

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

**TUESDAY, MAY 7, 2013**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 10:31 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Jack Reed (chairman) presiding.

Present: Senators Reed, Feinstein, Leahy, Tester, Udall, Merkley, Murkowski, Cochran, Alexander, Blunt, Hoeven, and Johanns.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. SALLY JEWELL, SECRETARY**

**ACCOMPANIED BY:**

**DAVID HAYES, DEPUTY SECRETARY**

**RHEA SUH, ASSISTANT SECRETARY, POLICY, MANAGEMENT AND BUDGET**

**PAMELA HAZE, DEPUTY ASSISTANT SECRETARY, BUDGET, FINANCE, PERFORMANCE AND ACQUISITION**

**OPENING STATEMENT OF SENATOR JACK REED**

Senator REED. Let me call the hearing to order. Good morning. On behalf of the Interior, Environment, and Related Agencies Appropriations Subcommittee, I'd like to convene this hearing on the fiscal year 2014 budget request for the Department of the Interior.

Before we begin, I'd like to take a moment to welcome our new Secretary, Sally Jewell, who was sworn in as the 51st Secretary of the Interior on April 12. We are all fortunate that she brings to her new position three decades of very distinguished experience as a corporate executive, a banker, petroleum engineer, and most recently, serving as the Chief Executive Officer of Recreational Equipment Incorporated. And just as importantly, I think, she also brings to the job her personal experience as an avid outdoorswoman and advocate for public lands.

So, thank you, Madam Secretary, for your commitment to service.

I congratulate you, obviously, on behalf of the entire subcommittee, and we are very, very pleased that we are able to host your very first congressional hearing as Secretary. I think, knowing

Senator Murkowski, we promise to behave. So, good luck. And I also look forward to hosting you up in Rhode Island to see one of America's great natural treasures.

Let me also recognize Deputy Secretary David Hayes, who is here for us in his final appearance before he departs for his new position at Stanford Law School and the Hewlett Foundation in June. David, thank you for your extraordinary experience in both the Obama administration and the Clinton administration. You have performed extraordinary service for the country. You've been very helpful to us in terms of offshore development of wind power off Rhode Island. And I want to thank you particularly for joining Senator Murkowski and me, and then Secretary Salazar, on our tour of Alaska, including the North Slope.

Now, subject to being corrected by Senator Murkowski, I don't think you'll find another restaurant quite as unique as Pepe's North of the Border in Barrow. If you do find such a restaurant in Stanford, please let us know, because we will go there.

But good luck in all you do. Thank you.

And let me also recognize Ms. Rhea Suh, Assistant Secretary for Policy, Management and Budget, and Pam Haze, her deputy. They provide extraordinary assistance, and they are the continuity and the expertise. Madam Secretary, I think you already recognize that, since David is leaving.

I also want to congratulate Ms. Haze because she has been recently awarded the Presidential Distinguished Rank Award to honor her exemplary service to the Department. So, Pam, well done. Thank you—an honor richly deserved.

#### 2014 BUDGET

As we turn to the budget, it's worth noting that the President's request for fiscal year 2014 provides the Interior Department with substantial increases for energy development, land acquisition, science programs, and operations of our Nation's public lands. And, Secretary Jewell, it's good to see such a strong budget request for conservation programs at a time when the Department has been challenged by the effects of sequestration and other pressures on the budget.

Let me suggest a few details that we can discuss as the hearing proceeds. All told, Interior Department programs funded by this subcommittee increased by almost 4 percent compared to fiscal year 2013, for a total of \$10.7 billion. The request includes \$2.6 billion to the National Park Service (NPS), which is a 4-percent increase more than fiscal year 2013. While the budget provides a significant increase for the operation of the national parks, however, I'm concerned that the budget again proposes to cut funding in half in National Heritage Areas, like the John H. Chafee Blackstone River Valley National Heritage Corridor in Rhode Island, and I look forward to discussing this issue with you.

Funding for the Bureau of Land Management (BLM) is also up 4 percent more than the fiscal year 2013 level, for a total of \$1.1 billion. That amount again includes a proposal for a \$48 million fee to strengthen the onshore oil and gas inspection program. The request also proposes to increase funding for the U.S. Fish and Wildlife Service budget by 7 percent, for a total of \$1.55 billion. That

amount includes increases for the National Wildlife Refuge operations and science programs. Additional investments in science and research are also made in the budget for the U.S. Geological Survey (USGS), which is slated to receive a 9-percent increase more than fiscal year 2013.

In this atmosphere, these increases are significant and notable, as you, I think, recognize, Madam Secretary.

Funding to the Department's offshore energy programs, which have long been an item of interest to the subcommittee, also increased by 9 percent, for a total of \$392 million. That amount includes \$169 million for the Bureau of Ocean Energy Management to fund new investments for permitting renewable energy projects like the ones we're pursuing off the coast of Rhode Island.

It also includes \$222 million to the Bureau of Safety and Environmental Enforcement, which handles inspections and enforcement related to offshore oil and gas production, and that is an increase of \$22 million more than fiscal year 2013 levels. The request includes \$777 million for Wildland Fire Management programs within the Department, a decrease of \$60 million below fiscal year 2013. But that amount fully funds the 10-year rolling average for fire suppression, but does not include offsetting cuts to the Hazardous Fuels Reduction program.

Finally, the budget request includes a major initiative to Land and Water Conservation Fund (LWCF), which I expect we'll discuss this morning. Specifically, the budget provides a total of \$600 million for the LWCF programs at the Interior Department and the U.S. Forest Service, including \$400 million in appropriations funded by this subcommittee. For the first time ever, the budget proposes to fund part of the land acquisition and conservation budget with mandatory, rather than discretionary, funding.

Obviously, I support this increased funding, but we have a long-term role in the allocation of these funds, and I think it's something that we should discuss with respect to this proposal. I indeed look forward to hearing from you.

With that, let me now turn to the ranking member and colleague, Senator Murkowski, for any comments she would make.

Senator.

#### STATEMENT OF SENATOR LISA MURKOWSKI

Senator MURKOWSKI. Thank you, Mr. Chairman. And welcome and good morning, Madam Secretary. It's good to have you before the subcommittee. This will be, of course, the first of many opportunities to sit down and work together on issues that are clearly important to our Nation, the public lands, clearly important to my State as the host of so many of those treasures. So again, welcome and congratulations.

I also want to acknowledge the good work of Deputy Secretary David Hayes, and I share the chairman's appreciation for the work that you have provided for the Department of the Interior under former Secretary Salazar. We all know that, we both know that there were some very difficult issues that you worked on, particularly the issues related to the Arctic Outer Continental Shelf (OCS). We didn't always agree on everything, but you were always

very honest, very open with me and my staff. I appreciate that, and I appreciate your leadership within the Department.

I am sorry to see you leave, but good luck to you as you go off to Stanford. And anytime you want to come fishing up north, you know that we're there to welcome you.

I also want to acknowledge today both Rhea Suh, the Assistant Secretary for Policy, Management and Budget, and of course, Pam Haze. Again, a great individual within the Department there, I appreciate your good work. Madam Secretary, I know that you're new to this position. But you truly do have a seasoned budget team with you today that I think will serve you well during your tenure.

Like your predecessor, who visited our State frequently, I hope, Madam Secretary, that you will come to Alaska soon. This is a critical time for our State. And I would certainly appreciate the opportunity to show you personally some of the things that are a priority for me and for Alaskans, not the least of which, we'll have an opportunity, hopefully in August, to go out to King Cove. But there's so much to see. So I look forward to those opportunities.

As you start your new position, I will say the same thing that I said, too, to my friend Ken Salazar, when he assumed the position as Secretary of the Interior. You are Alaska's landlord, effectively. We've got more than 220 million acres under the Department's jurisdiction, and that does not include the millions of acres of OCS waters. We have the Nation's largest National Wildlife Refuge, which is fully 85 percent of the entire refuge system. We have the Nation's largest national park and nearly one-third of all BLM lands, more than 75 million acres.

We also have one-half of all federally recognized tribes. And the trust responsibility that the Federal Government owes to our first peoples is very important to me. And at times, I don't think it has been given the attention that it deserves by either the Department of the Interior or BIA's sister agency, the Indian Health Service. So I hope that you would take a fresh look at improving the Department's relationship with Native Americans and Alaska Natives.

Now, turning to your budget, I know that most of it was largely developed prior to your assuming this position as Secretary. That's got to be a tough, tough situation to walk into. But I must tell you that there are two proposals in this request that are, frankly, an insult to the people of Alaska, and I'm speaking particularly of the legislative proposals concerning future funding for the cleanup of legacy wells in the National Petroleum Reserve—Alaska (NPRA) and the completion of surveys that are necessary to convey final patents to the State of Alaska and to Alaska Natives.

More than 100 wells were drilled by the Federal Government within the NPRA and then simply abandoned. The Government simply walked away. The annual budget for BLM has for many years contained base funding of only about \$1 million for cleaning up these wells. The last two sites that were addressed cost the agency \$2 million each to remediate to acceptable standards. So at this pace, it's going to take over 100 years to clean up this mess.

Interestingly, if the Federal Government were a private company operating on State lands, the fines, the fines alone would exceed \$8

billion. But we all know that the Federal Government is exempt from State regulation on its own lands.

While the current situation is bad enough, the budget now proposes to take the State's share of future revenues that are generated from the NPRA to pay for the cost of the cleanup. In other words, Mr. Chairman, what is proposed here, the budget proposes to charge the State of Alaska for the Federal Government's own mess. For what they failed to clean up, they are now asking the State to step in and pick it up.

And I just need to be very, very plain today. This proposal, in my view, is dead on arrival. It's just not going to happen. So we need to be working together to address the way that we will move forward with that, and I look forward to that opportunity.

Likewise, the notion that the State must pay for the final lands entitled to it under the statehood act is equally wrongheaded. This has been a problem for decades. So again, you are walking into a situation that has been out there unaddressed, and how you will deal with it is difficult. In 2004, the Congress passed the Alaska Land Transfer Acceleration Act that was intended to nearly finish conveyances by the 50th anniversary of statehood; that was back in 2009. That, of course, didn't happen. But at least the Department has made an attempt to increase the pace of conveyances, and I do appreciate that.

For the last several years, the Department annually slashes the budget request for this program, even though the State is still waiting for title to more than 37 million acres of its lands. Alaska Natives are awaiting final transfer of 11.4 million acres, fully one-quarter of their lands. Some 40 years after the fact, they're still waiting.

My staff has searched; they can find no other State in the Union that was ever asked to effectively pay to gain the lands that were promised them when they joined this Union. Not Arizona, not New Mexico, not Florida, not California—no one, not one State has been asked to foot the bill to pay for the lands. We're not going to start with Alaska.

I would ask, Mr. Chairman, I've received a letter from the Alaska Native Village CEO Association that speaks to the issue of the land conveyances, and I would ask that that be included as well, for the record.

Senator REED. Without objection.  
[The letter follows:]

## LETTER FROM THE ALASKA NATIVE VILLAGE CEO ASSOCIATION

ALASKA NATIVE VILLAGE  
CEO ASSOCIATION,  
Anchorage, AK, April 19, 2013.

Re: Funding for BLM Alaska Conveyance Budget.

Hon. DON YOUNG,  
*House of Representatives,*  
*Rayburn House Office Building, Washington, DC.*

Hon. LISA MURKOWSKI,  
*U.S. Senate, Hart Senate Office Building,*  
*Washington, DC.*

Hon. MARK BEGICH,  
*U.S. Senate, Russell Senate Office Building,*  
*Washington, DC.*

SALLY JEWELL,  
*Secretary of the Interior, Department of the Interior,*  
*C St. NW, Washington, DC.*

DEAR CONGRESSMAN YOUNG, SENATOR MURKOWSKI, SENATOR BEGICH, AND DIRECTOR JEWELL: I am writing on behalf of the Alaska Native Village CEO Association (ANVCA). ANVCA is the largest statewide Village' Association representing more than 80 Alaska Native Village Corporations. ANVCA's mission is to provide services that will improve the efficiency, profitability and stability to its member corporations and to advocate for policies that will benefit and protect interests of Alaska Native Village Corporations with local, State and Federal governments.

Due to the President's budget and the 8 percent sequestration which is in effect until the end of September, there is no funding for cadastral surveys of ANCSA Corporation exterior boundaries, 14(c) or pending Native Allotments this year, and possibly next year. This is unacceptable. BLM cannot follow through on its Federal mandate in ANCSA 13(a) which states: "The Secretary shall survey the areas selected or designated for conveyance to Village Corporations pursuant to the provisions of this act."

A number of ANCSA Village and Regional Corporations had remaining entitlements and 14(c) surveys that were ready for survey this summer; however BLM had funds to perform only one cadastral survey this year.

Many of these survey projects were to be contracted out to Public Law 638 Indian Self Determination and Education Act Contractors who perform the surveys on behalf of their own communities and on traditional lands. 638 Contracting promotes local hires, more funding is pumped directly into the local economy and the 638 contractors gain valuable Federal contracting experience.

This setback will have profound consequences on our community and our entire State, both economically and socially. Dozens of our Alaskan village lands need surveys on the ground so vested 14(c) claimants can receive title to their homes, businesses, subsistence campsites and land for community expansion. Without survey of home lots, local people have difficulty getting a loan from the bank. Municipal governments need site control to get State and Federal funding for pressing community needs. ANCSA Corporations have a liability issue that comes from owning land that the public uses. The lack of survey also means that title to our remaining Corporation land is clouded until the 14(c) obligation is done and surveyed lands are conveyed to individuals, organizations and the City. Lack of survey is not only an ANCSA Corporation problem; it is a State of Alaska problem as well.

Therefore, we urge you to make it a priority to restore, or even increase, funding for Alaska Native, and State of Alaska, lands through the Bureau of Land Management Alaska Conveyance Program for the survey of ANCSA and State lands.

Please feel free to contact me regarding this matter at any time by contacting ANVCA.

Thank you for your consideration.

NICHOLA RUEDY,  
*ANVCA Operations Manager.*

Senator MURKOWSKI. So, Madam Secretary, you have a very unique background. We had an opportunity to discuss this during your confirmation hearings, a unique background in both the oil and gas industry in the private sector, as well as the conservation

community. I know that some have perhaps been critical about your lack of experience in the public policy realm.

But I'm hopeful that, as a fresh set of eyes and new perspective like you bring can help us move beyond some of the traditional stalemates that we have faced that pit one interest against another. I honestly believe it's possible for you to set a policy agenda at the department that is beneficial to all parties.

My State and our country have so much potential to provide the help needed to address our Nation's energy, security, high unemployment, the sluggish economy. And I think that, working together, we can set this on the right course. So I appreciate your willingness to work with me on that.

Mr. Chairman, I thank you and all of our witnesses for appearing before this subcommittee today and look forward to the opportunity for questions.

Senator REED. Thank you, Senator Murkowski.

Let me just sort of give an overview of where we are. We have a 12 o'clock vote. It's now 10:45 a.m. We'll do 6-minute rounds, order of arrival, and we'll go by side to side.

At this point, if any of my other colleagues would like to make a very brief, in the order of 1-minute statement, I'd be happy to entertain it.

Very good. Thank you. In that case, Madam Secretary, your testimony is going to be made part of the record in its entirety. So feel free to summarize. Madam Secretary.

#### SUMMARY STATEMENT OF SALLY JEWELL

Secretary JEWELL. Thank you very much, Mr. Chairman, Ranking Member Murkowski, members of the subcommittee. It is an honor to present the fiscal year 2014 budget. I look forward to future years when I actually will have a hand in creating it. But I'm now in my fourth week on the job and certainly enjoying it so far.

I do want to recognize my colleagues up here at the table, and in particular thank David Hayes for his guidance and his leadership, and his willingness to stay through the end of June, because I am doing as much as I can to tap his wisdom. Rhea Suh and Pam Haze have been incredibly helpful to me, as well, and continue to be.

#### SEQUESTRATION

It's helpful to have a business background right now at this time in Government. I will do a glancing blow at sequestration. I can't not express that it is very, very difficult to walk into a Department that's just had an \$881 million cut to the budget for fiscal year 2013. Five percent in a year, but applied over the remaining months has been very, very difficult, and hard on employees, who are hardworking, who are committed to our mission, to all the things that you care about as well.

They're really taking it on the chin, from furloughs of U.S. Park Police, 14 days that they're not going to be getting paid, to a 25-percent reduction across the board in our seasonal hires. So wildlife biologists, law enforcement rangers, interpretive rangers, maintenance folks, it's just very, very difficult for us to carry out the mission in the way it's expected.

Just a couple of examples: Our public lands in all of your States have welcomed 435 million visitors a year, and they're going to see reductions in services and programs. Some of the parks won't be open to the extent that we would like them to be because you've got to protect the people and protect the resources.

On the energy side, we just announced that we would not be able to do a few lease sales in California through BLM, because we have to prioritize those activities that are already in flight, from an environmental safety and protection standpoint, to authorizing permits to drill. This is going to impact our ability on both the conventional energy side and the renewable energy side to complete the environmental impact statement work, the permits and so on.

I know it's not where you want us to go; it's certainly not where we want to go. This budget we're dealing with in fiscal year 2013 is roughly equivalent to where we were in 2006, not accounting for inflation. So it's very, very difficult. I have to say that I have been doing what I can to boost the spirit and encourage the people that work at Interior and devote so much of their time to this. But it's a rough year.

#### 2014 BUDGET

So fiscal year 2014 is a better choice for all of us. I know you all agree with that. The \$10.9 billion budget for fiscal year 2014 supports energy and conservation. It supports upholding our trust responsibilities, as Ranking Member Murkowski referenced, to Native Americans and Alaska Natives, and sound science to drive our decisionmaking.

The investments are focused on our economy, jobs, and our country's future. Of the \$513 million increase requested over the fiscal year 2012 enacted budget, about 40 percent of it is strictly for the fire program. So there's a lot of puts and takes.

#### LAND AND WATER CONSERVATION FUND

You referenced, Mr. Chairman, the LWCF and our request that over a 2-year period of time the funding be moved into the mandatory funding category. It fulfills, really, a 50-year promise to the American people to take offshore oil and gas revenues and mitigate those impacts by putting a portion of the revenues into conservation programs onshore. The LWCF has touched every single county across the United States. We think, given the environment that we're in, mandatory funding makes sense, and we could certainly get into more of that in the questioning.

#### SCIENCE

On the science side, we have a \$946 million investment in both basic and applied science to support the mission-essential programs. It's about a \$138 million increase from fiscal year 2012. What do we use this for? USGS and the FWS address invasive species threats. One big one is the Asian carp as it potentially moves into the Great Lakes. If we let that get out of control, we're in real trouble. This provides the science and the support to try and nip that in the bud before it becomes a problem.

The white-nose syndrome in bats, a big issue for the agricultural community, particularly in the Northeast, but actually throughout the country as well, again bringing the resources to bear from science to address things like that. The use of geographic information system mapping to get a lot smarter about how we manage our lands overall. These are all investments in science I think will help us carry out our mission and fulfill the interests of your States.

#### INDIAN PROGRAMS

On the Indian programs side, our fiscal year 2014 budget requests \$2.6 billion for Bureau of Indian Affairs programs overall. That is upholding our trust management responsibilities in Indian education, law enforcement, and social service programs. We have increases in this budget for contract support costs for tribes around their self-determination, to help combat domestic violence in Indian communities, help tribes manage their natural resources, and prepare for threats from climate change.

#### 2014 BUDGET

This is a balanced budget, from the standpoint of supporting the administration's priorities without adding a dime to the deficit. One thing that is beneficial about Interior is we generate revenue. This budget proposes to generate \$3.7 billion in additional revenue over 10 years. We've cut administrative costs by \$217 million by reducing travel and being strategic in purchasing since 2010. My colleagues here on my left have orchestrated the largest IT consolidation, perhaps across the Federal Government, which is saving hundreds of millions of dollars by being smarter and more efficient in how we deliver services.

And the budget reflects what a businessperson would do, which is pick your priorities, scale back in other areas so you can fund the areas important to you and that align with the missions of Interior. We have about \$600 million in reductions, which include \$476 million under the jurisdiction of this subcommittee, freeing up that money to fund the priorities you referenced in your opening statements.

We want to manage this Department, and I will bring my business expertise to the table to deliver on our missions effectively and support the American taxpayer.

Final note on Hurricane Sandy. I want to thank all of you for your efforts to pass the Hurricane Sandy supplemental appropriations act, and a little later on today, we'll be issuing a press release on \$475 million to be released to support Hurricane Sandy relief efforts. Mr. Chairman, it is \$1.5 million for refuges in Rhode Island. It is reopening the Statue of Liberty for the Fourth of July, and many other programs identified in that press release that will repair the damage and also create more resilience for the future, as we have additional storm events that are impactful.

#### PREPARED STATEMENT

So, I thank you very much for the opportunity and privilege to be here. And we all look forward to your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF SALLY JEWELL

Mr. Chairman and members of the subcommittee, I am pleased to be here today. I am glad to have an opportunity to talk with you about my priorities, the Department's continuing role in job creation and the economy, and how we are practicing good Government.

We share very deep connections in our roles as stewards of the Nation's parks, forests, deserts, rivers, and seashores and as the keeper of the history of this country. We share responsibilities to protect and advance the role of public lands and Indian lands as huge economic engines for the Nation. From energy development, to grazing, to logging, tourism and outdoor recreation, our lands and waters power our economy and create jobs. In many of your States, the revenues we share from energy production and other activities are a critical component of the local economy.

I believe our partnership efforts and ability to resolve challenges and take advantage of opportunities will advance our goals and shape our country for years to come.

2013 APPROPRIATIONS

Before I talk about the 2014 President's budget, I would like to paint the contrast created by the 2013 budget situation. For the programs that this subcommittee oversees, the Department's operating level for 2013 is \$9.9 billion, including a sequester cut of \$523 million.

The cuts to our budget push us back in time to funding levels we last saw in 2006. The cuts reverse much of the progress made by Secretary Salazar, who worked in partnership with this subcommittee to build capacity to advance the President's all-of-the-above energy strategy; conserve our lands, waters and wildlife; advance youth engagement in the outdoors; and honor commitments to Indian Nations. I will admit we were disappointed by the outcome of the 2013 budget. It has resulted in dispirited agencies and demoralized employees and it undermines the work we need to do on so many fronts.

I look at the Bureau of Land Management, an agency that has a diverse and challenging set of responsibilities, and I feel a sense of loss about the impacts to their budget. BLM balances its dual missions to protect and conserve natural and cultural resources, oversee and manage the development of energy and minerals, and responsibly manage historic uses of public lands for grazing and timber production, while meeting public demands for wilderness designation and recreation. This agency of nearly 11,000 employees has the enormous responsibility of managing 245 million acres of land and a mineral estate of 700 million acres. BLM oversees 6,000 miles of trails in 14 States, hosts 59 million visitors annually, and oversees the production of 41 percent of the coal produced in this country. BLM's vast estate and complex mission requires a balancing of work and stretches resources across 17 western States.

BLM strives to be a good neighbor. The BLM's operating budget is reduced from last year's operating level by \$70 million or 6 percent. This reduction comes now, halfway through the fiscal year and at the start of field season. The outcome of the 2013 appropriation process will slow BLM's efforts to strengthen the management and permitting processes for oil and gas, minerals and coal on public lands; reduce efforts underway to protect and restore sage grouse habitat; reduce our partnerships that help to maintain trails and recreation opportunities; and slow the issuance of grazing permits and timber leases. This will impact BLM's ability to be a good neighbor because it will be necessary to reduce invasive species control, the protection of archeological sites, and limit access for camping, hunting and fishing, and other recreation.

In the coming months you will see these types of impacts across the country in all of our bureaus and offices. You will also see the impacts on your constituents because of cutbacks in programs and services and because of reduced revenue sharing, grants and contracts. We recently notified State treasurers that they can expect to receive reduced mineral payments for the balance of the fiscal year and we notified county commissioners that Payments in Lieu of Taxes payments will be reduced.

This discussion is important—we are at a watershed moment for our Nation. We can't continue to mortgage our future by cutting back on programs that fulfill commitments to the Nation for natural and cultural resource stewardship, energy independence, and upholding our commitments to Indian Tribes. Interior's budget is 1 percent of discretionary spending—a small slice of the pie. However, cuts to our programs have disproportionate impacts that we cannot continue to erode.

Our Department collects nearly \$13 billion annually through mineral extraction, grazing and timber activities on public lands, and recreation fees. We share nearly \$5 billion of these revenues annually with States, tribes, counties and others in the form of grants and direct payments. An additional \$2 billion of our budget is used in local communities across the Nation through contracts for goods and services.

We will survive these cuts in 2013 by freezing hiring, eliminating seasonal positions, and cutting back on our programs and services. These steps are essential in order to maintain our core mission to serve the public. However, they are not sustainable, as these actions which are eroding our workforce, shrinking our summer field season, and deferring important work cannot be continued in future years without further severe consequences to our mission.

#### 2014 BUDGET

The 2013 situation is in stark contrast to our 2014 budget. Interior's 2014 budget represents the needs of this Department in balance with the constrained fiscal situation. The budget will help us to operate effectively and fulfill our mission requirements and authorized purposes as prescribed by the Congress.

The 2014 budget request includes \$10.9 billion for programs under the jurisdiction of the Interior, Environment and Related Agencies Subcommittee. The budget for current appropriations is \$513.2 million or 5 percent above the 2012 level.

Including the Bureau of Reclamation and the Central Utah Completion Act, which is under the jurisdiction of the Energy and Water Development Subcommittee, the 2014 President's budget includes \$11.9 billion, an increase of \$486.4 million. Interior's budget request includes reductions and savings of over \$600 million. These reductions reflect the outcome of difficult choices, sacrificing in many areas, deferring projects, and programming savings for efficiencies in order to maintain funding for highest priorities.

It is important to put this budget in context. The context is the complex mission the Department of the Interior has and how the mission affects the lives of all Americans. Nearly every American lives within an hour's drive of lands or waters managed by the Interior Department. In 2012, there were 483 million visits to Interior-managed lands. Recreational visits to Interior's lands had an economic benefit to local communities, particularly in rural areas, contributing an estimated \$48.7 billion in economic activity in 2011. The Department oversees the responsible development of 23 percent of U.S. energy supplies, is the largest supplier and manager of water in the 17 western States, maintains relationships with 566 federally recognized Tribes, and provides services to more than 1.7 million American Indian and Alaska Native peoples.

Achieving success in all of these important responsibilities on behalf of the American people is the Department's primary focus. The American people deserve nothing less.

#### INVESTING IN AMERICA

Through the America's Great Outdoors initiative, the administration is working to expand opportunities for recreation and conservation, through partnerships with States and others, and the promotion of America's parks, refuges, and public lands. The benefits extend beyond the conservation of natural resources and engagement of Americans with the outdoors. According to the Outdoor Industry Association, the American outdoor recreation economy provides an estimated 6.1 million jobs, spurs \$646 billion in spending, and brings \$39.9 billion in Federal tax revenue and \$39.7 billion in State and local tax revenue.

I am very excited the 2014 budget request includes increased funding for the Land and Water Conservation Fund and a legislative proposal to establish dedicated mandatory funding for LWCF programs, with full funding at \$900 million beginning in 2015. Enactment of a mandatory LWCF program would ensure continued funding for this program that was designed to make investments in conservation and recreation as compensation to the American people for the development of oil and gas resources. In 2014, the budget includes \$600 million for LWCF, including \$200 million in mandatory funding to supplement discretionary funds and provide an additional \$141 million for Interior programs, including \$88 million for Federal land acquisition, and \$53 million for recreational and conservation grants. The budget includes \$59 million in mandatory funding for U.S. Department of Agriculture's Forest Service.

The AGO initiative is encouraging innovative partnerships in communities across the Nation, expanding access to rivers and trails, creating wildlife corridors, and promoting conservation while working to protect historic uses of the land including ranching, farming, and forestry. These efforts are based on donations reflecting the

support of local communities to protect these areas and create more open space. For example, in 2012, the Department established the Swan Valley Conservation Area which connects the Canadian Rockies with the central Rockies of Idaho and Wyoming. The FWS established the area in partnership with landowners who voluntarily entered their lands into easements. The new area will protect one of the last low-elevation, coniferous forest ecosystems in western Montana that remains undeveloped and provide habitat for species such as grizzly bears, gray wolves, wolverines, and Canada lynx.

The 2014 budget includes \$5.3 billion in current authority for AGO activities, an increase of \$179.8 million above 2012. Funding is focused on land acquisition programs supported through the Land and Water Conservation Fund as well as land management operations, and other grant and technical assistance programs to promote conservation and improve recreational access. This includes \$120.2 million for river restoration activities by the Bureau of Reclamation, a new addition to our AGO portfolio in 2014.

The AGO request includes \$10 million for a revitalized and refocused Urban Parks and Recreation Resource grant program, and \$3 million for a Historic Preservation Fund competitive grant program to support projects that help to tell the broader and diverse aspects of America's story.

The 2014 budget continues a collaborative effort begun last year with the U.S. Department of Agriculture's Forest Service in the to focus on the conservation and restoration of landscapes and working lands, protecting ecosystems and the communities that depend on them. This approach works with partners at the local level to identify landscape areas or ecosystems for collaborative and leveraged conservation investments. Working jointly with the Forest Service, Interior has identified four focal landscape areas for targeted investment of \$169.3 million in 2014.

#### A STRONGER ENERGY FUTURE

Interior enables the safe and environmentally responsible development of conventional and renewable energy on public lands and the Outer Continental Shelf. The Department's oil and gas development activities accounted for nearly \$9.7 billion of the receipts generated by Interior's activities in 2012. For the past several years, Interior has targeted investments in America's energy future, particularly to encourage the development of renewable energy on the Nation's public lands and offshore areas where it makes sense. In 2009, there were no commercial solar energy projects on or under development on the public lands. From 2009 through March 2013, Interior authorized 37 renewable energy projects on or through the public lands which, if constructed, will have the potential to produce enough electricity to power more than 3.8 million homes. The Department also plays a key role in efforts to strengthen the Nation's electric transmission grid. In 2012, Interior approved permits enabling more than 350 miles of transmission lines in seven States across Federal lands.

A stronger America depends on a growing economy that creates jobs. No area holds more promise than investments in American energy, with the potential to provide clean, low cost, reliable, and secure energy supplies. Success depends on the country's ability to pursue an all-of-the-above energy strategy. Interior's energy resource programs are at the forefront of this objective. The 2014 budget includes \$771.6 million for renewable and conventional energy programs, an increase of \$97.5 million above 2012. This includes \$1.1 million for the Bureau of Reclamation to better integrate renewable energy technology into their projects, building on significant investments to date. Reclamation's 58 hydroelectric power plants generate more than 40 billion kilowatt hours of electricity to meet the needs of over 3.5 million households and generate over \$1 billion in gross revenues for the Federal Government.

Renewable energy, particularly solar and wind power, is a crucial and growing component of the administration's all-of-the-above energy strategy. Among the significant results achieved for renewable power, since 2009, BLM has authorized more than 11,500 megawatts of energy on public lands and waters, established a road map for responsible solar development in the West designating energy zones, and flipped the switch on the first solar energy project to deliver power to the grid. The BLM also released the Final Environmental Impact Statement for a proposed 750 megawatt facility in Riverside County that would be one of the largest solar energy projects on public lands in the California desert. The BLM is also moving forward on wind energy, with a proposed complex in Wyoming that would generate up to 3,000 megawatts of power, making it the largest wind farm facility in the United States and one of the largest in the world. The 2014 budget includes \$29.1 million in BLM for onshore renewable energy programs.

Significant progress has been made to advance offshore wind energy. In 2012, BOEM issued the second non-competitive commercial wind lease off the coast of Delaware, and moved forward with first-ever competitive lease sales for wind energy areas off Virginia and Rhode Island/Massachusetts. These sales involve nearly 278,000 acres proposed for development of wind generation to produce electricity to power as many as 1.4 million homes. The 2014 budget includes \$34.4 million in BOEM for offshore Renewable Energy development.

Interior oversees onshore production of oil, gas, and coal on over 700 million acres of subsurface mineral estate and continues efforts to expand safe and responsible onshore energy development. In calendar year 2012, the Bureau of Land Management held 31 onshore oil and gas sales. Although we planned to conduct 33 sales in 2013, the sequester is anticipated to result in fewer and smaller lease sales. The BLM sales resulted in 1,707 parcels of land receiving bids in 2012, 30 percent more than in 2009. Onshore oil and gas leasing reforms put in place in 2010 resulted in fewer protests; less than 18 percent of 2,064 parcels offered in fiscal year 2012 were protested, the lowest since fiscal year 2003, reducing costs and speeding development. In 2014, the Department proposes a total of \$127.1 million in current appropriations and offsetting fees for BLM's oil and gas program, representing an increase of \$23 million in program capacity. This includes \$48 million in proposed inspection fees, allowing for an increase of \$10 million in BLM inspection and enforcement resources, along with a reduction of \$38 million in requested appropriations for the program. The proposed onshore inspection fee is similar to the fee now charged to inspect offshore rigs and platforms.

Interior has been similarly active in supporting offshore production of oil and gas, while continuing to stress management and oversight reforms identified as a result of the Deepwater Horizon incident. At the end of 2012, more rigs were operating in the gulf than in the previous 2½ years, equaling the number of rigs in the gulf before the Deepwater Horizon oil spill. In 2012 alone, BSEE approved 112 new deepwater well permits, higher than in either of the 2 years preceding the Deepwater Horizon oil spill. At the same time, the Department has implemented safety and environmental management systems regulations; issued a new drilling safety rule to refine safety reforms and strengthen requirements; took steps to hold contractors accountable for their actions offshore; conducted the first full-scale capping stack deployment exercise to respond to a potential future well blowout scenario; and provided new guidance on oil spill response plans.

Interior released a new 5-year program for offshore leasing last year, making areas containing an estimated 75 percent of the technically recoverable offshore oil and gas resources available for exploration and development. In March 2013, BOEM held the second Gulf of Mexico sale under the new OCS Plan, drawing 407 bids on 320 tracts covering more than 1.7 million acres offshore Alabama, Louisiana, and Mississippi, with high bids totaling \$1.2 billion. In 2012, BOEM began to assess energy resource potential off the coast of the Mid and South Atlantic. In 2012, Interior also oversaw the first new exploratory activity in the Alaskan arctic in a decade, with Shell Oil Company beginning limited preparatory drilling activities in the Chukchi and Beaufort Seas under strict safety and environmental oversight. The 2014 budget includes a legislative proposal to implement an agreement reached in 2012 with the Government of Mexico to open up previously off limits transboundary oil and natural gas reservoirs in the Gulf of Mexico. The 2014 budget includes \$478.2 million for conventional offshore oil and gas activities. The Department estimates the exploration and production of oil, gas, coal, hydropower, and minerals on Federal lands contributed nearly \$275 billion to the U.S. economy in 2011.

#### FULFILLING THE TRUST

This administration has made it a top priority to help bring real and lasting change in Indian Country and to open a new constructive chapter of relations with Native Americans. The administration has a comprehensive agenda to reform, repair, and rebuild Federal relations with Indian Country to ensure American Indians and Alaska Natives are offered the opportunities they deserve. This means respecting the inherent sovereignty of tribal nations and making sure the Federal Government is honoring its commitments, fulfilling its trust responsibilities to tribal nations and individuals, providing resources, working cooperatively to build stronger economies and safer communities, and providing high quality education opportunities for Indian youth at schools funded by the Bureau of Indian Education.

Interior has worked diligently to restore tribal homelands. Since 2009, Interior has acquired more than 190,000 acres of land into trust and processed over 1,000 requests for land acquisitions that will allow for economic development, natural resource infrastructure, and health and housing projects to move forward as deter-

mined by the Tribes. The Secretarial appointed National Commission on Indian Trust Administration and Reform will help further these efforts as it undertakes a forward-looking, comprehensive evaluation of the Department's trust management.

One of the most significant recent developments regarding Interior's trust responsibilities was passage of the Claims Resolution Act of 2010, which ratified the \$3.4 billion *Cobell v. Salazar* settlement agreement and four tribal water rights settlements. The settlement became final on November 24, 2012, following action by the U.S. Supreme Court and expiration of the appeal period.

Interior has launched implementation of a \$1.9 billion Indian Land Buy-Back Program, authorized in the legislation, to purchase fractionated interests in trust or restricted land from willing Individual Indian account holders at fair market value within a 10 year period. The program enables tribal governments to use consolidated parcels for the benefit of their communities. Interior will administer the program by securing the Department's extensive expertise and services, primarily in BIA and the Office of Special Trustee for American Indians, to implement the operational aspects, including valuations and acquisitions. As an added incentive to willing sellers, the Indian Land Buy-Back Program will fund up to \$60 million for a scholarship fund for American Indian and Alaska Native students.

The entire program will be based on consultation with and participation of Tribes. Building on the *Cobell v. Salazar* settlement, the administration has engaged tribes in Nation-to-Nation negotiations on 59 additional settlements leading to over \$1.1 billion in settlements to resolve long standing trust accounting and trust management claims.

Interior has also taken another step to give tribes and individual Indians greater control over their own lands with the finalization of the most sweeping reform of Federal surface leasing regulations in more than 50 years. The new regulations remove bureaucratic redtape and streamline the approval for homeownership, expedite economic development, and spur renewable energy. As a result, individuals and tribes will have the ability to do fundamental things on tribal lands, like buy a home or build a business. The 2014 budget includes increases in Trust Real Estate Services, including a general increase of \$4.2 million to support these efforts.

The 2014 budget proposes an interim solution in the way in which funds are budgeted for contract support costs, which are important to the furtherance of self-governance and Indian self-determination. The 1975 Indian Self-Determination and Education Assistance Act, as amended, allows tribes to implement programs previously administered by the Federal Government through contractual arrangements. In turn, tribal contractors are paid for the administration of those programs, known as contract support costs. Contract support costs funds are used by tribal contractors to pay a wide range of administrative and management costs, including but not limited to finance, personnel, maintenance, insurance, utilities, audits, and communications. These funds allow tribes to manage the programs for which they contract, and eliminate the need for tribes to use program funds to fulfill administrative requirements. The 2014 request for these costs is \$231 million, an increase of \$9.8 million above the 2012 enacted level.

In light of the Supreme Court's *Salazar v. Ramah Navajo Chapter* decision, the administration is proposing Congress appropriate contract support costs funding to tribes on a contract-by-contract basis. To ensure as much clarity as possible regarding the level of contract support costs funding, the administration will provide Congress a contract-by-contract funding table for incorporation into the appropriations act. The administration proposes this change as an interim step. The broader goal is to develop a longer-term solution through consultation with the Tribes, as well as streamline and simplify the contract support costs process which is considered by many as overly complex and cumbersome to both tribes and the Federal Government.

Another area of emphasis reflected in the 2014 budget is a commitment to resolve tribal water rights claims and ensure Native American communities have access to use and manage water to meet domestic, economic, cultural, and ecological needs. Including funding for technical and legal support and for authorized settlements involving tribal waters, the 2014 budget request totals \$159.6 million, which is an increase of \$25.9 million over 2012. This includes a total of \$135.3 million within the Bureau of Reclamation and Indian Affairs to implement water rights settlements, an increase of \$20.4 million above 2012. For communities benefiting from these settlements, a permanent water supply will vastly improve their quality of life and will offer greater economic security immediately as well as into the future.

To strengthen the Department's capacity to meet its trust responsibilities and more effectively partner with tribes on water issues, \$3.4 million in increases are provided in BIA's budget to support Water Management and Planning, Water Rights Litigation, and to conduct a comprehensive Department-wide evaluation to

strengthen engagement, management, and analytical capabilities of the Indian Water Rights Office and other bureaus and offices that work on these issues. An increase of \$766,000 in Reclamation's Native American Affairs Program and \$1 million in the Cooperative Water Program at USGS will also strengthen technical analysis in support of water rights settlement work.

Interior is working to improve other services in Indian Country. In education, Interior is working with the Department of Education to develop a national education reform agenda to better serve Indian children in BIE schools. The two agencies signed an agreement to bolster cooperation and coordination. The budget includes \$15 million to fund an elementary and secondary school pilot program based on the successful Department of Education turnaround schools model. Grants will be awarded to BIE-funded schools demonstrating the greatest need for the funds and the strongest commitment for substantially raising the achievement of students.

Interior is putting more law enforcement officers in Indian communities, and improving training and equipment. Interior's revamped recruiting process for BIA law enforcement officers has increased the number of applicants for those positions by 500 percent, resulting in the largest officer hiring increase in BIA history. A pilot program of intense community policing on four reservations experiencing high crime rates saw promising results, a combined reduction of violent crime of 35 percent after the first 24 months. Now, 12 months later, crime continues to drop for a new combined reduction of 55 percent. Interior has expanded this successful pilot program to two additional reservations. The 2014 budget of \$2.6 billion includes \$365.3 million for BIA's Public Safety and Justice program, an increase of \$19 million.

#### SPURRING GROWTH AND INNOVATION THROUGH SCIENCE

The proposed 2014 budget provides strong support for basic and applied science to support sustainable stewardship of natural resources as part of Interior's mission. The budget requests \$963.1 million for research and development across the Department. These investments promote economic growth and innovation, advance American competitiveness in the global market, strengthen natural hazard preparedness and improve the Nation's fundamental understanding of our natural resources and environmental capital at the heart of resource development, and human and environmental health issues. Program increases will support the application of science to address critical challenges in energy and mineral production, ecosystem management, invasive species, oil spill restoration, climate adaptation, and Earth observation (such as satellite and airborne land imaging and water and wildlife monitoring).

Interior's mission requires a careful balance between development and conservation. The Department works to achieve this balance by working closely with its diverse stakeholders and partners to ensure its actions provide the greatest benefit to the American people. Central to this mission is the development and use of scientific information to inform decisionmaking. Scientific monitoring, research, and development play a vital role in supporting Interior's missions and Interior maintains a robust science capability in the natural sciences, primarily in the U.S. Geological Survey. An example of how this expertise is applied is USGS's work as part of an interagency collaboration on hydraulic fracturing, which is aimed at researching and producing decision-ready information and tools on the potential impacts of hydraulic fracturing on the environment, health, and safety, including water quality and inducement of seismic activity. The budget includes \$18 million to continue the inter-agency collaboration to investigate the impacts of hydraulic fracturing.

As the Department's premier science agency, the U.S. Geological Survey is funded at \$1.2 billion in the proposed budget, an increase of \$98.8 million above the 2012 enacted level, the majority of which is requested for increased research and development. Funding supports research needed for the development of domestic energy, protection of critical water resources, and to respond to natural disasters. The 2014 request emphasizes investments in science unique to USGS that will address national impacts such as hydraulic fracturing, and research, monitoring and tools to make science usable by decisionmakers in ecosystem restoration efforts in the Chesapeake Bay, California Bay-Delta, and the Upper Mississippi River.

The USGS provides exceptional support to Interior bureaus, however USGS alone cannot provide for all of Interior's scientific needs. The USGS and other Interior bureaus work collaboratively to find answers and to translate and apply scientific information and tools to important natural resource management questions. Science funding at the bureau and office level allows bureaus and offices to collaborate to produce and translate science into management-ready information, providing required resources to purchase studies, models, and expertise, and to hire scientists to help managers interpret the vast body of knowledge generated by USGS, univer-

sities, and other scientific institutions. These resources help answer imminent and important natural resource management questions and provide near-term solutions to address urgent and emerging issues such as the white-nose syndrome in bats.

Interior agencies work collaboratively to bridge gaps in knowledge, leveraging the complementary skills and capacity to advance the use of science to support management decisionmaking, ensure independent review of key decisions and science integrity, and adaptively use data to assist States, Tribes, and communities throughout the Nation.

#### WATER FOR A GROWING AMERICA

Although the Bureau of Reclamation is within the jurisdiction of the Energy and Water Subcommittee, it plays a critical role in addressing the Nation's water challenges which are of interest the subcommittee. Reclamation maintains 476 dams and 337 reservoirs with the capacity to store 245 million acre-feet of water. The bureau manages water for agricultural, municipal, and industrial use, and provides recreation for millions of people. Reclamation's activities, including recreation, generate estimated economic benefits of over \$55 billion and support nearly 416,000 jobs.

These facilities deliver water to one in every five western farmers to irrigate about 10 million acres of land, and provide water to over 31 million people for municipal and industrial uses and other non-agricultural uses. The water managed by Interior irrigates an estimated 60 percent of the Nation's vegetables each year. Reclamation facilities also reduce flood damages in communities where they are located and thereby create an economic benefit by sparing these communities the cost of rebuilding or replacing property damaged or destroyed by flood events.

Population growth, development, and a changing climate are creating growing challenges to the Nation's water supplies. In many areas of the country, including the arid West, dwindling water supplies, lengthening droughts, and rising demand for water are forcing communities, stakeholders, and governments to explore new ideas and find new solutions to ensure stable, secure water supplies for the future.

Interior is tackling America's water challenges by providing leadership and assistance to States, tribes, and local communities to address competing demands for water. Interior's programs are helping communities improve conservation and increase water availability, restore watersheds, and resolve long standing water conflicts. Interior is leading a national water conservation initiative, WaterSMART. The acronym stands for Sustain and Manage America's Resources for Tomorrow. WaterSMART is finding better ways to stretch existing supplies and helping partners plan to meet future water demands.

The USGS is a key partner in Interior's WaterSMART initiative, by contributing research as part of its WaterSMART Availability and Use Assessment effort. The 2014 budget for the USGS includes \$22.5 million for WaterSMART activities.

In 2012, USGS began a 3 year study of three focus areas in the Delaware River Basin, the Apalachicola-Chattahoochee-Flint River Basin, and the Colorado River Basin. The studies focus on water availability, investigating the components of a regional water budget to understand the amount entering and leaving each basin. This work contributed to The Colorado River Basin Water Supply and Demand Study released by the Department in December 2012, funded by the Bureau of Reclamation and the seven States in the Colorado River Basin. This first of a kind study projects an average imbalance in future water supply and demand greater than 3.2 million acre-feet by 2060. The study projects the largest increase in demand will come from municipal and industrial users, owing to population growth. The Colorado River Basin currently provides water to 40 million people. The study estimates this could double to nearly 76 million people by 2060, under a rapid growth scenario.

#### FISCAL RESPONSIBILITY

This budget recognizes the need for fiscal responsibility. The priority programs are level funded with 2012 and limited strategic investments proposed in 2014 are balanced by reductions in lower priority programs, deferrals and planning efficiencies.

Despite increased resources needed for programs and services, Interior will continue to improve efficiency and reduce its workforce. Staffing reductions of 593 from 2012 are planned for 2014. These personnel reductions are focused on areas where there are funding reductions. Staffing reductions will be achieved through attrition, outplacement, and buy-outs in order to minimize the need to conduct reductions in force to the greatest extent possible.

This budget is responsible, with over \$600 million in program terminations, reductions, and savings from administrative efficiencies and improvements. The budget also continues efforts to shift program costs to industry where appropriate, and in so doing, improve program effectiveness. Permanent funding that becomes available as a result of existing legislation without further action by the Congress results in an additional \$6.3 billion, for \$18.3 billion in total budget authority for Interior in 2014.

#### MANDATORY PROPOSALS

The 2014 budget includes 17 mandatory proposals that will be submitted to the Congress to collect a fair return to the American taxpayer for the sale of Federal resources, to reduce unnecessary spending, and to extend beneficial authorities of law. Revenue and savings proposals will generate more than \$3.7 billion over the next decade. The 2014 budget also includes three mandatory spending proposals estimated at \$8.1 billion in outlays over the next decade.

*Land and Water Conservation Fund.*—The Department of the Interior will submit a legislative proposal to permanently authorize annual funding, without further appropriation or fiscal year limitation, for LWCF programs in the Departments of the Interior and Agriculture. During a transition to permanent funding in 2014, the budget proposes \$600 million in total LWCF programs funding, comprised of \$200 million permanent and \$400 million current funding. Starting in 2015, the fully authorized level of \$900 million in permanent funds will be authorized each year.

*Payments in Lieu of Taxes.*—The authorization for permanent PILT payments was extended through 2013 as part of the Surface Transportation Extension Act of 2012. The 2014 budget proposes to extend authorization of the program an additional year through 2014, while a sustainable long-term funding solution is developed for the PILT Program. The PILT payments help local governments carry out vital services, such as firefighting and police protection, construction of public schools and roads, and search and rescue operations.

*Palau Compact.*—On September 3, 2010, the United States and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. The 2014 budget assumes authorization of permanent funding for the Compact occurs in 2013. The cost for this proposal is estimated at \$189 million over the 2014 through 2023 period.

*Federal Oil and Gas Reforms.*—The 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. Collectively, these reforms will generate roughly \$2.5 billion in net revenue to the Treasury over 10 years, of which about \$1.7 billion would result from statutory changes. Many States will also benefit from higher Federal revenue sharing payments.

*Helium Sales, Operations and Deposits.*—The Department will submit a legislative proposal to authorize the Helium Fund to continue activities supporting the sale of helium. Under the Helium Privatization Act of 1996, the Helium Fund is set to expire upon repayment of the helium debt, anticipated to occur the first quarter of 2014. This proposal will allow continued operation of the Helium program while facilitating a gradual exit from the helium market. Additional revenues from this proposal are estimated at \$480 million over the decade.

*Transboundary Gulf of Mexico Agreement.*—The 2014 budget includes a legislative proposal to implement the Agreement between the United States and the United Mexican States concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico, signed by representatives of the United States and Mexico on February 20, 2012. The Agreement establishes a framework for the cooperative exploration and development of hydrocarbon resources that cross the United States-Mexico maritime boundary in the Gulf of Mexico. The Agreement would also end the moratorium on development along the boundary in the Western Gap in the gulf. The budget assumes revenues from lease sales in this area will generate an estimated \$50 million for the Treasury in 2014.

*Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels.*—The budget proposes legislation to modify the 2006 amendments to the Surface Mining Control and Reclamation Act, which lowered the per-ton coal fee companies pay into the AML Fund. The proposal would return the fees to the levels companies paid prior to the 2006 fee reduction. The additional revenue, with estimated net savings

of \$54 million over 10 years, will be used to reclaim high priority abandoned coal mines.

*Reallocate NPR–A Revenues to Priority BLM Alaska Activities.*—The budget proposes to temporarily redirect revenue sharing payments to the State of Alaska from NPR–A oil and gas development to a new Alaska Land Conveyance and Remediation Fund. This fund would supplement current appropriations and address priority BLM program needs in Alaska, specifically the remediation of oil and gas legacy wells in NPR–A and the completion of remaining land title conveyances to the State of Alaska, individual Alaska Natives, and Alaska Native Corporations.

*Discontinue AML Payments to Certified States.*—The budget proposes to discontinue the unrestricted payments to States and tribes certified for completing their coal reclamation work. While the Surface Transportation Extension Act of 2012 capped annual payments to each certified State and tribe at \$15 million, this proposal terminates all such payments, with estimated savings of approximately \$327 million over the next 10 years.

*Reclamation of Abandoned Hardrock Mines.*—To address the legacy of abandoned hardrock mines across the United States and hold the hardrock mining industry accountable for past mining practices, the Department will propose legislation to create a parallel Abandoned Mine Lands Program for abandoned hardrock sites. A new AML fee on hardrock production on both public and private lands would be allocated to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands. Additional revenue is estimated at \$1.8 billion for the 2014–2023 period, while outlays for reclamation projects, which lag behind collections, are estimated at \$1.3 billion over the same period.

*Reform Hardrock Mining on Federal Lands.*—Interior will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal will institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. The proposal is projected to generate revenues to the U.S. Treasury of \$80 million over 10 years, with larger revenues estimated in following years.

*Net Receipts Sharing for Energy Minerals.*—The Department proposes to make permanent the current arrangement for sharing the cost to administer energy and minerals receipts. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. Permanent implementation of net receipts sharing is expected to result in savings of \$44 million in 2015 and \$421 million over 10 years.

*Geothermal Energy Receipts.*—The Department proposes to repeal section 224(b) of the Energy Policy Act of 2005. The repeal of section 224(b) will permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in savings of \$4 million in 2014 and \$48 million over 10 years.

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

*Federal Migratory Bird Hunting and Conservation Stamps.*—Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the annual Federal license required for hunting migratory waterfowl. Today, 98 percent of the receipts generated from the sale of these \$15 stamps are used to acquire important migratory bird areas for migration, breeding, and wintering. The price of the Duck Stamp has not increased since 1991. The Department proposes legislation to increase these fees to \$25 per stamp per year, beginning in 2014.

*Bureau of Land Management Foundation.*—The budget proposes legislation to establish a congressionally chartered National BLM Foundation. This Foundation will provide an opportunity to leverage private funding to support public lands, achieve shared outcomes, and focus public support on the BLM mission.

*Recreation Fee Program.*—The Department of the Interior proposes to permanently authorize the Federal Lands Recreation Enhancement Act, which expires in December 2014. The Department currently collects over \$200 million in recreation fees annually under this authority and uses them to enhance the visitor experience at Interior facilities. In addition, the Department will propose a general provision in the 2014 budget request to amend appropriations language to extend the authority through 2015.

## OFFSETTING COLLECTIONS AND FEES

The budget includes the following proposals to collect or increase various fees, so industry shares some of the cost of Federal permitting and regulatory oversight.

*Fee Increase for Offshore Oil and Gas Inspections.*—Through appropriations language, the Department proposes inspection fees totaling \$65 million in 2014 for offshore oil and gas drilling facilities subject to inspection by the Bureau of Safety and Environmental Enforcement. These fees will support BSEE's expanded inspection program to increase production accountability, human safety, and environmental protection.

*New Fee for Onshore Oil and Gas Inspections.*—Through appropriations language, the Department proposes to implement an inspection fee in 2014 for onshore oil and gas activities subject to inspection by BLM. The proposed inspection fee is expected to generate \$48 million in 2014, \$10 million more than the corresponding \$38 million reduction in requested appropriations for BLM, thereby expanding the capacity of BLM's oil and gas inspection program. The fee is similar to those already in place for offshore operations and will support Federal efforts to increase production accountability, human safety, and environmental protection.

*Onshore Oil and Gas Drilling Permit Fee.*—The 2014 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the 2009 and subsequent Interior Appropriations Acts. A fee of \$6,500 per drilling permit was authorized in 2010, and if continued, will generate an estimated \$32.5 million in offsetting collections in 2014.

*Surface Mining and Reclamation Permit Fee.*—The 2014 budget continues an offsetting collection initiated in 2012, allowing the Office of Surface Mining Reclamation and Enforcement, to retain coal mine permit application and renewal fees for the work performed as a service to the coal industry. The fee will help ensure the efficient processing, review, and enforcement of the permits issued, while recovering some of the regulatory operating costs from the industry benefitting from this service. The fee, authorized by section 507 of SMCRA, will apply to mining permits on lands where regulatory jurisdiction has not been delegated to the States. The permit fee will generate \$2.4 million in offsetting collections in 2014.

*Grazing Administrative Fee.*—The 2014 budget proposes a new grazing administrative fee of \$1 per animal unit month. The BLM proposes to implement this fee through appropriations language on a 3-year pilot basis. The 2014 budget estimates the fee will generate \$6.5 million in 2014, which will assist BLM in processing grazing permits. During the period of the pilot, BLM will work through the process of promulgating regulations for the continuation of the grazing fee as a cost recovery fee after the pilot expires.

*Marine Minerals Administrative Fee.*—The 2014 budget proposes to establish an offsetting fee in the BOEM Marine Minerals program to recover costs associated with processing offshore sand and gravel mining permits. The fees are estimated to generate \$470,000 in revenue in 2014, to offset the cost of the program, and would be implemented through existing regulatory authority under the Outer Continental Shelf Lands Act.

## CONCLUSION

Thank you for the opportunity to testify on the President's 2014 budget request for the Department of the Interior. This budget balances fiscal constraint with proposals for forward looking investments that will advance the stewardship of lands and resources, renewable energy, oil and gas development and reforms, water conservation, youth employment and engagement, and improvements in the quality of life in Indian communities. For America to be at its best, we need to be bold and strategic and advance the ideas and policies in this budget. I thank you again for your continued support of the Department's mission. I look forward to answering questions about this budget. This concludes my written statement.

## HURRICANE SANDY

Senator REED. Thank you very much, Madam Secretary, for your testimony.

As I said, there will be 6-minute rounds. And if our schedule and your schedule allow, we'd be happy to do a second round also to accommodate as many questions as possible. But let me begin on the note that you concluded with, that is, Hurricane Sandy. Thank you. There were \$829 million to the Department for mitigation in

the Northeast because of the storm. It is gratifying to hear that Rhode Island's wildlife refuges will receive support in this way.

Can you give us some further indication of how you will make all the details accessible to the public this afternoon and the next few days, and also talk about the \$360 million in mitigation funds that you have at your disposal? Have you made any plans, specific plans, and will you announce those?

Secretary JEWELL. I'll give you a high-level answer and then would invite my colleagues to provide more detail as they have more detail.

The press release which will be going out this afternoon will actually have a link to a list of the projects that encompass the \$475 million. That will be accessible to the public here relatively soon.

On the mitigation funds, there is a lot of work done to look at building up sand and berms, actually using sand from the Outer Continental Shelf to make those habitats more resilient, and a number of other programs. I'd like my colleague, Rhea Suh, to address that further.

Ms. SUH. Sure. Thank you, Mr. Chairman. On your first question, the details of the funding to be released today will all be contained on our website, so complete project lists alongside the actual amount of appropriations for each.

In addition to that, with respect to the mitigation, we are working very hard to come up with the best strategy we can for those mitigation funds. We absolutely appreciate your leadership and the leadership of this subcommittee for giving us the opportunity to really think about mitigation, and to really try to maximize the impact we have to create resiliency on the ground. We are working with both our programs within the Federal Government, but also partners outside of the Federal Government to come up with a strategic plan that can ensure those funds are spent as wisely and as effectively as possible.

Senator REED. And you're not ready today to commit those funds? You're still working the plan?

Ms. SUH. That's correct. The funds today are just the recovery and restoration funds.

Senator REED. Thank you very much.

#### HERITAGE AREAS

Madam Secretary, among the many public services that you performed was in 2008 and 2009, along with our distinguished predecessors, Senator Howard Baker and Bennett Johnston, you served on a commission advancing the national park idea. And one of the things you recognized was these heritage areas, one of which we have in Rhode Island, are critical, in fact, long-term assets to the National Park System. And you and your colleague went so far as recommending permanent funding and full program support for NPS.

Yet the budget proposes cuts to these heritage areas. Can you give us some assurance that you will work with us so that we can avoid these cuts and fulfill the vision that you so eloquently and wisely laid out, along with Senator Baker and our colleagues?

Secretary JEWELL. Thank you, Mr. Chairman. This budget represents tough choices. The work of the Second Century Commission

was very rewarding. I think the need to support our national parks, which have such a multiplier effect, is very important.

On the heritage areas, specifically, I'm fully in support of heritage areas. There was a difficult decision made to scale back the funding in heritage areas to focus on those that are relatively new that need to get a boost to get themselves established.

I think one of the benefits of heritage areas is they have broad community support. It does reflect some of the hard choices we made in terms of how we prioritized. We felt heritage areas in particular needed some support to get rolling and get up and operational, but we needed to look at scaling back some that had been around for a period of time to kind of walk on their own two feet, if you will. So that was how the priority was identified in this budget.

Senator REED. Well, I appreciate that. And I do point out they are public-private partnerships. So this is not something that's just Federal money going in. This generates a lot of economic activity. It's very critical.

And there is, I think, a shared notion that we can collaborate better and be smarter about these things. But there are certain—it strikes me and many of my colleagues, because these are all over the country, that there has to be at least a core Federal support level because that is what pulls a lot of the private support. It sort of leverages a lot of activities. And without that, these heritage areas could in fact fail. That would be, as you point out in your previous report, a real detriment.

#### RHODE ISLAND NATIONAL PARK

Let me quickly, as my time is running out, we've been trying to build on the heritage area to, in fact, create a national park which would not only memorialize Senator John H. Chafee, but also give us our first major national park. We have a national memorial, the Roger Williams Memorial. But it would give us our first national park.

Secretary Salazar was strongly supportive. And I urge you to be as enthusiastic. Can you give us a sense of your enthusiasm level? I hope it's over the top.

Secretary JEWELL. I'm enthusiastic, Mr. Chairman. I'm fully enthusiastic.

Senator REED. Madam Secretary, the President chose wisely. I said that repeatedly.

Let me suggest, I will now relinquish my time to Senator Murkowski. And as I said, we will try to do a second round.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

#### ALASKA CONVEYANCE

Madam Secretary, let me ask you about the land conveyance issues and legacy wells. As you can tell, not only from my discussion here today, but previous conversations we've had, this is something that isn't setting well with the people in the State of Alaska, and it clearly doesn't set well with me.

You have indicated in your comments that, with the LWCF, the proposal here to include it in terms of mandatory funding keeps a

commitment of a 50-year promise to the American people. And I'm looking at a 54-year-old promise, we've been a State now for 54 years, where we have yet to receive our full land conveyances under that statehood act, a 42-year legal obligation to the native people of the State under Alaska Native Claims Settlement Act (ANCSA).

And then I look at the budget, and it's like, "Well, wait a minute. We're making a new promise here to mandatory funding for the LWCF. But we've got some outstanding obligations that are very serious." And so I appreciate what you have said in that these decisions were made prior to your arrival here. You're defending a budget that you're tasked to defend.

But I need to have some assurance going forward that we're going to be able to deal with this. Because my assessment is that if we continue at the level of funding that we have been for the land conveyances, again we're decades, we're another 50 years out. That's not acceptable.

Can you give me some assurance that you will look to revising the spending priorities and attempt to finish these interim conveyances and the surveying and patenting that needs to go forward? My goal was that we would have this done by statehood. When I came into office 10 years ago, everybody thought that that was reasonable. Now it looks like it's not only another decade, it may be a decade beyond that.

I need to have some assurance that we're going to finish this, because in the meantime, the people of the State of Alaska and the native people under ANCSA can't move. They can't move on their lands. What assurances can you give me that we're going to see some forward motion in this in a positive way that's not going to be another two to three decades from now?

Secretary JEWELL. Thank you, Ranking Member Murkowski. I have had briefings on this topic and can reassure you there is a commitment to move forward on the part of the BLM and my colleagues.

I gather that 63 percent of the area has been surveyed and mapped and about 33 percent has had interim conveyances so far. There is a requirement, as I understand it, in the legislation about actually physically putting a stake every 2 miles. The use of mapping technologies, which weren't available at the time those things were written, gives us an opportunity to be able to move forward in a more expeditious way on conveyances and do it using technology that's a lot more efficient and effective.

I would be happy to get into more detail with you and have my teammates that are steeped in this talk with you about how the budget supports moving that forward.

Senator MURKOWSKI. Well, and I'm going to be meeting later today to review the schedule, apparently, that has been proposed. I don't know whether or not that is a schedule that you all have agreed to. But we need to have greater assurance here.

#### ALASKA LEGACY WELLS

Let me ask you on the legacy wells. The concern that I have is, you know, Federal Government comes in, does an assessment, drills, leaves, doesn't clean up the mess. Decades later says, when

we are screaming about, "You need to clean up your mess," the idea is, "Well, the State of Alaska can do that. We'll take it from the State of Alaska's funding."

I guess the simple question is whether or not you feel that the State should be held financially responsible for the Federal Government's responsibility to take care of the legacy wells.

Secretary JEWELL. Senator, as we discussed, legacy wells are a significant problem, and I appreciate your bringing it up to me in the past. We need to find a way to fund it in a budget that doesn't have enough funding for everything we want to do. I appreciate the reaction to the suggestion that the revenues generated from the development on the NPRA on the State side go to pay for that. If not that suggestion, we need to work together to figure out how we prioritize in the budget the best way to move forward in a comprehensive way to deal with this issue. I share your concern.

Senator MURKOWSKI. Well, I guess I need to hear from you that you would agree that it's not the State of Alaska's responsibility to clean up the Federal Government's mess. Are we in agreement there?

Secretary JEWELL. I would say that the wells were drilled to assess the petroleum reserve up in Alaska, and as it's developed, it will benefit both the Federal Government and the State. So revenues from that development seem to be a reasonable source to help address the issue on the legacy wells. We can talk further on what that looks like: What is State, what is Federal, and how do we do that in a constrained budget environment?

Senator MURKOWSKI. Well, and I will allow you greater opportunity to learn more about this, hopefully see what we're dealing with here. But there is no doubt in my mind but that when the Federal Government comes into land that has been federally designated, drills wells, walks away from it, leaves a mess, that that is the Federal Government's responsibility and that it should not then be on the shoulders of the State of Alaska to do that cleanup.

So I just want to make sure that when you're talking about prioritizing it within the budget, that it is prioritizing within the Federal budget and not taking revenues that would have otherwise come to the State.

Thank you, Mr. Chairman.

Senator REED. Thank you, Senator Murkowski. And again, we are using the early bird rule, going from side to side.

Senator Tester.

Senator TESTER. Yes, thank you, Mr. Chairman. I want to thank everybody for being here today. It's good to see you, and thank you for putting yourself up for this position. I know you're going to do a great job. Rhea and Pam, thank you for your service. David Hayes, thank you for what you've done during your tenure in the Department of the Interior. I very much appreciate it. I even more appreciate your friendship. So, thank you, thank you very, very much for your service.

#### RENEWABLE ENERGY

As far as the budget goes, I would just like to say I'm very encouraged to see the administration is putting some additional funding into renewable energy on public lands. We all know what's

going on in eastern Montana and in North Dakota with conventional oil production, and it is—that's a very good thing. But we cannot forget about other ways to become energy independent, too. So I want to thank you for that.

I've got a bipartisan bill that I've introduced, the Public Lands Renewable Energy Development Act, to hopefully promote more such development. And I look forward to working with your department on that. Is there anything else we can do?

Secretary JEWELL. Senator, your support is very much appreciated and valued. I think, in a balanced approach to energy, renewables play an important role. I've been really pleased to see the science behind the assessment of where the resources are, the work going on collectively on transmission, which is also important, because where the energy is, is not necessarily where the energy is used.

Senator TESTER. That's right.

Secretary JEWELL. I hear a lot of enthusiasm in the Department to continue doing that work, but also supporting conventional development, as you referenced.

Senator TESTER. As we move forth here, if there are other things we can do to help facilitate that, let us know. I think it's really important. I think your budget puts it forth as a priority, and hopefully, we can indeed make it that.

#### WILDLAND FIRE

I want to talk a little bit about wildfires. And I know when we talk about wildfires, everybody talks about the forest service, which isn't in your area. But BLM is. And very similarly, BLM has forested land, they have range land, and they're being impacted by wildfires, too.

Given our current fiscal situation where a lot of the money is being diverted toward fighting fires, I understand the forest service is beginning to work out and collect data on the effectiveness of their firefighting efforts by certain aircraft.

I do not believe the BLM has started on this. And that's okay, from my perspective. I don't know if they can use information that comes from the USFS work or not. But I need to know what your plans are. We've got a lot of public lands. A lot of it, more than 1 million acres burned up in Montana alone last year, BLM and USFS. What's your plans? Is it to collect what the forest service gets? Or is the BLM going to do their own thing? And if that's the case, when is that going to happen? Or is it going to be a combination of the two?

Secretary JEWELL. Thank you, Senator. As a Westerner myself, I certainly am well aware of the impacts of wildfires, and we've certainly got fires right now, a wildfire burning in California, and it's only May. It's pretty scary.

The firefighting is coordinated between the Departments of Agriculture and the Interior. Agriculture takes the primary position, but we work hand in hand. I will be going out with Secretary Vilsack to the fire center in Boise, Idaho, to talk specifically about this.

As I mentioned, of the increase to the budget, 40 percent is to fight wildland fires and it cuts back the hazardous fuels reduction program, just to make sure we had funds available for suppression.

Senator TESTER. Yes.

Secretary JEWELL. I think things you could do to help over time are for those spikes in fires, to have that funded out of emergency money, because it hits the operations and it's very, very difficult to manage, for both Department of Agriculture and the Interior.

Senator TESTER. Well, fuel reduction is critically important. We can talk about that at another time, and I'm sure we will.

I guess the issue is, I mean, you addressed it in your opening, we're in tight money times.

Secretary JEWELL. Yes.

#### FIREFIGHTING AIRCRAFT

Senator TESTER. Is the assessment that's being done by USFS on which aircraft are most effective to fight the fires, is BLM doing the same thing? Are they going to do the same thing? Or are they just going to use USFS numbers?

Secretary JEWELL. I'm going to have to defer to Rhea on that.

Senator TESTER. Okay.

Ms. SUH. Senator, we are working hand-in-hand with the Forest Service. As you know, we have a cohesive strategy across the Federal Government on aircraft in particular. The Forest Service has the lead on large air tankers.

Senator TESTER. Sure. Yes, that's correct.

Ms. SUH. We have been working very collaboratively with them to come up with a strategy that can put large air tankers on the ground for fires this season.

When it comes to smaller aircraft tankers, we have the lead and we have been working, again, collaboratively with the Forest Service to determine effectiveness and efficiency throughout all of the aviation we have.

Senator TESTER. Okay, good. Well, I would just encourage you to do that. I think "effectiveness" is the key word here, and "efficiency". We need to make sure that we're hiring the right groups to fight the right fires with the right equipment, okay? So thank you very much for that.

#### SEQUESTRATION IN INDIAN COUNTRY

I want to talk about Indian country for just a second. Sequestration has negatively impacted them in a big, big way. And the main reason is because they are underfunded to begin with. And that's the problem with the sequester, and we all know that, sitting around this dias, that when you make across-the-board cuts, the programs that are fat and sassy don't really care, and the ones that are cut to the bone really get whacked. And hopefully, we can find the solution to this.

But in any case, the Indians, American Indians are, I think, least equipped to absorb this loss. And could you detail specifically or in general how your budget will help either restore that money or mediate the potential impacts of the sequester?

Secretary JEWELL. Senator, I get a relatively short period of time to answer. I would say, we are as frustrated and worried about the

impacts of the sequester. There's no question in Indian country we've got needs that far exceed the ability to meet them. We're trying to prioritize.

On Indian education, we're trying to pick model schools to work on to try and find a path forward. Law enforcement, domestic violence issues, self-determination, working with tribes on a Government-to-government basis to help support their ability to determine the ways they want to govern themselves. These are all topics of critical discussion.

I know there's not enough money to go around, but we're certainly working with tribes to do the best job we can.

David, do you want to add anything to that?

Mr. HAYES. I would just say, Senator, we feel this hurt very hard because of the indiscriminate way in which the cuts have to occur. Many of the tribes that operate under 638 grants, the self-determination tribes, are particularly hurt because they're getting effectively a 9-percent cut for the remainder of the year. There's nothing we can do about it.

Our BIA folks who work with them, likewise, are feeling that cut. We're having to furlough BIA staff. Tribes are having to furlough folks. That's why our fiscal year 2014 budget is so important. It would restore and increase and get us back to where we need to be with the tribes.

Senator TESTER. Well, that's what I wanted to hear. And so, thank you, thank you, thank you for that. And I'm sure there will be further debate on that.

If I might, just 15 seconds, Mr. Chairman.

You talked about Asian carp. And it's too bad the ranking member isn't here. And you talked about the impacts it's going to have as it heads toward the Great Lakes, and it's negative. I hope other folks are paying attention to things like genetically modified organisms (GMO) salmon and noxious weeds versus GMO crops. Thank you very much.

Senator REED. Thank you, Senator Tester. Before I recognize Senator Blunt, let me review the order of arrival just to give people sort of sense of where we are. On the Democratic side, Senator Feinstein, Senator Udall, Senator Merkley. On the Republican side, Senator Blunt, Senator Johanns, Senator Alexander, and Senator Hoeven.

Senator Blunt.

Senator BLUNT. Thank you, Chairman. Secretary, welcome to the subcommittee. I've always thought that your job may be the best job in the Federal Government. I hope for your sake I'm right. It's a challenging job with great opportunities.

#### ST. LOUIS ARCH

We haven't had a chance to visit yet, so I'm going to actually spend my time talking to you a little bit about a big project in Missouri, the Arch project. A lot of cooperative effort has gone into that so far. Your predecessor, Mr. Salazar, was there three times, two times there with Mr. LaHood, who was there in relation to a TIGER grant.

I don't know if you're familiar with how the Arch sits, but it's separated from the rest of sort of the downtown mall by Interstate

70. The TIGER grant seems to be in place that will actually connect the park to the rest, to the old Federal courthouse where the *Dred Scott* case was and a lot of other public land in town that's not necessarily Federal land.

This, I'm told, maybe has the potential, already is possibly, the biggest joint partnership project that the Park Service has ever done. The city just voted a \$10 million annual tax for the next 20 years that would support this project. I think there are \$220 million of private funds that have already been pledged.

And the Arch is 50 years old in October 2015. So, you know, every 50 years, you've got to look at these things and see what needs to be done to be sure they can last another 50 years. And that 50th anniversary was one that Secretary Salazar mentioned, it's October 2015. I think his comment the last time he was there was, he would move heaven and Earth to get this done by October 28, 2015, which appears it might be easier to move heaven and Earth than the Department.

So right now, there does seem to be a tendency for delay that I'd like you to look at. You don't have to necessarily comment on it today. These things are getting siloed again. The one big request from Mayor Slay and others in St. Louis is if you could put somebody in charge of this, one person that really tries to be sure that all of this stays on focus, on time, that the private and public elements of this that aren't Federal continue to move forward in a way that all works.

I know there's one contract with Bi-State transportation that's run the trams in the Arch since the beginning. And that contract runs out, it actually expired December 31, 2012. There was a 6-month extension that expires in 54 days, and it needs some attention pretty quickly.

They need the contract for bonding and other purposes to update the equipment that I think Bi-State does, I don't think we, the Federal Government, even does that, but they have to have a contract that allows them to do what they need to do. And I think the Park Service has come in with some amendments that have never been in the contract before that they're concerned about.

So, I guess one thing I'd like to ask you to do is make a commitment to come and visit us at the Arch and get personally involved in this project, as your predecessor was. And then any comments you want to make about how public park-private relationships are going to be viewed by your department and by the Park Service would be appreciated.

Secretary JEWELL. Thank you, Senator. I do look forward to meeting with you directly and also visiting the Arch. I certainly would be delighted to do that.

There is a point of contact, Peggy O'Dell, who is the number two person in NPS. You can look to her as the focal point on this.

Senator BLUNT. Okay.

Secretary JEWELL. And I was briefed on it. I can't promise the heaven-and-Earth thing. I think that may be beyond my pay grade.

Senator BLUNT. Well, the guy that did promise that left. So maybe it was a bigger promise than he thought.

Secretary JEWELL. Yes, maybe. To your comment about public-private partnerships, and I think the St. Louis Arch is a great ex-

ample, from the private side, which is where I've been for my 35-year career. There's no question the ability of private enterprise to work closely with our Federal land management agencies, whether it's the Park Service or the USFS, other elements of Interior, is really important. To leverage our resources, to get buy-in from those communities so you have an asset like the St. Louis Arch that's not just a national treasure, but it is locally embraced and taken care of, helps make our Federal dollars go further.

I think it's a great illustration of public-private partnerships in action, and I think there are going to be many more opportunities to do that kind of work as we think about these assets we care a lot about, and we want to protect. There are examples of them in other States as well.

Senator BLUNT. You know, this is a case, too, where there is significant adjacent public property that obviously is visually part of this whole experience.

Secretary JEWELL. Right.

Senator BLUNT. And I think the Park Service, if you're going to encourage partners, both public partners and private partners, the Park Service has to be willing to look at this in a different way than they have before. You know, if the Park Service continues like, "Well, we can't let this happen unless it's something we totally control", that's not really a public-private partnership. It's something, but it's not a public-private partnership.

So, yes, I think one of the things as the new leader of Interior you can help instill is how partnerships really work.

Secretary JEWELL. Right.

Senator BLUNT. And it's not just one side giving you all their money and saying, "Do whatever you think you ought to do with this." And so, you know, the community has made a huge commitment; individuals are making a huge commitment. And I'd like for you and I to be able to work together to make this a model project of what these partnerships can be, moving forward.

Not every time a community comes up with \$200 million or private individuals match that with another \$220 million. And we need to do the kinds of things that will be a good lesson, going forward, to encourage that. And I'll do everything I can to help you make that work.

Secretary JEWELL. Sounds great, Senator. If I could just have 5 seconds.

Senator REED. Yes, ma'am.

Secretary JEWELL. The National Parks Second Century Commission that Chairman Reed mentioned in his opening comments talked a lot about public-private partnerships. I can tell you in my conversations with Director Jarvis of the NPS, he's very supportive of this, and I think increasing flexibility on how we recognize these kinds of partnerships and encourage them, going forward. Thank you.

Senator BLUNT. Thank you, Madam Secretary.

Senator REED. Thank you.

Senator FEINSTEIN. Thank you very much, Mr. Chairman. Madam Secretary, I want to add my words of welcome to my colleagues'. I've had an opportunity to meet with you, and I look forward to working with you.

But I would like to begin by thanking the gentleman on your right. I have known David Hayes now for the 20 years I've been, just about, in the Senate. It began with his negotiation of the Quantification Settlement Agreement, which weaned California off of a lot of Colorado River water and was a very controversial, but I think good negotiation that you conducted.

And since those times, Mr. Hayes has been the point person for the most contentious issue in California, which is water. And he's been really quite wonderful in terms of moving to see that the Department anticipates problems and moves administratively to solve them. And I'm very, very grateful for that. He's going on to teach law at both of our alma mater, Stanford, and serve, I gather, the Hewlett Foundation.

And, David, I just want to wish you all good things, a following sea. You have been just terrific, and your service to the country has been remarkable. So I want to thank you for that.

#### WILDLAND FIRE

Madam Secretary, I would like to associate myself with the comments of Senator Tester. You mentioned the Ventura fire. There have also been five other wildfires burning at the same time. And we anticipate a very bad year. Wildfire usually hits California in the fall. But the Santa Ana's were rolling, and it hit in the spring. And it's really going to be a problem.

So you're correct: Hazardous fuel mitigation is critical, the quick movement of planes, the ability to abate a fire. We had 2,200 lightning strikes on one day, which started 1,000 small fires. So the ability to address them quickly is really important before they rage out of control because of, candidly, overgrowth that has been allowed to be unabated. That's the first thing.

#### CALIFORNIA WATER

The second this is you are about to get a baptism of water. And it's the absence of water. The primary source of California's water is the Sierra Nevada snow pack, which is drying up. As of May 2, the Sierra Nevada was at 17 percent of normal. California is the largest agriculture State in the Union. The allocation for farmers is 20 percent of their contract amount. It takes 40 to 45 percent of a contract amount to be able to plant and do everything that's required to farm in California.

In 2010 when this happened, the unemployment rate in Mendota, a farm town, was 40 percent. Farmers were in bread lines. We cannot let that happen again. And I think much to the credit of your reclamation department, on April 15, the mid-region put out a press release detailing administrative actions that have been taken to date to create an additional 110,000 acre-feet of water.

David, I want to salute you for that, and Madam Secretary, this is what we had hoped that the Department will anticipate and move to do those things with respect to water transfers north-south, east-west, using the inner tie, using groundwater banking, doing whatever we need to do that is prudent and wise to see that water is adequate.

Beyond this 110,000 acre-feet, I am very interested in what other actions can be taken. And this press release describes banked groundwater 20,000 acre-feet and water transfers of up to 166,620 acre-feet as two sources for additional supplies. Essentially, I would like to ask you—I don't know whether you know, but if you do, I'd like to know—what is the status of reclamation's efforts to secure these additional supplies?

Secretary JEWELL. Senator, I'm going to take a glancing blow and then turn it over to my colleague to the right. First, I want to say that David Hayes has been an amazing resource on these issues. You're fortunate that his big brain is going to California. I'm going to miss his big brain next to me, but I will have all of his phone numbers and will use them liberally.

Senator FEINSTEIN. Good.

Secretary JEWELL. I will turn to David to answer specifically on the sources topic with the Bureau of Reclamation. I know I've had briefings from Mike Connor directly, and this is a very, very important issue. David was meeting with the Governor, actually, earlier this week, and was actually flown in on the red-eye. So if he starts to nod off, I'll give him a jab.

Senator FEINSTEIN. Good. Good.

Secretary JEWELL. The other thing I think we all need to work on is conservation. How do we use the water resources we have more wisely? Because we are, in fact, seeing these low-water drought years, and that's the biggest source of the challenge. But, David, do you want to add to that?

Mr. HAYES. Thank you, Senator. Thank you for your warm words. It's been a pleasure working with you.

Senator FEINSTEIN. Thank you.

Mr. HAYES. This is the driest January-through-April period in California's history in the last 100 years, right now, 70 percent of normal for snow pack. As you noted, we have been anticipating this. We are up to the 20-percent allocation for south of Delta because of that 110,000 acre-foot increase due to water banking, water transfers, et cetera.

In addition, you mentioned the additional 20,000 acre-feet of water banking and water transfers. We are anticipating working with the contractors that will have 160,000 acre-feet of water transfers, and we're also working closely with them to allow liberal rescheduling of water, which will be about 225,000 acre-feet of water.

All told, if we are successful in all of these ventures, despite the dry water year, Senator, we are hoping to get to about a 35 or even 40 percent equivalent amount for the south of Delta folks. It's taking all hands on deck. We really appreciate the work Westlands and other south of Delta irrigators are putting into this, working closely with us.

Mike Connor is in California as we speak on these issues. I was with the Governor yesterday. We're looking forward to briefing you as soon as Mike gets back to talk about the Bay Delta Conservation Plan, which is the long-term fix for this problem that we have to solve.

Senator FEINSTEIN. Thank you. And Mike Connor is appearing before the Energy and Water Development Subcommittee tomorrow.

Mr. HAYES. That's right.

Senator FEINSTEIN. And we have a number of questions for him.

Just one last thing. Madam Secretary, you are going to receive a letter from five Members of the House, they're bipartisan, and me, to ask if you would be willing to come to the Central Valley and talk with farmers and understand the crisis that we have year after year.

One last point. For 10 years, your Department has been looking at feasibility studies for cost effect of dam raises in California. And we have not yet had finality to those feasibility studies. I would say that that's a matter of the highest priority to get resolved. Because unless we're able to hold water from the wet years for the dry years, California will end up as a desert State. I really believe that. And it will kill agriculture.

And you speak of conservation. Well, I come from a city that's conserving water like mad. And, you know, they're going to tertiary treatment of water in Coachella in southern California. So that is being done to the greatest extent possible. But you have to have some water to start with. So we really need your help.

Thank you, Mr. Chairman.

Senator REED. Thank you, Senator Feinstein.

Senator JOHANNIS.

Senator JOHANNIS. Mr. Chairman, thank you. And, Madam Secretary, welcome. Glad to have you onboard.

#### SEQUESTRATION

Let me, if I might, shift focus, if I could, to a couple of questions about the sequester. I have a little bit of a unique experience here because I was a member of the Cabinet, as you probably know, during the Bush administration, the Secretary of Agriculture. And I certainly appreciate the fact that the sheet of music you sing from comes from an office that's oval in this town, if you know what I'm saying. And every Cabinet member has talked about the sequester kind of in the same terms you have talked about it in your testimony. And I must admit it's got an aura of "The sky is falling, the sky is falling."

Now, you're also talking to a former Governor, a former mayor, balanced budgets during good times and bad times. When times were good and the revenues were good, you could do some more things. When times were bad, for example, post-9/11, you just kind of had to deal with it.

When I came here in 2005 and somebody said to me, "You could get somewhere around a 5-percent cut, and the best you can hope for us a flat budget," I thought, "Hallelujah! You know? This is a breeze." After what we had been through post-9/11 at the State level, that didn't seem to be too big a challenge. And yet, I hear Deputy Secretary Hayes, I hear you, I hear other Cabinet members talking about how dire this situation is.

So let me ask a couple of very specific questions. And either one of you can answer these questions. I appreciate the sequester's less-than-artful, across-the-board cuts tend to be less than artful.

And I've done it all. I've done across-the-board cuts, I've done focused cuts. Anything that was necessary to get the budget balanced, we did.

But if the Congress were to give your Department and other Departments greater flexibility to make judgments about where you would allocate resources from one area to another, would you find that to be helpful?

Secretary JEWELL. Thanks for the question. Short answer, absolutely we'd find that to be helpful. I am not quite 4 weeks into Government service, and north of 35 years as a private businessperson. I have certainly dealt with tough budget years, as you referenced. I have never, ever implemented those on a line-item by line-item basis. So when you see the comments that come from me and others about the impact of the sequester, it is the nature by which these cuts have been required of us.

The fiscal year 2014 budget reflects prioritization. It is cutting some areas. It is investing in other areas. And no question there is a desire to develop resources in this country, both conventional and renewable. It costs money to do that. But there is a return on that investment. We have a trust obligation to tribes across this country. We need money to do that.

We are reflecting in the fiscal year 2014 budget a set of priorities that are in fact scaling back some areas and growing others. And that's the big problem with the sequester.

Senator JOHANNNS. So your issue with us is more along the lines of, "Look. It's not the cuts so much as the forced way of implementing them. If we could get flexibility there, I could manage this budget," I think is what you're saying. And I suspect you could.

Secretary JEWELL. We would appreciate all flexibility that could be given to us, and predictability. A 5-percent cut that's implemented partway through the year is in fact a 9-percent cut. And then applied across every line item is very difficult.

#### AFFORDABLE CARE ACT

Senator JOHANNNS. Yes. Let me ask you another question, admittedly a more sensitive question, but I think it's an important one to ask. One of the things that came about as a result of the Affordable Care Act was that a certain select group of Federal employees were targeted to go from the Federal health plan into the exchanges. And that's the way the health care law was passed. And it's basically our staff. Congressional staff now will go to the exchanges. Some would argue that's a good thing, some would argue it's a bad thing, whatever.

Would you support an approach that basically said, "If it can save money, we'll take every Federal employee"—your employees at Interior and wherever else—"and instead of providing them that Federal plan, we will put them into the exchanges"? Would you support that?

Secretary JEWELL. Senator, I can speak from a perspective of a businessperson. In the business I ran right before coming here, we felt that it was important to provide our full-time employees with a comprehensive plan. For our part-time employees who had a limited plan, the exchange was going to be a better option. So I think I would need to look broadly at how it might be applied to the Fed-

eral Government. That's how we chose to do it in private industry. It was a blend of both, as you're suggesting was done here.

Senator JOHANNNS. So, no, my employees are full time. I don't think it had anything to do with them being part time. They are full-time employees. But for the fact that I'm not going to seek reelection, I'm certain that they're hoping for a long, long career here on Capitol Hill.

Secretary JEWELL. Yes. I'm not familiar with the circumstance. I'd have to look into that.

Senator JOHANNNS. Deputy Secretary Hayes, what's your sense of all that? Would you be comfortable in all Interior employees going to the exchange?

Mr. HAYES. Senator, I apologize, but I'm not an expert in this area. Obviously, the Department of Health and Human Services is implementing ACA. And I apologize, but I can't respond.

Senator JOHANNNS. Thank you, Mr. Chair.

Senator REED. Thank you, Senator Johannns.

Senator Udall.

Senator UDALL. Thank you, Mr. Chairman. And let me also join the whole group up here in just saying, first of all, agreeing and associating myself with the remarks about David Hayes. Madam Secretary, great to have you here, and thank you for coming in and meeting. And Rhea and Pam, thank you for your service to the department.

But, David, you've been a good friend of mine, and you've been an extraordinary friend of the West. And I think it's been echoed up here. You heard Senator Feinstein and the chairman and many others talk about it.

#### WATER

And I think one of the things that's been so key is that you have stayed focused on water. And water in the West, as you know, is very controversial. And when we have these 3 years of drought, in New Mexico it's up to 12 years, we have some very, very serious situations.

And you've been right on top of it by working on settlements and have achieved settlements where we're going to be able to stretch our water resources. So I very, very much appreciate that. And we're going to miss you a lot, and the Department is going to miss you. And your students are going to gain a lot from you out there at Stanford.

#### SEQUESTRATION IN INDIAN COUNTRY

Let me just briefly agree, Madam Secretary, with Senator Tester on the Indian country and Native Americans and what's happening on sequestration. And I'm encouraged to hear Deputy Secretary Hayes say this budget will restore those. I don't know why we ever got ourselves in this situation. When we created the sequester, we tried to protect the most vulnerable. And the most vulnerable population in America is the Native American population. And we didn't put them in that category. And so that's, it's a terrible tragedy, and they're really being hit hard now.

I think the only healthcare that wasn't exempted was the Indian Health Service. So I know it's not under your jurisdiction, but it seems like an important point to make here.

#### MINING LAW REFORM

I want to applaud the President and you for putting in the budget the 1872 mining law reform. I worked with Senator Murkowski and Senator Wyden on an amendment to the budget bill that brought 1872 mining law reform forward. I know what you're doing in the bill is proposing reform, including a new leasing program, with royalties, and an abandoned mine land fee to be used for reclamation of abandoned hard-rock mines throughout the country. And we very, very much appreciate that.

#### SEQUESTRATION AND MINERAL REVENUE PAYMENTS

As you know, the Mineral Leasing Act provides that all States shall be paid 50 percent of the revenues resulting from the leasing of mineral resources on Federal public domain lands within their borders. This revenue is vital to New Mexico, where it funds our public education system. New Mexico State leaders are very upset by the Department of the Interior's Office of Natural Resource Revenue (ONRR) determination that these State revenues are subject to sequestration. These are State revenues based on mineral development within State borders and are not Federal funds.

In New Mexico alone, we expect to lose \$25 million in State mineral revenues in fiscal year 2012 to sequestration. I'm working with Senators from other mineral revenue-generating States to formulate legislation that would address this issue, but I hope that you can help resolve this administratively.

I understand that the decision to subject these State shares of revenues was made before your time, and so I hope it will get a fresh look from you. These State royalties are part of the bargain between Western States and the Federal Government, which owns so much land within our States. Altering that bargain risks increasing conflict between the State and the Federal Government.

Will you and your team review the Department's decision to consider States' shares of mineral royalties as subject to sequestration?

Secretary JEWELL. Senator, thanks for raising my awareness of this issue. I have a couple of notes here that my colleagues have been bringing me up to speed that it's not ONRR, but it's the Budget Control Act itself that governs this. It affects all revenues and payments. So I'm unclear as to what kind of jurisdiction we'd have over this.

Rhea or Pam, do you want to provide a little more detail?

Ms. HAZE. Senator, we actually made determinations based on BCA's evaluation of what things were exempt and were not. It is, unfortunately, consistent for revenue and payments, like secure rural schools, payments in lieu of taxes, and mineral revenue payments. The sequester does impact those. We have looked at it at least twice.

Senator UDALL. Well, these are State revenues. I mean, they are—what we're going to do in legislation is we're going to look at making sure you don't even get your hands on them at all so that

we don't get in this kind of situation. So, you know, that's where we are on that.

#### WILDLAND FIRE

The last 2 years have seen the largest wildfires in New Mexico history. We're in a drought, and we're bracing for the worst year yet. And I applaud the President and your Department for making full funding of the 10-year suppression average a priority and for supporting full funding for the Collaborative Forest Landscape Restoration Program at \$40 million.

But I'm very concerned, however, that the President's fiscal year 2014 budget request for hazardous fuels reduction for the Office of Wildland Fire is reduced by \$88.9 million. This is a 48-percent cut for the program. And it just seems to me that this isn't the area to be cutting. What's the justification for this cut? And why are you doing this? Why are you headed in this direction on hazardous fuels reduction in the Department of the Interior?

Secretary JEWELL. Senator, I'll give a high-level answer, and my colleagues may be able to provide more detail.

There's no question that the sequester, where we run the risk of removing the fuels removal budget to go into suppression, is not the best way to operate our public lands. Removing the fuel to begin with so you don't have the degree of suppression makes all the sense in the world. The ounce of prevention worth a pound of cure argument, and we agree with that.

There are difficult decisions made in this budget. We don't have the capacity to go to emergency funds. When we do have wildfires that exceed the 10-year average, it impacts the overall operations of Interior. We've made difficult choices trying to balance what goes into suppression versus what goes into fuels reduction.

Rhea or David, do you want to add anymore to that? Is there more to add?

Ms. SUH. Senator, I certainly appreciate your concern. We recognize the deep importance of hazardous fuels reduction and the balance between the suppression and the prevention sides of our fire program. We are, as the Secretary noted, dealing with very difficult choices in the budget, and in particular, fire is perennially a very difficult thing for us to budget in whole. We are very committed to having the adequate funds for suppression, particularly as we move into very complex fire seasons, and we look forward to working with you to try to come up with long-term sustainability for the budget overall.

Senator UDALL. Thank you. Thank you.

Senator REED. Senator Alexander, please.

#### GREAT SMOKY MOUNTAINS NATIONAL PARK

Senator ALEXANDER. Thanks. Madam Secretary, welcome. Great Smoky Mountains National Park, where you've been and where you're well known and well appreciated, let me go over some figures here. The Great Smokies had nearly 10 million visitors in 2012, and they received \$19 million in Federal appropriations. Grand Canyon had 4.4 million visitors, half as many, and received \$21 million, \$2 million more, in Federal appropriations. Yosemite

had 3.8 million, that's less than one-half as many visitors as the Smokies, and received \$29 million in Federal appropriations.

Now, in the case of Grand Canyon, there were another \$14 million from entrance fees; in the case of Yosemite, another \$15 million from entrance fees. There's a great inequality here.

Taking the entrance fees first, the Great Smokies, as you well know, was given to the United States by the people of Tennessee and North Carolina and schoolchildren who collected dollars, all this in the 1930s. And one of the agreements was there wouldn't be an entrance fee. The Western parks were all carved out of land owned by the United States.

And so, the Smokies are already penalized because they don't get the \$14 million Grand Canyon gets and the \$15 million Yosemite gets in entrance fees. But why should the most visited national park, with twice as many visitors as these two great western parks, Grand Canyon and Yosemite, receive less appropriated funding every year than the Western parks?

Secretary JEWELL. Senator, I appreciate your question. I appreciate your park. I'm a lot closer to it, so I'll be spending a lot more time there than I have been able to in the past.

I will say that the fiscal year 2014 budget requests \$19 million for Great Smoky Mountains, which is about level with fiscal year 2012 funding. I think it's very difficult to compare. I appreciate the visitation for the park and the road that goes through and the number of people that come through and the entrance-fee issue. The management of the parks has to do with their acreage, with their threats. There are just a lot of factors that go into the budget. I think it's very difficult to say it's a function of the number of visitors versus, you know, a broader view of what all—

Senator ALEXANDER. But what I'd like to ask you to do is to review the formula you use for this. Because, number one, I think you ought to take into account the fact that the park can't, by law, collect an entrance fee. And so it loses \$14 million or \$15 million right there, which is, you know, 75 percent as much as the entire Federal appropriation. And then, second, for it also to be funded less than the Western parks at a time when it has a lot more visitors, the wear and tear on the parks is substantially a product of visitors.

You can't re-litigate the whole formula right here. But as you begin your study, I would hope that you would take a fresh look at that funding formula in light of what I think is the persistent under-funding of the Smokies.

I mean, we love the Grand Canyon. I've been down it. In fact, I went with Senator Udall's cousin. He took me down it 20 years ago. I'd like to go again. We love Yosemite. We want them to be properly funded. But we don't want our park to be—so will you take a look at that as part of your review of policies?

Secretary JEWELL. Absolutely. Yes, I'm happy to take a look at it and see if there's something we can do.

#### WHITE-NOSE SYNDROME IN BATS

Senator ALEXANDER. I have two other questions. One is, have you been asked about the bats, the white-nose syndrome, at all? Senator Leahy has talked about that before. If you hear a Senator

asking about bats, you may wonder, “Well, why is he talking about bats?” But it’s a big problem all through the Eastern United States. And it costs about \$74 per acre for the insects they don’t eat. I mean, the pest suppression is a big part of it. It’s a real concern in our area.

What’s the status of research that you’re working on to deal with white-nose syndrome?

Secretary JEWELL. Yes. I have been briefed on the white-nose syndrome. The budget for fiscal year 2014 does include increases in the USGS and the Fish and Wildlife Service budgets to address that. For example, USGS is working on long-term fixes like the vaccine to try and address it. FWS is addressing the resource issue, and there’s no question it’s a huge potential economic impact on agriculture. That is part of our science budget that we’re requesting for fiscal year 2014.

#### GREAT SMOKY MOUNTAINS NATIONAL PARK

Senator ALEXANDER. Thank you. On the question of funding, again back to the Smokies, one of the things we’re proudest of is our volunteers in the park. And you’re aware of that. That might be a good thing for you to visit there, it’s a good example for other parks, when you come. There are over 3,000 volunteers, and the estimated value of their service is \$3.5 million a year. Friends of the Smokies adds another million, but that still doesn’t make up for the funding loss.

[The information follows:]

#### GREAT SMOKY MOUNTAINS NATIONAL PARK

Operational funding for park units, such as Great Smoky Mountains National Park, is appropriated through the Operation of the National Park System (ONPS) account. This annual appropriation funds the day-to-day operations at all park units, commonly referred to as park base funding, as well as competitively awarded project funding for needs at parks such as facility repair or rehabilitation and resource stewardship needs. The ONPS account also funds the operations of regional offices and the Washington, DC headquarters office. In 2014, the President’s budget requests \$19.1 million for operations at Great Smoky Mountains National Park, level with 2012 funding.

Visitation is not the only cost driver for operational requirements; acreage, resource protection needs, and types of services available to visitors are some examples of factors that influence the cost to operate parks. Each year, the parks, regions, and headquarters identify new or expanding operational needs. Funding proposals submitted by park units are evaluated on a competitive, national basis. The highest priority activities are reflected in the President’s budget request.

However, the NPS, like other bureaus, must operate within the framework of constrained budgets. In 2014, the only park base operational increases proposed total \$6.7 million and are for start-up activities at recently authorized units and critical management needs such as combating invasive species. The budget also proposes \$18.4 million reduction to park base operations.

#### WIND ENERGY AND BONDING

Senator ALEXANDER. I have one other question that I’d like to ask you. There is obvious enthusiasm for renewable energy here and in the administration. And I’ve been puzzled by this obsession with building these gigantic, grotesque, you know, wind towers all over the scenic America. You know, most of our great environmental groups were founded by people who admired Ansel Adams’s photographs and loved the beautiful vistas. And then here we come along and turn whole stretches.

We destroy the environment in the name of saving the environment by putting these Cuisinarts in the sky that kill golden eagles and adopt an energy policy that is sort of the energy equivalent of going to war in sailboats. So that's my view on these giant windmills.

But my question is this. We have thousands of abandoned mines across the country that people mined and left. And now we are looking for money to clean those things up. What are we going to do when these windmills blow down or when they wear out after 20 years or when the big tax subsidies for the rich people that fund them run out? And we decide we don't want to spend \$12 billion a year subsidizing them, who's going to clean them up? There are thousands of them.

And my question is simple: Is there a bond that you require of developers of wind turbines on public lands so that if at any time they are abandoned by the developer, is there a bond that the developer has to put up to make sure that the landscape is returned to its former pristine beauty?

Secretary JEWELL. Senator, I'm going to have to defer to Deputy Secretary Hayes on that.

Mr. HAYES. Senator, I know there's a lease requirement for the owner to take down those turbines at the end of their useful life, much like we require for conventional oil and gas, and return the land to its previous condition.

I don't know if there's a bond requirement. We will look into it and get back to you.

[The information follows:]

#### WIND ENERGY AND BONDING

BLM requires bonds for all wind projects on its public lands. The bond is determined on a project-by-project basis to cover the reclamation costs for a project and the removal of improvements on the public land. However, the terms and conditions of a wind energy authorization require the holder of the right-of-way to remove all improvements. The bond is required to ensure compliance with the terms and conditions of the authorization and to cover BLM's expenses if an operator fails to fulfill the lease requirements.

Senator ALEXANDER. Does it require it or just allow it?

Mr. HAYES. It requires it. There is a requirement by the developer to take down—this is on public lands, obviously.

Senator ALEXANDER. Yes.

Mr. HAYES. To take down the turbines at the end of their useful life. But whether there's a specific bond requirement or not, I don't know right now. But we will get that information to you.

Senator ALEXANDER. Thanks, David. I'd appreciate it very much. And I'll add my compliments to your work here. Thank you, Mr. Chairman.

Senator REED. Thank you, sir. Thank you, Senator Alexander.  
Senator Merkley.

#### HAZARDOUS FUELS

Senator MERKLEY. Thank you, Mr. Chair. And thank you all very much. I wanted to start by echoing Senator Udall's comments in regard to the proposed reduction in funding for hazardous fuels reduction. We had this last summer in Oregon, the largest forest fires we've had in 100 years, including one forest fire the size of

Rhode Island. And largely, partly, the forest was dry, but the other big factor was the accumulation of fuels from fire suppression in the past, combined with the absence of forest management.

And it's kind of a very hazardous combination, those factors. And in page BH106 on the conversation on this, it notes, "The President's budget proposes reducing the program to \$96 million, a reduction of \$89 million"—I'm rounding it off—"from 2012." And it presents, and it puts it in kind of the silver lining, that "the program presents an opportunity to reevaluate and recalibrate the focus of hazardous fuels reduction to align and support the direction of the National Cohesive Wildland Fire Management Strategy."

I am doubtful that there's anything in that strategy which says that the accumulation of fuels is not a problem and that we should cut the funding by one-half. So I think this is probably just kind of nice language to dress up the fact that this didn't make the list of higher priority operation.

But I guess my question is, is there some type of fundamental insight that hazardous fuels reduction no longer merits the funding that it's had? And if so, I'd like to understand that.

Secretary JEWELL. Senator, I'll take a high-level crack at the question. Fuels reduction is very important in reducing the risk of wildland fires; no question about it. We have very difficult budget choices to make. This budget reflects a balance of what we expect to have to spend on suppression, based on the 10-year average. And putting some money aside, which has been removed, actually, in the sequester, putting it back in to reduce the fuel load.

There are ways we fight fires that would be much better put on the emergency funding side so we had a predictable annual way to continue to reduce the fuel load and fight the sort of normal fires without the spikes that inevitably occur in terms of how it impacts our funding. We made some hard choices. There's nothing I'm aware of or have been told that there's a relation.

Senator MERKLEY. Okay. Well, I appreciate the hard choices, and I just want to reiterate concern. A lot of our private landholders are very concerned about forest fires that are moving from public land onto their private land, their private range land, their private timberland. And a good share of the fires that occurred last year were on both public land leased, so it operates as an income generator for our ranchers, and also the private land, including private timber stands.

And when your private timber stand is burned up as a result of a fire that initiated on a poorly managed public tract, you can imagine how angry you become about that poor management. And that's my concern, that we need to do more, not less.

#### KLAMATH BASIN RESTORATION AGREEMENT

I wanted to turn to the Klamath Basin Restoration Agreement. This is an agreement that I discussed with you earlier that I just wanted to engage you on. This is an effort to address a significant area in southern Oregon, where you have a complicated set of rivers and dams and species, including a freshwater sucker fish and then the salmon, both of which have provisions to effect their survival that sometimes are in conflict with how much water stays in

the lake versus how much water goes into the river, and so on and so forth.

Stakeholders have been fighting over this water forever. They came together and forced the Klamath Basin Restoration Agreement. Your predecessor flew in to be there for the signing of this agreement. The Department worked very closely to try to support these concepts to turn what's been a lose-lose proposition into a win-win.

Nothing about this is simple. But I again wanted to raise your attention to it and ask for your help in trying to take this long-term water war and convert it into something that's more reliable for the irrigators, better for the fish, both the in-lake fish and then the downstream fish.

Secretary JEWELL. Senator, thanks for your support, and I am aware of how extensive, how important, how complex this is, and I absolutely look forward to working with you on it.

#### RESOURCE MANAGEMENT PLAN

Senator MERKLEY. Thank you, Madam Secretary. And then I wanted to turn to the issue of the O&C lands in Oregon, the Oregon and California Railroad grant lands. These lands have gone through various management plans, and there is a pending rewrite of the Resource Management Plans for six different districts.

And one of the concerns, just as the concern that, if you will, fire suppression or response will take away the funding for fuels reduction, the concern here is that the resources that are necessary to do these plans might come at the expense of the planning for timber cuts. These are lands that were dedicated for our counties to essentially have a timber supply to feed the local mills. And part of the revenues from the sales go to the local counties. And if the planning isn't done for the sale of the timber, then nothing happens. Nothing gets cut, nothing gets managed. We have second-growth forests that continue to be good for fires and disease, but not for either ecosystems or for timber sales.

And so, I wanted to raise this issue and ask whether the dedication of the effort on the Resource Management Plans is going to divert funds necessary to plan the sales on these lands.

Secretary JEWELL. I'll answer at a high level and then ask my colleagues here to chime in with more. What I've heard from the BLM is a commitment to provide a steady source of timber for the mills in Oregon. I know it's very critical to funding the Secure Rural Schools Program. I have not heard that the Resource Management Plan takes away from the ongoing commitment to provide a steady supply of timber.

My colleagues, would you like—Rhea?

Ms. SUH. Senator, we fully expect to meet our cut target of 197 board-feet that is expected in 2013.

Senator MERKLEY. Well, throw a million or something into there.

Ms. SUH. I'm sorry. 197?

Secretary JEWELL. Million.

Ms. SUH. 197 million; I'm sorry. What we were asking for in the budget is an additional \$1.7 million that will obviously go into the Resource Management Plans. We do not think these things are mu-

tually exclusive. We think both of them are equally important to the communities you represent.

Senator MERKLEY. Thank you. I appreciate that, and I'll just close by saying 2 weeks ago we lost the Rough & Ready mill, the last mill that we had in that particular county. And the owner of the mill said, and I believe I have this right, that it's like a person starving to death in a room full of food. That essentially that, because of the scarcity of the sales off the nearby timberland, they just couldn't get the logs to feed the mill.

In the small town of Cave Junction, this was 85 living-wage jobs, which of course, will affect that payroll being spent in Cave Junction, will affect every other retail operation in this mill town. And certainly, kind of that snapshot reflects the frustration and challenge of working out a sustainable timber supply strategy off these lands. Thank you.

Senator REED. Before I recognize Senator Hoeven, a vote has just started. I will depart to vote. I'll ask the vice chair, Senator Murkowski, to preside so that we can finish the first round. And we anticipate a second round.

Senator Hoeven, thank you.

#### RED RIVER VALLEY WATER SUPPLY PROJECT

Senator HOEVEN. Thank you, Mr. Chairman. Madam Secretary, good to see you again. Thank you for being here. A project that we had submitted for a record of decision some years ago, we're still waiting for a final record of decision, it's the Red River Valley Water Supply Project. Would you be willing to commit to me that we can get together and you could give us a final decision one way or the other on that record of decision?

Secretary JEWELL. Happy to meet with you on it and learn more about it.

Deputy Secretary, do you know the status of the record of decision?

Mr. HAYES. I do not, but we certainly will get back to you on that.

Senator HOEVEN. Yes. We need to get a decision from you. And so could we agree to schedule something, get together and get a frank discussion and a final decision?

Secretary JEWELL. Sure. Absolutely.

[The information follows:]

#### RED RIVER VALLEY WATER SUPPLY PROJECT

The Bureau of Reclamation and the State of North Dakota completed the Red River Valley Water Supply Project Final Environmental Impact Statement in 2007. The preferred alternative identified in the EIS would import water from the Missouri River basin for release into the Red River through the Garrison Diversion Unit water supply facilities. A report on the project was transmitted to Congress in 2008, consistent with the Dakota Water Resources Act of 2008, Public Law 106-554. A Record of Decision has not been signed and that decision has not been revisited.

The Dakota Water Resources Act requires that if the selected option includes the importation of Missouri River water, the project must be expressly authorized by Congress. No legislation has been enacted. We would be pleased to discuss the status of the Red River Valley Project further with the North Dakota delegation.

## SPIRIT LAKE NATION CHILD PROTECTIVE SERVICES

Senator HOEVEN. That would be great. Second, I want to thank you for your willingness to come visit us in North Dakota. I appreciate it very much. One of the stops that we've got to make is at the Spirit Lake Nation. And I think it's very important. There's a situation where the Bureau of Indian Affairs has taken over the Child Protective Services. Their problems on the reservations need to be addressed.

Your presence there, I think could be a big help in terms of making sure the job gets done and getting a good progress report. And I'd like your thoughts and, hopefully, a commitment from you to do that.

Secretary JEWELL. I'm very happy to work with your office on my visit to see how we can prioritize working that in with the other things that you'd like me to see in North Dakota.

## NORTH DAKOTA OIL RESERVE ASSESSMENT

Senator HOEVEN. Good. The third point is I want to thank you again for the USGS study that came out updating the recoverable oil reserves in North Dakota between double and triple, 7.4 billion to 11.4 billion barrels recoverable. The industry thinks it's going to be even higher than that. Natural gas, almost 7 trillion cubic feet.

Your study is very important because it's going to help us. We've got the oil companies in there, but we're growing so fast we need private investors and private developers in there building stores and housing and, you know, all of the different things that go with quality of life, restaurants, in addition to the public investment we're making in roads and bridges and water supply and all that.

So it's very helpful. I want to thank you for that. I worked with your predecessor, Secretary Salazar, very closely to get USGS to do that study. We thank you for it. It's going to have a real impact in terms of jobs and energy; tax revenues at local, State, Federal level without raising taxes; and of course, energy security, energy independence for our country. It's a great example of what we can do together.

## HYDRAULIC FRACTURING

So, now you're working on hydraulic fracturing. We can't produce oil and gas without hydraulic fracturing. So I need your commitment to work with us on that. That's one.

## OIL AND GAS PERMITTING

At the same time, we're working on permitting wells, for example, on BLM lands. Right now it takes 10 to 14 days to permit a well in our State, but it takes 270 days on BLM lands. We've got energy legislation in, our BLM Streamlining Act, which I think we got bipartisan support. I think you guys are onboard with it. We actually worked with some of your people to develop it.

The point is this: We need your help streamlining the regulatory burden. And that's one of the things we're going to show you. For example, we're going to show you hydraulic fracturing, that we're transparent and that we're open. We do it right, we do it well. But we create a lot of jobs and a lot of energy doing it right and well.

## HYDRAULIC FRACTURING

So, specifically, where are you at with the hydraulic fracturing rules? Are you going to work with the States to make sure they work? And can we continue this model of the BLM Streamlining Act, where we work together to streamline this regulatory burden? This is a win-win in a big way.

So I know that's kind of a long question. But it goes to a big point here and a real opportunity. And I'd love your response.

Secretary JEWELL. I'm happy to respond. And as I'm sure you recall from my confirmation hearing, I actually have fracked a well before.

Senator HOEVEN. Yes, I do.

Secretary JEWELL. Having been a petroleum engineer earlier in my career, I understand the process, I understand the risks, I understand the rewards. It's essential and has been for decades, in economically extracting the resource, it can be done safely and responsibly. I do understand that.

Fracking rules, we're very close to releasing them. So I've said that it's a matter of weeks, not months. So you won't have long to wait.

In terms of streamlining the regulatory burden, we agree, and the BLM agrees. Yesterday I had an opportunity to meet with the Western Energy Alliance, which is small operators from throughout the West. We talked about this.

I hate to keep bringing up sequestration, but we have a movement afoot to streamline and automate the process. When we do a line-item by line-item cut, it makes it difficult to do that because we don't have the flexibility on where we cut. People are necessary to process permit applications, and they are being scaled back. We're actually prioritizing authorizations for permits to drill, and our inspections over additional leases.

But the BLM is very committed to being more streamlined. There's some legislation that's had pilot offices that don't allow us to go beyond those pilot regions.

Senator HOEVEN. Exactly.

Secretary JEWELL. We're asking for a fix to that. I think the BLM is very much on the same page with you, Senator, in where we need to go to be responsive.

Senator HOEVEN. That's it. I mean, that's the legislation I'm talking about. We're going to get you authority so that you have flexibility to do some of these things. I think we can leverage your resources. We can do much more together even with, you know, the challenges of sequestration because, with some flexibility, we're going to bring you State and local resources, private resources in a way that will help us do these things.

It really just comes back to your willingness to engage with us and do it. And this is where your leadership, I think, can be critical and make a big difference.

Secretary JEWELL. Yes. Appreciate that.

Senator LEAHY. First off, Madam Secretary, congratulations being here. I was proud to vote for your confirmation. I think your diversity of experience is going to be very good for us.

You've heard from a lot of the western Senators up here, and I just want you know, as important as the Department of the Interior is to the West, we have some interest in Vermont, in the East. We take pride in our own stewardship. We appreciate the value the Department of the Interior brings to Vermont, to our two national wildlife refuges, two units of the National Park System, two national fish hatcheries. And I was glad when the Connecticut River and Vermont neighbor in the New England States become the first National Blueway. So these are all things that we're very interested in.

## SEA LAMPREY

Since 1998, FWS has led the effort to control parasitic sea lamprey in Lake Champlain in Vermont and New York. That's what this ugly-looking thing is, which attaches itself to fish, lake salmon, trout, and so on. It's critical to the restoration of native fish species in Lake Champlain. They have a devastating impact on the ecosystem if they're left unchecked.

The program to get rid of it has been a huge success. In 2011, your predecessor and former colleague, Ken Salazar, joined me in Vermont to say FWS was accepting full responsibility of the management of it. But they've yet to budget money for this work.

When will FWS bidding plan begin to honor your predecessor's commitment in 25 years of leadership by the Fish and Wildlife Service and put money in to eradicate sea lampreys in Lake Champlain, without sounding too parochial?

Secretary JEWELL. Well, it's a great illustration of the challenge we have in balancing the resources, particularly with invasive species.

Specific to the sea lamprey, I'm looking at Pam to see if she's got a number. She's scrambling to come up with a number.

Ms. HAZE. The fiscal year 2014 budget, sir, maintains FWS funding at the fiscal year 2012 level. It's at \$1 million. This supports FWS's efforts in Marquette, Ludington field stations in Michigan, and the Lake Champlain Fish and Wildlife Resource Office in Vermont.

Senator LEAHY. So how much is going to be budgeted for Vermont?

Ms. HAZE. I'm not sure. We can get you that information, sir.

Senator LEAHY. Could you get it this week?

Ms. HAZE. We can.

[The information follows:]

## SEA LAMPREY

The Department's efforts to control sea lamprey in Vermont and Lake Champlain remains strong. The fiscal year 2014 budget maintains funding in the Fish and Wildlife Service at the fiscal year 2012 level of \$1 million. In addition, funding for sea lamprey control is provided by the Great Lakes Fishery Commission through reimbursable support agreements with the Service. In fiscal year 2012, the Commission provided \$9.8 million; \$8.7 million in 2013; and the Service anticipates receiving approximately \$8.4 million in 2014, although exact allocations are as yet unavailable.

The Fish and Wildlife Service supports sea lamprey control efforts from field stations in Michigan and the Lake Champlain Fish and Wildlife Resources Office in Vermont. Funding for sea lamprey control efforts in Vermont is stable at approximately \$1 million in 2012, 2013 and 2014. A portion of this funding is provided by

the Great Lakes Fishery Commission. The Service works in close coordination with both Vermont and New York resource management agencies to support sea lamprey control efforts and together they are making progress.

The U.S. Geologic Survey also provides scientific and technical support to sea lamprey control efforts which has informed more effective efforts. USGS provides support from facilities in Michigan and Wisconsin.

#### WHITE-NOSE SYNDROME IN BATS

Senator LEAHY. Thank you. I know that the Senator from Tennessee has mentioned white-nose syndrome, something I raised here several years ago. It is a matter of huge import, not only to farmers that use pesticides, but also to those who are involved in organic farming without pesticides.

#### FISH HATCHERIES

And then native fish populations, ever-increasing risks. We've seen firsthand in Vermont FWS through the Federal Fish Hatchery System is critical to preventing that. Vermont's two Federal fish hatcheries support native fish restoration as far west as Lake Ontario, as far east as Maine. The administration's spending request is a significant drawback from freshwater fish restoration.

Are you going to be able to continue a strong network of Federal fish hatcheries?

#### WHITE-NOSE SYNDROME IN BATS

Secretary JEWELL. Senator, I'm going to address white-nose syndrome in bats, as well as the question on the fish hatcheries. I do have information. We have \$11.5 million for programs in the fiscal year 2014 budget for the white-nose syndrome in bats, and that's a \$5 million increase above 2012, so the budget recognizes the huge economic impact of that.

Senator LEAHY. Good.

#### FISH HATCHERIES

Secretary JEWELL. In terms of fish hatcheries, I know that there is support for fish hatcheries in general. I don't know specifically about Vermont.

Rhea.

Ms. SUH. Senator, we believe strongly that the Light River National Fish Hatchery is one of the best examples of our work in this realm. As you know, the hurricane in 2011 caused significant damage to this facility. We have been undergoing two separate construction projects to try to repair and rebuild the fish-tagging building. In 2014, we have a total of \$4.7 million budgeted for the operations of this program. We're working on both the ongoing regular operations, as well as the restoring, the rebuilding of the actual infrastructure.

Senator LEAHY. Good. Well, thank you very much. And finally, Madam Secretary, if you go online and pick up "The Onion," the satirical newsmagazine, you've probably seen this, how you became President when the President, the Vice President, the Speaker, myself, and those of us who are in line to accession to the presidency took a hot-air balloon ride. Trust me, we're not going to. Thank you.

Senator MURKOWSKI. Senator Cochran.

Senator COCHRAN. Madam Chairman, I'm pleased to join you and others on the subcommittee in welcoming our distinguished panel of witnesses today. We thank you for your leadership at the Department of the Interior.

#### MISSISSIPPI NATIONAL PARKS

Two of the most important activities in my area of the country involve the Gulf Islands National Seashore and the Natchez Trace Parkway, both of which are very important for visitation and appreciation of the beauty of that part of our country. And I just want to put in a plug for adequate funding to continue to carry out the activities that the Department has in supervising and helping maintain the integrity and beauty and enjoyability of that part of the country.

I think our time has run out on our vote over on the floor. So I'm prepared to yield back my time without really asking you for any commitments except your best efforts.

Secretary JEWELL. Thanks, Senator. I do want to reference that it looks like funding is equivalent to the fiscal year 2012 levels for the three parks in Mississippi. I look forward to visiting Vicksburg, which is coming up, I think in a week or two. So thank you.

Senator REED. Thank you very much, Senator Cochran. And as I indicated before, Senator Murkowski is now going to vote and we will begin a second round.

#### OFFSHORE WIND

One of the major issues that's upcoming is the auctions for offshore wind. This is particularly important to Rhode Island. Can you give us a detailed timeline? There was a commitment, I think, that all this process would be completed by the end of the year. But perhaps either you, Madam Secretary, or Deputy Secretary Hayes could comment.

Mr. HAYES. Be happy to, Senator. I want to compliment your leadership here and the State's leadership. Rhode Island really has invested from the very beginning in good studies and good analysis to enable Rhode Island now to move forward as our first competitive offshore lease sale with the combined Rhode Island-Massachusetts wind energy area.

We are looking to have a notice of the sale to come out within a matter of weeks and to have the actual sale occur before the end of the year. That's our current timetable. As we get closer, we will give your office, and I've enjoyed working with Rachael directly on this, more precise information.

Senator REED. Right.

Mr. HAYES. But we are on track to get it done this year.

Senator REED. Thank you very much, Deputy Secretary Hayes.

#### SEQUESTRATION

Madam Secretary, the issue of sequester keeps, obviously, coming up in many different contexts. Let me just ask, for the record and also to sort of, I think, provide a good basis for further discus-

sion. First of all, your budget does not assume the sequester; is that correct?

Secretary JEWELL. The fiscal year 2014 budget does not assume the sequester. We're making comparisons typically to the fiscal year 2012 budget because that's the last enacted budget that we had.

Senator REED. Right. Right. So the budget we're talking about, if the sequester continues into this 2014 fiscal year, it will be further complicated. Right now you're looking at, you're assuming no sequester?

Secretary JEWELL. That's correct.

Senator REED. Thank you. Now, and all of my colleagues, I think, because, first of all, they're extremely effective and thoughtful people, have suggested ways in which we could make further investments not only in their States, but in national programs. But even with the flexibility some people have spoken about, these additional investments would be difficult to do in the context of the budget with or without the sequester; is that fair also?

Secretary JEWELL. That's correct.

Senator REED. And again, one of the issues is that—and I think all of my colleagues would make the same point I would. When we do these investments, they actually generate economic activity, provide jobs, leverage the economy forward. So this is not just spending for the sake of spending. Yet could these critical investments—you know, you have a list of things you had to leave on the cutting-room floor, as they say on the west coast, that you probably believe would be hugely valuable for jobs, for economic growth, and for the future of the country. Is that a fair assessment, too?

Secretary JEWELL. Yes. And just to put a few numbers behind it, I come out of the active outdoor-recreation industry, \$600 billion of revenue that is generated because of people's recreation on public lands. The lion's share of those lands are managed by the Departments of the Interior and Agriculture.

On the energy side, I think we get a 26-to-1 return on investment for every dollar we invest. We generate \$26 of revenue for both States and the Federal Government. So, yes, I mean, as we scale back, as I referenced on the sequester, it's about \$200 million of lost revenue that we associate with just the cuts we've had to make from the sequester alone.

Senator REED. Well, thank you very much. That adds, I think, some context and some real value to what has been so far a very valuable discussion in and of itself.

#### URBAN PARK AND RECREATION RECOVERY PROGRAM

Let me turn to another issue. It was very encouraging to see this budget include \$10 million to revive the Urban Park And Recreation Recovery Program. You know, again, my colleagues are from larger States and more rural States, have parks, et cetera. But there's a need everywhere for access to nature, conservation, and the services that parks provide.

Can you explain some of the specific activities that you see funded under these grants? Who would be eligible as an allocation formula? Any details would be helpful.

Secretary JEWELL. Let me give the high level, and then I'll encourage my colleague, Rhea, to weigh in.

Senator REED. Thank you.

Secretary JEWELL. First, there is a significant, scary growing disconnect between children and nature. It's something that I have worked hard on before coming into this role. Urban parks are frequently the best opportunity children have to have any kind of a connection to the natural world at all. If we want people sitting around this dias in the future that care about these resources, which I think are vital for many reasons, we need to connect them to parks today.

The UPARR program, which has been around for a long time, but not funded consistently, is really vital. As a former urbanite from the Seattle area, these kinds of funds are desperately needed by local cities and counties to support the parks that are necessary in the region. That's why we're asking for it to come back. The Rivers, Trails and Conservation Assistance Program that NPS administers is another critical resource that is leveraged by local money.

So, Rhea, do you want to provide any more detail on the program itself?

Ms. SUH. Mr. Chairman, we can certainly provide you extensive detail on how the program will be operated. It is, obviously, operated by NPS. It's our understanding that the funds would go to local municipalities that have urban populations, in a competitive process. So again, we would be happy to get back to you with more details on the program.

This is a program, as you know, that used to exist several years ago. We are resurrecting it because we believe strongly and agree with you that the need, particularly in urban places around the country, is great.

Senator REED. Well, I concur, obviously. And in one point, I would echo the Secretary, so that if we want the next generation to be custodians of the environment and not just in certain areas, but throughout this country, we have to expose them to environmental education and issues. And again, we have been pushing through the Department of Education for a curriculum that has a recognition of getting kids outside. In fact, we've got legislation, the No Child Left Inside Act.

But this is not just Department of the Interior, but across the Federal Government engaging the next generation of young people in environmental education. And the best education is actually going in and seeing firsthand a park or, in our case, going out on the bay, Narragansett Bay, and participating in places like Seattle, going up into the mountains and hiking or climbing, et cetera. So it's absolutely critical.

[The information follows:]

#### URBAN PARKS AND RECREATION RECOVERY

Established by the Urban Park and Recreation Recovery Act of 1978, the Urban Park and Recreation Recovery grant program was designed to provide matching grants to a prioritized list of urban cities and counties that represent the most physically and economically distressed communities Nationwide. The program provides direct Federal grants to local governments to rehabilitate existing indoor and outdoor recreation facilities; to demonstrate innovative ways to enhance park and recreation opportunities; and to develop local Recovery Action Programs to identify needs, priorities and strategies for revitalization of the total recreation system.

Rehabilitation and innovation grants are awarded through a national competition among the detailed project proposals submitted to the National Park Service (NPS). These are evaluated and ranked by a national panel and recommendations made to the Director of the National Park Service for selection. The project selection criteria address the goals of the UPARR program and are outlined in the UPARR Act. For example, project selection criteria for rehabilitation projects include but are not limited to:

- Maximizing project costs per capita in the community served.
- The degree of service to minority and low to moderate-income residents, special populations, and distressed neighborhoods.
- The degree of State participation in the proposal, including financial and technical assistance.
- The degree of private sector participation in the proposal, including contributions of financial assistance.
- The degree to which the project is clearly a priority for action listed in the Recovery Action Program and the jurisdiction's commitment to improving its recreation system.
- The scope of whether the proposed project will serve neighborhood recreation needs.
- The condition of existing recreation properties to be rehabilitated and the need to maintain existing services.
- The level of improvement in the quality and quantity of recreation services as a result of rehabilitation, including improvements at specific sites and overall enhancement of the recreation system.
- The degree of the projects consistency with local government objectives and priorities for overall community revitalization.
- The degree of neighborhood employment opportunities created.

#### YOUTH

Senator REED. And let me ask a broader question, which is, this is one aspect of youth programs in the budget. Madam Secretary, could you comment generally about other areas of the budget that emphasizes sort of youth engagement?

Secretary JEWELL. Yes, and I hate to keep hearkening back to the sequester, but one of the biggest impacts we've had is the reduction in youth hiring. When I go around the BLM or the Park Service, or even USGS, a lot of the folks that work for the Department of the Interior started as young people. They might have been in college, and they did a summer job. My son worked for 3 years as a volunteer ranger in a national park. It connected him to place in a way that will change his life forever

These opportunities are enormously critical in making sure we have people that are interested in the jobs that take care of these lands. I want to compliment Assistant Secretary Suh on her commitment to youth hiring in Interior, because we've had tens of thousands—how many thousands?

Ms. SUH. 84,000.

Secretary JEWELL. 84,000 young people, looking in the rear-view mirror, have been hired by Interior. These will be the people that will be our park rangers, our wildlife biologists, and our oil and gas lessees of the future.

We also have a very scary situation with the maturation, I would say, of our workforce.

Senator REED. You mean they're getting to be our age?

Secretary JEWELL. I resemble that remark, yes.

Senator REED. They're getting to be my age. I understand.

Secretary JEWELL. Well, they're my age, and they will be eligible for retirement in a 5-year period of time. You know, will we have the people necessary with the skills set necessary? We have a com-

mitment to that, but it is difficult in this budgetary time. And that's certainly something that's reinstated in this budget.

Senator REED. Well, you make another excellent point, which is, there's, going forward, a capacity issue, because as you lose these very valuable, very experienced personnel, for the last several years we have not been hiring at the level we need to keep the entry-level and middle ranks sustained so that there's a natural progression upwards. And we could find ourselves with a situation where we, you know, don't have the capacity, the expertise. And that doesn't help anyone, because you still have the mission, but you still have the capacity.

#### LAND AND WATER CONSERVATION FUND

But let me change to another topic that you've mentioned, then I've mentioned, and that's the LWCF. We have, and I think this is strong bipartisan support over the years for the LWCF. We're fully funding it, et cetera.

The proposal in this budget is to make part of it mandatory, and I think, the longer term, to transition to an entirely mandatory program.

Secretary JEWELL. That's correct.

Senator REED. Which the value, obviously, is it tends to lock in the money. But what it doesn't do is allow sort of the not only just oversight, but, you know, members to be able to indicate the local preferences, what's an important project in Alaska or Nebraska or Rhode Island, which is part of what we do, and also, the oversight of the program on specific issues, accountability, et cetera.

So how are you planning to continue to involve Congress in this process, first for this at least proposed, and not yet adopted mandatory portion, and certainly at the point if this ever got to be completely a mandatory program?

Secretary JEWELL. Senator, as a businessperson, I spoke at length with many members of this body about the importance of full funding of the LWCF to fulfill its intended purpose. It has been under threat consistently, and that is why we are proposing mandatory funding.

I think there's an example in the Migratory Bird Commission. There's another word in there, isn't there?

The Migratory Bird Conservation Commission. Where there is engagement on the part of the Congress in prioritizing where those funds are spent. I would welcome the opportunity to work with you and this committee on establishing something similar so there is insight and input from Congress on prioritizing those projects. Because it's certainly not something that needs to be driven by us. It's something I think we could drive collaboratively.

Senator REED. And again, one of the concerns is that it's this balance between smaller areas of the country, larger areas that might have, you know, just a bigger footprint, if you will, where you have to deal with that. And without, I think, healthy dialog within the Congress and the administration, we're not going to be as effective as we should be. So I thank you for that, going forward.

I'm going to recognize Senator Murkowski and ask her, at the conclusion of her questions, because I do not believe any of our colleagues will return, if you could gavel us out. I would indicate that

the record will remain open until Thursday, May 16. So, Madam Secretary, you could get some written questions from any of my colleagues. And we'd ask you to respond as quickly as possible. Those questions have to be in by May 16, and we ask again for your rapid response.

With that, let me turn the gavel over to Senator Murkowski to ask a question and to conclude the hearing. Thank you.

Senator MURKOWSKI [presiding]. Thank you, Mr. Chairman. Appreciate that. And sorry for the Jack-in-the-box routine, but this is what happens. And thank you for an opportunity to just ask a couple more questions; I won't keep you too long because it's been a long morning for you as well.

#### ARCTIC OCS REGULATIONS

Let me ask first about where we are in the process of developing these Arctic-specific regulations within BOEM for the exploration and development in the OCS areas out there. As you know, exploration has been delayed going forward this next season, in part because of what's gone on with the regulatory uncertainty.

Can you give me some sense as to the timeline we're looking at here for these regulations and whether or not it's your intent to have those regs in place in time for the 2014 drilling season?

Secretary JEWELL. Senator, I have had meetings with both Shell and ConocoPhillips, who are the principals involved in this. I've not yet met with Statoil; that may come up. I sense a strong commitment to safe and responsible development of the Arctic by the operators and by the regulators.

I don't believe that, in my conversations, that either Shell or ConocoPhillips feels that it is regulations that are getting in their way. It is ensuring that the technology is available to be able to respond in the event of an incident, a spill incident up there, that is of paramount importance to us and I'm sure to you, as well. We certainly don't want a situation in the Arctic like we experienced in the gulf.

Shell has been ahead of the game in working on particularly the oil spill response. As you know, their response didn't pass the test. They would acknowledge that, and certainly, the Bureau of Ocean Energy Management agreed that the test was not passed. Shell is back working on developing a strategy to make that happen, and they're going to continue to test until they get it right.

There is a requirement that the ability to drill a relief well be there, because unlike other parts of the world, where you've got the ability to rapidly respond with other units that might be in the area, that's not true. Both Shell and ConocoPhillips, and Statoil if they proceed with their development, will look to share resources to be able to drill a relief well should there be a problem. That's another factor.

But I don't sense that there is any disconnect between industry and the regulator in terms of what needs to be done or the timing.

Senator MURKOWSKI. Well, let me ask for clarification on that because, as we know, when Shell was moving forward as the only entity, the only producer up there, the plans were very specific as to Shell's operations. Conoco is looking at a different process using a jack-up rig. So in terms of ensuring that the regulations are out

there, that they are clear and understandable, that allow for a level of certainty, there are, as I understand, still regulations that need to be defined.

So the question is, will that be clearly mapped out far enough in advance so that Conoco can advance in 2014, or Shell can advance in 2014? Actually, excuse me, Conoco has already said that they won't go in 2014. They're putting it off an additional year. But will that regulatory certainty be there for Shell should they decide to move forward in 2014?

And then a secondary question is as it relates to the air quality programs. As you know, in the 2012 appropriations bill, we transferred the authority from EPA to DOI. And so, same question: Will you be prepared within BOEM to have finalized these regulations, not only on the exploration and the development side, but on the air-quality side, in time for the 2014 season?

Secretary JEWELL. I'm going to ask Deputy Secretary Hayes to weigh in with more detail.

Mr. HAYES. Thank you, Secretary and Senator. First on the question of Arctic-specific standards, we are going to move forward and put in regulations. The requirements that Shell was required to do under the exploration plan, we are looking to have performance standards so any company working the Arctic will be expected to meet a performance standard, for example, to deal with the containment for a spill, but with the flexibility for companies to figure out how they want to meet that standard.

We do expect to have proposed regulations out by the end of this year so there will be clarity going forward. They will be based on the kinds of requirements we've worked on together and that were used in the field last summer. So there should not be significant concern about what's in them, but we do believe it's appropriate to put them in regulations now that we have more than one operator moving up there, and that's our intent.

With regard to the air side, we are working hard at developing the regulations to implement the addition of the jurisdiction to BOEM to handle air requirements in Alaska as they do in the gulf. And we expect forward movement on those this year as well.

Senator MURKOWSKI. Do you expect that there will be any difference between how the department regulates the air quality in the gulf and up north?

Mr. HAYES. I think it will be the same approach, Senator, which is what I believe is required under the law that you helped to instigate and pass.

Senator MURKOWSKI. Good. I appreciate that. And I think it was important to hear the word "flexibility" used in your response when you're talking about the performance standards, because recognizing that you may have different technologies, different approaches there, yes, it's important to have that backup, if you will, that standby system. But the designs might be different, given what the different operators are utilizing.

So it is important, again, that we have those regulations that are clearly defined in advance, well in advance, hopefully, of this season so that that level of certainty, moving forward, is there.

## CONTRACT SUPPORT COSTS

Let me ask one final question to you, Madam Secretary. And this relates to BIA and IHS contract support costs. Last year, the Supreme Court, in the Ramah case, held that tribes are entitled to full contract support costs under their agreements with the Federal Government.

What we're seeing, though, with the budget requests for both BIA and IHS, they have proposed this separate appropriations account solely for contract support costs that also includes some statutory language that, in my view, circumvents the court's holding there. The language would effectively prevent the tribes from bringing claims for the full amount of contract support costs if inadequate funding is not appropriated to cover these costs.

I don't know what kind of feedback you have heard, but I can tell you, the outcry from tribes from folks back home on this particular issue is really loud. It's quite intense. The tribes have spent so many years getting to this point, significant legal costs. They get the Ramah decision and are very optimistic that they will finally see some equity within the budget here. And now this proposal, again, really kind of undercuts where they have come from.

One of the questions that they asked me to ask you was whether or not there had been any tribal consultation prior to putting forth the proposal in the budget. And recognizing that you weren't in that situation to do that, I don't know if any of your staff has information in terms of what actually went on prior to this decision or this proposal that is now in the budget.

Secretary JEWELL. Let me give a high-level on the contract support cost dollars.

Senator MURKOWSKI. Okay.

Secretary JEWELL. And then I'll turn to my colleagues in terms of the process. We've got \$231 million in the budget for contract support costs, which is about 91 percent of the need. So it is not fully funded. It would require about \$253 million to fully fund. It is an increase of nearly \$10 million. I understand that the court provided some different options in terms of how it might be administered.

The President and the Department of the Interior really want to fulfill our obligations under this. And of course, it's a function of money. We would very much like to resolve this, working with Congress to come up with a mechanism to address the conflict that we have in funding and, I think, in terms of some legal conflicts as well in how the laws are administered.

David, do you want to provide more?

Mr. HAYES. Yes, thank you, Secretary. And, Senator, this is a very important issue to us. As you know, this is an issue that also affects the Department of Health and Human Services with the Indian Health Service. In putting together the President's budget, it was really a function of the administration as a whole that had to deal with this issue, at the same time that we're trying to now settle the class action case as well, based on the Supreme Court decision.

The consultation is occurring now. And I know that within the last—

Senator MURKOWSKI. So after the fact? How is that going?

Mr. HAYES. Well, I think it was going pretty rough, Senator. I know that Charlie Galbraith on behalf of the White House and Kevin Washburn and Ms. Roubideaux and others have met with the tribes about this. We very much view this budget as the beginning of a discussion. We need to solve this problem, working with you and the Congress, to ensure that full support costs are available.

As the Secretary said, we're committed to it. We've found some additional money. We have to solve this problem. This is an interim step, and what we care most about, and I'm sure you do as well, is that this not be a recurring issue year in and year out and become an open sore.

I know that Kevin Washburn, in particular, the Assistant Secretary for Indian Affairs, is committed to deal with this. I've engaged with my colleagues at the Department of Health and Human Services and the Attorney General's Office to see if we can't both get the retrospective litigation completed and then have a solution going forward that works for you as appropriators, as well, to fund the support costs and honor the Supreme Court's decision.

Senator MURKOWSKI. Well, and honor the Supreme Court's decision, but also honor that trust responsibility to our first peoples. It seems to me that the solution really here is to do what the Ramah decision laid out, which is to pay the tribes the full amount of their contract support costs, and the President should include that full amount in his budget.

I am sure that the consultation right now, or I guess it's not really consultation if it's after the fact, but I'm sure it's difficult. And we do need to figure out how we're going to do right, again, not only by the court decision, but just the right thing when it comes to these obligations that our native people have incurred when it comes to operation of our hospitals, of our schools.

So this is an important one. And we've talked a little bit about the impact of sequestration and what it may bring. But this is not brought on by sequestration. This is just us dealing with our responsibility, our obligation. And how we make good on it is hugely important. So I appreciate the work that's going into it, and I know that we stand ready to work with you on this end.

#### ADDITIONAL COMMITTEE QUESTIONS

With that, we have held you here in the subcommittee for some time. I appreciate, Madam Secretary, your willingness to step forward and serve, working with good staff. Deputy Secretary Hayes, we appreciate the service that you have given for many years now. And Secretary Jewell, my free advice is, take full advantage of him until June and tap into the resource that he clearly has made available to the Department of the Interior.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

## QUESTIONS SUBMITTED BY SENATOR JACK REED

## NATIONAL HERITAGE AREAS

*Question.* Your fiscal year 2014 budget request proposes a change in the distribution formula for national heritage areas (NHAs) including the John H. Chafee Blackstone River Valley National Heritage Area in Rhode Island that includes a new tiered and “performance-based” system of funding. Please describe, in detail, how and when the Department plans to implement this formula change and provide the proposed allocation of funds for each authorized heritage area as provided by your fiscal year 2014 budget.

Specifically, how does your fiscal year 2014 budget request continue to provide funding for mature national heritage areas like Blackstone? At what level do you propose to fund these areas, and how does that level compare with the funding that these areas will receive in fiscal year 2013?

*Answer.* The National Park Service will initiate phase-in of a revised funding formula as funding levels allow. The revised formula is a merit-based system for allocating heritage areas funding that considers a variety of factors based upon criteria related to program goals, accountability, and organizational sustainability.

The revised Heritage Partnership Program (HPP) funding formula uses three sequential tiers. The amount of funding available to each heritage area coordinating entity depends upon the total annual HPP appropriation and the number of coordinating entities authorized to receive funds. Tier increases for each coordinating entity are dependent upon meeting eligibility requirements and attaining performance measures.

First the tier 1 allocation of \$150,000 would be provided to all NHAs that are authorized to receive HPP funding, able to meet any Federal/non-Federal match requirements contained in their authorizing legislation, and are able to expend funds obligated under their cooperative agreement within a reasonable period of time.

Next, each NHA coordinating entity that meets the tier 2 requirements would receive an additional amount of funding up to \$250,000 or if sufficient funding is not available an equal share of the available funds. To be eligible for tier 2 funding the coordinating entity must meet additional eligibility requirements regarding management plan approval, and have at least one full-time, paid staff person in place to assume financial and administrative responsibility of heritage area funds.

Last, if funds remain available after awarding tier 1 and tier 2 funds, then tier 3 funds will be allocated among those coordinating entities that have already met the tier 1 and 2 requirements, have long-term sustainability plans, and can match HPP funds at a 1:2 ratio, or provide an all-cash match at a 1:1 ratio or the ratio specified in the Area’s authorizing legislation.

There are currently 48 National Heritage Areas authorized to receive funds through the NPS HPP budget activity. If the appropriated amount is equal to the request of \$8,014,000 for Heritage Partnership Commissions and Grants, the fiscal year 2014 allocations will range between \$150,000 and \$170,872, which will constitute a dramatic decrease for mature areas.

The following table shows the actual fiscal year 2013 allocations and the planned allocation for fiscal year 2014. In fiscal year 2013, \$15,533,000 was available, post-sequestration, for Heritage Partnership Commissions and Grants, or nearly twice as much as planned for fiscal year 2014. Due to the significantly higher level of overall funding, direct comparisons of the allocations between the 2 years are not very descriptive, but overall the individual allocations ranged between \$150,000 and \$628,000. The draft fiscal year 2014 allocation is predicated on each of the 48 coordinating entities receiving authorization through fiscal year 2014 and obtaining eligibility for tier 1 funding. A subset of the NHAs is expected to have approved management plans in place and thus be eligible for tier 2 funding. These NHAs would be funded at \$170,872.

National Heritage Areas	Fiscal Year 2013 Enacted (Post-Sequestration)	Fiscal Year 2014 President’s Budget Request
Abraham Lincoln National Heritage Area .....	\$150,000	\$170,872
America’s Agricultural Heritage Partnership (Silos) .....	628,000	170,872
Arabia Mountain National Heritage Area .....	288,000	170,872
Atchafalaya National Heritage Area .....	288,000	170,872
Augusta Canal National Heritage Area .....	288,000	170,872
Baltimore National Heritage Area .....	150,000	170,872
Blue Ridge National Heritage Area .....	610,000	170,872
Cache La Poudre River Corridor .....	150,000	150,000
Cane River National Heritage Area .....	523,000	170,872

National Heritage Areas	Fiscal Year 2013 Enacted (Post-Sequestration)	Fiscal Year 2014 President's Budget Request
Champlain Valley National Heritage Partnership .....	288,000	170,872
Crossroads of the American Revolution National Heritage Area .....	288,000	170,872
Delaware & Lehigh National Heritage Corridor .....	540,000	170,872
Erie Canalway National Heritage Corridor .....	627,000	170,872
Essex National Heritage Area .....	556,000	170,872
Freedom's Frontier National Heritage Area .....	288,000	170,872
Freedom's Way National Heritage Area .....	150,000	150,000
Great Basin National Heritage Route .....	150,000	170,872
Gullah/Geechee Heritage Corridor .....	150,000	170,872
Hudson River Valley National Heritage Area .....	435,000	170,872
Illinois and Michigan Canal National Heritage Corridor .....	288,000	170,872
John H. Chafee Blackstone River Valley National Heritage Corridor .....	575,000	170,872
Journey Through Hallowed Ground National Heritage Area .....	150,000	150,000
Kenai Turnagain Arm National Heritage Area .....	150,000	170,872
Lackawanna Valley National Heritage Area .....	378,000	170,872
Mississippi Delta National Heritage Area .....	150,000	150,000
Mississippi Gulf Coast National Heritage Area .....		170,872
Mississippi Hills National Heritage Area .....	150,000	150,000
Mormon Pioneer National Heritage Area .....	288,000	170,872
MotorCities-Automobile National Heritage Area .....	435,000	170,872
Muscle Shoals National Heritage Area .....	150,000	150,000
National Aviation Heritage Area .....	288,000	170,872
National Coal Heritage Area .....	288,000	170,872
Niagara Falls National Heritage Area .....	288,000	170,872
Northern Plains National Heritage Area .....	150,000	150,000
Northern Rio Grande National Heritage Area .....	150,000	150,000
Ohio and Erie Canal National Heritage Area .....	567,000	170,872
Oil Region National Heritage Area .....	288,000	170,872
Quinebaug-Shetucket Rivers Valley National Heritage Corridor .....	590,000	170,872
Rivers of Steel National Heritage Area .....	588,000	170,872
Sangre de Cristo National Heritage Area .....	150,000	170,872
Schuylkill River Heritage Area .....	435,000	170,872
Shenandoah River Valley Battlefields National Historic District .....	385,000	170,872
South Carolina National Heritage Corridor .....	587,000	170,872
South Park National Heritage Area .....	150,000	170,872
Tennessee Civil War Heritage Area .....	386,000	170,872
Upper Housatonic Valley National Heritage Area .....	150,000	150,000
Wheeling National Heritage Area .....	528,000	170,872
Yuma Crossing National Heritage Area .....	304,000	170,872
<b>Total .....</b>	<b>15,533,000</b>	<b><sup>1</sup> 8,014,000</b>

<sup>1</sup> Numbers may not add due to rounding.

#### URBAN PARKS AND RECREATION RECOVERY PROGRAM

*Question.* As member from an urban State, I was encouraged to see that your budget request includes a \$10 million investment to revive the Urban Parks and Recreation Recovery Program, which has not been funded in several years. Can you please explain what specific activities are funded by these grants, and who is eligible? How will you allocate these funds?

*Answer.* Established in 1978 by the Urban Park and Recreation Recovery Act of 1978, the Urban Park and Recreation Recovery (UPARR) grant program was designed to provide matching grants to a prioritized list of urban cities and counties that represent the most physically and economically distressed communities nationwide.

The program provides direct Federal grants to local governments for:

- Rehabilitation grants, to rehabilitate, expand or developing existing neighborhood oriented outdoor or indoor recreation areas and facilities existing indoor and outdoor recreation facilities;
- Innovation grants, to cover the cost of personnel, facilities, equipment, supplies or services associated with the development of innovative, cost-effective ideas, concepts, and approaches toward improved facility design, operations or programming for the delivery of recreation services at the local level; and
- Recovery Action Program Planning grants, to develop local Recovery Action Programs to identify needs, priorities and strategies for revitalization of the total recreation system.

Grants are available directly to a predetermined list of eligible urban cities and counties. This list currently includes over 400 jurisdictions and was determined through a comprehensive study and analysis conducted by the U.S. Census Bureau in conjunction with the Department of the Interior. If funding is provided by Congress, this analysis would be updated. Additionally, up to 15 percent of the annual appropriation is available to cities not on the list but which are in Census Bureau defined Metropolitan Statistical Areas and meet other eligibility criteria. In order for jurisdictions to be able to apply for Rehabilitation or Innovation grants, they must have a National Park Service approved Recovery Action Program Plan that demonstrates the jurisdiction's commitment to revitalizing its park and recreation system.

Rehabilitation and innovation grants are awarded through a national competition among the detailed project proposals submitted to the NPS. These are evaluated and ranked by a national panel and recommendations made to the Director of the National Park Service for selection.

*Question.* The request proposes funding these urban recreation grants in lieu of the existing \$5 million Stateside Competitive Grant program, while it continues to fund \$40 million for Stateside formula grants. Can you please explain what is different about this urban parks program compared to the Stateside competitive grant program? What is the administration hoping to achieve with this proposal?

*Answer.* There are a number of key differences between the UPARR program and the previously proposed, but never enacted, Land and Water Conservation Fund (LWCF) State Competitive program. Chief among them is that the LWCF State Competitive program proposal focused on the three core America's Great Outdoors (AGO) priorities which included increasing and improving recreation access and opportunities in urban parks and community green spaces, increasing public access to rivers, and catalyzing large landscape partnership projects. The UPARR program is consistent with the AGO priorities, but has a more targeted approach in that it focuses exclusively on rehabilitating existing facilities in core urban areas. Last, LWCF competitive grants were intended to be available to States and through States to any local unit of government whereas UPARR grants are specifically targeted to the most economically distressed urban cities and counties across the country.

With regard to the goals that the administration hopes to achieve, the UPARR program is intended to help stimulate the revitalization of urban park and recreation opportunities by promoting a unified approach to addressing urban recreation through coordination and partnership among different levels of government and the private sector. By doing so the administration hopes to create a robust system of urban parks that can contribute to the accomplishment of high priority national goals to improve and encourage health living, redevelop economically depressed urban cores, and revitalize and create livable urban communities.

The President's budget request includes \$10 million for the UPARR program; additionally a proposal to fund a portion of recreation grants from the LWCF as a permanent appropriation will provide an additional \$5 million for UPARR grants. The budget also requests \$40 million for the Stateside program with an additional \$20 million included in the permanent LWCF appropriation proposal. Competitive Stateside grants are not proposed for funding in the President's budget request.

#### SEQUESTRATION

*Question.* Secretary Jewell, can you give us more detail about what visitors to the parks and other Federal lands should expect this summer as a result of sequestration? What are some specific examples of the tough choices that you have already been forced to make?

*Answer.* As a result of the sequester, many parks are not filling vacancies and are retaining fewer seasonal employees. Consequently, these parks will experience reduced visitor services and hours of operation, shortened seasons, and closing of park areas when there is insufficient staff to ensure the protection of visitors, employees, resources and Government assets. Some specific examples include:

- Great Smoky Mountains National Park (NP) will close three remote campgrounds and two picnic areas, affecting 54,000 visitors;
- Mount Rainier NP will close the Ohanapecosh Visitor Center, affecting 60,000–85,000 visitors;
- Catoctin Mountain Park will close its only visitor center 50 percent of the time;
- Blue Ridge Parkway will cut 21 seasonal interpretive ranger positions, affecting 584,000 visitors and resulting in the closure of 10 developed areas, which is nearly a third of its developed areas and creates a 50-mile distance between open facilities which limits contacts with park staff;

- Jewel Cave National Monument and Wind Cave NP, both located in southwestern South Dakota, will each discontinue approximately 35 percent of cave tours daily in the high season;
- Natchez Trace Parkway will close 14 comfort stations two days per week, and four comfort stations for the entire 2013 season, affecting more than 200,000 visitors. Colbert Ferry Visitor Center and Rocky Springs Visitor Center will remain closed for the 2013 season; and
- Yosemite NP will do less frequent trash pickup, have fewer campground staff, and place a reduced focus on food storage violations, all of which contribute to visitor safety concerns and increased bear mortality rates. This will reverse the progress the park has made since 2000 to reduce bear incidents by 90 percent as well as the cost of damage from bear incidents by 42 percent.

ELLIS ISLAND

*Question.* The National Park Service has announced that the Statue of Liberty will reopen on July 4 this year, but it does not appear that the Service has established any timeframes for the reopening of Ellis Island. Does the National Park Service have a specific plan, including a timetable, for the public reopening of Ellis Island National Monument? If so, will you please share that plan with the committee and please tell the committee whether or not the public has access to the plan? If the Service has not yet settled on a plan, when will such a plan be developed? When will the public be able to participate in its development?

*Answer.* Plans to reopen Ellis Island to the pre-Sandy visitor experience depends upon the re-establishment of utilities, primarily electricity, and replacement of building systems, including HVAC, plumbing, telecommunications, as well as the re-installation of artifacts in exhibits at Immigration hall. Engineers have been developing plans to provide a sustainable long term solution for utilities that are vulnerable to flooding and water damage from future storm events. We anticipate concepts of the engineering plans to be complete within the next month; when the engineering plans are final, a firm timetable to re-open Ellis Island to visitors can be considered.

*Question.* Complicating the matter for both the Statue of Liberty and Ellis Island is the issue of security. The main security screening facility, which was located in Battery Park in Manhattan, was lost in the hurricane. I understand that there is some discussion of erecting a “temporary” facility on Ellis Island, similar to the “temporary” facility that was used in Battery Park for a decade. Does the Service currently have a plan for building a security screening facility on Ellis Island? If so, please tell the committee the location and nature of the structure. If such facility is considered temporary, what is the Service’s current thinking is with respect to a long-term option for security screening at the Statue of Liberty and Ellis Island?

*Answer.* Earlier plans to conduct security screening on Ellis Island have been superseded by new plans to return security screening to temporary facilities at both Battery Park and Liberty State Park. The National Park Service continues to work with our partners to find and commit to a long term, permanent option for security screening.

*Question.* Will any of the Ellis Island funding provided in the recent Sandy supplemental bill (113–6) be used to re-stabilize the buildings on the “south side”? If so, please provide the details of those expenditures.

*Answer.* Supplemental funding will be used to repair and rehabilitate all visitor facilities that were operating prior to Superstorm Sandy. The NPS has planned \$75.5 million for projects at the Statue of Liberty National Monument, which includes Ellis Island. The specific projects, and the individual cost estimates, are included in the table below. Funding levels for projects will be refined as planning and design gets underway and sequestration reductions are applied.

HURRICANE SANDY NPS CONSTRUCTION PROJECTS

Statue of Liberty National Monument

Project Title	Amount (\$ in millions)
Demolish Three Houses and Rehabilitate Two Structures for Mission Critical Support Requirements .....	0.6
Remove Estimated 3.3 Tons of Hazardous Debris from the Main Buildings .....	3.1
Repair Storm Damage at Liberty Island Dock, Pier and Ferry Slip .....	22.3
Restore Concrete Foundation for Office Trailer Marina Unit for Park Police .....	0.1
Repair Flood Damage in Basement at Concession Building #38 .....	1.7
Repair Damage to Heat, Utilities, Mechanical, and Electrical Systems at Main Immigration Building .....	19.2

## HURRICANE SANDY NPS CONSTRUCTION PROJECTS—Continued

Statue of Liberty National Monument

Project Title	Amount (\$ in millions)
Repair Storm Damage to Liberty Island Temporary Retail Pavilion .....	0.2
Repair Storm Damage to Heat and Utilities at Liberty Island .....	4.6
Ellis Island Emergency and Long Term Museum Collections Protection Conservation and Storage .....	1.7
Replace Destroyed Administrative Equipment, Furnishings and Data Systems .....	0.5
Repair Storm Damages on Ellis Island and to the Statue Mall and Plaza .....	0.1
Repair Sections of Brick Paved Walkway, Handrail System and Granite Seawall at Liberty Island .....	2.7
Repair Damages to the Administrative, Maintenance and Support Buildings .....	3.7
Replace Flood Destroyed Equipment and Security Screening Tents With Temporary Facilities at Ellis Island .....	9.3
Replace Diesel Generators and Restore Interim Emergency Utility and Heating System .....	1.8
Replace Equipment and Ancillary Attachments .....	0.8
Replace Damaged Fuel Oil System With Natural Gas Main at Liberty Island .....	3.1
<b>Total .....</b>	<b>75.5</b>

*Question.* Does the Service currently have any plans to open the assets on the south side of Ellis Island to the public?

*Answer.* The buildings and grounds on the south side of Ellis Island are not suitable for public visitation due to their condition. The National Park Service continues to work with its partners to produce a long term plan for the rehabilitation of the south side and access by the visiting public.

## QUESTIONS SUBMITTED BY SENATOR TOM UDALL

## FIRE FUNDING

*Question.* It is my understanding that the President's fiscal year 2014 budget request for Hazardous Fuels Reduction for the Department of the Interior (DOI) Office of Wildland Fire is reduced by \$88.9 million. This is a 48 percent cut in funding for the program. The DOI Office of Wildland Fire supports fire programs within the Bureau of Land Management, National Park Service, Fish and Wildlife Service, and Bureau of Indian Affairs, which represent a huge amount of Federal lands across the country.

Could I get some examples or description as to how the four bureaus successfully used this funding in previous years?

*Answer.* Hazardous Fuels Reduction (HFR) funding is used to plan, implement, and monitor fuels reduction treatments and conduct community assistance activities. Hazardous fuels treatments remove or modify wildland fuels (both living and dead vegetation) to reduce the risk of wildfire to communities and their values. Community assistance is provided in the form of community education, collaborative planning, and activities to reduce human-caused ignitions.

From fiscal year 2002 through fiscal year 2012, DOI treated on average approximately 1.3 million acres of hazardous fuels annually across the four Bureaus. The Bureaus design and implement fuels treatment activities that are aimed at reducing fire severity, modifying fire behavior, and/or restoring ecosystem health. Examples of treatments that have achieved one or more of these objectives are numerous and evident across the Nation.

Below are some specific examples and recent activities:

- Between 2002 and 2009, the Bureau of Indian Affairs implemented a series of prescribed fire treatments located on the boundary of the Fort Apache Indian Reservation that proved effective in controlling the spread of the 2011 Wallow Fire.
- Fuel breaks established since 2005 have either stopped or helped suppress several past large fires in southeastern Oregon, particularly around the towns of Rome and Arock.
- In fall 2012, fire crews completed the 22-acre Lodge prescribed fire adjacent to the John Muir Lodge in Sequoia-Kings Canyon National Park. The project provided critical fuels reduction next to the lodge and for the Grant Grove area.
- Nevada Bureau of Land Management's (BLM's) recently completed the 1,080-acre Upper Colony II Fuels Treatment Project, on the eastern slope of the Pine

Nut Mountains, moderated fire intensity and slowed the rate-of-spread of the 2012 Burbank fire.

—In 2012, the Tract G Fuel Break prevented community and wildfire risks by stopping a wildfire from burning on to refuge land and neighboring private property in the vicinity of the Sacramento National Wildlife Refuge.

—Also in 2012, two prescribed fires at the Grand Canyon National Park reduced the heavy build-up of dead and down vegetation in both burn units, decreasing the risk of extreme fire behavior in the future, especially along Highway 67, the North Rim's primary exit route.

*Question.* Will this reduction in funding for Hazardous Fuels Reduction make communities more at risk?

*Answer.* The Department's commitment to fully fund the 10-year suppression average, which required a \$205.1 million increase over the 2012 enacted level, and other priority investments, impacted the funding available for other important programs. The Department's 2014 budget decisions were made in the context of a challenging fiscal environment.

The Wildland Fire Management program's primary objective is to protect life and property, and this is achieved by fully funding the suppression 10-year average and maintaining our initial and extended attack firefighting capability at current levels. The 2014 request does this by funding Preparedness at the 2012 enacted level, as adjusted for fixed costs.

The planned Hazardous Fuels Reduction program for fiscal year 2014 represents the most effective use of available funds. High priority projects will be completed in high priority areas with the goal of mitigating wildfire risks to communities.

#### LAND AND WATER CONSERVATION FUND

*Question.* I want to commend your administration's continued commitment to the Land and Water Conservation Fund (LWCF) and to ensuring that it is used for its intended purposes. I applaud you and the President for your foresight and strong support for LWCF funding in the fiscal year 2014 budget.

In New Mexico, our experience is that our public lands are enormous economic engines with substantial local community support. LWCF plays a key role in ensuring the viability of our public lands—by securing access to hunting, fishing and other recreation lands, protecting important historic and cultural sites, and ensuring water supply and watershed restoration.

As you seek to address the many pressing needs of the Department of the Interior, how do you see the role of LWCF funds in supporting local economic needs, in addressing agency management challenges, and in providing a conservation solution to community needs?

*Answer.* The 2014 budget represents an unprecedented commitment to America's natural heritage by proposing \$200 million in mandatory funds out of \$600 million overall for LWCF programs in 2014. Starting in 2015, the budget proposes \$900 million annually in mandatory funding, which is equal to the amount of oil and gas receipts deposited in the LWCF each year. This funding will provide stability needed for agencies and States to make strategic, long-term investments in our natural infrastructure and outdoor economy to support jobs, preserve natural and cultural resources, bolster outdoor recreation opportunities, and protect wildlife. The Land and Water Conservation Fund is an important tool for supporting conservation and recreation priorities in communities throughout the country. Through direct Federal investments and grants to States and local governments, LWCF supports a wide range of community needs related to conservation, recreation, and strong rural economies and working lands. The fund also enables bureaus to address land management challenges through strategic acquisition of inholdings or parcels that solve resource management challenges. The Department's LWCF programs work in cooperation with local governments and communities, rely on willing sellers for acquisitions, and maximize opportunities to partner with private landowners on conservation easements. The Department and bureaus use rigorous merit-based selection processes to identify projects that will make the greatest contribution to meeting outcome-based goals. All of these factors help ensure that LWCF funds are targeted to high priority projects and are aligned with and supportive of community priorities, including local economic needs.

A total of \$243.8 million, 41 percent of the administration's 2014 LWCF request, would fund grants to States for conservation and recreation through grant programs run by the Forest Service, the National Park Service, and the Fish and Wildlife Service. The LWCF State Grants Program provides matching grants to States and local governments for the acquisition and development of public outdoor recreation areas and facilities. The program helps to create and maintain a nationwide legacy

of high quality recreation areas and facilities and to stimulate non-Federal investments in the protection and maintenance of recreation resources across the country. The Cooperative Endangered Species Conservation Fund (CESCF) grants provide funds to States to work with private landowners, conservation organizations, and other partners to protect and conserve the habitat of threatened and endangered species. The Urban Park Recreation and Recovery Program (UPARR) provides matching grants to select physically and economically distressed urban communities to revitalize and improve recreation opportunities.

A total of \$356.2 million, accounting for the other 59 percent of the administration's LWCF request, would support land acquisition. Land acquisition funds are used to secure access for the American public to their Federal lands. These funds invest in acquisitions to better meet recreation access needs by working with willing landowners to secure rights-of-way, easements or fee simple lands that provide access or consolidate Federal ownership so that the public has unbroken spaces to hike, hunt, and fish. The administration's highly strategic approach to using LWCF land acquisition funds includes the Collaborative LWCF initiative. This new program brings Federal agency staff together with local stakeholders to identify opportunities where LWCF funds can be used to achieve the most important shared conservation outcome goals in the highest priority landscapes. Conserving large scale landscapes provides multiple resource and economic benefits to the public including cleaner drinking water, recreational opportunities, reduced wildlife risks, protected habitat for at-risk and game species and jobs generated on and off these lands. The Collaborative LWCF program seeks to fund the best opportunities to leverage other Federal resources, along with those of non-Federal partners, to support conservation goals driven by the best science and a shared community vision for the landscape.

The Department has worked to identify LWCF investments which would: support simpler, more efficient land management; create access for hunters and anglers; create long-term cost savings; address urgent threats to some of America's most special places; and support conservation priorities that are set at the State and local level.

#### *Reduced Costs for Land Management*

LWCF funds would be used to acquire parcels that make it easier and less costly to manage existing public lands. Far from raising operating costs, the acquisition of inholdings can reduce maintenance and manpower costs by reducing boundary conflicts, simplifying resource management activities, and easing access to and through public lands for agency employees and the public.

#### *Access for Hunting and Fishing and Recreation*

Participants in the America's Great Outdoors listening sessions made it clear that access to our Nation's lands for all kinds of recreation—in particular hunting and angling—is a national priority. This LWCF request would fund strategic acquisitions that improve access to public lands for sportsmen and women.

#### *Economic Benefits for Communities*

Investing in healthy ecosystems pays off for the Federal Government, local communities and taxpayers. Timely acquisition of important natural areas today can help avoid much higher costs to taxpayers in future years by protecting water supplies, important species habitat, recreational and cultural sites, and other natural resources with economic value to the public.

#### *Protection From Urgent Threats*

LWCF funds are used to acquire lands that are in imminent danger from industrial or residential development. Civil War and Revolutionary War battlefields, for example, are the hallowed ground of our Nation's history; preserving these lands as parks for the American public prevents an irreparable loss.

#### *Supporting Local Priorities*

Federal acquisition projects are planned collaboratively with local stakeholders, and often depend on significant support of State or local government, or of locally based nonprofit partners. These partners sometimes act as intermediary landowners, holding land temporarily to protect it from development until the Federal Government can secure the funds to assume ownership.

#### PRICE'S DAIRY (VALLE DEL ORO NATIONAL WILDLIFE REFUGE)

*Question.* I know that you are a strong advocate of ensuring that residents of our cities and urbanized counties have access to outdoor recreation close to home and opportunities for healthy lifestyle.

With that in mind, I wanted to make sure you are aware of an ongoing Departmental priority project underway in the Albuquerque area that hits all those marks.

I am referring to the Price's Dairy project at Valle de Oro National Wildlife Refuge, the first urban refuge in the Fish and Wildlife Service's southwest region and one of the 50-State America's Great Outdoors (AGO) projects. This is a highly leveraged, truly locally driven project—one that the community has been working on for over 10 years. I am very pleased that the final funding needed to complete this project is included as part of the Department's fiscal year 2014 budget proposal. However, I would note that the landowner agreement expires in July 2014, so it is absolutely critical that the Department work with us to ensure that this project is completed along that timeline. I note that last year the project was ranked #5 on the agency's priority list, but this year it is ranked last at #18. Hopefully that is not an indication of flagging enthusiasm or lack of desire to get this project done.

Will you work with me to ensure this AGO project is completed this year?

Answer. Completion of the last phase of the Valle de Oro National Wildlife Refuge acquisition remains a Departmental priority project, and it is our intention to complete the project providing Congress appropriates enough funding for this acquisition. Funds would be used to acquire fee title to the final portion of this 570-acre refuge located along the El Camino Real de Tierra Adentro National Historic Trail, just a few miles from downtown Albuquerque.

The Valle de Oro refuge has received a huge outpouring of community support and the Service has maintained its support for the acquisition. To honor commitments made to the landowner, the community, and partners, the budget request includes \$6 million of Federal funds as part of the Collaborative Landscape Planning initiative to complete the project in fiscal year 2014.

#### BLM PILOT OFFICES

*Question.* In March I visited the Bureau of Land Management (BLM) office in Carlsbad, New Mexico, to learn about the importance of their status as a "Pilot Office." As you know, the 2005 Energy bill designated several pilot offices to receive extra resources to expedite permit processing and conduct much-needed environmental oversight. These offices are already understaffed and overworked, so I committed to ensure that this program would be reauthorized in 2015 when it expires. I am pleased to see in your budget proposal that you are proposing to reauthorize this successful authority. I am also pleased that you are proposing to build in more flexibility—for example, the ability to shift resources to offices like Carlsbad that are in the middle of a boom would be helpful. We'd want to be sure that the flexibility is fair, but I appreciate this option.

Can you provide any more details on what you expect to do and how we can work to ensure this happens?

Answer. The BLM would like to work with the Congress on language that would allow greater flexibilities nationwide to adjust permitting resources based on demand. There are many BLM field offices that are not part of the pilot project, but are receiving hundreds of Applications for Permit to Drill (APDs) per year. Of the 10 field offices that received the most APDs during fiscal year 2012, only 5 are currently designated as pilot project offices. For example, in fiscal year 2012, the Pinedale Field Office in Pinedale, Wyoming, received 325 APDs; the Bakersfield Field Office in Bakersfield, California, received 286 APDs; and the Oklahoma Field Office in Tulsa, Oklahoma, received 157 APDs. Although these offices have received high volumes of APDs, none are currently designated as pilot project offices. At the same time, some of the currently designated pilot project offices have received relatively few APDs in recent years; for example, the Miles City, Montana, Field Office received only 55 APDs in fiscal year 2012.

#### PARKS AND RIVER MANAGEMENT

*Question.* The Bureau of Reclamation's "Colorado River Basin Water Demand and Supply Study" does an excellent job of describing the challenges in meeting water supply needs, but it does very little to describe or assess the needs of the National Park Service to meet its obligations to protect its river ecosystems.

Most park units in the Colorado River basin and other river basins lack protection for the waters flowing through park boundaries and that in most cases, park units in the Colorado River basin and other river basins do not have management plans to provide for sound management of water resources within parks.

Is it possible to create a planning effort to ensure that the National Park Service (NPS) can substantively participate in policy discussions about water management that may have profound impact on national park resources?

Answer. The Office of the Secretary works collaboratively with the bureaus to ensure that water management planning is effective. The NPS has made recent strides

in this arena in the past few years, but many challenges remain to address the major concerns facing the Colorado River.

The NPS provides technical expertise through its Water Resources Division (WRD) to park units on water issues. WRD has been instrumental in conducting scientific studies and monitoring, participating in processes related to dam operations, negotiating tribal water issues, and working with States to protect flows in places such as Black Canyon of the Gunnison National Park. The NPS also has been active in multiagency processes such as the Upper Colorado River Endangered Fish Recovery Program. In 2001, the NPS created the Colorado River Basin Parks Program to better ensure effective coordination and active participation in multiagency and multistate efforts to protect park resources. These collaborative, multi-stakeholder efforts are overseen by a Steering Committee, Technical Committee, and a Colorado River Coordinator.

Currently, the NPS is working to address the scientific information gaps, strategic planning needs, and targeted issues within the basin such as aquatic invasive species.

The NPS regularly engages in planning efforts, such as invasive aquatic species management in Lake Mead and Glen Canyon National Recreation Areas, partnerships for flow management for Grand Canyon National Park, and monitoring of headwaters in Rocky Mountain National Park, which are designed to protect natural and cultural resources throughout the Colorado River basin, and to ensure continued outdoor recreational opportunities that are important to local and regional economies in the Western States. Though these plans were sufficient to respond to more localized past challenges, they lack the system-wide integration and detailed scientific data needed to effectively respond to more widespread current challenges. The Colorado River Basin Parks Program Steering Committee has identified research needs related to stream gaging, sediment transport, riparian vegetation, and aquatic communities necessary to inform management decisions that address many of these issues. Some of this data collection has begun and other projects will be instated as funds become available.

*Question.* How can the Department of the Interior ensure that the National Park Service is an active partner in water management decisions that impact Park Service resources?

*Answer.* The NPS has established itself well in the last several years as a collaborative partner and an active participant in several ongoing multiagency processes, including the WaterSMART program, which was established in 2010. WaterSMART allows all bureaus within the Department to work with States, Tribes, local governments, and non-governmental organizations to pursue a sustainable water supply for the Nation by establishing a framework to provide Federal leadership and assistance on the efficient use of water, integrating water and energy policies to support the sustainable use of all natural resources.

The NPS participates in on-going collaborative efforts regarding dam operations, including the development process of the Glen Canyon Dam Long Term Experimental and Management Plan, for which it is a co-lead with the Bureau of Reclamation. In developing the plan, the NPS and Bureau of Reclamation are re-operating the dam to achieve better compliance with the Grand Canyon Protection Act. The NPS also works with the coordination and healthy flows teams to support follow-up actions for the Colorado River Basin Water Demand and Supply Study.

This active participation has worked best when NPS staff has been engaged in discussions at the local level as well as at the Departmental level. For example, in the High Flow Experiment Planning for Glen Canyon Dam in 2010–2011, discussions were successful because of input and involvement of both the Assistant Secretary for Water and Science, and the Assistant Secretary for Fish and Wildlife and Parks. In addition, NPS is an active partner at both the local and Department level with respect to aquatic invasive species that impact both park resources and water management. As discussed in the response to the previous question, the NPS has a Division of Water Resources within the Natural Resource Stewardship and Science directorate, which includes technical experts on hydrology, wetlands, water rights, and water quality. These water resource professionals collaborate with the Department and its bureaus to ensure water management decisions include protection of National Park resources.

## QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

## KING COVE ROAD

*Question.* I worked with Secretary Salazar on the agreement involving the King Cove road reflected in the Secretary's memorandum of March 21. The Department, led by the Assistant Secretary for Indian Affairs, will take a second look at a land exchange in Izembek National Wildlife Refuge with the community of King Cove and the State of Alaska. Approval of the land exchange would allow a one-lane, gravel road to connect King Cove with the all-weather airport in Cold Bay. Under this agreement, the Interior Department will look at whether the Environmental Impact Statement (EIS) by the Fish and Wildlife Service adequately considered the importance of protecting the human health and safety of the residents of King Cove. The review will also include an evaluation of the Department's trust responsibilities, and Government-to-government consultations with local Aleut groups.

What is the status of this review?

*Answer.* Tribal consultation was held in King Cove on Friday, June 28, 2013, from 5:00–7:00 p.m. at the King Cove Community Center. Kevin Washburn, the Assistant Secretary for Indian Affairs, toured the King Cove area to assess the medical evacuation benefits of the proposed road and will provide the Secretary, following consultation with other Federal partners, with a written report that addresses the medical evacuation benefits of the proposed road as well as whether and to what extent the road is needed to meet the medical emergency requirements of King Cove.

*Question.* I am glad that you will visit King Cove prior to a final decision on this issue. I understand Assistant Secretary Washburn will be visiting comparatively soon. Can you tell me when you expect to reach a decision?

*Answer.* No specific time has been set for the Secretary to issue a final decision on the Izembek National Wildlife Refuge, Land Exchange/Road Corridor. The full Departmental record will be considered in rendering a final decision. The Secretary's final decision will be informed by:

- The U.S. Fish and Wildlife Environmental Impact Statement;
- The Assistant Secretary of Indian Affairs' written report to the Secretary that addresses the medical evacuation benefits and whether and to what extent the proposed road is needed to meet the medical emergency requirements of King Cove; and
- A site visit to King Cove by Secretary Jewell which is expected later this year.

## BUREAU OF OCEAN ENERGY MANAGEMENT/BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT NEW ARCTIC REGULATIONS

*Question.* I understand that the Bureau of Ocean Energy Management (BOEM) is in the process of developing Arctic-specific regulations for the exploration and development of Alaska's Outer Continental Shelf (OCS) oil and gas resources. As you know, exploration has been delayed in large part because of the regulatory uncertainty surrounding oil and gas projects in the Arctic OCS.

What is the timeline for the development of these regulations?

*Answer.* The Department of the Interior (DOI), Assistant Secretary, Land and Minerals Management, directed BOEM and the Bureau of Safety and Environmental Enforcement (BSEE) to form a team of subject matter experts to improve safety standards for exploration, development, and production operations occurring in the Alaska OCS. The Department's goal is to have proposed Alaska OCS regulations published in the Federal Register by the end of 2013.

*Question.* Is it your intent to have these regulations in place in time for a 2014 drilling season?

*Answer.* We intend to have the regulations finalized before the 2014 drilling season. As part of the process, DOI held Listening Sessions to obtain public comments in Anchorage and Barrow, Alaska, on June 6 and 7, respectively. We anticipate developing a performance-based approach that will fully inform BOEM and BSEE how lessees plan to achieve safe operations under the operating conditions likely to be experienced while drilling and while transporting equipment into and out of the Alaska operating theater.

*Question.* Though ConocoPhillips and Statoil have announced that they will not pursue exploration programs in 2014, Shell has not made a similar announcement. How do you intend the new regulations to impact and/or be incorporated into Exploration Plans and Oil Spill Response Plans for 2014?

*Answer.* The focus of the new regulations is to improve safety planning early in the process of developing Exploration Plans (EPs) and Development and Production Plans (DPPs). In accordance with 30 CFR 550.202(b), EPs and DPPs must demonstrate the lessees have planned and are prepared to conduct proposed activities

in a manner that is safe. The regulations will emphasize the need for an integrated, overarching safety plan as a condition for approval of Alaska OCS operations. Each lessee will need to show BOEM and BSEE they are fully prepared to conduct the proposed activities, including mobilization and demobilization operations, in a manner that is safe and protective of the environment.

*Question.* I also understand that the Department is updating its regulations for the oil and gas air quality program to incorporate their new authority over the Arctic contained in the fiscal year 2012 Interior Appropriations bill, so I will ask the same questions as I did for the pending Arctic-specific regulations.

What is the timeline for the development of these regulations? Is it your intent to have these regulations in place in time for a 2014 drilling season? How will these regulations impact 2014 Exploration Plans?

*Answer.* BOEM and BSEE are already engaged in the development of the proposed Alaska OCS regulations. Public outreach efforts in the form of Listening Sessions were held in Anchorage and Barrow, on June 6 and 7, respectively. Public comments are also being accepted through Regulations.gov (docket number BOEM-2013-0035). BOEM and BSEE held more detailed meetings with industry, non-governmental organizations, the State of Alaska, local government, and Native Alaskans and Tribes in Anchorage on June 17 through 19. The purpose of these follow-up meetings was to obtain a more comprehensive understanding of concerns and criteria for consideration in the proposed rules. Comments will be used to develop the scope of the Alaska OCS regulations and identify appropriate issues applicable for BOEM and BSEE oversight to ensure safe and responsible oil and gas exploration, development, and production on the Alaskan OCS.

BOEM and BSEE will develop draft regulation language that addresses issues and goals identified during the comment period. The proposed Alaska OCS regulations will be published in the Federal Register, and stakeholder input will again be solicited. It is anticipated the draft rules will be published by the end of the year.

*Question.* How will the new regulations differ from the existing regulations? Will there be any difference in how the Department regulates air quality in the Gulf of Mexico versus in Alaska? If yes, why and how will the programs differ?

*Answer.* At this time, BOEM is still obtaining stakeholder input and reviewing existing regulations. Until this analysis is complete, it is not clear what, if any, differences in regulations between the regions will be needed. The bureau can provide more details as the draft rule is developed.

#### NATIONAL MARINE FISHERIES—ARCTIC OCS EIS

*Question.* BOEM has worked with the National Marine Fisheries Service (NMFS) on the EIS for the impacts of oil and gas activities in the Beaufort and Chukchi Seas. I continue to believe there are major problems with this document, including development alternatives that are not realistic and the lack of participation from relevant agencies.

The Fish and Wildlife Service expressly declined to participate in the EIS, yet the EIS still analyzes impacts to polar bears and Pacific walrus—species the Service has trust responsibility over. Why was this approach taken? Will these species be removed from the next draft? If not, please explain why not.

*Answer.* The Service declined to be a cooperating agency on the Arctic EIS in 2010 because it had recently completed an Environmental Assessment (EA) on the effects of oil and gas activities in the Chukchi and Beaufort Seas on polar bears and Pacific walrus in conjunction with issuing Marine Mammal Protection Act Incidental Take Regulations (ITRs). The potential effects of oil and gas activities on polar bears and Pacific walrus had been adequately addressed in the ITRs and effectively considered in the EAs. Additionally, other existing program commitments precluded the degree to which the Service could be involved. Instead, the Service offered to provide copies of these EAs and informal review and comment on the Draft EIS. Since then, the Beaufort Sea EA was updated in 2012 and the Chukchi Sea EA was recently updated in conjunction with finalization of the 5-year Chukchi Sea ITRs that are to be published in the Federal Register in the near future. These EAs are made publicly available. In addition, the Service is currently reviewing the Draft EIS and, as appropriate, will provide feedback to National Marine Fisheries Service.

Although the Service cannot speak on behalf of NMFS, the National Environmental Policy Act's procedures are intended to ensure that information about potential environmental impacts of an agency's proposed and alternative actions are made available and considered in the decisionmaking process and both the polar bear and Pacific walrus occur in the area of the Arctic EIS.

*Question.* The new draft also appears to cap each company to one drilling rig at a time per sea. This is inconsistent with Exploration Plans previously submitted and

approved by BOEM. Is it BOEM's intent to limit exploration in this way? If it is, what is BOEM's rationale for the change of course? (This would be extremely problematic given the short exploration season and would, at best, severely delay/restrict exploration and, at worst, lead to project abandonment.) If it isn't, will BOEM clarify this point in the next draft?

Answer. NMFS served as the lead agency for preparation of the Draft Supplemental EIS (SEIS), with BOEM as a formal cooperating agency, along with the North Slope Borough of Alaska. The purpose of the Draft SEIS is to analyze the potential environmental impacts of seismic and exploration activities for the purpose of informing NMFS's decisions regarding authorizations for the incidental take of marine mammals under the Marine Mammal Protection Act.

As for BOEM's intended use of the Draft SEIS, the information will be used, as appropriate, for environmental analyses to inform BOEM's own decisions for specific projects, just as other relevant information contained in National Environmental Policy Act (NEPA) documents is considered. Moreover, it is important to note that a NEPA document is not a decision document; it is merely an analysis of potential environmental impacts associated with particular activities.

The alternatives included in the Draft SEIS were prepared based on the best information available at the time for recent Federal and State lease planning, and recent industry plans, for both seismic surveys and exploratory drilling programs in the Beaufort and Chukchi seas. The seismic and exploration activities analyzed in the Draft SEIS are not limited to one drilling unit at a time per company. The alternatives analyzed in the Draft SEIS consider up to four drilling "programs" operating in each sea at one time. For analysis in the EIS, one "program" entails however many surveys or exploration wells a particular company is planning for that season. Each "program" would use only one source vessel (or two source vessels working in tandem) or drilling unit (i.e. drillship, jackup rig, SDC, etc.) to conduct the program and would not survey multiple sites or drill multiple wells concurrently.

*Question.* I was also surprised to see that the new draft appears to have no timeline—for example, the last draft covered a 5-year period, this draft does not. Is there precedent for an "infinite" environmental document? What was the rationale for an open-ended document? What would be the result if more operators pursue their leases than the alternative selected analyzes? How do you plan to ensure that this document is not a back door way to limit exploration in the Arctic?

Answer. A timeline is not relevant to the purpose of the document, which is to provide an analysis of the potential environmental impacts of a reasonable range of OCS activities.

Based upon past lease sales, geological and geophysical (G&G) permits, ancillary activity notices, exploration drilling exploration activities, and requests for incidental take authorizations, NMFS and BOEM have determined a reasonable range and level of activities for which permits and authorizations may be requested in the foreseeable future. While the level of activity proposed may vary from 1 year to the next, the action alternatives represent a reasonable range of exploration activities for which permits and authorizations may be expected. Also, the Draft Supplemental EIS does not serve as a decision document but rather is used to analyze possible environmental impacts associated with particular activities.

#### OIL/GAS DEVELOPMENT PUBLIC LANDS

*Question.* The budget request includes what it calls "Federal Oil and Gas Reforms." These consist of a host of changes in three areas—royalties, development of oil/gas leases, and improving the revenue collection process. They all share one thing in common—they will make our Federal lands less competitive to industry, which increasingly has other alternatives on State and private lands here in the United States, or globally. For example, you are proposing a \$6 per acre fee on non-producing leases even though it takes years to bring leases to production—usually because of permit or other regulatory delays caused by the Federal Government. You also propose "adjusting royalty rates" which I can only imagine means increasing them since you claim that these "reforms" will generate \$2.5 billion over the next 10 years for the Treasury.

On April 17 the House Resources Committee held a hearing comparing oil/gas production on State lands vs. Federal lands. One of the major differences they found was that it takes the BLM 307 days on average to approve a drilling permit—nearly double the time it took in 2005. On State lands, processing times are 12–15 days.

Won't increasing royalties, charging new inspection fees on top of the fee that you already charge for processing a permit, and a new fee on so-called "non-producing leases" only make our Federal lands less competitive compared to the States?

Answer. Federal oil and gas production is an important component in fulfilling our Nation's energy needs and the Department has an obligation to the public to ensure a fair return on that production. The Department deems the proposed changes necessary to ensure this fair return and do not believe they will make Federal lands less competitive compared to the States. Onshore Federal oil and gas royalty rates, which are currently 12.5 percent, are lower than most States' royalty rates. For example, Montana, Wyoming, Utah, and Colorado all have a royalty rate of 16.67 percent for State leases. North Dakota has an 18.75 percent royalty rate, and New Mexico has various rates that are as high as 20 percent.

The administration believes that American taxpayers should get a fair return on the development of energy resources on their public lands. We feel industry should pay the cost of inspecting and monitoring oil and gas activities, as is the case for other industries, including offshore oil and gas. This is consistent with the principle that the users of the public lands should pay for the cost of both authorizing and oversight activities.

The Department's intent behind the proposed fee on non-producing leases is to encourage more timely development of Federal lands. The fee will provide an incentive for oil and gas companies to either put their leases into production or relinquish them so the Department can re-lease those tracts to companies who want to develop them. Many States also have similar fees (e.g., escalating rental rates) to encourage development. Therefore, the Department does not believe the proposed changes will make Federal lands less competitive compared to the States.

*Question.* The Hill newspaper published an article on March 5 of this year where they cited a Congressional Research Service study that determined that while overall U.S. oil production has increased since 2007, oil development on Federal lands has dropped by 7 percent. For natural gas, overall U.S. production has increased by 20 percent between 2008 and 2012, but on Federal lands it has fallen by one-third. Instead of a host of new fees, shouldn't the Department be looking at ways to attract companies to Federal lands for oil/gas production? This would generate significant revenues to both the States and Federal Government.

Answer. The Congressional Research Service study shows that Federal onshore oil production increased by 16.3 percent from 284,900 barrels per day in 2008 to 331,500 barrels per day in 2012. Federal onshore gas production decreased slightly during that same period. The decrease in gas production was a result of lower gas prices and rising supplies of natural gas due to the development of unconventional shale gas. The largest unconventional shale gas discoveries are primarily on non-Federal land and are attracting a significant portion of new investment for natural gas development. This does not mean that Federal lands are no longer competitive for natural gas development. Indeed, companies continue to acquire thousands of Federal leases and permits annually for new natural gas production projects on Federal lands.

The Department has an obligation to the public to ensure a fair return on Federal oil and gas production. Even with the proposed changes, Federal leases will remain competitive with State leases and should not result in any significant reduction in interest and development of oil and gas on Federal lands. The proposed onshore and offshore reforms will generate roughly \$2.5 billion in net revenue to the Treasury over 10 years. Many States will also benefit from higher Federal revenue sharing payments as a result of these reforms.

#### NATIONAL WILDLIFE REFUGE FUND/PAYMENTS IN LIEU OF TAXES

*Question.* The National Wildlife Refuge Fund provides funds to local counties to offset the loss of tax receipts from Federal land ownership. Again this year, your fiscal year 2014 budget proposed to eliminate this \$14 million discretionary amount available to local governments across the country.

It seems to me that we should be creating fiscal certainty for local governments instead of cutting payments to them at a time when your Department has placed such a large emphasis on increasing Federal land ownership through LWCF.

I understand that the mandatory portion of this program will continue to go to local counties, but why are you proposing to eliminate the discretionary portion of the program again this year?

Answer. The Refuge Revenue Sharing Act, as amended, authorizes revenues and direct appropriations to be deposited into a special fund, the National Wildlife Refuge Fund (NWRFF), and used for payments to counties in which lands are acquired in fee (fee title) or reserved from the public domain (reserved land) and managed by the Service. These revenues are derived from the sale or disposition of (1) products (e.g., timber and gravel); (2) other privileges (e.g., right-of-way and grazing per-

mits); and/or (3) leases for public accommodations or facilities (e.g., oil and gas exploration and development) incidental to, and not in conflict with, refuge purposes.

Refuges have been found to generate tax revenue for communities far in excess of that which was lost with Federal acquisition of the land. In addition, Refuge lands provide many public services and place few demands on local infrastructure such as schools, fire, and police services when compared to development that is more intensive. National Wildlife Refuges bring a multitude of visitors to nearby communities and so provide substantial economic benefits to these communities.

The Refuge System welcomed more than 47 million visitors in fiscal year 2012, according to the Service's Refuge Annual Performance Plan. Hunters, birdwatchers, beach goers and others who spend time on refuges also bring money into local economies when they stay in local hotels, dine at local restaurants, and make purchases from local stores. Recreational spending on refuges generates millions of dollars in tax revenue at the local, county, State and Federal level. According to a report titled Department of the Interior Economic Contributions Fiscal Year 2011, in 2011 national wildlife refuges generated more than \$4.2 billion in economic activity and created more than 34,500 private sector jobs nationwide. In addition, property values surrounding refuges are higher than equivalent properties elsewhere. Importantly, in an increasingly urban world, these sanctuaries of natural beauty offer Americans priceless opportunities to connect with nature.

*Question.* Payments in Lieu of Taxes (PILT) payments, which compensate States and counties with large amounts of non-taxable Federal land, expire at the end of this fiscal year. While your budget proposes to extend the mandatory payments by a year, it does not identify any offset. Shouldn't we identify a concrete way to pay for this important program?

*Answer.* The President's budget proposes an extensive number of legislative proposals that result in savings in the next 10 years. Any of these proposals could be considered for potential offsets to extend the PILT program for fiscal year 2014. These proposals are identified on page 200 of the Mandatory and Receipts Proposals section (S-9) of the President's budget and a narrative explanation is provided by the Department of the Interior. Please refer to the following website links: <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2014/assets/tables.pdf> and on page DO-20 <http://www.doi.gov/budget/appropriations/2014/highlights/upload/overview.pdf>.

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#### QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

*Question.* Increased production, particularly on the Outer Continental Shelf (OCS) in the Gulf of Mexico, would likely reduce our reliance on foreign oil and create much needed jobs.

What is the Department doing to make Federal offshore land available for exploration and development?

*Answer.* President Obama's call for a sustained, all-of-the-above energy strategy includes the expansion of responsible production of our domestic oil and gas supplies, including Federal lands. Since the President took office, America's dependence on foreign oil has decreased every year, and domestic oil and natural gas production has risen every year. In 2012, American oil production reached the highest level in two decades and natural gas production reached an all-time high. Combined with recent declines in oil consumption, foreign oil imports now account for less than half of the oil consumed in America.

The Bureau of Ocean Energy Management (BOEM) held the first two sales of the Five Year Program in the Gulf of Mexico in November 2012 and March 2013, which resulted in over \$1.3 billion in high bids on 436 new leases. A third lease sale, scheduled for this August, will offer 21 million acres offshore Texas, making all unleased acreage in the Western Gulf of Mexico available for leasing. BOEM's lease terms encourage prompt development and production and ensure that the American public receives fair market value for these shared resources. Lease sales conducted under the program include a modified minimum bid structure that BOEM has developed, after rigorous economic analysis, to encourage operators to invest in the OCS acreage that is most likely to lead to discoveries and production and reduce the amount of leased acreage that sits idle. BOEM will continue to use lease terms that incentivize industry to diligently and promptly operate their leases.

*Question.* National Fish Hatcheries across the Southeast generate millions of dollars in economic benefits through warm water fish production. In my State, we have the Private John Allen National Fish Hatchery, located in Tupelo, Mississippi, which is one of eight warm water fish hatcheries managed by the U.S. Fish and Wildlife Service. Despite the large contribution warm water fisheries have on na-

tional restoration efforts, the budget for fisheries located in the Southeast continues to decline. I have concerns about funding for warm water hatcheries.

What is your plan for these hatcheries in the future? Will a disproportionate amount of funding go to cool water fisheries at their expense?

Answer. To meet the needs of the American people in a changing social and economic climate, the National Fish Hatchery System (NFHS) has been proactive in implementing creative strategies for assessing, deploying, and managing its workforce to answer these types and other important and pressing questions. In December 2012, the Service initiated a review of 70 production hatcheries within the NFHS to ensure the Service is positioned to address the current and future aquatic resource needs of the United States.

—Geoffrey Haskett, the Service’s Alaska Regional Director and former Chief of the National Wildlife Refuge System (NWRS), led the review. He previously oversaw a similar exercise that helped the NWRS improve workforce and financial management.

—The NFHS review was precipitated, in part, by staffing and budget challenges at various hatcheries. With tight budgets, the Service must establish production goals for the highest priority species; determine the optimal number of hatcheries and employees to achieve those goals; and strive for a more balanced ratio of payroll to operational costs to achieve NFHS goals and support collaborative recovery and restoration programs.

—The review team is comprised of Fisheries Program leadership from all Service Regions and Headquarters. The team has collected and examined information about species produced, staffing levels and needs, organizational structure, operational budgets, and assets. The team used data gathered through previous programmatic reviews as the baseline for collecting up-to-date and comparable information.

—The review team is developing a report with funding scenarios and operations options that is expected to be complete by August 2013. The Service will use this information to make informed decisions about where to focus efforts given current, declining, or increasing budgets, and where operations would be reduced or expanded accordingly. The review will also help inform an evaluation of the Service’s vision for the future of its fisheries activities that the Sport Fishing and Boating Partnership Council is conducting. The Service will use the review team’s report and the Council’s recommendations to produce a strategic plan for the future.

—The Service strongly believes the steps taken now—together as an agency and with our partners—will help focus its efforts, make strategic investments, and better address current and future challenges. Above all, these steps will position the Service to proudly continue America’s fisheries legacy.

Last year, in response to a question I submitted for the record, the Department stated that most States and Tribes currently use the majority of their Historic Preservation Fund grant funds to carry out non-discretionary activities mandated by the National Historic Preservation Act.

Do you believe that the preservation and conservation activities previously carried out by the Save America’s Treasures (SAT) program were an important part of ensuring the protection of our Nation’s cultural heritage?

Answer. The National Historic Preservation Act (NHPA) states that it is the policy of the Federal Government to “contribute to the preservation of [ . . . ] pre-historic and historic resources and give maximum encouragement to organizations and individuals undertaking preservation by private means.” (16 U.S.C. 470–1). There are numerous ways in which the Federal Government can contribute to historic preservation, and the Save America’s Treasures program was one of these tools.

From 1999 to 2010, \$319.1 million was appropriated resulting in 1,287 grant awards. Matched dollar-for-dollar, these funds have leveraged approximately \$380 million in non-Federal investment and added over 16,000 jobs to local and States’ economies.

The SAT grants assisted 295 National Historic Landmarks (NHL), 28 properties located in and contributing to NHL Districts, over 250 buildings individually listed in the National Register of Historic Places (NRHP), over 70 properties located in and contributing to NRHP-listed historic districts, and 24 properties eligible for NRHP listing, as well as hundreds of nationally significant museum collections.

*Question.* Given that most States and Tribes have little funding from Historic Preservation Fund grants remaining after completing mandated activities, what is the Department doing to support bricks and mortar projects to preserve and protect nationally significant historic sites?

Answer. The grants-in-aid to States and Territories and grants-in-aid to Tribes funded through the NPS Historic Preservation Fund (HPF) account can be used for brick and mortar projects, and a small number of States do use a portion of the HPF allocation for this. A small amount of funding goes to bricks and mortar projects through the Tribal Heritage grant program and Japanese-American World War II Confinement Site Preservation program. Additionally, through the NPS's Technical Preservation Services office, the NPS develops historic preservation policy and guidance on preserving and rehabilitating historic buildings, administers the Federal Historic Preservation Tax Incentives Program for rehabilitating historic buildings, and sets the Secretary of the Interior's Standards for the Treatment of Historic Properties.

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QUESTIONS SUBMITTED BY SENATOR JOHN HOEVEN

*Question.* Which States, if any, do you believe do not have laws or rules regulating hydraulic fracturing?

Answer. States are free to regulate hydraulic fracturing as appropriate, with the exception that State regulations must meet the minimum requirements of any applicable Federal regulations. Some States have specific rules related to hydraulic fracturing, while others regulate the process solely under their general oil and gas permitting requirements.

States are not legally required to meet the stewardship standards applying to public lands and do not have trust responsibilities for Indian lands under Federal laws. The States that have regulated hydraulic fracturing 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 lands, and to prevent unnecessary or undue degradation of the public lands.

We would note that BLM is not an expert on the regulatory requirements of each State, and we understand that many States are in the process of reevaluating their regulatory requirements regarding hydraulic fracturing; thus, we recommend that the committee follow up with appropriate State officials for the latest information on their particular regulatory requirements and standards.

However, after conducting a search through regulations of various States, the BLM believes that the following States do not currently have specific hydraulic fracturing regulations in place: Connecticut, Delaware, Florida, Georgia, Hawaii, Iowa, Maine, Maryland, Massachusetts, Minnesota, Missouri, New Hampshire, North Carolina, Rhode Island, South Carolina, Tennessee, Washington, and Wisconsin.

In addition, our understanding is that the following States have banned the practice of hydraulic fracturing: New Jersey, New York, and Vermont.

SUBCOMMITTEE RECESS

Senator MURKOWSKI. With that, we stand recessed. Thank you.  
[Whereupon, at 12:44 p.m., Tuesday, May 7, the subcommittee was recessed, to reconvene subject to the call of the Chair.]