FY12 Volume Where Administrative Protest/Appeal/Litigation Resolved	92	73.4%
FY10-FY12 Volume Still Unawarded or Awarded/Approved But Presently Suspended Due to Litigation	32	26.6%
Net FY10-FY12 Volume Offered and Purchaser Free to Operate (Not including initial No-Bids)		
FY10-FY12 Sold Volume	583	Total
FY10-FY12 Volume Where No Administrative Protest/Appeal/Litigation Received	459	78.7%
FY10-FY12 Volume Where Administrative Protest/Appeal/Litigation Resolved	92	15.8%
FY10-FY12 Volume Still Unawarded or Awarded/Approved But Presently Suspended Due to Litigation	32	5.5%
Net FY10-FY12 Volume Offered and Purchaser Free to Operate (Not including initial No-Bids)		
	551	94.4%
Note: Does not include one FY 2009 Timber Sale still in litigation: Rickard Creek		
	6.9	
Note: Does not include one FY 2013 Timber Sale presently in litigation: Heppsie		
	3.7	

Simpson Q48: For the past three fiscal years (FY10-FY12) a list of all timber sales that were offered and sold by the BLM. For each timber sale the list should include dates for the following:

- Sale Name
- Volume (mmbf)
- Offer/Sale Date

- Administrative Protest Date (if protested)
- Date Administrative Protest was Resolved/Denied (if protested)
- Date Appealed to the IBLA (if appealed to IBLA)
- Sale Award Date
- Date IBLA made decision on appeal
- Please also denote any projects that were Secretarial Pilots

Answer: The figure below illustrates all timber sales offered by the BLM for the past three fiscal years, FY 2010-2012.



The enclosed spreadsheet, 2014 House QFRs – Simpson 48 (Individual Western OR Timber Sales Data FY10-FY12), shows all timber sales during the period requested, including the sale-specific information requested, such as sale date, protest date, status of protest, and IBLA decision date.

Contract Status	Contract Name	Contract No.	Contract Date	Contract / Approved / Uplifted \$Btr	Net Sold	Uplifted / Approved / Uplifted \$Btr	Sub Date	Date of Action / Protest	Deep Protest / Withdrawn	Date Approved / To BILA	Date of BILA / Decision	BILA Decision	Litigated - / Yes	Award Date / Approval Cals	Settled / Yes
APPROVED	US BANK FOR RECONSTRUCTION	131.6	08/07/2012	131.6										08/24/2012	08/24/2012
TERMINATED	LIVELY SPRING	46.5	08/17/2012											08/17/2012	08/17/2012
APPROVED	LOWE'S	111.5	08/07/2012											08/15/2012	08/15/2012
APPROVED	WHITE CASTLE	6,395.6	08/17/2012	6,395.6										03/17/2013	03/17/2013
APPROVED	WELLS FARGO	41,156.8	08/07/2012	41,156.8										03/17/2013	03/17/2013
TOTALS															
TERMINATED	LOWE'S	744	12/05/2008											12/05/2008	12/05/2008
TERMINATED	First Creek	1,232	12/05/2008											12/05/2008	12/05/2008
TERMINATED	First Creek	2,831	12/05/2008											12/05/2008	12/05/2008
TERMINATED	First Creek	2,831	12/05/2008											12/05/2008	12/05/2008
TERMINATED	LAUREN	74	04/27/2010											04/27/2010	04/27/2010
TERMINATED	LAUREN	26	04/27/2010											04/27/2010	04/27/2010
TERMINATED	LAUREN	22.6	04/27/2010											04/27/2010	04/27/2010
TERMINATED	HELOC	1,065.6	08/07/2012											08/07/2012	08/07/2012
APPROVED	GARDON	3,845.0	09/25/2010	3,845.0										09/25/2010	09/25/2010
APPROVED	SALE	7,898.0	09/25/2010	7,898.0										09/25/2010	09/25/2010
APPROVED	SALE	110.0	07/25/2010	110.0										07/25/2010	07/25/2010
APPROVED	SALE	2,742.0	07/25/2010	2,742.0										07/25/2010	07/25/2010
TERMINATED	SALE	81.4	08/13/2010											08/13/2010	08/13/2010
TERMINATED	SALE	250.0	08/13/2010											08/13/2010	08/13/2010
APPROVED	SALE	5,033.0	08/15/2010	5,033.0										08/15/2010	08/15/2010
APPROVED	SALE	9,896.0	08/15/2010	9,896.0										08/15/2010	08/15/2010
APPROVED	SALE	985.0	08/15/2010	985.0										08/15/2010	08/15/2010
APPROVED	SALE	7,500.0	08/15/2010	7,500.0										08/15/2010	08/15/2010
APPROVED	SALE	75.0	08/15/2010	75.0										08/15/2010	08/15/2010
TOTALS															
APPROVED	SALE	1,900.0	10/15/2010	1,900.0										10/15/2010	10/15/2010
APPROVED	SALE	750.0	10/15/2010	750.0										10/15/2010	10/15/2010
APPROVED	SALE	2,441.0	10/15/2010	2,441.0										10/15/2010	10/15/2010
APPROVED	SALE	87.0	06/25/2011	87.0										06/25/2011	06/25/2011
APPROVED	SALE	4,822.0	06/25/2011	4,822.0										06/25/2011	06/25/2011
APPROVED	SALE	448.0	06/25/2011	448.0										06/25/2011	06/25/2011
APPROVED	SALE	480.0	07/17/2011	480.0										07/17/2011	07/17/2011
APPROVED	SALE	12,470.0	06/25/2011	12,470.0										06/25/2011	06/25/2011
APPROVED	SALE	13,294.0	06/25/2011	13,294.0										06/25/2011	06/25/2011
APPROVED	SALE	72.0	07/27/2011	72.0										07/27/2011	07/27/2011
APPROVED	SALE	1,234.0	07/27/2011	1,234.0										07/27/2011	07/27/2011
APPROVED	SALE	2,234.0	07/27/2011	2,234.0										07/27/2011	07/27/2011
APPROVED	SALE	448.0	08/24/2011	448.0										08/24/2011	08/24/2011
APPROVED	SALE	448.0	08/24/2011	448.0										08/24/2011	08/24/2011
APPROVED	SALE	2,441.0	11/16/2011	2,441.0										11/16/2011	11/16/2011
APPROVED	SALE	2,441.0	11/16/2011	2,441.0										11/16/2011	11/16/2011
APPROVED	SALE	3,016.0	10/26/2012	3,016.0										10/26/2012	10/26/2012
APPROVED	SALE	278.0	03/22/2012	278.0										03/22/2012	03/22/2012
APPROVED	SALE	221.0	03/22/2012	221.0										03/22/2012	03/22/2012
APPROVED	SALE	1,170.0	06/27/2012	1,170.0										06/27/2012	06/27/2012
APPROVED	SALE	448.0	08/27/2012	448.0										08/27/2012	08/27/2012
APPROVED	SALE	13,294.0	02/06/2013	13,294.0										02/06/2013	02/06/2013

Simpson Q49: For the BLM Western Oregon timber sale program please provide the following statistics for the past three fiscal years (FY10-FY12). Please break this information out by year and by BLM district and totals for western Oregon.

- Volume offered
- Volume sold
- Volume awarded
- Total volume for which an administrative protest was received.

Answer: The table below provides statistics for the BLM Western Oregon timber sale program for the past three fiscal years, FY 2010-2012.

Summary - Western Oregon FY10-12 Offered, Sold, Awarded Timber Sale Data & Status of Protest/Appeals/Litigation Received							
Category	District Office - Volume in Millions of Board Feet (MMBF)						Totals
	Coos Bay	Eugene	Lekeview	Medford	Roseburg	Selem	
FY 10 Volume Offered	30.7	48.6	5.4	23.6	38.0	58.9	205.2
FY 10 Volume No-Bid	0.0	8.4	0.0	0.0	0.0	0.0	8.4
FY 10 Volume Sold	30.7	40.1	5.4	23.6	38.0	58.9	196.7
FY 10 Volume Awarded	30.7	40.1	5.4	21.0	38.0	58.9	194.1
FY 10 Volume Admin Protest/ Appeal/ Litigation Received	0.0	0.0	0.0	8.9	7.1	19.2	35.2
FY 11 Volume Offered	33.0	47.7	1.7	19.9	13.4	48.5	164.2
FY 11 Volume No-Bid	0.0	4.7	0.0	0.0	0.0	0.0	4.7
FY 11 Volume Sold	33.0	43.0	1.7	19.9	13.4	48.5	159.6
FY 11 Volume Awarded	33.0	43.0	1.7	19.9	13.4	36.1	147.2
FY 11 Volume Admin Protest/ Appeal/ Litigation Received	11.4	0.0	1.7	15.8	0.0	24.8	53.8
FY 12 Volume Offered	44.1	58.1	6.1	21.7	43.2	66.8	240.1
FY 12 Volume No-Bid	5.5	4.6	0.0	0.0	2.4	0.0	12.5
FY 12 Volume Sold	38.6	53.5	6.1	21.7	40.8	66.8	227.6
FY 12 Volume Awarded	38.6	53.5	6.1	11.2	36.8	63.8	210.0
FY 12 Volume Admin Protest/ Appeal/ Litigation Received	6.1	0.0	0.0	17.3	8.4	3.0	34.9
Total 10-12 Volume Offered	107.8	154.4	13.2	65.3	94.6	174.2	609.4
Total 10-12 Volume No-Bid	5.5	17.7	0.0	0.0	2.4	0.0	25.6
Total 10-12 Volume Sold	102.3	136.6	13.2	65.3	92.2	174.2	583.8
Total 10-12 Volume Awarded	102.3	136.6	13.2	52.1	88.2	158.8	551.3
Total 10-12 Volume Admin Protest/ Appeal/ Litigation Received	17.6	0.0	1.7	41.9	15.5	47.0	123.8
Total 10-12 Volume Still Unawarded or Awarded And Suspended	0.0	0.0	0.0	16.4	0.0	15.4	31.8

Simpson Q50: Please provide this Committee an update on the barred owl removal efforts related to the recovery of the Northern Spotted Owl (NSO). Given that the USFWS has conceded that the NSO will go extinct if nothing is done to control barred owl populations, the Committee is concerned that the USFWS appears to have very little urgency in implementing barred owl removal.

Answer: The Service takes the plight of the spotted owl very seriously. Beginning in 2008, an interagency Barred Owl Work Group was established to assess the nature and scope of existing information related to barred owl/spotted owl interactions and determine what is still needed, design a barred owl-specific survey protocol, update and revise the spotted owl survey protocol used and help guide forest management activities and design a scientific barred owl removal experiment. The Service has since created a Barred Owl Stakeholder Group and sought public comments from environmental, animal welfare and industry groups, American Indian tribes, professional societies, government agencies and zoological parks and well as from individuals on how to address this problem. This process led to the Service looking into experimental removal of barred owls, which necessitated an Environmental Impact Statement.

Simpson Q51: When will the USFWS issue a decision on barred owl removal?

Answer: We anticipate completion of the final EIS in late June or early July 2013 and the Record of Decision 30 days thereafter.

Simpson Q52: When is the earliest barred owl removal activities will begin on federal lands?

Answer: On Federal lands, the earliest date for barred owl removal would be fall 2014. The Service's current plan is to attempt to initiate barred owl removal on the Hoopa Valley Indian Reservation in California beginning in fall 2013, as extensive barred owl surveys have already been conducted on this study area.

Simpson Q53: What are the estimates do the USFWS on the cost of barred owl removals on federal lands?

Answer: The estimated cost of actual barred owl removal of the preferred alternative on Federal lands is currently estimated to be \$199,000 for Cle Elum, \$397,000 for the Oregon Coast Range/Veneta, and \$450,000 for Union/Myrtle Study Areas. Figures in the EIS appear higher because they include the extensive surveys for barred owls and spotted owls that are necessary for the study design but that are not directly associated with removal of barred owls.

Questions from Ms. McCollum

Management of Bureau of Land Management Lands Adjacent to Tribal Lands

McCollum Q1: How is the United States Bureau of Land Management coordinating and consulting with tribal leaders on land management issues when tribes have land adjacent to Bureau of Land Management Lands?

Answer: As with all Federal agencies, the BLM consults with Indian tribes on a Government-to-Government basis. Executive Order 13175, and the Department of the Interior Tribal Consultation Policy, issued on December 1, 2011, under Secretarial Order 3317, emphasizes the agency's consultation responsibilities. The BLM coordinates Tribal consultation with its compliance with Section 106 of the National Historic Preservation Act that compels the review of proposed land uses that may affect historic properties, as well as its compliance with the National Environmental Policy Act in assessing the potential environmental effects of proposed actions.

Tribal Youth Programs

McCollum Q2: What is the United States Bureau of Land Management doing to develop and implement the Youth in the Great Outdoors initiative with young people in tribal nations? If a tribe would like to establish something like a Reserve Ranger Program for tribal youth or a summer Conservation Corps program, what resources and programs does BLM have to support that?

Answer: The BLM is implementing the Youth in the Great Outdoors Initiative by providing a continuum of programs that offer hands-on educational experiences, long-term engagement and stewardship opportunities, as well as introductions to careers in natural and cultural resource management. The BLM's commitment to Indian tribes and Alaska Natives is illustrated by various initiatives in BLM States to educate, engage, and employ tribal and Alaska Native youth. BLM States work in partnership with numerous Tribes to sponsor camp programs and other educational experiences that strengthen ties between native youth and their heritage and their public lands. The Ute Learning Garden, near Grand Junction, CO, engages tribal youth and elders in planting and maintaining a garden with traditional plants and educating the public about the importance of these plants in tribal culture. Numerous partners are involved in this effort, including the BLM and the Ute Indian Tribe of the Uintah and Ouray Reservation. Other examples include Bridging the Divide in Montana and the Yevingkarere Southern Paiute Cultural youth camp in Arizona. For the past few years, the National Historic Trails Interpretive Center has sponsored exhibits of sculptures, prints, paintings, and ceramics created by Wyoming Indian High School youth from the Wind River Indian Reservation.

The BLM is also creating training opportunities and employment pathways for Indian and Alaska Native youth. Youth from the Wind River Reservation have worked as part of a resource field crew for the Casper and Lander Field Offices over the course of several summers. BLM Arizona has hired students involved in the American Indian Science and Engineering program to

assist with a variety of projects during 10 weeks of summer employment. Native youth have been involved in historic preservation projects in Arizona and have helped to construct safety shelters on the Iditarod National Historic Trail in Alaska. BLM Alaska is also working with indigenous and interagency partners on a long-term Alaska Native Science and Engineering program, which supports education and employment opportunities from high school through early career. The goal is to increase the number of Alaska Native youth pursuing careers in Science, Technology, Engineering, and Mathematics. The BLM is committed to increasing education, engagement, and employment opportunities for youth from diverse backgrounds and looks forward to continuing to expand partnerships with Indian tribes and Alaska Natives.

Questions from Mr. Valadao**Oil and Gas Lease Sales in California**

Recently the BLM announced it would be suspending oil and gas lease sales in California originally scheduled for May 22, 2013.

Valadao Q1: Why did the BLM make the decision to suspend these lease sales? Please provide the committee with an estimate of the costs that would have been incurred by BLM had the lease sale been held.

Answer: A large amount of time is invested into preparing for a lease sale. Given the current budget climate, the BLM-CA is concentrating on the management of those areas where a majority of Federal oil and gas Application for Permits to Drill are being processed and where production and safety Inspection and Enforcement activities are taking place. The BLM estimates the costs associated with the May 22 lease sale would have been approximately \$250,000. The estimate includes staff time, administrative and travel costs for the environmental analysis, response to public comments, protest resolution, lease sale preparation, adjudication, auction, and other required functions.

Valadao Q2: Does the BLM have estimates of how much in royalties, bids and bonuses might have been collected from the May 22 lease tracts? If so, please provide them to the committee. If not, please provide the committee with a report of revenues generated by similar tracts within the same production area as the May 22 lease tracts.

Answer: BLM-CA estimated the rental and bonus bids from the May 22 lease sale might have reached approximately \$25,000. The projected oil production for these leases is unknown. These parcels have been previously leased but have never been developed. Many leases sold never go into production and the BLM does not verify the presence of oil or gas in the leases to be sold so it is difficult to estimate the royalties. Royalties actually received are dependent upon a variety of factors, including oil/gas price on the date of sale, oil/gas quality and quantities and deductions such as transportation or processing allowances.

Sage Grouse

The open space provided by ranching and the benefits provided by grazing are critical to the conservation of Sage Grouse habitat.

Valadao Q3: How will you use funds allocated in 2014 to ensure that ranchers are rewarded for their efforts, and to help them stay in business, so that they may continue preserving Sage Grouse habitat?

Answer: The BLM is committed to working with public land users to discuss their concerns throughout the sage grouse planning process. The Department of Agriculture's Natural Resources Conservation Service provides incentives for ranchers to complete habitat improvement projects on private lands through their Sage-Grouse Initiative. The U.S. Fish and

Wildlife Service (FWS) can also provide assurances for activities on private lands through Candidate Conservation Agreements with Assurances.

The BLM believes that good rangeland management equals good sage grouse habitat, and that good land stewardship by permittees will result in maintaining ranching on the landscape. The funds allocated in 2014 to improve sage grouse habitat that will concurrently improve land health for other herbivores will be used to conduct restoration projects including removing conifers encroaching on sage habitats, seeding disturbed sites to re-establish native sage plant communities, protecting and restoring wet meadows and springs; and to continue broad-scale sage grouse habitat monitoring activities to ascertain the effectiveness of habitat management and the effect of land use authorizations.

Valadao Q4: How are you working with U.S. Fish and Wildlife Service to ensure your planning strategies are on track to prevent a listing—and prevent the extinction of ranchers? Would additional time be useful for implementing RMP revisions and other conservation efforts in order to avoid a listing? If so, how much additional time do you feel is appropriate?

Answer: The BLM is committed to taking the actions necessary to make a sage grouse listing unnecessary, and recognizes the importance of livestock operations to the economic well-being and cultural identity of communities across the West. To improve interdepartmental coordination on sage grouse conservation, the BLM has established a cooperating agency relationship with the FWS through a formalized Memorandum of Understanding for this National Greater Sage-Grouse Planning Strategy. In addition to cooperating agency responsibilities, the FWS Deputy Regional Director of the Mountain-Prairie Region is an active participant at the monthly National Policy Team (NPT) meetings. The NPT provides national oversight throughout the planning process and verifies if draft and proposed plan amendments/revisions associated with this planning strategy are ready to be reviewed by the BLM Director.

The BLM's National Greater Sage-Grouse Planning Strategy plans to incorporate necessary regulatory mechanisms into BLM land-use plans to address conservation of sage grouse in cooperation with the FWS. As many as 98 BLM Resource Management Plans in 68 planning areas will be amended through 15 separate EISs in California, Oregon, Idaho, Nevada, Utah, Colorado, Wyoming, Montana, North Dakota, and South Dakota. Local field staffs from both the FWS and individual State fish and wildlife agencies are active participants on each of BLM's 15 EIS individual inter-disciplinary teams. These teams are responsible for developing the range of alternatives and their associated NEPA analysis.

The BLM is committed to working with ranchers and other public land users to discuss their concerns throughout the sage grouse planning process. In this process, the BLM will strive to maintain uses of public lands that are compatible with conserving sage grouse.

Additional time for plan revision implementation is not needed if funding requested in the President's fiscal year 2014 budget is provided, and range-wide natural disasters do not occur.

Equal Access to Justice Act

Valadao Q5: What is your estimation of the BLM's annual payments to environmental litigators through the Equal Access to Justice Act?

Answer: The BLM does not budget for expenses under the Equal Access to Justice Act (EAJA) for two reasons. First, it is not possible to predict the number of lawsuits that Bureau will encounter in a given year. Second, the BLM does not plan on losing its lawsuits. The agency works with the Office of the Solicitor to vigorously defend Bureau decisions. Our records indicate that in FY 2012, the BLM paid a total of \$1.7 million in 15 cases. This is an increase from FY 2011, with 7 cases totaling \$500,000.

Valadao Q6: Would you agree that this litigation is detracting from your agency's ability to do its job of managing the land? Do you have an account of how much of that litigation cost can be attributed to challenges to NEPA?

Answer: Litigation can detract from BLM's ability to perform important on the ground work by tying up staff and budgetary resources. BLM endeavors to do as much as possible to keep decisions from being litigated by improving the quality of our analysis, improving our public outreach efforts, and working upfront with stakeholders on solutions. Currently, the BLM manually tracks these costs and is exploring options on how to best track these costs for the future.

Grazing Fees

The President's budget proposes to levy a tax on western ranchers' grazing permits that constitutes an effective 74% increase in the grazing fee.

Valadao Q7: Is it this Administration's intent to pay for endless environmental litigation and the cost of bureaucratic red tape by levying a tax on ranching families?

Answer: The proposed Grazing Administrative Processing Fee is designed to recover some of the costs incurred by the BLM in processing grazing permits/leases for permittees who are economically benefitting from the use of public lands. This is the same concept used in the Oil and Gas program and Rights-of-Way program, where users of public lands pay a fee for the processing of their permits. Costs of litigation increase the overall costs for processing grazing permits/leases. However, 2012 collections covered less than half of the federal expenditures on the program; the BLM spent approximately \$30 million processing and administering permits and leases, evaluating range health, and monitoring allotments, yet collected only approximately \$12.9 million in grazing fees for forage. These receipts were divided between states and the BLM's Range Improvement program, which does not provide funding for any administrative activities related to grazing. The proposed fee would therefore provide a necessary cost recovery tool to assist the BLM in processing grazing permits.

Valadao Q8: Research shows that most public land ranchers already pay more than market price for their federal permits, considering factors such as added regulatory costs, ownership of water rights, maintenance of improvements, and the difficulties of managing livestock in rough, arid rangelands.

Have you analyzed how many ranching operations would go out of business in light of this arbitrary grazing tax? Or what the cost would be to BLM if ranchers were not there to provide land management services, such as fuels reduction and fire prevention, open space, noxious weed control, and water improvements for wildlife?

Answer: The proposed Grazing Administrative Processing Fee is designed to recover some of the costs to taxpayers for issuing grazing permits/leases on BLM lands. The BLM has proposed a 3-year pilot period to assess any potential impacts from the fee.

Range Budget

Congress decided to increase the range budget in the last appropriations bill, to help your agency carry out its statutory duties and lessen the instances where you are vulnerable to environmental lawsuits because of a lack of resources.

Valadao Q9: Why would the administration now propose to cut that budget by over \$12 million – almost 15%?

Answer: The FY 2014 President's budget request reflects difficult choices and focuses funding increases on the highest priority programs. While the budget request proposes a reduction of \$14.1 million in grazing administration compared to the 2012 enacted level, the impact of this funding decrease will be partially mitigated by the proposed Grazing Administrative Fee, which will generate an estimated \$6.5 million in 2014. The proposed fee is designed to recover some of the costs for processing grazing permits/leases for the permittees who are economically benefitting from use of the public lands. This is the same concept used in the BLM Oil and Gas program and Rights-of-Way program, where the users of public lands pay a fee for the processing of their permits.

Valadao Q10: How do you propose to cut the budget and keep pace with range monitoring, NEPA review on grazing allotments up for renewal, and other activities that will prevent litigation against you?

Answer: The BLM is committed to both ensuring the integrity of public rangelands and issuing grazing permits in the year they expire. The proposed Permit Administration Processing Fee will partially offset the reduction in requested appropriations, allowing BLM to recover some of the cost of completing grazing permit renewals, monitoring of grazing allotments, and strengthening the BLM's environmental documents. The BLM is also working to find additional efficiencies in the program as the permit backlog is reduced.

In recent years, a significant portion of the program's budget has been devoted to reducing the permit backlog. The FY 2014 President's budget requests that the Extension of Grazing Permits

General Provision be extended for 1 year to assist the BLM in further streamlining the permit process and allow the BLM to focus its grazing analysis and review on the most environmentally sensitive allotments in 2014.

Land and Water Conservation Fund

The President has proposed millions of dollars in decreases to programs that provide economic benefit to the country, while simultaneously proposing to fully fund by 2015—at \$900 million in mandatory spending—the Land and Water Conservation Fund.

Valadao Q11: How do you juxtapose managing more land while dealing with an even smaller management budget?

Answer: The Land and Water Conservation Fund (LWCF) program is a high priority for the American people and the Administration. Through nearly four years of listening sessions and public input as part of the President's America's Great Outdoors initiative, we have continually heard a powerful consensus that outdoor spaces—public and private, large and small, urban and rural—remain essential to our quality of life, our economy, and our national identity. Americans care deeply about our outdoor heritage, and are willing to take collective responsibility to protect it for their children and grandchildren. AGO respondents and audiences consistently asked that we pursue robust funding for LWCF, including for land acquisition, and we agree that it is good policy to do so.

The Department's LWCF request, including that for BLM, will enable Interior to make strategic investments in both land acquisition and easement acquisitions to protect threatened and endangered plants, fish, and wildlife; ensure terrestrial ecosystem and watershed health; ensure resiliency, connectivity, and climate change adaptation; support working farms, ranches and forests; enhance recreational access; and protect rivers and waterways. The Department has been mindful of operations and maintenance costs that could be associated with acquisitions; in fact, acquisition of inholdings often helps lower O&M costs by making it simpler to engage in critical land management duties such as wildland fire management, law enforcement, and invasive weed control. The strategic acquisition of lands from willing sellers frequently results in reduced costs to the BLM through land consolidation and efficiencies. The new acquisitions have many benefits including improved access to trailheads, prime hunting and fishing areas, and recreation areas.

Valadao Q12: How would you rate your ability to keep up with current land management duties, such as catastrophic wildfire control, grazing permit renewals, and wild horse management? Common sense seems to suggest that the agency will have difficulty managing all of these responsibilities on more land, with fewer dollars.

Answer: It is frequently the case that the acquisition of lands through the LWCF program results in the more efficient use of limited Federal dollars. By consolidating land patterns through the acquisition of inholdings from willing sellers, the BLM can more efficiently manage the public lands. All of the BLM's proposed LWCF acquisitions for fiscal year 2014 are either

within or immediately adjacent to existing BLM units and will increase public access for hunting, fishing, hiking and other recreational pursuits.

WEDNESDAY, MAY 8, 2013.

**U.S. ENVIRONMENTAL PROTECTION AGENCY FISCAL
YEAR 2014 BUDGET REQUEST**

WITNESSES

**BOB PERCIASEPE, ACTING ADMINISTRATOR
MARYANN FROEHLICH, DEPUTY CHIEF FINANCIAL OFFICER**

OPENING REMARKS OF CHAIRMAN SIMPSON

Mr. SIMPSON. The Committee will come to order. Good afternoon, and welcome to the fiscal year 2014 budget hearing for the Environmental Protection Agency. Today, we are joined by Acting Administrator Bob Perciasepe and Acting Chief Financial Officer Maryann Froehlich to discuss the President's budget proposal for EPA for the 2014 budget. Thank you both for being here today and all of your people that are here with us today.

When this committee last met with the EPA to discuss the budget, I told Administrator Jackson that we appeared to be on the same page with regard to reducing overall spending as the 2013 budget proposed a 1.3 percent decrease to the EPA's top line. Nevertheless, the budget was not the one I would have written for the EPA as it proposed to shift funding away from state SRF programs and Superfund cleanup programs and diesel omission grants in order to increase EPA's operating programs for enforcement and regulatory purposes. Ultimately, we passed a full-year CR that included some of these reductions and reduced EPA's top line for the third year in a row.

Now, for fiscal year 2014, a similar sentiment seems to apply. Mr. Perciasepe, it appears we agree on the continued need to reduce spending. Nevertheless, this is again not the budget that I would write for the EPA.

Overall, the fiscal year 2014 budget proposes to reduce EPA's funding to \$8.15 billion, which is 190 billion or 2.3 percent below the fiscal year 2013 CR level. If enacted, the 2014 budget would reduce EPA's top line for the fourth consecutive year. However, it matters what baseline we use for the sake of comparison, and I do not want us to lose sight of the bigger picture. Too often, Washington tends to focus on how much a program received last year and annual budgets can operate on the margins from one year to the next.

Between 2009 and 2010, the Interior bill increased by \$4.6 billion and the EPA's budget increased by \$2.65 billion. This was an unprecedented 35 percent increase in EPA's budget in one year alone. So while EPA has not historically faced a declining budget for 4 consecutive years, the Agency similarly has not received a historic \$2.6 billion increase in one year alone either. With that in mind, the fiscal year 2014 budget proposal would still provide EPA with

509 million above the fiscal year 2009 level, meaning this proposed budget would still provide EPA with a half-a-billion-dollar cushion.

I highlight this point to provide context for the ongoing discussion about the continued need to reduce federal spending. It also exemplifies the degree to which unchecked spending was the norm in Washington just a few short years ago. And even with the targeted reductions in the Agency's budget over the past 3 years, we still have yet to break even.

In addition, the 2014 budget recycles many of the same proposals as it offers large increases in spending for regulatory and enforcement activities. These are offset by more cuts proposed for the State Revolving Fund and other state grants. I am not surprised to see many of the same proposals included in the fiscal year 2014 request given that we passed a CR rather than a final bill. However, it means that I will have to again start this hearing by highlighting that this is not the budget that I would have written for the EPA.

The fiscal year 2014 President's request reduces the SRFs by \$449 million below the fiscal year 2013 CR level in order to increase operating programs within the Environmental Programs and Management Accounts by \$161 million and Categorical Grants for State Environmental Programs by 47 million. Many of these increases are targeted to regulate greenhouse gas emissions and to increase compliance monitoring and enforcement activities.

Further, the 2014 budget proposes to reduce the Diesel Emission grants, otherwise known as DERA grants, by \$14 million. This is one of the few EPA programs that has been reauthorized in recent years. In addition, the budget also eliminates funding for the Rural Water Technical Assistance grants. It seems to me that the Administration is cutting successful, bipartisan programs knowing that Congress will restore this funding. In doing so, this allows the Administration to propose other new programs that we just do not have the funding to pay for in a constrained budget environment. These are the wrong priorities to cut. These are successful programs that achieve real results without the heavy hand of top-down regulation.

Meanwhile, the budget proposes a new \$60 million information technology initiative to increase electronic sharing of information between states and reduce reporting burdens. On the surface that sounds like a noble effort; however, please forgive me if I have some skepticism with respect to this new IT project. Last year, our committee was unable to receive routine reports on unobligated balances following the migration to the new COMPASS system.

With respect to adequate funding for base programs, I remain concerned about the proposed levels for the Superfund program. Last year's budget indicated that the requested level would not allow the program to fund new sites ready for cleanup, and the program would only be able to maintain funding at ongoing sites. This year's proposal indicates that EPA may begin construction at new sites with the requested funding. But that does not sound very compelling given that the budget does not propose an increase for the Remedial Cleanup Program.

At some point we need to ask ourselves whether we prefer to cut everything just a little bit in order to get the deficit under control,

and in doing so, we fund all programs at a reduced rate, which may help no one. Or do we decide to eliminate a few programs that have run their course? To that end, I appreciate that you have targeted several programs for termination, including the Environmental Education Program and the Promoting a Greener Economy Program. The House bill for the past 2 years has similarly proposed to eliminate these programs. I hope we can work together to see those proposals across the finish line.

Acting Administrator Perciasepe, I look forward to working with you on the details and look forward to keeping the lines of communication open. I also look forward to working with Gina McCarthy on these issues when she is confirmed, as I believe she probably will be.

And with that, I know all members are interested in discussing various issues with you today, so I will save additional remarks for the period following your testimony.

Also, we have a vote series planned probably about 3:00, 3:30, in that neighborhood, so we may have to break, but I hope we'll be able to finish the hearing before then so that you do not have to wait around.

I am pleased now to yield to our distinguished ranking member, Mr. Moran.

Mr. MORAN. Thanks very much, Mr. Chairman. And we have been joined by the ranking member of the full Appropriations Committee. Would you like to go ahead or—

Mrs. LOWEY. Oh, no, the ranking member should go first.

OPENING REMARKS OF MR. MORAN

Mr. MORAN. All right. We are not going to fight about that right now, so we will move forward. But it is nice to be joined by Mrs. Lowey.

So the Bureau of Labor Statistics reported through what they call their Mass Layoff Statistics Program, which, incidentally, will stop during the sequester and so we will no longer know how many jobs may be lost. But in their latest report, they said of the 1.1 million jobs lost to mass layoffs, companies reported that government regulations caused .13 percent—not 13 percent—but .13 percent of those layoffs. I just thought I would like to put that on the table because EPA has been subject to a lot of, I think, undue criticism suggesting that they are the cause of job loss when the statistics do not bear that out.

The fact is that we can grow jobs in this country in ways that do not endanger our environment or diminish the health of anyone else in ways that do not exacerbate unhealthy conditions for children with chronic respiratory issues, poison Native American fisheries with mercury, or contaminate drinking water with hydrochemicals and heavy metals from unregulated coal ash.

Now, EPA tells people in corporations what they can and cannot do on their land and what their companies, but we believe in the good neighbor concept. If what you do on your land impacts your neighbors, EPA and the states operating under authorities granted by the Congress should intervene to protect the public's health and minimize adverse impacts. The fact is that some businesses have not been good neighbors.

Take the Chesapeake Bay for example. We started trying to improve the quality of the Bay 30 years ago through voluntary programs but with very limited success. And because of the results of the lack of progress, we had miles of dead zones in the Chesapeake Bay where nothing could live because the nitrates and fertilizers that had washed down, particularly from farms but also from lawns. It grew the vegetation on the bottom and of course when the vegetation decomposed, it just sucks all the oxygen out of the water and now we do not have fish or crustaceans or anything else.

It was a situation that had to be addressed, and so EPA, in a historic agreement with the states, put the Bay on a pollution diet. The agreement says that those states that have water that flows into the Bay agreed to limit their stormwater runoff, to improve their agricultural practices, and to deal with combined sewer overflow. Despite the overwhelming consensus that further nutrient and sediment reductions are absolutely necessary to restore the Chesapeake Bay, the American Farm Bureau, along with the National Homebuilders Association, filed suit to stop the cleanup of the Bay. Now, they suggest that their jobs are at stake but you have to ask, what about the jobs that depend upon a healthy Chesapeake Bay?

The study by the Virginia Institute of Marine Sciences estimated that recreational and commercial fishing contributed almost \$1.5 billion in sales, over \$700 million in income, and generated more than 13,000 jobs in Virginia alone. Maryland, I suspect, is even more and the other states similarly. So environmental policy should not come down to who has the most influence and can afford the most lawyers.

Now, this is what you have been waiting for, Mr. Chairman. A great champion of conservatism and conservation, Republican Barry Goldwater, once said, "while I am a great believer in the free enterprise system and all that it entails, I am an even stronger believer in the right our people have to live in a clean and pollution-free environment."

Mr. SIMPSON. That is why I love Barry.

Mr. MORAN. I may not be quite as enthusiastic in your fondness of him, but I do think that he was very articulate in this particular quote.

The challenges of cleaning up the Chesapeake Bay are repeated across the country at other great bodies of water: the Great Lakes, San Francisco Bay, and of course the Gulf of Mexico. Mr. Chairman, this is the first EPA hearing without Norm Dicks in many years, so I also think we ought to mention the Puget Sound, particularly in honor of our former colleague. I am sure he would have taken issue with the proposed reductions to the program and defended its necessity with the zeal that only he could bring to the issue. So there is a shout-out for Norm. I trust it will get back to him somehow. But we were sorry to see that Puget Sound cleanup reduced.

Now, Mr. Chairman, before I conclude, I want to pivot to another issue. Inclusion of the word "acting" in both of our witnesses' titles highlights a serious deficiency and a stumbling block for the Environmental Protection Agency. To some extent I am afraid on the part of some people it may even be deliberate. It is not right. Both

people are terrific in their jobs. I think that Mr. Perciasepe actually earned the right to be director of the EPA. I am not going to challenge the choice and I am sure she is going to do a great job, but whoever it is, they ought to have the full title of director.

And the fact is that EPA has vacancies in its most senior positions, not just the administrator of the EPA. The chief financial officer, the general counsel, the assistant administrator for the Office of Chemical Safety and Pollution Prevention, the assistant administrator of the Office of Research, and the assistant administrator for the Office of Water. For some inexplicable reason, Mr. Chairman, the chief financial officer is a Senate-confirmed position. That does not make sense. This committee relies on professionals in that position and we cannot afford to have long periods of vacancy.

Before I close, I want to recognize Ms. Froehlich for all the great work that you have done and I trust will continue to do. I do think it is appropriate, though, to register some disappointment in the Administration's request for the Clean Water and Safe Drinking Water Revolving Funds. You addressed this, Mr. Chairman. The State Revolving Fund appropriations are a drop in the bucket in comparison to the need, but cutting with no alternative plan really is unacceptable. You know, to some extent people think out of sight, out of mind because our water systems are generally underground, but the fact is we are going to pay a price later and it is going to be an even more expensive price if we do not maintain our needed infrastructure.

We had a hearing with EPA and various stakeholders earlier in the year, and I appreciate the fact that you had that hearing, Mr. Chairman. We heard about the need to upgrade what is effectively our Nation's plumbing system. Our Nation's water infrastructure scored a D. It was up from a D minus. This is from the American Society of Civil Engineers. We need to continue to work on this subcommittee with the EPA, the states and localities, and the various think tanks to figure out a more sustainable funding mechanism.

But at this point I want to thank you, Mr. Chairman, for giving us the time. We want to thank the witnesses and give Mrs. Lowey an opportunity to say something and proceed with the hearing. Thank you, Mr. Chairman.

Mr. SIMPSON. Thank you, Mr. Moran. You and I could have a discussion on the Senate confirmation process, but I suspect we would agree on most of it.

Mrs. Lowey, it is nice to have the ranking member of the full committee here. The time is yours.

OPENING REMARKS OF MRS. LOWEY

Mrs. LOWEY. Well, thank you. And I want to apologize in advance. I thank you for the opportunity for me to make a statement, but then I have to run to another meeting. But thank you so much, and I want to thank you both, the chairman and the ranking member, for your leadership on these very important issues.

And Mr. Administrator, I do wish you could have the other title. And Ms. Froehlich, thank you so much for appearing before us.

I am first and foremost concerned about the recent decline in funding for the Environmental Protection Agency and what it

means for the long-term effectiveness of the Agency. Since 2010, EPA's funding has been cut by nearly 20 percent, and now because of sequester, they face another 5 percent cut on top of that. And I fear that this year's bill will mean further drastic cuts.

But more than the allocation, in this year's bill I fear that Americans just do not get it. They do not see the importance of EPA's work in their everyday lives. We have seen Gallup polls illustrate a trend that has been developing since 2000 in which the public is far less concerned about environmental issues today than they were in the '80s and '90s. While this is partly due to EPA's success in improving the environment with the passage of the Clean Air Act amendments of 1990 and the laws in the 1980s establishing the Superfund program, nonetheless, I find the trend alarming. EPA must do a better job communicating to the public how it improves our quality of life.

For instance, EPA's Brownfield Program helps localities clean up properties to further commercial and real estate investment. And the Clean Water and Safe Drinking Water Revolving Funds helped maintain our country's drinking water and wastewater infrastructure. Cuts to programs like these will quickly prove false the misperceptions that EPA is committed only to regulatory outreach—unfortunately, too many people believe that—and stand squarely in the path of economic growth. In fact, our public health and environmental laws save lives, promote economic growth. People no longer have to worry about the destruction of their livelihoods because their schools, their homes, their businesses are built on top of toxic waste dumps like Love Canal. Failing to communicate these essential benefits risk the progress that we have made over the last 40 plus years and the future gains that are yet to come.

So I thank you again for your service. Thank you for your leadership to the chair and the ranking member. And I apologize.

Mr. SIMPSON. Thank you for being here.

Mr. Perciasepe, I look forward to your testimony.

OPENING REMARKS OF MR. PERCIASEPE

Mr. PERCIASEPE. Thank you all for those opening comments. And Chairman Simpson and Ranking Member Moran and Ranking Member Lowey, thank you for your time and all the other committee members who are here today. I appreciate you taking the time to come and talk to us about our budget and our proposal for the fiscal year 2014 year.

As you mentioned, Mr. Chairman, it is 8.153 billion and some of the priorities and their reflect some of our efforts to modify the ways some of the work gets done at EPA and how we can transform that. I will outline some of that quickly in my opening comments, but certainly, we are looking to reduce cost and we are looking to be more efficient as we go forward.

It also involves difficult choices, as you have already outlined in your opening comments. And I would just like to run through a couple of quick highlights for the record.

One of the things I wanted to point out right away is that, despite the constraints that we are all trying to operate under, we have recommended again to the Committee that we increase the

amount of funding that goes to states for their operating program. The environmental laws that Congress passed in the '70s and the '80s really envisioned a partnership between the state and the Federal Government and how these laws get implemented. The contribution of the Federal Government to some of the state programs is a pretty important part of that partnership. We call it the State and Tribal Assistance Grant Program, or the STAG account, to the budget folks in the room. We are looking forward to some increase in that funding for this year for the states and the tribes.

We have also requested—and I think you alluded to this earlier—a shift in some funding inside the budget toward a concept that we call e-enterprise, and it is something we are working on with our state partners. We have a broad governance agreement that we developed with these environmental councils, with states on how we would move forward, because some of the states are moving forward in this direction as well.

When you think of all the environmental protection that is provided to the United States and the citizens of the country, it is a mix of what EPA does and what the states do and what, in many respects, the local governments do and businesses do when they implement their pollution control programs. So how that whole system works together and how it shares information and how people interact with it, whether they are the public, whether they are a regulated entity and they need to process their permits and our reporting requirements, all of that in the modern world, any of us who do business with the bank, do business with an airline, do business with almost anybody, we can do a substantial amount of that business online and through transfer of information online.

And so what we want to do, together with the states, is move into the 21st century so we can reduce reporting requirements, we can reduce reporting burden, we can get rid of obsolete reporting requirements, and reduce error as the data is transferred and everything else. So this is not one big data system. I want to be really clear. It is not like a huge system that we are going to put in place. What it is is a business model. It is a business model that, as you develop the different parts of your program, you do it in concert with the states and local governments and you develop a way to implement it so that there is a more of an electronic transaction.

And I will use one quick example. In the last Congress, Congress authorized what was called eManifest. We track hazardous waste in the United States through paper. You know, I like to say yellow, pink, and blue copies of each hazardous waste transport has to have that paperwork following it around, whereas if you buy something from anybody these days or have it shipped by FedEx, you will know what warehouse it is in and you will get an email telling you when it was delivered to your house. So what we want to be able to do is move the tracking of hazardous waste in the country into the same, era that the tracking of consumer products or other important equipment that is done routinely every day in the country, and we think that this will save over \$100 million of reporting costs to the industry that does the shipping of the waste.

So that is just an example of what we are talking about here. So I want you to be comfortable that we are not thinking that there be some big computer system that will somehow have to operate

it. It will be a business model is the way to think about it. And we think it is pretty important because states are starting to do it, too, and we need to be able to do it together.

We have 176 million for our ongoing work related to greenhouse gases and a substantial amount of that work also includes programs like ENERGY STAR and greenhouse gas reporting, SmartWay—which we do with the trucking industry in terms of looking at the reduction sometimes through aerodynamics of long-haul trucking and their impact—and \$20 million toward research on climate change and ecosystem and human health.

We have \$15 million additional in the grants to the states for clean water to focus on nutrient pollution, which is one of the remaining big issues we have in water pollution in the United States. The ranking member talked about the Chesapeake Bay. That is a good example of where nutrient pollution is something we have to work on.

State Revolving Fund, we are asking for \$1.1 billion, and the clean water, \$817 million in the drinking water. We are also looking at building upfront planning processes. We are working with the Conference of Mayors, National Association of Counties, and National League of Cities to come up with what we called integrated planning so we can look at all the infrastructure needs, whether it is in stormwater, sewer systems, combined sewer overflows, all these different things that confront the mayors and the big cost that you hear about. How can we look at managing those together so that we do not have separate processes underway? And with the economy of scale, we look at the lifecycle and the different practices, including things like green infrastructure. Can we reduce the overall cost? So we have a big cost out there in the future, but part of the puzzle is how do we reduce that cost and look at new technologies that might work?

We have \$1.34 billion for cleanups, land cleanup. You have already mentioned this includes Superfund; it includes brownfields and some of the emergency response work that EPA does. We respond to most of the significant leaks and explosions around the country, along with some of the other federal agencies, but we are usually the ones involved with cleaning it up after it has been done.

And we are also asking, Mr. Chairman, for the Superfund tax to be reinstated so we have a consistent source of funding and revenue for that into the Trust Fund. We are looking at chemicals and commerce and managing the potential risk from new chemicals.

I will mention a few other things in conclusion here. You mentioned a number of programs that we have eliminated. We also reduced by more than 10 percent a number of programs for about a \$54 million savings and in some cases shifting. We are also looking at consolidating space. We are doing this in an ongoing way. We have some concentrated efforts, for instance, on labs and we are looking at advanced technology and energy sources at our different facilities, so we are already saving about \$6 million annually. We have already reduced over the last, you know, half a decade almost 400,000 square feet of space that EPA is in around the country. So we are continuing to look at those savings and we recognize all your support for that.

So with that, I think I will stop with my summary.
[The statement of Bob Perciasepe follows:]

**TESTIMONY OF
BOB PERCIASEPE**

**ACTING ADMINISTRATOR
U.S. ENVIRONMENTAL PROTECTION AGENCY**

BEFORE THE

**House Appropriations Subcommittee
on
Interior, Environment, and Related Agencies
May 8, 2013**

Chairman Simpson, Ranking Member Moran, and members of the Committee, thank you once again for the opportunity to appear before you to discuss the Environmental Protection Agency's proposed Fiscal Year 2014 budget. I'm joined by the Agency's Acting Chief Financial Officer, Maryann Froehlich.

The President's Fiscal Year 2014 Budget demonstrates that we can make critical investments to strengthen the middle class, create jobs, and grow the economy while continuing to cut the deficit in a balanced way. The Budget also incorporates the President's compromise offer to House Speaker Boehner to achieve another \$1.8 trillion in deficit reduction in a balanced way. By including this compromise proposal in the Budget, the President is demonstrating his willingness to make tough choices. EPA's budget request of \$8.153 billion for the 2014 fiscal year starting October 1, 2013 reflects our ongoing efforts to change the way EPA does business –to invest in more efficient ways for the Agency to operate, to further reduce costs wherever possible all while we preserve and enhance our ability to carry out the Agency's core mission to protect human health and the environment.

The President's budget reinforces our firm commitment to keeping American communities clean and healthy, while also taking into consideration the difficult fiscal situation and the declining resources of state, local and tribal programs.

EPA's requested budget will allow us to continue making progress toward cleaner air, addressing climate change, protecting the nation's waters, supporting sustainable water infrastructure and protecting lands and assuring the safety of chemicals.

It is the product of long discussions and difficult choices. In the end, we believe this budget will enable us to work toward the Agency's goals as effectively and efficiently as possible.

Let me run through a few highlights from the President's FY 2014 budget request.

Despite the fiscal challenges we face, supporting our state and tribal partners, the primary implementers of environmental programs, remains a priority of the EPA. Funding for states and

tribes through the State and Tribal Assistance Grants – or STAG – account is once again the largest percentage of the EPA's budget request – at nearly 40 percent in FY 2014. The FY 2014 budget includes a total of \$1.14 billion in categorical grants.

We have requested a \$60 million investment in an agency-wide initiative to develop new tools and expand systems designed to reduce the regulatory reporting burden on regulated entities, and provide EPA, states, and the public with easier access to environmental data for compliance monitoring and other purposes. This new initiative is fully paid for, so does not add a single dime to the deficit.

This project – what we call “E-Enterprise” – would enable businesses to conduct environmental business transactions with regulators electronically through a single interactive portal, similar to online banking. The paperwork and regulatory reporting burden would be reduced thanks to more efficient collection, reporting, and use of data, in addition to regulatory revisions to eliminate redundant or obsolete information requests. The initiative will encourage greater transparency and compliance.

The result will be widespread savings – for industry and for the states and tribes. For example, E-Enterprise builds on efforts such as the e-manifest system which is projected to reduce reporting costs for regulated businesses by up to a range of \$77 - \$126 million annually, because it replaces the millions of paper manifests for hazardous waste shipments with a modern tracking and reporting system.

The FY 2014 request also includes \$176.5 million to support the agency's work with partners and stakeholders to address greenhouse gas emissions and its impacts. These funds will help reduce emissions – both domestically and internationally – through careful, cost-effective rulemaking and voluntary programs that focus on the largest entities and encourage businesses and consumers to limit unnecessary greenhouse gas emissions.

Some of this funding will support existing, successful approaches like ENERGY STAR, the Global Methane Initiative, the GHG Reporting Rule, and state and local technical assistance and partnership programs, such as SmartWay. \$20 million will go towards research, so we can better understand the impacts of climate change on human health and vulnerable ecosystems. Our requested budget contains \$175 million to support our Clean Air Act-mandated work to develop, implement and review air quality standards and guidance. This funding will also allow EPA to enhance our support to our state, local and Tribal partners to implement the programs.

Nutrient pollution is one of the nation's most widespread and challenging environmental problems. To assist in tackling this challenge, EPA is requesting an increase of \$15 million in Clean Water Act Section 106 Water Pollution Control grant funding to support states, interstate agencies and tribes that commit to strengthening their nutrient management efforts.

Ensuring that federal dollars provided through the State Revolving Funds support effective and efficient system-wide planning remains a priority for EPA. The FY 2014 budget request includes

\$1.1 billion for the Clean Water State Revolving Fund and \$817 million for the Drinking Water SRF. This money will also assist EPA efforts to expand and institutionalize the use of up-front planning that considers a full range of infrastructure alternatives like “green” infrastructure, so that the right investments are made at the right time, and at the lowest life-cycle cost. This budget request will allow the SRFs to finance approximately \$6 billion in wastewater and drinking water infrastructure projects annually.

In FY 2014, the agency is requesting over \$1.34 billion for its land cleanup programs to continue to apply the most effective approaches to preserve and restore our country’s land. This money will go towards developing and implementing prevention programs, improving response capabilities, and maximizing the effectiveness of response and cleanup actions. The agency is also renewing its request to reinstate the Superfund tax in order to provide a stable, dedicated source of revenue for the Superfund Trust Fund and to restore the historic nexus that parties who benefit from the manufacture or sale of substances that commonly contaminate hazardous waste sites should bear the cost of cleanup when viable potentially responsible parties cannot be identified.

Ensuring the safety of new or existing chemicals in commerce to protect the American people is another top priority. Chemicals are used in the production of everything from our homes and cars to the cell phones we carry and the food we eat. The \$686.2 million requested in FY 2014 will allow EPA to continue managing the potential risks of new chemicals entering commerce, without impacting progress in assessing and ensuring the safety of existing chemicals. These resources encompass all efforts across the agency associated specifically with ensuring chemical safety and pollution prevention, including research and enforcement.

EPA’s research budget provides \$554 million to support critical research in key areas, ranging from chemical safety to water sustainability to climate and energy to human health. This research will help advance the Administration’s commitment to healthy communities and a clean energy future.

Finally, let me discuss some steps we are taking to ensure taxpayer dollars are going as far as they possibly can.

The budget includes \$54 million in savings by eliminating several EPA programs that have either completed their goals or can be implemented through other federal or state efforts. Adding to these savings and demonstrating a willingness to make tough choices, more than 20 EPA programs, are being reduced by 10 percent or more in FY 2014.

EPA has also been laying the groundwork to ensure the best use of human resources, which will continue in FY 2014. We will continue to analyze our workforce needs to achieve the Agency’s mission effectively and efficiently. This is reflected in our FTE request for FY 2014, which is our lowest in 20 years.

We also continue to look for opportunities to consolidate physical space and reduce operating costs at our facilities nationwide. On-going improvements in operating efficiency, combined with the use of advanced technologies and energy sources, have reduced energy utilization and saved nearly \$6 million annually.

In FY 2014, we are requesting \$17 million in the Building & Facilities appropriation to accelerate space consolidation efforts, which will result in long-term savings in rent and operating costs. By consolidating space, we have, since 2006 released approximately 417 thousand square feet of space at headquarters and facilities nationwide, resulting in a cumulative annual rent avoidance of over \$14.2 million.

Mr. Chairman, thank you for the opportunity to testify today. While my testimony reflects only some of the highlights of EPA's budget request, I look forward answering your questions.

Acting Administrator Bob Perciasepe



Bob Perciasepe

Bob Perciasepe is currently both the Acting Administrator and the Deputy Administrator. Appointed by President Obama in 2009 as the U.S. Environmental Protection Agency's Deputy Administrator, Bob Perciasepe continues a career spanning nearly four decades as one of the nation's leading environmental and public policy figures. An expert on environmental stewardship, advocacy, public policy, and national resource and organizational management, Perciasepe is widely respected within both the environmental and U.S. business communities.

His extensive experience includes service both inside and outside of government. He served as a top EPA official in the administration of President Bill Clinton, who appointed him, first, to serve as the nation's top water official and later as the senior official responsible for air quality across the U.S. Prior to being named to his current position, he was chief operating officer at the National Audubon Society, one of the world's leading environmental organizations. He has also held top positions within state and municipal government, including as Secretary of the Environment for the State of Maryland and as a senior official for the City of Baltimore.

Perciasepe holds a Bachelor of Science degree in Natural Resources from Cornell University and master's degree in planning and public administration from the Maxwell School of Syracuse University. He and his wife have two adult daughters.

Maryann Froehlich
Deputy Chief Financial Officer
U. S. Environmental Protection Agency

Maryann Froehlich has devoted a career of over thirty years to Federal public service, working in various Federal entities – from the Federal Aviation Administration within the U. S. Department of Transportation, the U. S. Coast Guard’s Marine Environmental Protection Program, and the U.S. Environmental Protection Agency (EPA).

Ms. Froehlich’s work at EPA has been in a variety of capacities. She worked on legislative policy issues connected with the development of the first Superfund legislation, later she worked exclusively on Superfund reauthorization, and she held several supervisory positions, such as in hazardous waste policy, waste and chemical policy, and policy analysis and policy development. In 1999, she accepted the position of Associate Deputy Administrator for the Agency, providing executive-level support to the Agency’s regulatory efforts and functioned as Chief of Staff to the Deputy Administrator.

In 2002, Ms. Froehlich joined EPA’s Office of the Chief Financial Officer as Deputy Comptroller, with broad responsibility for component offices handling the Agency’s budget, financial services, and financial management. Two years later, her executive responsibilities were formalized through her appointment to the new position of Associate Chief Financial Officer, with an overall leadership role in all efforts managed or coordinated by the Chief Financial Officer. She was appointed Deputy Chief Financial Officer in May 2006. She served as Acting Chief Financial Officer from January – November 2009, and is serving again in this capacity as of April 2013.

Ms. Froehlich is a graduate of Chestnut Hill College, with a B.S. in mathematics and physics. She was awarded the degree of Masters in Public Administration by the John F. Kennedy School of Government at Harvard University.

April 2013

SUPERFUND TAX REINSTATEMENT

Mr. SIMPSON. Thank you. And again, thank you for being here today. You mentioned just a minute ago the Superfund tax reinstatement. Are you going to bring up a proposal for that to the Authorizing Committee? Because that is really an authorizing issue rather than an appropriation issue.

Mr. PERCIASEPE. Now, I just wanted to make sure you knew that we had that. In the President's budget there is a suggestion that we do that, and so I just wanted to make sure that you—

Mr. SIMPSON. Okay.

Mr. PERCIASEPE. That is all.

IRIS

Mr. SIMPSON. Okay. Let me ask you. I am encouraged that the EPA has expressed a commitment to improving the IRIS program and I am pleased that the EPA has embraced several of the National Academy of Science recommendations for the IRIS reform. And I look forward to the findings from the National Academy of Science ongoing review of how the EPA has been incorporating those recommendations.

In the interim, I would like to know what the EPA is doing to improve the IRIS assessments currently under development and would like to know whether the EPA is making small adjustments on the margins that may or may not amount to much or whether the EPA is applying changes to current IRIS assessments in a uniform manner? And is the EPA currently revising the formaldehyde and arsenic risk assessment to address the NAS recommendations? How is the EPA applying the NAS reform recommendations to other chemicals that are in the IRIS bubble right now?

Mr. PERCIASEPE. Well, we are following the National Academy's recommendations. We have done a number of assessments and we now have the National Academy relooking. I think you mentioned that in your question that they are in the process of looking at how we are following what they are doing. But we are also doing another review of the entire process and where we can continue to make improvements, and so we have a team of people working on that.

And I will just give you an example of the kind of thing that we are looking at. People often want to know—and I think appropriately so—is how does EPA decide which studies it might use to make the assessment? Because there are always many, many studies, some of them related directly to a chemical; sometimes they are related to another related chemical. But we have to make a decision on which ones we use in the actual IRIS assessment. So improving and increasing the amount of transparency there and involvement in understanding what the criteria are that we are using to make those decisions is one of the areas we are looking at very closely right now in line with some of the recommendations we got from the National Academy of Sciences.

I am also personally hopeful that when the Academy finishes its review of some of the work we have done to date that we are either going in the right direction or aiming in the right direction, and here are more things you have to do. I am feeling pretty com-

fortable that we are adhering to the direction and the spirit and the letter of what their recommendations are. And it is pretty important that we do that.

Mr. SIMPSON. In order to give credibility to what the EPA is going to do, I think it is very important that you look at the recommendations that they are making. And I am pleased, as I said, that you seem to be doing that.

STATE REVOLVING LOAN FUNDS

Let me ask you one other question, the discussion on the State Revolving Loan Funds. As I understand it, when those acts were enacted and those funds were put into place—and it is a good idea—the Federal Government would put money into it. Then, it would go out to local communities, and the states and the local communities would have matches of some level and that those funds, once they were paid back, would go back into the State Revolving Loan Fund, and eventually, you would build up a fund that was self-sustaining essentially to address the water and sewer needs in this country. I think together you said it was about close to \$2 billion that you are requesting in those funds this year.

How much does that leverage in the state and local match? And is there a point, 10 years, 100 years down the road where we will have built that fund up so that it will be self-sustaining so that we will not be putting \$2 billion or whatever into that fund? Because I have A) that concern, and B) in the hearing that we had on this water infrastructure that we had, it was said that there were about a \$700 billion backlog. In doing this at \$2 billion a year, it only takes us to \$350 billion.

Now, I realize we get some local contribution also, but that backlog continues to grow. And the \$2 billion that we put into this each year puts huge pressure on the rest of our budget in terms of reducing budgets and does not address the problem that we are trying to fix. And so I agree somewhat with what the ranking member said to begin with. We have got to find a way to fund this on an ongoing basis to make sure that we address the problem that everybody recognizes. Well, I should not say everybody recognizes, but as you said, it is an underground problem and most people do not recognize it until something goes wrong. So how do we get from point A to point B? If you would like to talk about that for a minute, Bob, I would appreciate it.

Mr. PERCIASEPE. Well, I appreciate that question. And I have actually had the opportunity to struggle with this issue being a city budgeter for the city of Baltimore for 11 years of my life and helping finance water and sewer systems there, and then as a state environmental commissioner trying to set up the revolving fund after the amendments of 1987 and now this. I maybe have an interesting point of view on all of this. And I have to say some of these issues are policy-driven on what amount of that \$700 billion the Federal Government feels it should fund versus local or state level.

But let me give you sort of a picture of how it is currently operating. We are putting out through this program through a combination of 4 different components. One is the annual amount that comes from the federal appropriation; the second is the repayments now that are coming in. So the clean water part of this was author-

ized in 1987 and the Safe Drinking Water Act part was authorized by Congress in 1996. Said they had been operating for a while so the banks are getting larger in the picture of this portfolio.

So we have annual repayments, we have the annual capitalization grants from the Federal Government, which are before you in our budget, we have the state match of 20 percent to that, and then we have the leveraging of municipal and revenue bonds that goes on with that. That combination last year in 2012 funded \$7.7 billion worth of work.

Mr. SIMPSON. So for the \$2 billion we put in—

Mr. PERCIASEPE. Last year, we put a little over \$2 billion in.

Mr. SIMPSON. Yes, 2.1 or something?

Mr. PERCIASEPE. 2.3.

Mr. SIMPSON. 2.3? And that funded \$7 billion?

Mr. PERCIASEPE. \$7.7 billion when you took into account the repayments that were then available to be used, the leveraging that states do when they have created these funds. They sell revenue bonds and then, you know, the simple model is you blend together for a low-interest loan.

Mr. SIMPSON. So now, we got that backlog down to 100 years?

Mr. PERCIASEPE. That is tough on this one. No, but let me say the other side of that coin is what can we do on that \$700 billion? I mentioned that earlier. We have been developing this process with the cities to look at more cost-effective approaches to dealing with some of the problems like green infrastructure. We have got a program going now with the District of Columbia. We have a program going with the city of Philadelphia. We signed a letter of an agreement in a number of our permits and compliance schedules that we have for people to get into compliance are now building green infrastructure into those things. And we are learning but we think that that can have a substantial beneficial effect in terms of the way cities go about fixing these problems.

So I do not want to ignore the fact that there are possibilities to reduce that total need to different number because of the ability to look at more cost-effective ways to go, but that is something we are not deterring from.

So the amount of money we put in each year here is actually now getting to the point where it is leveraging. And if I look at the banks overall since they have been created, we probably have funded somewhere around \$120 billion in the 20 years that it is going on through these different approaches.

So the second part of it, which I think is a much longer conversation, is, you know, how long does the federal commitment hold? And I think if we want to maintain this fund in a sustainable way and make sure that it has an inflation hedge in it so that it is buying the same amount of work because the construction cost index keeps going up, as you probably know. And the other part is that some of these funds, and particularly the drinking water one, has important set-asides in it for governors' flexibility. And some of those set-asides are really important for small towns and places where the affordability is an issue. And it does have an effect of eroding the corpus because it is "loan forgiveness."

Mr. SIMPSON. Yes.

Mr. PERCIASEPE. So there is probably always going to be a need for some level of federal partnership with the states on this to deal with those types of issues, but at some point, we will have to make our big decision amongst all of us about when that revolving amount gets to a certain level that that is an appropriate annual amount. But I do not think we are there yet.

Mr. SIMPSON. Has the Agency looked in a serious way at public-private partnerships in trying to address this?

Mr. PERCIASEPE. We have begun to look at that a little harder, particularly in the dialogue we are having with the mayors and county executives. We are really looking at how we can get more private funds into these programs. There has been a little more of it in the drinking water arena. Maybe half of the drinking water systems in the country have some private involvement or are owned by a private company. It is a little less so in the wastewater area.

But when you think about the bonds we are leveraging, the municipal bonds, the revenue bonds, that is sort of getting institutional and, you know, whoever else is investing in private, you know, tax-exempt bonds, so you are getting that kind of capital into the system. So we need to do more looking at innovative financing techniques here. And I think that any way we could work with you guys on that, I would welcome it.

Mr. SIMPSON. Well, I appreciate it.

Mr. Moran.

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

SEQUESTRATION

Mr. Perciasepe, there was a recent article in the Energy and Environment Daily that highlighted the toll that sequestration has taken on criminal enforcement of environmental laws. A Mr. Doug Parker, the director of the Agency's Criminal Investigation, was clear that his already understaffed division would continue to shrink under sequester leaving gaps in coverage for the Nation. I would like for you to put on the record some of the real costs of sequestering funds in such an irrational, irresponsible manner, for example, permit delays, delays in the cleanup of hazardous sites. Could you share with us some of the impact of this sequester?

Mr. PERCIASEPE. First, I have to start at the highest level here for just a minute if you bear with me. One of the issues—and when you hear folks like you quoted there talking about this—we have a situation where at the highest level when you are trying to manage a large institution like the Federal Government or a particular component of it like EPA, it is hard to be a manager in a situation where so much uncertainty is constantly thrown into the mix. So there is a certain amount of management disruption that is hard to quantify. And then you throw on top of that at a place like EPA we cannot deal with all of the reductions without reducing the payroll. And the way we are reducing the payroll is the way some other places are doing it as well, and we are looking at ways to reduce this, but we have to furlough employees.

And I think that the current plan—although I told everybody I would look at it again in June—we are trying to save money in other places—is up to 10 days for all 16,000 employees. So what

I think some of the managers are talking about when you hear from them is they are multiplying all of their employees by 10 days between now and October and are saying that is the disruption I will have in the permit processing, in the inspections in the field. We estimate maybe 1,000 fewer inspections across the different programs out in our field offices.

And then the way this also lays out is it is not just in the personal side; it is also in the nonpersonnel side, which are things like the Superfund cleanups or the SRF or Super Storm Sandy, funding that we received from Congress was reduced. All of these other reductions result in fewer projects, fewer monitors, fewer startups, fewer water quality projects that might be funded. So we can provide some more detail—

Mr. MORAN. Well, I mean those are kind of abstract words. The person that is sitting at home that has a stake in EPA being able to conduct its responsibilities, what is the impact?

Mr. PERCIASEPE. Well, we were just talking about—and I think it was a very good discussion—about the drinking water and clean water SRFs. The reductions in these programs ripple through those leveraged funds and the state match and everything else, so once our amount is reduced then the states' amount is reduced, and then the amount you leverage is reduced. The repayments will still be the same. We estimate about 40 water projects will not be able to get funded. That is an example.

Brownfields, which is an oversubscribed program, we would expect there would be 10 fewer assessment and 5 fewer cleanups. So each program we can have this.

And the state and local air quality grants, they are going to be reduced, and this is one of the areas that we are hoping to work with you guys to increase the amount for next year by even a small amount.

So 45 nonpoint source projects will probably not be funded under the 319 program under the Clean Water Act, and 5 fewer fellowships in our laboratories. It is the way we get new science talent into the Federal Government.

Mr. MORAN. Of course, this is perspective at this point. You are just now in the process of implementing them, so the impact really will not be felt for at least several months, maybe not until next year. But I guess it would be appropriate, Mr. Chairman, to put this in the record what they anticipate and to give us a regular update on what is happening as a result of the sequester.

[The information follows:]

SEQUESTER

Give us a regular update on what is happening as a result of the sequester.

- We will work with your staff to provide needed updates.

KEYSTONE PIPELINE

I have one other issue that I would like to raise. The EPA commented on the Department of State's Draft Supplemental Environmental Impact Statement, the EIS, for the TransCanada Keystone pipeline. And among the many issues raised by EPA, the issue of the difficulty in cleaning up the crude sands from the oil—I was discussing with the staff the best way of describing this—but the

crude oil that comes from these sands is kind of unique and distinctive. And EPA mentioned in their comments to the Department of State that these spills have different impacts than the spills of conventional oil. One example used with the spill in 2010 in Michigan into the Kalamazoo River that is still not mitigated because of the nature of the crude oil that comes from these sands.

Now, the planned route of Keystone and the alternative route have the pipeline going over the Ogallala aquifer, one of the world's largest underground freshwater sources and a very important source of water for agriculture throughout the western states. If there was a spill from the Keystone pipeline that contaminated this aquifer, how could we effectively clean it and how many years would it take to clean it up?

Mr. PERCIASEPE. Well, I cannot answer how many years. But let me just say something general about our comments on the draft EIS. First, our comments on the draft EIS are designed to improve the analysis before the final EIS. This work that has been done by the State Department has improved from the last time they have analyzed this, and these are important issues that we need to have more analysis of and that they know they need to do more analysis of in the final. The grade that EPA does under the Clean Air Act was actually a passing grade for this draft EIS. If you want to make an analogy to school, it was like a C. And we think that there is ample time and ability for the analysis of these issues to be upgraded substantially.

So the reason we bring that up, that the type of crude that comes from these sources may have to be handled differently is that we make sure that that is handled and how they would do it. I would point out that the EIS also said very clearly that the company and the other responsible parties are making all those appropriate commitments to do the cleanup. But depending on what would happen in any particular accident if it happened, it is difficult to predict how many years it would take to clean up that. I do not know how many years it is going to take to clean up the Gulf of Mexico, for instance, but we are working on it.

So I want to balance our pointing out to the State Department important things that they need to further analyze and strengthened in their final EIS with any conclusion that we think that all of that is inevitable and that they have not figured out how to complete that analysis. So I want to make sure that you know where we are in that overall process. This is designed now to make sure that those analyses get done.

Mr. MORAN. Well, I am glad you are having input into this. It looks like Department of State may approve it but the threat to one of the largest water reservoirs seems to be a real one that needs to be considered.

Mr. Chairman, I have other questions such as on the mountain-top mining court decision and all, but you have several members on your side that want to ask questions, so I think at this point I would defer to them.

Mr. SIMPSON. And hopefully, we will get to another round because I have got several questions also.

Ms. Herrera Beutler.

WESTERN WASHINGTON STORMWATER MANUAL

Ms. HERRERA BEUTLER. Thank you, Mr. Chairman.

And I am going to talk a little bit more specifically about some questions I have in Washington State. And hopefully, what I would like from you is some clarification. I am actually very anxious to get it just because we have been asking this question of different folks for a while and have not been able to nail this down. Specifically, in Washington State our Department of Ecology is the EPA administrator for our region. And I think it was in '06, '05 or '06 they developed and put out what was called the Western Washington Stormwater Manual.

Specifically, it has to do with water runoff from stormwater on the west side of the state. Interestingly, they exempted King County, which has the Puget Sound, and I would say when you talk about pollution, that is one of the areas we should be focusing. But they exempted it because it is a rather difficult rule but it does apply in my neck of the woods in southwest Washington. It basically says that water has to drain as slowly as it did prior to the Lewis and Clark exploration. We call it the Prior to Euro-American Settlement Rule. That is literally what it says in the manual.

I mean aside from asking what in the world does that mean because none of us were here, we have asked the state several times where they get the authority to do this because no other state in the Nation is doing this. And every single time they pointed back at your agency and say it is EPA Clean Water Act directives that force our hand to do this, which we have not been able to find that that is accurate, and I was hoping maybe you could speak to that.

Mr. PERCIASEPE. All right. Well, I am not familiar with that manual but I will give you a response. But I will definitely follow up on this with our regional administrator and director of the department in the state, whoever the person is there.

So under the Clean Water Act, there is a permit program, particularly the '87 amendments establish the permit program for stormwater runoff because it picks up stuff, particularly in urban areas and whether it be drops of oil or fertilizer on lawns or whatever, and I think we all recognize that—or changes its temperature, which is really important for salmon spawning. So that stormwater fell under what is called the National Pollution Discharge Elimination System, NPDES, which is the permitting program—

Ms. HERRERA BEUTLER. Yes.

Mr. PERCIASEPE [continuing]. In the Clean Water Act from 1972. So that program is delegated to the State of Washington. The State of Washington has been delegated to run the NPDES program by EPA. Generally, they have flexibility and how they go about doing that and that there are guidelines that we will put out on a particular source of pollution, and we have undoubtedly put out guidelines on stormwater. But exactly how they got to that specific—does it actually—I want to ask does it—

Ms. HERRERA BEUTLER. Yes, pre-Lewis and Clark.

Mr. PERCIASEPE. Okay.

Ms. HERRERA BEUTLER. Yes. Yes, which—

Mr. PERCIASEPE. So—

Ms. HERRERA BEUTLER [continuing]. I am pretty sure all states west of the Mississippi are under this same—

Mr. PERCIASEPE. Okay. Well, I do not want to be unresponsive here because I am not familiar with that manual, but I am very familiar with the construct of how the law is working as I just outlined it to you and—

Ms. HERRERA BEUTLER. Well, and I understand where they claim it from, but they are basically—because we go to them and say, okay, what in the world does that mean? And also, if it is so important, why would you exempt the largest metropolitan area in the state, which I think is part of Superfund when you talk about the Puget Sound and the work that we need to do to clean up the sound? Why would you exempt that area? And then if it is in fact EPA-driven, would not every other western state be in the same—so you are saying that your agency here has not issued to them that they need to do—the pre-Lewis-and-Clark threshold or standard is not from your EPA office? It is their interpretation.

Mr. PERCIASEPE. I have never seen a Lewis and Clark manual at EPA. However, I am certain that we have issued guidelines on how to do the stormwater programs for states that are delegating the program. And, you know, it would really be unfair I think for me to continue to speculate on exactly what this is, but it is important enough that I want to make sure I get the answer.

Ms. HERRERA BEUTLER. Well, because as you can imagine—

Mr. PERCIASEPE. I will make sure you get—

Ms. HERRERA BEUTLER. We appreciate that because we have, you know, developers or even—I mean this impacts everybody and it is hard to even find out what that means.

Mr. PERCIASEPE. You know, at some risk that this may not be exactly your issue that you are looking at now in Washington, the concept of holding water on the site or on a—

Ms. HERRERA BEUTLER. Yes.

Mr. PERCIASEPE [continuing]. Property and letting it infiltrate into the groundwater and not runoff is a concept that is used in stormwater.

Ms. HERRERA BEUTLER. And it is used in other states very successfully.

Mr. PERCIASEPE. Right, here in the District of Columbia—

Ms. HERRERA BEUTLER. Yes.

Mr. PERCIASEPE [continuing]. Their stormwater regulations, I think, require something like 90 or 95 percent of the first inch of rainfall—

Ms. HERRERA BEUTLER. And I found that in other states. What I found is that that is not uncommon. It is that such a high threshold that nobody totally understands what it means. And as we have tried numerous times to get clarification from them, they point at you and say we are doing what we were told. And you are going, okay, that makes not very much sense.

NPDES, FOREST ROADS

The one last thing when you mentioned NPDES, forest roads, this has been a big issue also in the Northwest region. I just wanted to ask you. Obviously, there has been a court ruling. Your agency has put out guidance, but there are those who are going to be

pushing for possibly a suit. I am not sure that we are done with this just yet, which is why I am still working on legislation to codify basically the rule that you put into place. But I wanted to ask, do you believe that forest roads should be permitted by the EPA over state best practices standards, kind of similar to what we just talked about in a different issue?

Mr. PERCIASEPE. Yes. You know, I know that we have gone around on this issue a couple of times. There have been court cases. I believe that we tried to issue a permit, a general permit that would allow states to do what they want to do but not interfere with it. That is my understanding of what we have done with the forest roads. And of course if you have legislation, you know, we would be——

Ms. HERRERA BEUTLER. But it sounds like we are in agreement that you think the states is probably where some of these decisions should be made versus an EPA rule about this issue?

Mr. PERCIASEPE. Right. So I am going to read here to make sure I give you the right information. We have issued regulations to clarify that stormwater discharges from logging roads do not constitute stormwater discharge associated with industrial activity and that the NPDES permits are not required for these stormwater discharges. So we have issued those regulations.

Ms. HERRERA BEUTLER. Thank you. And I welcome your clarification on that other issue. We would like help with that. Thank you.

Mr. SIMPSON. And that was what the Supreme Court ruled essentially, that they are not required? But we are back in the 9th Circuit now with another suit, are we not?

Mr. PERCIASEPE. We could be.

Mr. SIMPSON. That is why the legislation——

Mr. PERCIASEPE. I think we feel like we are in a situation now with what we have done administratively that it deals——

Mr. SIMPSON. Yes.

Mr. PERCIASEPE [continuing]. Substantially the issue that was at hand.

Mr. SIMPSON. The unusual thing is as we are in agreement here with what you have done.

Mr. Graves.

Mr. GRAVES. Thank you, Mr. Chairman.

SULFURYL FLUORIDE

Mr. Administrator, I just had a few quick questions but a little bit of background before the questions. And it was in January 2011 that your agency proposed withdrawing the food tolerances for the fumigant sulfuranyl fluoride. And it is a product that the Agency has promoted previously and I have been very supportive of as a substitute for another product that had some concerns. There have been a lot of objection to this proposed rule, including from the U.S. Department of Agriculture and a lot of industry groups. But there has been a tremendous amount of support for sulfuranyl fluoride.

And in fact, I went to read a portion of the letter from an expert on this, and it was submitted to the EPA during the second comment period, and it was by Dr. Lynn Goldman, who is the current dean of Public Health and Health Services at George Washington University. And, as you know, Dr. Goldman was an assistant ad-

ministrator of the EPA during the Clinton Administration. And part of her statement, she says the policies EPA put in place in response to FQPA amendments would clearly allow the exposure scenario involving sulfuryl fluoride to be considered negligible, and there is no requirement under FQPA for EPA to revoke the tolerances that support the food uses for SF.

Second, the proposed order would provide no additional public health protection to the U.S. population as a whole or to any sub-population, including children. Instead, this decision would increase risk to the public through increased use of more harmful pesticides and by miscommunication of the risk of fluoride use. So a question is: Is Dr. Goldman wrong?

Mr. PERCIASEPE. I have not seen what she said about that. Lynn Goldman, right?

Mr. GRAVES. Yes. Yes.

Mr. PERCIASEPE. I know her very well and I will actually talk to her after this meeting. But I want you to know that we are sympathetic to this problem and I think you have been working on some—

Mr. GRAVES. Yes, sir.

Mr. PERCIASEPE [continuing]. Legislative ideas. And I think I would want to say that if there is a way for us to provide some technical assistance if you need it, making sure what you needed to look at would be available. I am going by, you know, what the general counsel and everybody else looked at. It is a painful lesson. What has happened here in background, if I might, is that the use of fluoride has increased in a number of products across a spectrum, but back in the day when people like Able Wolman in the beginning of the last century found that fluoride improves dental health, people have been putting it into toothpaste, they have been putting it into sports drinks—

Mr. GRAVES. Right.

Mr. PERCIASEPE [continuing]. And so smaller and smaller amounts are getting us closer and closer to whatever the risk level might be for fluorosis in children. So I think that that is what is driving this. I think listening to what you said and Lynn's quote, she is looking at the broader spectrum of risk, which is not an inappropriate thing to do. I do not know legally whether we can dissect that here, although it certainly is a commonsense approach that she has said.

Mr. GRAVES. Right.

Mr. PERCIASEPE. In the meantime, I want you to know that we have put a long process here in our proposal and we would certainly welcome any overtures and your help.

Mr. GRAVES. Okay. Great. Well, I look forward to working with you on it. And maybe just for us as a committee, can you share with us what public health benefits that you see as an agency if any from the withdrawal of SF and what alternatives does EPA propose?

Mr. PERCIASEPE. I mean we think sulfuryl fluoride is a pretty important fumigant. We are obviously in a phasing-down of methyl bromide—

Mr. GRAVES. Yes.

Mr. PERCIASEPE [continuing]. Because of its ozone depleting issues and sulfur dioxide is a good replacement for that although not in every instance. And so we think that in an agricultural arena it is an important tool. Our interpretation of the Food Quality Protection Act that has us moving on this is the fact that the increased exposure on average that people are starting to get from the fluoride. There may be a way to look at all the data that is involved with that, but that is the issue that is at play here.

Mr. GRAVES. Okay. Well, thank you. And I encourage you to continue looking at the data. It is a product that you certainly promoted and felt was safe for the public in the past.

Mr. PERCIASEPE. We did.

Mr. GRAVES. And Mr. Chairman, if I might add that Mr. Valadao has been very helpful on this issue as well and he has similar interests for his state. Thank you.

Mr. SIMPSON. Thank you. Mr. Valadao?

316(B)

Mr. VALADAO. Thank you, Mr. Chair, Mr. Administrator. I wanted to ask you about a regulation EPA is currently working on related to once-through cooling at major industrial and power facilities. The more I learn about it, the more I am concerned about the implication depending on how this final rule is written. Last year, a bipartisan group of 100 of my colleagues sent the letter I have here to the EPA. And Mr. Chairman, I would like to ask unanimous consent to enter this letter into the record.

Mr. SIMPSON. Without objection.

Congress of the United States
Washington, DC 20515

July 31, 2012

The Honorable Lisa P. Jackson
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., NW
Washington, DC 20460

Dear Administrator Jackson:

We are writing to express our concerns regarding the Environmental Protection Agency's (EPA) proposed rule governing cooling water intake structures under Section 316(b) of the Clean Water Act. This proposed rule will affect more than a thousand coal, nuclear, and natural gas power plants and manufacturing facilities across the country and has the potential to impose enormous costs on consumers without providing human health benefits or significant improvements to fish populations. We believe it is critically important that the final rule provides ample compliance flexibility to accommodate the diversity of these facilities, allows for multiple pre-approved technologies, ensures that the definition of closed-cycle systems at existing facilities is not more stringent than for new facilities, and forgoes the use of its "willingness to pay" public opinion survey.

Flexibility

The proposed rule correctly provides states with the lead authority to make site-specific evaluations to address entrainment. It is vitally important that EPA's final rule retain this compliance flexibility, allowing technology choices to be made on a site-specific basis reflecting costs and benefits. We encourage the EPA to adopt these features in the impingement parts of the rule as well.

Impingement Requirements

The proposed rule includes a stringent national numeric impingement standard that would be extremely difficult for facilities with state-of-the-art controls to meet. Even the technology EPA prefers—advanced traveling screens and fish return systems—cannot meet the proposed standard on a reliable basis. The final rule must, instead, provide multiple pre-approved technologies that, once installed and properly operated, would be recognized as sufficient to address impingement concerns. In cases where such technologies are not feasible or cost-beneficial, we ask that the rule provide an alternative compliance option and relief where it can be shown there are minimal impingement or entrainment impacts on fishery resources. Further, the final rule should extend the compliance deadline for impingement to the longer proposed deadline for entrainment, and provide adequate time to allow companies to make integrated, cost-effective compliance decisions.

Definition of Closed-Cycle Cooling

Many facilities today have closed-cycle cooling systems. The rule must ensure that the definition of what qualifies as closed-cycle systems at existing facilities is not more stringent than the one EPA already has adopted for new facilities. The definition should include any closed-cycle system that

recirculates water during normal operating conditions, and the definition must not exclude impoundments simply because they are considered waters of the United States.

Public Opinion Survey

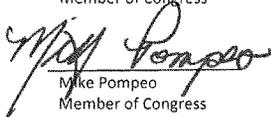
We ask that the EPA abandon the use of its "willingness to pay" public opinion survey discussed in its second Notice of Data Availability (NODA). The public opinion survey method is highly controversial and does not provide a basis for reliable results. The survey results EPA has published to date are incomplete, insufficiently analyzed, and lack peer review. This approach to economic analysis is far too speculative to serve as a basis for national regulatory decisionmaking and presents very worrisome national, legal, policy, and governance implications that go well beyond this rulemaking. EPA's conventional cost-benefit analysis produced an unwarranted cost to benefit ratio of 21:1. Using the incomplete public opinion survey approach instead of the accepted conventional cost-benefit analysis causes an alarming shift in this ratio to 1:5, a change of 10,000 percent. Such an extreme change in benefits raises questions about the validity of the survey. Furthermore, the survey itself is misleading and inaccurate. Scientific studies have not demonstrated that reducing impingement and entrainment by regulating cooling water intake structures will result in measurable improvements in fish populations, yet that is what the survey clearly suggests.

We appreciate your consideration of the above improvements to the proposed rule and hope that the EPA will adopt them before finalizing the rule. These changes would help to reduce the current substantial disparity between the proposed rule's costs and benefits. Such actions by the EPA would conform to the President's January 2011 Executive Order 13563, which directs agencies to adopt rules that minimize regulatory burden and produce maximum net benefits.

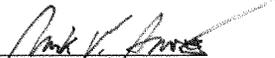
Sincerely,



Jason Altmire
Member of Congress



Mike Pompeo
Member of Congress



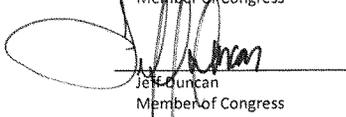
Mark E. Amodet
Member of Congress



Erik Paulsen
Member of Congress



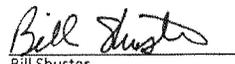
Joe Barton
Member of Congress



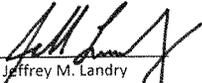
Jeff Duncan
Member of Congress



W. Todd Akin
Member of Congress

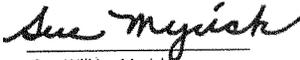


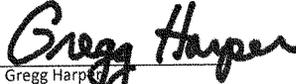
Bill Shuster
Member of Congress

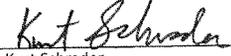

Jeffrey M. Landry
Member of Congress

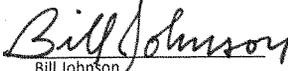

Marsha Blackburn
Member of Congress

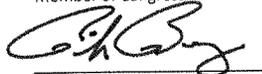

Patrick T. McHenry
Member of Congress


Sue Wilkins Myrick
Member of Congress

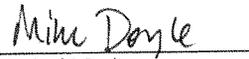

Gregg Harper
Member of Congress

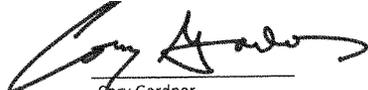

Kurt Schrader
Member of Congress


Bill Johnson
Member of Congress

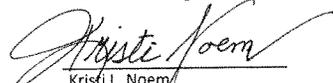

Rick Berg
Member of Congress


Aaron Schock
Member of Congress

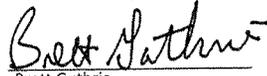

Michael F. Doyle
Member of Congress

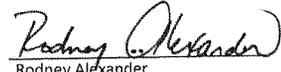

Cory Gardner
Member of Congress

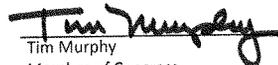

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Kristi L. Noem
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Todd Rokita
Member of Congress


Brett Guthrie
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Rodney Alexander
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Tim Murphy
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Paul C. Broun
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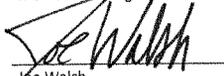

Bob Gibbs
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Gus M. Bilirakis
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John R. Carter
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Leonard Lance
Member of Congress


Ted Poe
Member of Congress

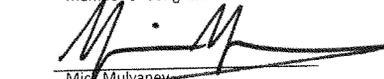

Joe Walsh
Member of Congress


Mario Diaz-Balart
Member of Congress

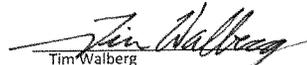

Christopher P. Gibson
Member of Congress


Robert T. Schilling
Member of Congress


Michael Grimm
Member of Congress

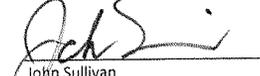

Mick Mulvaney
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Leonard L. Boswell
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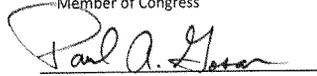

Tim Walberg
Member of Congress

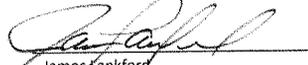

Steve Scalise
Member of Congress


William L. Owens
Member of Congress


John Sullivan
Member of Congress

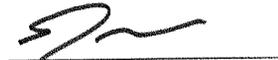

Doug Lamborn
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Paul A. Gosar
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Renee L. Ellmers
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H. Morgan Griffin
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Stephen Lee Fincher
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Adam Kinzinger
Member of Congress

Eric A. "Rick" Crawford
Member of Congress

Tim Ryan
Member of Congress

Charles A. Gonzalez
Member of Congress

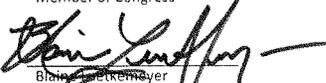
Reid A. Ribble
Member of Congress

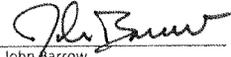
Raul R. Labrador
Member of Congress

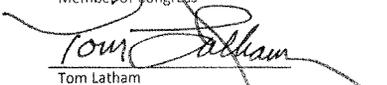
Billy Long
Member of Congress

Ann Marie Buerkle
Member of Congress


Larry Kissell
Member of Congress

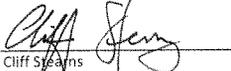

Blaine Luetkemeyer
Member of Congress

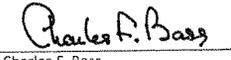

John Barrow
Member of Congress

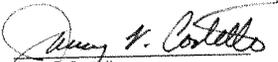

Tom Latham
Member of Congress


Jp Amy Emerson
Member of Congress

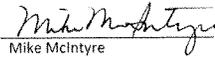

Robert E. Andrews
Member of Congress

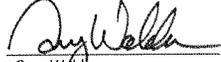

Cliff Stearns
Member of Congress

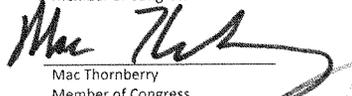

Charles F. Bass
Member of Congress

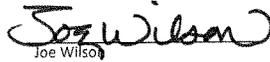

Jerry F. Costello
Member of Congress

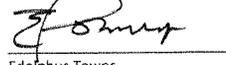

Daniel Lipinski
Member of Congress


Mike McIntyre
Member of Congress


Greg Walden
Member of Congress

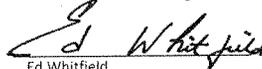

Mac Thornberry
Member of Congress


Joe Wilson
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Edolphus Towns
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Bobby L. Rush
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Lee Terry
Member of Congress


Ed Whitfield
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Brian P. Bilbray
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Frank A. LoBiondo
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C.A. Dutch Ruppertsberger
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Member of Congress

Denny Rehberg
Member of Congress

Tom Cole
Member of Congress

Bill Flores
Member of Congress

Phil Gingrey
Member of Congress

Danny K. Davis
Member of Congress

- cc: Michael Goo, EPA
- Jim Laity, OMB
- Jack Lew, The White House
- The Honorable Robert Perciasepe, EPA
- Bruce Reed, The White House
- Gene Sperling, NEC
- The Honorable Cass R. Sunstein, OMB
- The Honorable Jeffrey Zients, OMB

Mr. VALADAO. Thank you.

On this Rule 316(b), we already have a rule in place in my state on this topic, so it is an issue I am aware of from my time serving in the state legislature. And I have two brief questions for you. First, a simple yes or no will suffice. Do you plan on meeting the deadline of June 27 on this rule?

Mr. PERCIASEPE. Yes.

Mr. VALADAO. Okay. The different facilities EPA is looking to regulate under this rule are also different from each other, nuclear versus natural gas, et cetera. And I think one of the main problems I see and the one that was raised in a letter from my colleagues is that the EPA had originally considered a one-size-fits-all approach here. And can you tell me if that is still the case or if EPA is going to instead give the states the appropriate authority they have had for years to decide what makes sense at specific locations?

Mr. PERCIASEPE. We are working very hard on a more flexible rule.

Mr. VALADAO. Thank you. Obviously, this is a concern of mine. In California, we have only got two nuclear plants running, but in my district, a quarter of the energy comes from nuclear. And when you look at trying to attract businesses or jobs or even some of the lowest income people in my district, affordable energy is something that they need to keep their families comfortable, to keep the lights on at school, to run computers. Those are all things that severely affect my constituents, and it is something I would like you to take some serious look into. So thank you.

Mr. PERCIASEPE. Yes, you know, just a little bit of context for you, Congressman, because I want you to—we are very aware of the issues that you have brought up. We have an ongoing process with stakeholders, including the Edison Electric Institute. We are looking across the spectrum of what the states are currently doing and how we have perhaps a really much smoother than was looked at in the proposal approach to dealing with these issues, providing the flexibility where there are issues with aquatic ecosystem that are important that the state would have the ability to work with the utility there to deal with, but it would not have to be the same thing in every location everywhere around the country. So I want you to know that we are very keenly focused on this issue.

Mr. VALADAO. Thank you.

Mr. SIMPSON. Mr. Joyce.

Mr. JOYCE. Thank you, Mr. Chairman.

GREAT LAKES RESTORATION INITIATIVES ACTION PLAN

Good afternoon. Sir, I would like to ask you. How is the EPA responding to all of the Science Advisory Board's recommendations, particularly with the Great Lakes Restoration Initiatives Action Plan?

Mr. PERCIASEPE. How would we respond to their—

Mr. JOYCE. How are you responding to their recommendations? [The information follows:]

Joyce:

Great Lakes: how is the EPA responding to the Science Advisory Board Recommendations on the Great Lakes Restoration Initiative Action Plan?

The SAB had concluded that the Action Plan identifies most of the important actions to be undertaken first. It recommended that the Action Plan could be bolstered by the creation of an integrated science-based framework.

In response to that recommendation, the Great Lakes Interagency Task Force released a Draft Adaptive Science-Based Framework for Great Lakes Restoration. The draft Framework recommends two key enhancements for the GLRI: (i) the use of a science-based adaptive restoration approach that promotes a systematic and iterative process by which to apply lessons learned on a programmatic level to prioritization of decisions and identification of actions most likely to advance the effectiveness and collective success of restoration efforts and (ii) development and use of an enhanced information system that will further support GLRI decision-making. Both of these key recommendations are consistent with the findings of the SAB's review of the Action Plan.

The draft Framework (available at: <http://greatlakesrestoration.us/pdfs/20130521-glri-adaptive-sciencebased-framework.pdf>) is out for public comment until July 12, 2013, after which the IATF will consider those comments and finalize the Framework.

Mr. PERCIASEPE. I do not know I am sorry to say. I know that if the Science Advisory Board has given us recommendations on our Great Lakes Initiative, which we are in the third or fourth year of now, and I think with this budget proposal, we will obviously take that into account in the process going forward. We are actually redoing the action plan now for the—it was sort of a 4-year action plan and we are in the process of—you know, we will have some public meetings and we are going to work with the other federal agencies to redo the action plan for the next 4 years. So we will take into account—actually, since I said I do not know, I will tell you I will make sure we take into account whatever the SAB has given us is good advice.

Mr. JOYCE. Great. Thank you. Are you engaging the region's non-federal scientists in producing and implementing a science plan so they are not just being asked to react to a federally generated adaptive management blueprint?

Mr. PERCIASEPE. This is in relationship to the Great Lakes?

Mr. JOYCE. Yes, in coordinating the efforts.

Mr. PERCIASEPE. Now, we have probably near 5,000 scientists at EPA and they are all in different categories of disciplines. And whatever we need for this really important program, we will apply to it.

Mr. JOYCE. Are you working with the outside scientists as well?

Mr. PERCIASEPE. Yes, we are, including scientists and other agencies. Adaptive management is a pretty important component of any ecosystem type of a project because no one can be precisely sure and you have the best information available whether it is the Everglades or the Great Lakes or the Chesapeake Bay, and you proceed but you need to have feedback loops to make sure you are doing alright in that regard.

Mr. JOYCE. Well, you may not know but the northern border of my district is Lake Erie obviously, and so it is very important to us, especially the fact that it has 20 percent of the world's freshwater supply.

Mr. PERCIASEPE. We are in complete agreement on that, and it is remarkable that it is 20 percent of the freshwater on the—not in the atmosphere, in our—

Mr. JOYCE. On the planet, yes. Well, based on your first two answers, I guess it would render my last question moot, Mr. Chairman. So thank you.

Mr. SIMPSON. All right. Thank you. I am glad to see you are picking up where Steve left off. A couple of questions.

COST-BENEFIT ANALYSES

I understand that the EPA is starting to use more what you call public opinion surveys to do a cost-benefit analysis rather than traditional cost-benefit analyses, and we are asking people how much would you be willing to pay to do X, Y, or Z. And in the theoretical, oftentimes people are a lot more willing to say they are willing to pay for stuff than they actually are. Is this an appropriate direction to go in doing a true cost-benefit analysis?

Mr. PERCIASEPE. Well, first, we are not replacing our traditional cost-benefit analyses. In fact, we are continuing to improve on that, refining how we—

Mr. SIMPSON. How does this play into that?

Mr. PERCIASEPE. Right. You said instead of and I want to make sure—

Mr. SIMPSON. Okay.

Mr. PERCIASEPE [continuing]. Mr. Chairman, you understand we are not doing that. One of the things we have always struggled with, and this relates perhaps to the questions we had on the closed loop cooling systems.

Mr. SIMPSON. Right.

Mr. PERCIASEPE. We have a more difficult time of calculating the benefits. We are very good at calculating the costs and I think with a pretty good track record on that. But the benefits are harder. So there is a technique in economics called contingent valuation, and you may call it a public opinion survey, but it is an actual tool that is used by economists to determine benefits in some instances. So we do not want to not use that tool, but I think the key is to what extent do you use that tool? Do you use it for broad policy or do you use it for some site-specific decision? And if you are going to do a site-specific decision, you are likely to need—and the economists who work on these models will tell you—you are likely to need information that is much more tailored to that local decision.

So your survey of people, whether it is focus groups or more traditional technical surveying, is focused on the issues at hand in the local area. But we will use and have used in the past—I remember when I was at EPA and the '90s, we looked at contingent valuation types of analysis that were emerging back then on how people value visibility in the West in the national parks.

Right now, we keep it as a different class of benefits. It is not as tightly wound as like the health benefits we might get in the cost-benefit analysis. But we do use it, have used it in the past. The key I think really is making sure the level of effort or the level that the survey addresses is used at the proper level in whatever decision-making you make.

Mr. SIMPSON. Because it is obviously subject to some subjectivity. Using that method of it became the primary method of trying to do public opinion surveys.

Mr. PERCIASEPE. You know, I am not the expert on contingent valuation. I think my only thing as a policymaker is that we avail ourselves of all the technical tools that are out there that use it in the right way.

LAS VEGAS LABS

Mr. SIMPSON. Okay. A couple other things here. You have requested \$12 million to design a new building in Las Vegas, correct? How much is the ultimate cost of that building going to be, do we know?

Mr. PERCIASEPE. I do not know yet and I do not know exactly how much stuff we would consolidate there, but if you remember when I did my opening statement I said we are looking at how to be more efficient at EPA. Are we in eight locations in Las Vegas? Three locations, eight different leases in the Las Vegas area with EPA activities, everything from training programs for air quality to financial work. So what we want to do is analyze how we could bring all that together. Our goal is to reduce our square footage actually in the area and we will probably look to see if there are other things we may want to consolidate there as we are looking at other issues around the country. But, you know, EPA needs to be out West and it is important that we have a place that is easy to get in and out of. But I think it is too early to tell how much would be consolidated there and what the final cost would be.

Mr. SIMPSON. Well, if we are going to spend \$12 million on a design, I would like to have some idea what I am buying.

Mr. PERCIASEPE. Well, it is probably more than design. I think it is, you know, some engineering and analysis as well as to how we would do what I just said and meet the goal of having less space. And then obviously we will be able—

Mr. SIMPSON. Yes.

Mr. PERCIASEPE [continuing]. To calculate the rate of return on that once we have that level of detail done.

INTEGRATE ENVIRONMENTAL OUTREACH ACTIVITIES

Mr. SIMPSON. One of the other things I wanted to ask you about is the \$5 million to integrate environmental outreach activities within various air, land, pesticide, and water activities through the EPA's budget. Four million of this funding is targeted at establishing the interagency workgroup to create educational resources to give to the public. According to the budget, the budget indicates that this funding will support EPA's core mission to expand the conversation on environmentalism. I thought EPA's core mission was to protect human health and the environment?

Mr. PERCIASEPE. Well, it is. There is no doubt about that, but we implement the laws that Congress has enacted in that regard. There are other laws that Congress has enacted like the environmental education laws as well. But in all those laws, it requires EPA to reach out and work with the public. And that has been uneven through the years. There are parts of the stakeholder community that we more readily interact with who are present in Washington and in our regional office cities, but there are other people that we have not interacted with as much as we could.

And so one of the key things that we want to do is a very small amount of money in the scheme of things to be able to communicate with and reach out to constituencies that we have not worked as much with. It could be tribal, it could be rural, it could

be lower income areas. I mean all of these areas are traditionally under-engaged by the typical EPA or state environmental work.

RURAL TECHNICAL WATER ASSISTANCE PROGRAM

Mr. SIMPSON. Well, as we said in both my opening statement and your opening statement, it is a tough budget year. We are reducing budgets across the board, so I assume that you reduced less priority things for the Administration and funded the higher priority items that you felt—so what you are saying is that \$12 million to design a building in Las Vegas, \$5 million to expand the conversation on environmentalism is more important than the \$15 million for the Rural Technical Water Assistance Program that has bipartisan support that I think you supported instead of the water program, that it is more important than the funding for the DERA grants to reduce diesel emissions and so forth? I guess what I am questioning here is some of the priority is that we have set.

Mr. PERCIASEPE. I mentioned in my opening comments that we have to make tough choices, and I am painfully aware of some of the tough choices that we have to make. We feel it is pretty important to look at our facilities. Now, it is always easy to put that off, say, well, you are in a place. Just renew the lease. Everything will be fine. And it is always hard to find and go get the funding to go ahead and be more efficient. And I would be the first to say as a chief operating officer I need to see what that rate of improvement would be. And it is also often easy to say, well, you know, we do not have to engage the people.

So on the rural water issues, these are pretty important. There is no doubt about it.

Mr. SIMPSON. Yes.

Mr. PERCIASEPE. There is a 2 percent set-aside in the Drinking Water Revolving Fund to help fund some rural technical assistance. Many states have put together programs. I mentioned earlier the loan forgiveness issue that some governors have availed themselves to. But we would be happy to work with the Committee on seeing how we can continue to make sure that that issue—that is one of the constituencies. Rural America is one of the constituencies that EPA needs to spend energy to bring into our work and us understand the issues that are present there.

Mr. SIMPSON. I have seen it happen both when I was in the state legislature and here at the Federal Government that the Administration, when putting together—Republicans do this; Democrats do this. The Administration will cut or substantially reduce funding for programs that they know that the Congress likes that they are going to put funding into in the long run so that they can fund other programs in their budget. Our governor used to do that all the time and I suspect the same thing is true here because you know that we are going to put money into the rural Water Assistance Program and you know you are going to put money into DERA because it has broad bipartisan support. Where we are going to find that money is going to be a challenge, but we will find it.

Anyway, Mr. Moran.

Mr. MORAN. Thank you, Mr. Chairman.

CLEAN WATER ACT/SPRUCE MINE

I registered for whatever it is worth some of the questions about the Las Vegas investment and it may involve some politics that the EPA is acutely aware of and has made a calculation that is hard to criticize.

I wanted to ask about the fact that last month a federal appeals court sided with the EPA on your use of Clean Water Act authority to stop a mountaintop mining project on Spruce mine in West Virginia. Now, this appeals court reversed the lower court decision that upheld EPA's authority and said that it is unambiguous in the Clean Water Act that EPA can deny or restrict the use of any defined area whenever the Agency determines that the project will have a negative environmental effect, even if a permit has already been issued by the Army Corps of Engineers.

So, Mr. Perciasepe, the issue with Spruce mine, as you know, has led to many efforts to revoke your Clean Water Act Section 404 authority but the court answered that legal question. Now, perhaps the problem is that the Army Corps of Engineers and the EPA were not working as closely and as a coordinated fashion as was necessary because the Army Corps should not be issuing permits without the EPA that they find inconsistent or in violation of their Clean Water Act responsibilities. So I would like for you to address that issue because it is quite a serious one in terms of coordination with the Army Corps and the fact that the court said that EPA trumps the Army Corps' permit.

Mr. PERCIASEPE. So contextually I think it is important to note since 1972, when that law was written, that there literally had been if not a million, hundreds of thousands of 404 permits issued by the Army Corps of Engineers coordinated with EPA and completed, worked on, underway, all of those things, literally hundreds of thousands if not—I do not have the exact number but it is a huge number, particularly when you look at the nationwide permits that the Corps uses.

So in all that history, in all those hundreds of thousands of activities that were authorized under Section 404 of the Clean Water Act, 13 times since 1972 EPA has used this authority. And it has used that authority in a number of different circumstances. Sometimes it is a project that the Army Corps of Engineers is going to build. Sometimes it is a permit that they are issuing for somebody else to build.

And the point I am trying to make about the huge volume of work that gets done and permits that get issued and the very small number of times where there had to be that type of intervention authorized under the law, it should be instructive about how careful that type of action is. Well, first of all, I have to say I still do not completely have my head around everything that was in that court decision, and we have to look at how it is going to affect operations, if at all, because we are still going to operate in the same way we always have and that this is something we very rarely do.

On the relationship with the Corps of Engineers, that permit in particular that you are mentioning was issued in 2008, I believe. And it could have been '07. And then it went into litigation. And then under an agreement in the litigation, some of the construction

work started. And that construction work was allowed to continue since 2007. That is why Maryann is here.

So I want to emphasize the care and caution that we take on this and the very good relationship we have with the Army Corps of Engineers 99.9 percent of the time. And the fact that this happens occasionally, there are many other ones where it was worked out and it did not happen. So I see this court case as probably keeping us where we have been for 40 years, but I think we have to analyze it a little more carefully before we finally conclude what impact it would have on how we operate.

But I guess I will stop there, Congressman.

Mr. MORAN. Well, you are stopping there but you did not really answer the question. What I am concerned about is—now, you are pointing out that it is very rare that you have a situation like this. But it does seem that the Corps ought not be issuing permits unless they have a pretty high level of coordination with EPA so that permit does not have to be then quashed by EPA because of the federal court has ruled that EPA has legal authority under the Clean Water Act to do just that.

But I can understand why you are hesitant to go any further than you have. But I think it was a pretty important appeals court decision.

At this point, neither Ms. McCollum nor Mr. Serrano have asked any questions, so I will conclude at this point. Thank you, Mr. Chairman.

Mr. SIMPSON. Mr. Chairman.

Mr. SERRANO. Thank you, Mr. Chairman. And thank you for being with us today.

HURRICANE SANDY RESTORATION

Let me just ask you a question about Hurricane Sandy restoration. The EPA has played a major role in the effort to prepare and restore damage in the Northeast in the wake of the hurricane. Could you give us an update as to where things stand where are we roughly 6 months out from the next hurricane season? What preparations if any are being made for that? Of course, as you know, the big concern in those areas and throughout that whole region is what happens with the next hurricane and what is happening with what we are doing now. So since we probably will see something maybe not to this level but something will come again, what can you tell us?

Mr. PERCIASEPE. Well, I think we have some unprecedented coordination with the states and the different federal agencies going on already. With the assistance of Congress and the funding that has been provided, the Department of Housing and Urban Development and FEMA have already moved several billions of dollars. We were just able last week—I think you may know—to be able to announce the allocation of the relatively small amount of Wastewater Improvement and Drinking Water Improvement Funds that were provided to EPA in that program.

And I think the key point that I want to make sure I cover here is that we all know that that money that was in there for the SRF sewage treatment plant and drinking water resiliency improvements so that they can withstand another storm, or if they have

to go offline, they go offline for a very short period of time is only a piece of the puzzle because FEMA funding is going to have to be used to do the basic repairs and some coordination with the Community Development Block Grant funding will have to be looked at to look at perhaps some of the other conveyance, the water coming through the pipes to the sewer treatment plant. And we are all very keen with the states on making sure all that gets coordinated.

So I think we are making pretty tremendous progress, and I think we are better prepared if anything happens this year, as are the local governments. But all the work we need to do to get even better prepared is not done yet, and that is why we need to keep pushing pretty hard on that. But if it happens again this fall, I think we will be in a better situation to respond.

I was up there the day after the storm. My house is in Brooklyn, New York, luckily not affected other than some roof leaking. But I was up there at the EPA Emergency Response Center in Edison, New Jersey, the day after the storm. We are working on getting fuel into the region. So it was a pretty substantial response that I felt very proud to be part of but it was a horrific event.

Mr. SERRANO. Well, we thank you for that. And, you know, the people are counting on all of us to deal with these issues.

CLIMATE CHANGE MITIGATION PRACTICES

Let me just ask. The whole issue of climate change mitigation practices, is that something that will be incorporated into a post-Sandy rebuilding effort?

Mr. PERCIASEPE. Yes. In fact, all the federal agencies have agreed on a revised elevation map of potential tidal surge. That also takes into account the potential sea level rise. So we are doing something there. And the states have voluntarily agreed to go along with that approach as they are looking at the rebuilding, which I think is an unprecedented federal-state agreement just on something that simple.

Mr. SERRANO. Mr. Chairman, do I have time for another question?

Mr. SIMPSON. Yes, you do.

Mr. SERRANO. Okay. Thank you.

NYC PUBLIC SCHOOLS—PCB

Another issue with the New York City public schools that EPA has been involved with, as you may know, along with local advocates and parent groups, I have been fighting to rid New York City public schools of PCB-laden fixtures and caulk for the several years since their discovery. Everyone, including the school system, agrees that children must not be exposed to these highly dangerous toxic chemicals. To the dismay of many of us, the school's plan was to take nearly a decade to replace all leaking fixtures.

Your region, too, Administrator, has been very helpful in prodding the schools to do better. Recently, a judge also agreed that the timeline was too long and called the city's stance as deceptive, illogical, and absurd. Could you give us an idea what EPA can and will do to support the efforts to clean these horrible toxins from our classrooms and what you might be able to do to ensure other schools around the Nation are not ignoring the same problem?

Mr. PERCIASEPE. Well, thank you for that question. Actually, we were pretty instrumental in working with the city to clarify and discover so to speak with the extent of this problem is. And we have done a number of things along the way, and I appreciate your thanking our regional administrator from New York and how much personal time and her staff that they have put into this.

One of the things we have done is work with the city to show the extent that the problem is associated—and it is—with the fluorescent light fixtures in the old schools and the old ballasts that they have on the light, that actually replacing those light fixtures will save the school system money because these are light fixtures from the '50s. There will be more efficient lights and they will save energy costs and the whole thing will pay for itself. So we think we have been helpful to the city and it is showing that they can actually save money as they implement it. And I think they have embraced that.

Some of the other schools have some of the very old caulking still in the windows, and back in the early days of caulking, they were often made more malleable by using PCB oil. While you would think that you would have an issue of the PCBs coming out when the caulk crumbles, it is actually, once it is crumbled, the PCBs are gone. So what we have done in our laboratories, we have made little tiny schoolrooms and we have done all kinds of experiments on the kind of coatings that we can put on there as the city goes through this process to figure out which schools to do first and obviously get the capital for—I think there are almost 700 schools that they have to do something on.

Mr. SERRANO. Right.

Mr. PERCIASEPE. See you have got a path forward on the lighting fixtures and we have found some ways that they can do some coatings on some of the PCB while they schedule the work on the windows. So we can reduce the amount on it but it is not the long-term solution to do the coatings; you have to eventually remove the—so this is stuff that EPA has contributed both in our research labs and in our analysis in our regional office. And we will continue to work with the city to try to accelerate it as much as possible. We concur 100 percent.

Mr. SERRANO. And Mr. Chairman, I for the record just want to say that EPA has been great in dealing with this issue. This is one of those issues that does not get much attention but it is a problem throughout the Nation of how these schoolrooms were set up.

VIEQUES IN PUERTO RICO

And in closing, let me thank you also for the fact that, on an unrelated matter, EPA was present at a meeting dealing with the 10th anniversary of the stopping the bombing of Vieques in Puerto Rico and they brought everybody up to date on what is going on, where we can turn to, and everybody there left satisfied that EPA's role has been a very good one and they give us guidance on what the next steps are in cleaning up that site. Thank you so much.

Thank you, Mr. Chairman.

Mr. SIMPSON. Well, thank you for that comment. I have actually vacationed on the island so—

Mr. MORAN. Before or after they stopped the bombing?

Mr. SIMPSON. After. Ms. McCollum.

SUPERFUND AND BROWNFIELDS

Ms. MCCOLLUM. Thank you. Well, this bleeds into, you know, you have Superfund sites and brownfield developments when you have bombings, ammunition. We have a site that is going to be undertaken in my congressional district at an old army arsenal, and when I was in the state House, we were involved in doing a lot of great work with brownfields. And, you know, brownfields and Superfund for a long time enjoyed a lot of support. Brownfields are a problem in the metropolitan areas, but they are also problems in suburban areas and rural areas, too. And so we had Republicans, Democrats, urban, suburban, rural legislators working on this. But our partner in that was the EPA. And economic consequences are what I want to discuss by your decisions on what you are doing with the Superfund and brownfields programs. This directly impacts communities of ability, environmental health, public health, development, and so many things.

So the Superfund in the budget request, the program levels are troubling for me. The Superfund is requested at \$180 million, and that is an increase of \$4 million, but it is a low from the '12, '13 level. And if we approve your budget request and your budget documents state that the EPA will not begin any new Superfund projects and anticipates that 40 to 45 projects will potentially be underfunded by the fiscal year 2014. Brownfields, EPA would issue 20 fewer assessment grants and nine fewer cleanups, yet none of these figures takes sequester into account.

So what is going to be the impact to these programs of sequester in 2013 and 2014? I did not vote for sequester but I do not see it going away anytime real soon around here. How many fewer sites all around the country—not just my congressional district but all around the country—will be impacted because they will not be cleaned?

Mr. PERCIASEPE. Well, the sequestration cuts the program arbitrarily you might say by a percentage that is assigned to EPA, and that is what has happened this year. So there is additional slow-down in the year we are currently in. And we are late starting because, you know, we did not know how much money we are going to have in the budget.

But we anticipate, as you have already pointed out, getting those funds out there quickly here because it is oversubscribed. Many people want to capitalize on this program. It is a very important program. And it is one that has been greatly successful in helping communities be renewed by getting their older industrial properties back into some productive use, whether it be a park or whether it be a new commercial endeavor.

In fact, we just got an innovation award as one of the 25 most innovative programs in the country looking for ways to get renewable energy projects on brownfield sites. There have actually been—I received an award for this. And I would like to point out that EPA was number three in innovation from the Partnership for Public Service surveys.

So we are the last people that want to reduce these programs, but we also have to keep the rest of the Agency running, so we are

trying to make these very difficult choices between different programs. We are trying to find new partners in things like brownfields—and I will get to Superfund in a second. We are having a brownfields conference with mayors coming up later this month where we are hoping to find other partners that can be involved financially. Just like we are looking at public-private partnerships in water and wastewater infrastructure, how can we leverage other developers and other people who may be involved with some of these properties after they are cleaned up? So we are really anxious to see if we can even maybe grow faster even though we cannot get the federal funds to grow very fast.

On Superfund we are going to make sure we keep focusing on the potential exposure to humans. Anytime the site is not controlled, any potential exposure to citizens in the area is not under control, we will be focusing on those to make sure that happens. It is not that we are not working on the Superfund sites; we are working on them. It is just starting the new ones other than to stabilize them to make sure there is no exposure, which we will do, is difficult except where there is a responsible party. And I should say that the majority of Superfund sites there are responsible parties and so the federal Trust Fund is less used.

And I guess the last thing I will mention which I mentioned in my opening comments is that it is a separate matter because it goes to the programmatic committees is we have asked for reinstatement of the Superfund tax that would fund a more sustainable funding source for the Superfund trust fund. So we will be trying to work on legislation in that regard. But I do not know what the prognosis of that is.

So the short answer to yours is we want to make sure that we are focused on reducing any potential exposure where that may be appropriate. There are many sites that are fully underway because there are responsible parties, and on brownfields we are going to continue to look at innovative ways to involve the development communities and others to try to ramp that up.

Ms. MCCOLLUM. Are you aware, does the EPA have access? Have they done studies? Has the Federal Reserve fund studied outside groups about the impact of cleaning up these sites and putting them back into productivity? Because especially a brownfield site, I mean once it goes back on—and I have several I could rattle off that I know for a fact, they are paying taxes back in local government. They are employing people. Plus, all the people that were employed in the cleanup, the economic benefit of that, are you aware of any of that?

Mr. PERCIASEPE. Yes. Because that happens is why we think we may even be able to get more people involved with some of the up-front funding. But putting that aside, yes, there have been studies done on this. I do not have them line and verse in my head but definitely every one of them find exactly what you just outlined, that this is a program that enhances communities, build employment, and is something that is good for the communities that it is in.

DIESEL FUEL IN FRACKING

Ms. MCCOLLUM. Mr. Chair, two quick other topics, the EPA has released draft guidelines for the use of diesel fuel in fracking, and so what is the status of this guidance? Because fracking and water and all those things are in the news and not all fracking is as potentially damaging to water supply, but we are seeing our aquifers being emptied at greater rates than we had anticipated. We are finding that even in Minnesota now, quite a shock to both our regional government as well as our DNR. So if you could touch on where you are with your draft guidelines on that.

SILICA SAND MINING

And then the other thing that has come out, we are not fracking in Minnesota but we are the gold rush for silica sand mining, and so some of the questions that are starting to come up in my town hall meetings is does the EPA have plans or other studies available to talk about what the environmental effects of silica sand mining and also the transportation of it. This sand is very, very fine. It is going on railcars, and hence, the railcars are parked overnight in areas where there are schools nearby, housing nearby. And so, you know, is that something that somebody is looking into? I cannot tell anybody whether or not they should be concerned, but one would think it would not be very good for young children to be inhaling large quantities of this.

Mr. PERCIASEPE. Let me go to the first one. The draft guidelines that we have put out, we are still looking at the comments we got on that. In many respects, innovations are occurring in the industry that we are trying to come up with and we have a dovetail with the larger study that Congress has helped fund that we are looking at the complete water cycle in fracking in a number of places. We are looking at it all over the country. We have prospective and retrospective sites that we are analyzing along with monitoring that we have done and well-boring information and well-development information we have got from tens of thousands of wells voluntarily from the industry as part of our overall water study that we are doing.

So we have got these things going on in parallel here, and so we are working on that pretty hard. And I do not want to predict exactly when we will be done, but we know that that has to get done. And the study itself, we have got the peer review panel impaneled now and they will be starting to look at this work in a peer review process so we can do the peer review quickly early next year.

On the silica, to what I know, we do not have anything going on right now on that that has come to our attention. I know that OSHA looks at that kind of issue in a workplace, but right now, we do not have anything going on at EPA related to that.

Ms. MCCOLLUM. And with all the budget cuts, that is probably nothing you are looking at adding?

Mr. PERCIASEPE. Well, I think if enough people have written to us and have brought it up, we will probably try to respond, but I do not think we have anything going on right now on it and it will be hard to start new things.

Ms. MCCOLLUM. Mr. Chair, thank you very much.

2013 OPERATIONS PLAN

Mr. SIMPSON. Thank you. And again, thank you for being here. Before I go, we have a number of questions that we will submit and would like written responses to in dealing with things like cooling towers and aquatic pesticides, and all those things we did not talk about today. But there is one other comment I want to make since it did not affect the '14 budget request but I still wanted to comment on this. We received your fiscal year 2013 operating plan last night and the staff is analyzing the adjustments that you proposed. I know the budget is tight, as we have talked about, and I appreciate the tough choices that need to be made to meet the Agency's need under the fiscal year 2013 sequestration.

However, the operating plan proposes a \$1.5 million policy decision reduction to the Rural Water Technical Assistance Grants. This is an 11 percent reduction before sequestration and before applying other across-the-board cuts. In total, the operating plan proposes 12.7 million for the rural water grants, which is 2.3 million below the fiscal year 2012. Again, I fear we are heading in the wrong direction.

As I said when I asked previous questions about the decisions we were making, the final CR included a 1 percent reduction for the Environmental Programs and Management Accounts, the account in which the rural water grants reside. Why not simply apply 1 percent across-the-board reduction to all the programs and treat the programs equally within that account rather than making such a huge reduction in a program that has bipartisan support and pretty good public support or pretty good support among Members of Congress?

Mr. PERCIASEPE. All I can say is I will look into that. I mean I recognize that we just got the operating plan in yesterday, so I am not versed enough on what percentage is in each account. But again, you are right. Trying to deal with an airdrop of \$455 million of reduction into our budget was tough.

Mr. SIMPSON. Nobody is suggesting that sequestration was the smart thing to do.

Mr. PERCIASEPE. I did not hear that.

Mr. SIMPSON. Yes. I appreciate you being here today. I look forward to working with you as we try to address the budget, as we put it together for the fiscal year 2014 in these extraordinarily difficult budget times. So thank you for being here.

Mr. PERCIASEPE. Thank you, very good discussions.

[CLERK'S NOTE.—Questions for the Record for the Environmental Protection Agency were not returned to the Subcommittee in time for inclusion into the public record.]

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