

**DEPARTMENT OF THE INTERIOR BUDGET**

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**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**ENERGY AND NATURAL RESOURCES**  
**UNITED STATES SENATE**  
**ONE HUNDRED THIRTEENTH CONGRESS**  
**FIRST SESSION**  
TO  
REVIEW PROGRAMS AND ACTIVITIES OF THE DEPARTMENT OF THE  
INTERIOR

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JUNE 6, 2013



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## DEPARTMENT OF THE INTERIOR BUDGET

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THURSDAY, JUNE 6, 2013

U.S. SENATE,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, DC.*

The committee met, pursuant to notice, at 9:15 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Ron Wyden, chairman, presiding.

### OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM OREGON

The CHAIRMAN. Good morning. Senator Murkowski is on her way and because we have votes at ten o'clock, we're going to try and move everything quickly this morning.

I want to thank Senator Murkowski and Senator Barrasso. We always do these kinds of matters in a bipartisan way. I want to thank my colleague.

This morning we're going to review the programs and activities in the Department of the Interior. The hearing marks the first time that Secretary Jewell—I like those words, Secretary Jewell—has testified before the committee since her confirmation in April. So I'd like to welcome her back to the committee. We look forward to her statement in just a few minutes.

I believe this hearing also marks the final time that Deputy Secretary David Hayes will appear before the committee before he leaves office later this month. I'd like to extend my appreciation to him for his long career in public service and advocacy as Deputy Secretary, and especially his work over the past 4 and a half years in his second tour of duty with the Department.

I want to just take a minute to highlight a few provisions in the Department's current budget proposal. Overall, I'm pleased with the Administration's proposed budget for the Department of the Interior which is \$11.7 billion, nearly a 3 percent increase over the 2013 continuing resolution level. Budgets are places where you've got to make tough decisions.

The Administration, in many particulars, has done a thoughtful job of putting scarce dollars in the right places. The President has made the conservation of our public lands through our national parks, policies encouraging outdoor recreation, and support of the Land and Water Conservation Fund high priorities. I strongly support the President's commitment.

Outdoor recreation, as we have talked about in this committee, is major, major business and a jobs producer for our country. Studies have found that Americans spend \$646 billion each year on out-

door recreation. That equates to over 6 million direct American jobs. Secretary Jewell understands a whole lot about this because she's been living and breathing it in the private sector and is acutely aware of the link between conservation, jobs, and economic growth.

It's encouraging the Administration has proposed partial mandatory funding for the Land and Water Conservation Fund in fiscal year 2014 and intends to see full mandatory funding starting in 2015. I look forward to seeing the legislative proposal to authorize full and permanent annual funding for this program. LWCF is an essential component in the country's effort to conserve lands and provide areas for people to get outside and recreate.

With respect to our national parks, I've been exploring new ways to provide necessary funding for our parks. I've talked about this at length with the National Park Service Director Jarvis. I'm going to discuss it further with the Secretary this morning because, clearly, with the enormous challenge presented as a result of sequestration, we ought to be looking at fresh ideas; creative, new ideas; ideas that bring in the private sector and look to public/private partnerships to do a responsible job of addressing the needs of our parks in a fiscally challenging environment.

Turning to energy issues, the Department plays an important role in providing energy resources for the country. Significant strides were made during Secretary Salazar's tenure on the siting of renewable energy projects on public land. The Department, just this week, announced its first lease sale for renewable energy projects on the OCS. Secretary Jewell, we're going to encourage you to continue those efforts in the area of renewable energy.

I'm also pleased to see strong budgetary support for the Department's new energy frontier initiative that promotes responsible energy development on our public lands.

As the Secretary knows—and colleagues, we talked an awful lot about it here we're especially concerned about the management of our forests. As the length and severity of both drought and wildfire seasons have increased year after year. I'm one who believes that certainly a measure of this is due to climate change.

It's clear that Federal forests are in poor health, making them more vulnerable to catastrophic forest fires. As we discussed just a couple of days ago in this room, I am troubled that the President's budget request includes nearly a 50 percent reduction in hazardous fuels treatments for the Department of the Interior. As we discussed on Tuesday, you were not here Secretary Jewell, but I'm sure you have gotten the report. We're anxious to work with you, Secretary Vilsack, and we're going to make sure that the folks on the Office of Management and Budget side are part of these discussions as well to get a new, big picture effort to improve our policies with respect to fire budgeting.

Finally, I'm grateful the Administration's budget proposes to extend the Payments in Lieu of Taxes program as a permanent program at the full funding level in fiscal year 2014. The Secretary knows how strongly we feel about the Secure Rural Schools program. That, of course, appears in the Forest Service budget. We also know that there's a very important component that is run by the Bureau of Land Management especially for the O&C lands.

I'll be working on legislation to address both the short term reauthorization of these programs and long-term funding for counties as well as jobs from increased forest management. On that point, we appreciate the proposed budget increase of 1.8 million in the O&C forest management program to increase the volume of timber offered for sale and for other forestry work. This is of enormous importance to Oregon.

As the Secretary knows, we're focused on increasing the harvest. Let me underline that, increasing the harvest on O&C lands. I've recently released a framework for legislation to make that happen. I look forward to working with the Administration, with colleagues on both sides of the aisle, and making it a bicameral effort with the House of Representatives as well.

With that, I'd like to recognize my colleague, Senator Murkowski, for any comments that she'd like to make. I so appreciate the chance to work on these issues in a bipartisan way and welcome my colleague's remarks.

[The prepared statement of Senator Landrieu follows:]

PREPARED STATEMENT OF HON. MARY L. LANDRIEU, U.S. SENATOR FROM LOUISIANA

Mrs. Jewell, I want to begin by thanking you for taking the time to appear today to discuss the Department of the Interior budget for 2014.

I take great interest in the priorities laid out in the budget for several reasons-it directly funds and provides program support for the 5 National Parks, 1,346 listings on the National Register of Historic Places, and 24 National Wildlife Refuges in my state.

This budget is also an important indicator of how the Administration intends to proceed on several issues vital to my state and to our nation, particularly an issue that I am strongly supportive of-domestic oil and gas production. Specifically, I want to focus on the portions of this budget that deal with oil and gas revenues and permitting.

The first thing that I notice in your budget proposal is funding for the Land and Water Conservation Fund-beginning with a total of \$600 million requested through appropriations and mandatory funding for 2014, and a full \$900 million beginning in 2015.

Now, let me say first that I am a supporter of some of the things that the LWCF does-however, I take issue with this program, which benefits primarily Western states, receiving full funding-taken from oil and gas production off the shores of my state, Texas, Alabama and Mississippi-while those states paying for the program continue to receive nothing from that production.

It's not as though interior states do not produce revenues through conventional energy production-in 2012, they produced \$4.5 billion, and have sent \$61 billion since 1950. However, they have kept 50% of that money-to spend on schools, roads, environmental protection, however they see fit.

Now compare that to coastal states-in 2012, they sent nearly \$7 billion, and kept nothing. Now, before those coastal states see a penny, we are taking nearly \$1 billion of those revenues and sending it to states that already keep 50% of their energy revenues.

Despite my support for some aspects of the LWCF, I have serious problems with continuing to direct oil and gas revenues away from the states that produce them, particularly when they could be put to good use protecting the environment in those very states.

For instance, my state loses one football field every hour of every day to coastal erosion-erosion that could be stopped if we received some portion of the revenues from the oil and gas production occurring just off our shore.

In my state, any money that we receive is directed by our constitution to be used for coastal protection. I would think that this environment is just as important to protect as the lands that benefit from LWCF.

I also see that the Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE) are receiving increases of \$9 million and \$25 million, respectively.

One of the things I hear most often is that while producers do not have issue meeting the very high standards of safety that we place upon them, they are hampered by long wait times for permit approvals and inspections-both things which are managed by these agencies.

While I recognize that we ask quite a bit from these bureaus-for instance, the BOEM manages 6,686 active oil and gas leases, spread over 36 million acres, while BSEE conducts over 21,000 inspections per year-I would hope that these additional funds will be used to speed approval of permit applications and reduce the wait for inspections-both of which are currently a massive hindrance for producers.

I also notice that you have made improvements in the offshore permitting arena. You note that BOEM has seen a 35% decline in the time required to approve production plans from Oct. 2010 to Oct. 2012, while BSEE has seen a 37% decrease in the time needed to issue permits in roughly that same time.

I also note that over issuance of permits has increased to pre-Macondo levels.

While these are encouraging, I would point out that the reductions in time are compared to the worst period in history for offshore development, and that the time needed to receive these approvals is still far too long-I have heard from some companies that all told it can take nearly a year.

I also notice that you point out a 40% improvement in the time needed to issue permits for onshore development from 2006 to 2012. I applaud this move in the right direction.

However, compare this to the amount of time needed to receive a permit for production on private land-land that in many cases directly abuts Federal land-the wait there is typically between 4 and 6 days. Or, to put it more simply, one work week.

I am pleased to note that you also have recently announced the first competitive lease sale for offshore renewable energy. I welcome any increase in domestic energy production, but am still concerned for the lack of any system to share the revenue from this new production with the states that support it.

Secondly, I would like to talk about the Bureau of Land Management's (BLM) Wild Horse and Burro Program. Yesterday, the National Academy of Science (NAS) published its report on the BLM wild horse and burro management program. The report offered sharp criticism of many of BLM's management strategies. BLM management strategies must change to better serve the public, improve the lives of America's wild horses and burros, and get BLM back on track to fiscal sustainability.

While I support investment in research and fertility control, I am concerned about the number of animals being removed from the range. This concern was corroborated by NAS in its report. The BLM has only been able to adopt about 3,000 wild horses and burros per year. Considering the high costs of both short-term and long-term holding and the 40,000 horses already in BLM holding, we should not be removing a number greater than the number of animals that can realistically be adopted. As I'm sure you are aware, if the ongoing expenses associated with maintaining tens of thousands of horses in long-term holding facilities are not addressed, BLM is on a fiscally unsustainable path.

Mrs. Jewell-Again, thank you for appearing today. I recognize that you do not directly control the distribution of revenues from offshore oil and gas production, and that the systems for oil and gas permitting were in place before your arrival, but I would hope that you will be willing to help me address these issues, particularly the glaring inequality between onshore and coastal states as we move forward.

#### **STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman. Welcome, Madame Secretary, Mr. Hayes. Good to see both of you.

Madame Secretary, first I want to thank you for your commitment that you have made as it relates to King Cove. The Director of Indian Affairs, Mr. Washburn, is going to be visiting King Cove in late June. The commitment that you have made to visit in August is one that, again, I appreciate. I look forward to joining you on that trip.

I don't want to belabor this point. But I am looking forward to this visit for a number of reasons.

First and foremost, to introduce you to my constituents.



I think you know how strongly I feel. How strongly the members of the Alaska delegation feel about this road that we have been talking about. This ten mile, single lane, gravel, non-commercial use road that would help provide for essentially emergency access for the residents of King Cove to an all weather airport.

So we thought we had reconciled that in the 2009 Omnibus Act. It's not done yet. But I want to work with you to see that we finally and fully resolve this fairly for the citizens of King Cove.

I do have a number of questions to ask today. I know that we're going to have some votes that are going to interrupt. But I do hope that we will have a chance to have further discussion about some of the things that I find really timely for us right now.

One that I want to bring up is the situation that we have with our legacy wells up in the National Petroleum Reserve. My statement has been that I think that the Department is presiding over an environmental disaster within the National Petroleum Reserve and that this has to be addressed. It has to be remedied.

We have more than 100 wells that were drilled by the Federal Government. Then they walked away. They abandoned them.

These legacy wells, as they are referred to, are full of contaminants that pollute the environment. The Federal Government has all but abandoned the responsibility to clean up after itself. BLM's annual budget has, for many years, contained a base funding of only about \$1 million for cleaning up these wells. Yet the last two sites cost the agency \$2 million each to remediate.

So if we keep it up at this pace it's going to be more than 100 years to clean up the mess that the Federal Government participated in. As I have told you, Madame Secretary, in person and in recent hearings, it's categorically unacceptable. So is the Administration's proposal to use Alaska's share of future NPRA revenues for remediation.

I met with the Mayor of the North Slope Borough, Charlotte Brower as well as others several weeks back. I know that you had a chance as well. I have a copy of a letter from the Mayor, from our Commissioner of Natural Resources, from the President of ASRC and the President of the Inupiat community on the North Slope that I would like to have included as part of the record.

The CHAIRMAN. Without objection, so ordered.

Senator MURKOWSKI. Thank you, Mr. Chairman.

A related concern is the pattern of falling production on Federal lands. It's true that our Nation is in the midst of an historic oil and gas boom. But it's also true that production on Federal lands is in trouble.

Contrary to some of the statements, the rhetoric that we've heard, oil production from the Federal estate actually fell 5 percent last year after falling by even more than that in 2011. Natural gas production from the same Federal areas, meanwhile, is in virtual freefall, down 8 percent last year and down 23 percent since 2009. The fact of the matter is that America's energy boom is happening in spite of Federal policies that stymie our production.

We should be opening new lands to development.

Making sure that permits are approved on time and preventing regulation and litigation from locking down our lands.

If anyone's looking for a place to start I'll invite you to look to Alaska.

I also want to very briefly mention before I conclude, Mr. Chairman, this sue and settle tactic that the Department has engaged in to enforce the Endangered Species Act. Sue and settle, in my view, is alarming. With decisions now due on hundreds of species the economic consequences could be considerable.

Madame Secretary, I recognize that you have a unique background to sit before us as the Secretary of the Interior, background in the oil and gas industry, in the private sector, in the conservation community. I think this is all the right mix. I welcome you in this position.

You have promised to bring stakeholders together to help solve problems to be that convener. We need that. Again I welcome it.

I'm hopeful that you will bring that fresh perspective to help us move through some of these long standing stalemates. I look forward to working with you. Thank you for being here this morning.

The CHAIRMAN. Madame Secretary and colleagues, here's where I think we are with the votes at ten. If the Secretary takes 10 minutes or so, if she's comfortable with that, we could have each Senator who is present here get 5 minutes worth of questioning in before the vote. It will be tight, but if colleagues find that's acceptable, let's give that a try.

Secretary Jewell, welcome.

**STATEMENT OF HON. SALLY JEWELL, SECRETARY, DEPARTMENT OF THE INTERIOR; ACCOMPANIED BY HON. DAVID J. HAYES, DEPUTY SECRETARY, DEPARTMENT OF THE INTERIOR**

Secretary JEWELL. Thank you very much, Mr. Chairman and Ranking Member Murkowski, other members of the committee. I appreciate you being here today.

Congratulations on grandparenthood, Senator Franken. That's pretty exciting. I'm looking forward to that day.

No pressure on my kids, though.

[Laughter.]

Senator FRANKEN. I think there should be pressure on them.

[Laughter.]

Senator FRANKEN. Put that in the record.

[Laughter.]

Secretary JEWELL. I want to begin by echoing comments of Chairman Wyden on the colleague to my left, David Hayes, has been an enormous help to me. But more importantly an enormous help to the American people in his service to this country through the Department of the Interior. It is very helpful to me, certainly today, to have him beside me. But more importantly, he has been very generous with his wisdom and his experience.

I'm going to miss him terribly. But I know he's only a phone call away and I'll make sure I have a hot line right to his office as he goes to support students at Stanford University and the communities through the Hewlett Foundation. So we will miss him. But I'm very happy he's with me today.

The CHAIRMAN. Well said.

Secretary JEWELL. I want to thank you for inviting me to appear before the committee. I have learned a lot in these 7 and a half weeks on the job. I've been to many, many places around the country, many of your States. So what I want to do is just organize my thoughts into a few broad categories.

I want to start with energy, on shore. Onshore oil production on public lands is actually at its highest level in over a decade. The amount of producing acreage continues to increase. I'm very happy, Ranking Member Murkowski, to provide you with some statistics that are a little different than the comments that you just referenced in terms of oil production.

I have looked at leasing reforms that the BLM has put in place. They changed them in 2010. We've actually had the lowest number of protests on lease sales on BLM lands in 10 years. So we're making progress there.

I know the team is working hard on reducing the time for permitting and approval of new projects. That will be facilitated through automation. Sequestration has impacted that a bit. But we're still committed to getting that done.

I also want to reference the hydraulic fracturing rule that we released just a short while ago with the 30-day comment period. Lots of comments have been made on that rule, 177 thousand of them since the first rule was put in place. We changed it significantly.

One of the consistent things I've heard is a request for more time. So I'm announcing right now that we're going to give an extra 60 days to that comment period on the hydraulic fracturing rule. So rather than expiring here in a week or two, it will have another 60 days on top of that. I think that will give ample time for people to express their views on it. But we do need to get on with this regulation that's been over 30 years in place and technology has moved forward.

I also want to say that Alaska, of course, is an important component of our Nation's energy strategy. The plans that we have for the National Petroleum Reserve Alaska provide access to over 70 percent of the oil potential there. It also supports infrastructure needs but recognizes the importance of providing protection for vital subsistence habitat like Teshekpuk Lake which certainly Ranking Member Murkowski is very familiar with.

On the offshore side, sorry Senator Landrieu just stepped out. I've been out on oil rigs and oil production platforms. Visited a deep water floating rig, which turns out just a few weeks after I visited had a major discovery in the Gulf of Mexico. It's a very substantial project and something that is growing in development.

I also went to a production platform from Chevron and saw that how the technology has evolved since I was in the industry and frankly, how it has also stayed the same in many ways.

In April we announced the proposed notice of sale for lease sale 233 which will make available 21 million acres offshore Texas which will be the third sale in the current 5-year program.

We've also implemented key reforms that reduce the time for review of exploration and development plans for deep water drilling in the Gulf of Mexico. I will say there's actually now more floating deep water rigs operating in the Gulf than prior to the Deep Water

Horizon spill. I think it's something close to a 25 percent increase over what was happening prior to that activity.

Our Bureau of Ocean Energy Management has begun a programmatic environmental impact statement to support assessment of resource potential off the mid and south Atlantic and that is continuing.

On the renewable side, as Chairman Wyden mentioned, we have a critical role to play in renewable energy and particularly in fulfilling the President's goal of doubling renewable electricity generation by 2020 on public lands. As an overseer of those lands I'm pleased to say that since 2009 we've authorized 42 renewable energy projects on public lands. That has the potential to produce electricity for more than 4.2 million homes.

On the offshore side, the Bureau of Ocean and Energy Management just issued a notice that we'll have our first ever competitive lease sale off the coast of Rhode Island and Massachusetts with another one to be held offshore Virginia this year. That's about 278 thousand acres and could produce electricity to power 1.9 million homes.

Now I want to shift gears to Federal lands and reference something Chairman Wyden mentioned which is the National Park Centennial. It's coming up in 2016. I hope that you will all join me in making sure that we take this milestone seriously and engage the American public more in the support of our national parks, but also broadly, our public lands.

Besides being out in a number of national park sites, I have also joined with young people in several places. One at City Park in Portland, Oregon and another in Jamaica Bay and at Gateway National Recreation Area where we were working with shovels and in the case of the park in Oregon removing evasive species. In the case of New York City, shoveling sand that was delivered by Hurricane Sandy in areas where it wouldn't have been previously, most importantly engaging young people in conservation and building a connection to those lands that will stay with them forever.

This 21st century Civilian Service Corps is listening and learning from the Civilian Conservation Corps, but doing it in the form of public/private partnerships again, referencing Chairman Wyden's comments. That is a great lesson of how we connect people to public lands in a way that stays with them forever. I hope that you will join me in supporting more of those kinds of programs.

As the Chairman mentioned we, in our budget, are looking for mandatory funding of the Land and Water Conservation Fund over a 2-year period. Those funds have been used to support every single county across the United States. Very, very important program that has made a big difference on a local level, but also a big difference on a national level. So we hope you'll support us there.

As the Chairman mentioned we're committed to ensuring multiple uses on our public lands. So they support the resources and the opportunities important to Americans. The O&C lands that the Chairman mentioned, we're very committed to supporting sustained yield with the BLM and working closely with the folks from Oregon and California on that.

One of the things that you're keenly aware of is our commitment to wildland firefighting. The 2013 season is unfortunately off to a

hot start. You've seen fires in California, New Mexico and Arizona. This is early. It looks like it could be a severe fire season.

Our ability to fight those fires is certainly impacted by sequestration to some degree, particularly our ability to reduce hazardous fuels and to remediate after fires. But we're working in a way that is so cooperative across agencies to do the best job that we can.

I visited Boise, the Interagency Fire Center, along with Senator Risch. We saw what's happening there. I think it's very encouraging the way people work together without regard to agency. But it's a big issue and something that we'd appreciate your support and help in addressing over a longer term basis.

Last I want to talk about water. Water, as Chairman Wyden takes a drink, it's critical to our lives. But it is under a lot of pressure from population growth and a changing climate. I want to give a particular nod to my colleague here, David Hayes, also Mike Connor, Commissioner of the Bureau of Reclamation and Ann Castle, Assistant Secretary for Water and Science.

They're doing a really great job of convening people together to address these really, really, significant issues: Providing leadership to communities as we address the competing demands for water, the need to increase water availability, restore watersheds, and to resolve conflicts that have been out there for a long time.

So through water conservation, water smart is the program that we call the best drop of water that we don't need is the one we don't use. We certainly played an important role in finding better ways to stretch existing water supplies and highlight best practices that are out there that everyone can learn from.

To wrap up I want to just say that sequestration is and continues to be an enormous frustration. As a business person you would never run a business the way we are required to run government with sequestration. I know that budget times are tight. We're committed to being very thoughtful about the money we spend.

But doing it across the board in programs that are important to all of you is not a sensible way to run our business. We've frozen hiring. We've done furloughs in some cases. We have had to cut across every line item. Some of those line items are very important to all of you. So I ask for your support in getting us past this sequestration period and on to a much more rational budget climate.

With that, I look forward to taking your questions. Thank you very much.

[The prepared statement of Secretary Jewell follows:]

PREPARED STATEMENT OF HON. SALLY JEWELL, SECRETARY, DEPARTMENT OF THE  
INTERIOR

Chairman Wyden and Ranking Member Murkowski, thank you for inviting me to appear before your Committee to discuss the programs and activities of the Department of the Interior. I am happy to be here today.

When I appeared before you at my confirmation hearing in March I talked about the scale of the duties of the position and the incredible diversity in the Department's mission. Every day Departmental employees are working to preserve our nation's great heritage and history, manage our federal lands, waters, and other resources, ensure the delivery of water for diverse users, empower insular communities, and support Native American communities. Since that time I have come to see and truly appreciate the astonishing breadth of the issues and responsibilities located within this one Department, many of which fall under the jurisdiction of this Committee. The Department's complex mission affects the lives of all Americans;

nearly every American lives within an hour's drive of lands or waters managed by the Department.

During the past 7 weeks my duties have taken me from south Florida and the Arthur R. Marshall Loxahatchee National Wildlife Refuge and Everglades National Park, where I saw, firsthand, Everglades restoration projects underway; to Boise, Idaho, where I met with a group of smokejumpers—some really tough firefighters—at the National Interagency Fire Center and learned how our federal firefighters are deployed when a wildfire is reported; to the Gulf of Mexico where I viewed an offshore drilling rig and a production platform with an inspector from the Bureau of Safety and Environmental Enforcement; and to Portland, Oregon, where I signed an agreement with the States of Oregon and Washington to expedite the review and permitting of energy generation, transmission, and other infrastructure development.

The Department's bureaus serve as stewards of the nation's parks, wildlife refuges, wild and scenic rivers, seashores, and national monuments and recreation areas, 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. The lands and resources we manage are also a huge economic engine, powering our economy through energy development, tourism and recreation, logging, grazing and other uses. 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.

In 2012, there were almost 500 million visits to lands managed by the Department. Recreational visits to our lands contributed an estimated \$49 billion in economic benefits to local communities in 2011. We collect nearly \$13 billion annually through mineral extraction and other activities, and share nearly \$5 billion of these revenues annually with states, tribes, counties, and other entities. An additional \$2 billion of our budget is used in local communities across the nation through contracts for goods and services. In many of your states, the revenues we share from energy production and other activities are a critical component of the local economy. Overall, 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.

It is with this fitting introduction to the Department's significant responsibilities that I come before you again to discuss the major programs and highlight some of the activities at the Department and my goal to ensure that it continues in its role as a resources manager, a job creator, and a partner to tribes and state and local governments.

#### STRENGTHENING OUR ENERGY FUTURE

As I noted back in March, I believe that rapidly advancing technologies, smart policies, and a commitment to the President's "all of the above" energy strategy will allow us to continue with the safe and environmentally responsible expansion and diversification of our nation's energy production, further cutting our reliance on foreign oil, and protecting our land and water at the same time. We have been pushing forward with that goal.

#### *Onshore Energy Development*

Onshore, the Bureau of Land Management held 31 oil and gas sales last year and is scheduled to hold more than 30 this year. Oil production from federal onshore lands is at its highest level in over a decade. The amount of producing acreage continues to increase, and was up by about 200,000 acres between 2011-2012. And the onshore leasing reforms put in place in 2010 resulted in the lowest number of protests in ten years—fewer than 18 percent of parcels offered in FY 2012 were protested, reducing costs and further speeding development.

The Administration is making more coal available as well, with the number of producing acres rising 4 percent from FY 2009 to FY 2012. The amount of coal the agency leased last fiscal year is the highest since FY 2003. And through the Office of Surface Mining Reclamation and Enforcement, we are working to ensure that communities impacted by coal mining and the environment are protected during mining. We are also pursuing the reclamation of priority abandoned mine sites, with a goal of reducing the number of remaining dangerous abandoned mine sites nationwide.

I have heard from a number of members about the need for better onshore oil and gas permit processing. Secretary Salazar instituted reforms to the BLM's oil and gas program, including transitioning to an electronic system that will automate and streamline the application process and significantly reduce the time for approval of

new projects. From FY 2006 to FY 2012, the amount of time it took for all BLM field offices to process and approve complete drilling applications fell by 40 percent and the number of inspections completed by all BLM offices rose 73 percent. The Administration has proposed extending and expanding the interagency permitting pilot office authority under the 2005 Energy Policy Act to allow BLM to focus pilot office resources in areas of highest demand. We are headed in the right direction and will continue to look at procedures, processes, and the regulatory framework to identify areas for further reform.

The Department also published several weeks ago an updated proposed rule on hydraulic fracturing on public and Indian lands. These are common sense updates to 30-year old regulations that will increase safety in oil and gas production on public lands while, at the same time, provide flexibility and foster coordination with states and tribes. This is an important step in ensuring that the public has full confidence that the right safety and environmental protections are in place.

Alaska is an important component of our nation's energy strategy. The Arctic holds substantial oil and gas potential, but also presents unique environmental and operational challenges. The BLM recently finalized a new comprehensive plan—the first ever—for the 23-million acre National Petroleum Reserve—Alaska. This balanced plan provides access to over 70 percent of that area's estimated oil potential and provides for an important east-west corridor that could be needed for pipeline infrastructure to eventually carry Chukchi Sea oil to the Trans-Alaska pipeline. At the same time, it will protect the vital subsistence resources of Alaska Natives and the habitat of world-class wildlife populations.

I recently appeared before the Senate Committee on Indian Affairs and noted at that hearing that the Department is committed to assisting Indian tribes in expanding renewable, reliable, and secure energy supplies on Indian lands and safe and responsible oil and gas development. Including Indian Country in the “all of the above” energy strategy will help increase domestic energy supplies and improve the economies of many Indian tribes and Alaska Native villages.

#### *Offshore Oil and Gas Development*

We also are moving forward with oversight of the safe and responsible development of our offshore oil and gas resources. The first two sales of the 2012-2017 Five Year Program were held in the Gulf of Mexico in November 2012 and March 2013, and resulted in over \$1.3 billion dollars in industry investment and government revenue through bidding on 436 tracts. At the end of April we announced the Proposed Notice of Sale for Lease Sale 233, scheduled for this August, making available 21 million acres offshore Texas. With this sale, all unleased acreage in the Western Gulf of Mexico will be available for leasing.

Over the past several years, since the Deepwater Horizon oil spill, the Department has reformed the way development on the Outer Continental Shelf takes place. The Bureau of Safety and Environmental Enforcement has implemented safety and environmental management system regulations; issued a new drilling safety rule to refine safety reforms and strengthen requirements; taken steps to hold contractors accountable for their actions offshore; conducted two full-scale capping stack deployment exercises to respond to potential future well blowout scenarios; and provided new guidance on oil spill response plans.

The Bureau of Ocean Energy Management has also significantly reduced the time for review of exploration and development plans for deepwater drilling in the Gulf of Mexico, with time from submission to approval down almost 35 percent from the period between October 2010 and October 2011.

BSEE has achieved similar, significant improvements in the processing of deepwater permits, with the average time for review reduced by about 37 percent between 2011 and 2012. This has contributed to the approval by BSEE of 112 new deepwater well permits, higher than in either of the two years preceding the Deepwater Horizon oil spill. There are more floating deepwater drilling rigs working in the Gulf of Mexico today than prior to the Deepwater Horizon spill, and we expect drilling activity to steadily increase over the coming year. And both BOEM and BSEE are working to modernize and streamline their data systems and the processes for the submission and review of plans and permits. When completed, this investment will achieve significant gains for both the rigor of analysis and the efficiency of review, saving time and money and enhancing accountability.

Science continues to drive decision-making for the OCS leasing program. BOEM conducts rigorous scientific and environmental analysis to support all stages of the OCS program, partnering with academic institutions and other federal agencies to produce top-tier applied research to support decision making. BOEM also conducts thorough assessment of resource potential to identify areas of the OCS that are most promising for exploration and development. Last year BOEM began a Pro-

grammatic Environmental Impact Statement to support permitting decisions for geological and geophysical surveys that will be used for assessing energy resource potential off the coast of the Mid and South Atlantic. The Department also uses the results of exploratory drilling to improve its knowledge of the resource potential. As part of this process, the Department 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.

A priority for the Administration is implementation of the Agreement between the United States and Mexico concerning Transboundary Hydrocarbon Reservoirs in the Gulf of Mexico. Implementation of the Agreement will make nearly 1.5 million acres of the Outer Continental Shelf, currently subject to a moratorium under the Western Gap Treaty, immediately available for leasing and will make the entire transboundary region, which is currently subject to legal uncertainty in the absence of an agreement, more attractive to U.S.-qualified operators. BOEM estimates that the transboundary area contains as much as 172 million barrels of oil and 304 billion cubic feet of natural gas. We look forward to working with you on legislation to implement this Agreement.

#### *Renewable Energy Development*

The Department has a critical role to play in fulfilling the President's goal to double renewable electricity generation again by the year 2020 by facilitating renewable energy development on public lands. I will continue to build on the Department's successes and work to make sure we are accomplishing this in the right way and in the right places.

Securing clean sources of energy not only is good for the environment, it creates American jobs, and promotes innovation. In 2009, there were no commercial solar energy projects on or under development on the public lands. From that time, the Department authorized 42 renewable energy projects on or through the public lands which, if constructed, will have the potential to produce enough electricity to power more than 4.2 million homes. The Department also plays a key role in efforts to strengthen the nation's electric transmission grid, approving permits enabling several hundred miles of transmission lines in seven states across federal lands in 2012.

BLM has focused on an accelerated, but environmentally responsible, permitting process for the development of renewable energy on public lands that ensures the protection of signature landscapes, wildlife habitats, and cultural resources.

Since 2009, BLM has authorized more than 12,000 megawatts of energy on public lands and waters, established a road map for responsible solar development in the West by designating energy zones, and flipped the switch on the first solar energy project to deliver power to the grid. 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. 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 U.S. and one of the largest in the world. BLM also expects to propose rules that would establish a competitive process for issuing rights-of-way leases for solar and wind energy development on public lands.

Significant progress has been made to advance offshore wind energy. BOEM issued the second non-competitive commercial wind lease off the coast of Delaware in 2012. Earlier this week I announced the first ever competitive lease sale, to be held in July, for a wind energy area offshore Rhode Island and Massachusetts, and BOEM will hold another competitive lease sale offshore Virginia this year. These sales involve nearly 278,000 acres proposed for development of wind generation to produce electricity to power as many as 1.9 million homes. We expect additional competitive lease sales to follow for wind energy areas offshore Maryland, New Jersey, and Massachusetts, and we continue to make progress on potential projects in areas offshore New York, North Carolina, and Maine.

BOEM has established renewable energy task forces with a total of 12 coastal states, including recent task forces in the States of Hawaii and South Carolina, and is overseeing progress in the planning of a potential Mid-Atlantic wind energy transmission line, which would enable up to 6,000 MW of wind turbine capacity to be delivered to the electric grid along the East Coast.

And the Bureau of 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.



## MANAGEMENT OF OUR LANDS AND WATERS

I will also work hard to build on the progress this Administration has made in the management of the federal lands and waters that make this “America the Beautiful.”

*America’s Great Outdoors*

One of the major goals of President Obama’s America’s Great Outdoors initiative is to better connect youth and families to nature and outdoor recreation. Engaging with America’s youth through the great outdoors helps lay the foundation for the next generation of our nation’s stewards, scientists, business leaders, teachers, and others who will understand the key role that national parks and public lands and waters play in conservation and preservation of our nation’s treasures and the significance they have for local communities, drawing visitors and boosting the economy.

With the National Park Service’s centennial anniversary approaching in 2016, we have the opportunity to both celebrate and confirm the NPS’s stewardship of our cultural and natural treasures and its role in building enduring connections and enriching experiences with its visitors, including the nation’s youth. I recently had the opportunity to meet students from Stonewall Middle School at Prince William Forest Park in Virginia to celebrate National Park Week and highlight the importance of outdoor recreation and education, especially to young people.

I have also had an opportunity in these first weeks on the job to work alongside young people in Gateway National Recreation Area in New York and in a city park in Portland, Oregon, where high school and college-aged young people were restoring habitat and engaging other youth in environmental education and stewardship—all great examples of our commitment to a 21st Century Civilian Service Corps. In an effort to learn from the Civilian Conservation Corps of the last century, this will provide a tangible way to boost youth employment and job training, supporting our public lands infrastructure in a cost-effective way while giving youth a lifetime connection to public lands close to home and far away. It will also provide great opportunities for public/private partnerships with businesses and non-profit organizations.

Through partnerships with states, tribes, nongovernmental organizations, and concerned citizens, we will continue to use AGO to expand opportunities for recreation and conservation and to promote America’s parks, refuges, and other public lands and waters. The innovative partnerships developed through this important initiative have helped create great parks and green spaces in urban areas, expand access to rivers and trails, support the \$646 billion outdoor recreation economy (according to the Outdoor Industry Association’s 2012 report), connect the next generation to the great outdoors, create wildlife corridors, and promote conservation on large landscapes while working to protect historic uses of the land including ranching, farming, and forestry.

An example of the great work done under this program is the Swan Valley Conservation Area, established as a unit of the National Wildlife Refuge System by the Department in 2012, which is situated between the Canadian Rockies and the central Rockies of Idaho and Wyoming, 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 provides habitat for species such as grizzly bears, gray wolves, wolverines, and Canada lynx.

The AGO initiative also benefits from fee receipts that are collected and reinvested in visitor services under the Federal Lands Recreation Enhancement Act (REA). 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. Surveys show that most visitors believe that the recreation fees they pay are reasonable for the amenities and services provided; in fact, 94 percent of visitors to NPS sites believe that the value for the entrance fee paid is “very good” or “good.” The Department encourages the Committee to reauthorize the REA, which sunsets in December 2014.

And we are continuing our commitment to America’s Great Outdoors through our request this year, for the first time ever, of mandatory dedicated funding for Land and Water Conservation Fund programs, with full funding at \$900 million annually beginning in 2015. Enactment of a mandatory LWCF program would ensure continued funding for this program designed to make investments in conservation and recreation for the American people to balance the development of oil and gas resources. Protecting this balance through mandatory LWCF funding would reduce landscape fragmentation, making it more efficient to protect wildlife habitat, re-

spond to wildfires and other natural disasters, and increase recreational access on the lands and waters that belong to every American.

We recognize the challenges—including those of this Committee—in establishing new mandatory programs in the current fiscal environment. That's why as part of the FY 2014 Budget we have also identified a variety of mandatory savings proposals that, while justifiable on their own merits, could also be used to partially offset a mandatory LWCF proposal. Detailed descriptions of all of these proposals can be found at: <http://www.doi.gov/budget/appropriations/2014/highlights/upload/overview.pdf>

I would also note that our legislative proposal to reauthorize the Federal Land Transaction Facilitation Act, which expired in 2011, provides a unique opportunity to supplement our LWCF resources to protect additional high-value conservation lands by selling properties that have been identified as suitable for disposal. The proposal would use the sales revenues to fund the acquisition of environmentally sensitive lands and to cover the administrative costs associated with conducting the sales. We believe this is a win-win proposal that we hope would have bipartisan support in this Committee.

Our nation's public lands that are managed by BLM include rangelands, forests, deserts, and mountains, all administered for multiple uses. They support a variety of resources and opportunities important to Americans such as forage for livestock, water storage and filtration, carbon sequestration, habitat for an abundance of wildlife, scenic beauty, and many forms of outdoor recreation.

The National Landscape Conservation System, which includes 19 national monuments, 21 national conservation (and similarly designated) areas, and 221 wilderness areas designated by Congress offer a different conservation model where many traditional uses are allowed. These spectacular lands provide a multitude of benefits including scientific and historical resources, critical habitat for a variety of species, and diverse recreational opportunities including hunting, fishing, and hiking that generate millions of dollars for local communities.

The conservation and sustainable use of our rangelands is important to those who make their living on these landscapes—including public rangeland permittees, whose operations are important to the economic well-being and cultural identity of the West and to rural western communities. While significant workload and resource challenges exist, BLM is committed to reducing the backlog of grazing permit renewals and to issuing permits in the year they expire.

BLM manages the timber on its Oregon and California (O&C) Grant Lands according to the principle of sustained yield. We are increasing support in 2014 for resource management on the O&C lands to implement the Western Oregon Strategy, including increased timber volumes offered for sale while at the same time increasing surveys of species under the Northwest Forest Plan and facilitating recovery of the northern spotted owl, as well as increased support for the BLM to continue its comprehensive effort to prepare new Resource Management Plans covering six BLM Districts in western Oregon.

#### *Wildland Fire*

You heard several days ago from the Department on the outlook and planning for the coming fire season. Just a few weeks ago I had the opportunity to join with Secretary Vilsack at the National Interagency Fire Center in Boise to see this well-coordinated operation firsthand and discuss the efforts the federal government is making to protect citizens and property from wildfire.

After a decade of drought and the continued proliferation of non-native plant species and accumulation of hazardous fuels in our forests and rangelands, the 2012 fire season was one of the worst on record for BLM rangelands and woodlands in the lower 48 states. The 2012 season also impacted the other 3 bureaus with resource responsibilities, and with the outlook for the 2013 season to be as severe throughout much of the West, there may be record fires this year. To be prepared we are working together with other federal agencies, tribes, and local governments to ensure that we're doing everything we can with the resources that we have. Additionally we are working with our partners to reach the goals of the National Cohesive Wildland Fire Management Strategy to restore and maintain resilient landscapes, create fire-adapted communities, and respond to wildfire.

Let me add that the complexity and intensity of fires over the past ten years present enormous budgetary challenges for the federal government. While the latest projection for fire costs for the 2013 season indicates that we have sufficient funding, because of sequestration we absorbed an overall \$37.5 million cut to the Department's fire program that resulted in a reduction of approximately 7 percent of the Department's firefighter seasonal workforce, with reduced lengths of employment for

those hired. This reduces our capability and significantly constrains our work in fire response and in remediating land after fire damage.

#### *Water Resources*

The Bureau of Reclamation is the largest wholesaler and manager of water in the 17 western states and the nation's second largest producer of hydroelectric power. Its projects and programs are critical to driving and maintaining economic growth in the western states. Reclamation manages water for agricultural, municipal and industrial use, and provides flood control and recreation for millions of people. Reclamation activities, including recreation, have an economic contribution of \$46 billion, and support nearly 312,000 jobs. As a result, Reclamation facilities eliminate the production of over 27 million tons of carbon dioxide that would have been produced by fossil fuel power plants.

Reclamation has a long-standing commitment to support the Secretary's goal to strengthen tribal nations, including through ecosystem restoration, rural water infrastructure, and the implementation of water rights settlements.

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. The Department is tackling America's water challenges by providing leadership and assistance to states, tribes, and local communities to address competing demands for water by helping improve conservation and increase water availability, restore watersheds, and resolve long standing water conflicts. Today, many of Reclamation's activities address drought through the use of enhanced water management that helps guard against and, to a certain extent, mitigate the devastating effects of drought. Water conservation by agricultural, residential and commercial users is a prime example.

Through our national water conservation initiative, WaterSMART, we are finding better ways to stretch existing supplies and helping partners plan to meet future water demands. In 2012 the U.S. Geological Survey, a key partner in the WaterSMART initiative, began a three year study of three focus areas in the Delaware River Basin, the Apalachicola-Chattahoochee-Flint River Basin, and the Colorado River Basin. The study will contribute toward ongoing assessments of water availability in these large watersheds with potential water-use conflicts, provide opportunities to test and improve approaches to water availability assessment, and inform and ground truth the Water Census with local information. This is in addition to focusing on water availability, and investigating the components of a regional water budget to understand the amount entering and leaving each basin. This work also contributed to the Colorado River Basin Water Supply and Demand Study, the first of its kind, released by the Department in December 2012, which 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, and estimates the number of people that rely on Colorado River Basin water could double to nearly 76 million people by 2060 under a rapid growth scenario. Based on this study, the Department, along with representatives from the seven Colorado River Basin states, the Ten Tribes Partnership, and conservation organizations, last week outlined a path for next steps to address these projected imbalances.

I am committed to continuing to work with our stakeholders to assess the implications of water shortages, develop flexible operational plans that account for expected periods of drought, and support projects that conserve water and improve the efficiency of water delivery infrastructure.

#### COMMITMENT TO SCIENCE

The Department's mission requires a careful balance between development and conservation, achieved by working closely with our diverse stakeholders and partners to ensure our actions provide the greatest benefit to the American people. The development and use of scientific information to inform decision making is a central component.

Science at the Department promotes economic growth and innovation. At the Department, we use 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. And in support of the President's new Open Data Policy, the Department continues to make federal data collected through these efforts publically accessible. For example, the Bureau of Ocean Energy Management

and the U.S. Geological Survey have collectively contributed over 100 datasets to ocean.data.gov, to support regional efforts under the National Ocean Policy.

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 USGS. 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 USGS is also a leader in resource assessments, and just recently published an updated assessment of the Bakken and Three Forks Formations, finding greater resource potential there than previously thought.

The President has also made clear that climate change is an important issue for the nation, especially as we face more frequent droughts, wildfires, and floods. Here at the Department, we are using the science expertise in our bureaus to assist our land managers to effectively prepare for and respond to the effects of climate change on the natural and cultural resources that we manage.

While USGS provides exceptional support to Interior bureaus, other Departmental bureaus work collaboratively to bridge gaps in knowledge, leveraging the complementary skills and capacity to advance the use of science to support management decision making, ensure independent review of key decisions and science integrity, and adaptively use data to assist states, tribes, and communities throughout the nation.

#### IMPACTS OF SEQUESTRATION

Finally, I want to mention the impact sequestration and uncertainty about the future has had on the Department and its programs. The budget cuts that we have seen push us back to funding levels last seen in 2006, and reverse much of the progress made by Secretary Salazar, who worked in partnership with the Members of this Committee to advance the President's all-of-the above energy strategy; conserve our federal lands, waters and wildlife; advance youth engagement in the outdoors; and honor commitments to Native Americans. The process put in place by the sequestration undermines the work we need to do on many fronts, and we will continue to see impacts across the country in all of our bureaus during the coming months.

We will survive these cuts this year by freezing hiring, eliminating seasonal positions, and cutting back on our programs and services, but these steps 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.

#### CONCLUSION

Mr. Chairman, Ranking Member Murkowski, and Members of the Committee, thank you again for inviting me to appear before your Committee. Achieving success in all of these important responsibilities on behalf of the American people is the Department's primary focus. I look forward to working with you as we advance these important issues.

The CHAIRMAN. Thank you, Madame Secretary.

We're also going to call another audible. We've had other Senators join us. So I think we are going to have to come back for a few minutes after the vote.

Several colleagues have been very gracious—Senator Murkowski, Senator Franken—about the possibility of keeping this going. So my hope is we'll be able to get most of it done before the end of the vote at 10:15. Then we'll come back after that.

Just a quick question on the O&C matter, Secretary Jewell, and this is really to confirm something. As you know the Oregon delegation feels so strongly about this. We've got 18 of these O&C counties and they are really hurting. We're pushing very hard to get the harvest up.

We talked when you were in Portland about you all, particularly the BLM, giving us technical support so we can get into these maps and find a way to address the kind of partition concept that have

areas where you focus on the harvest, areas where we protect the treasures. Could you just state publicly in affect what you said privately that you will be there to give us, through the BLM, the technical support we need here over the next few weeks?

Secretary JEWELL. Yes, sir. I'm happy to work closely with you, with the BLM.

I know the checkerboard situation that is prevalent throughout the West is a challenge in terms of managing these resources, consolidating, doing it in a thoughtful, sustainable yield way is something we're committed to. So the BLM people will be happy to work closely with you on that.

The CHAIRMAN. Very good.

Let me talk about next national park funding. We've had several Senators raise concerns about authorizing new national parks given the scope of the backlog, this very significant backlog. I'm one who says we ought to be working on two tracks. We've got colleagues here, Democrats and Republicans, who want to designate new parks. I support that effort.

I also share the view of colleagues who say we've got to come up with a fiscally responsible approach to deal with the backlog. We've been talking to the Director, John Jarvis, about it. My question is I understand that you all are reviewing several funding recommendations that are in the National Park Conservation Association report. The park concession errors have offered some ideas with respect to the Bipartisan Policy Center.

Can you tell us a little bit more about ways in which we could look to bring in the private sector, fiscally responsible approaches, given the fact that we're going to try hard to build a bipartisan coalition so that we can have these new parks which you and I have talked about? They're good for our future of preserving our treasures. But they're also good for the economy.

But I do think colleagues are making legitimate points about the backlog. Please tell us what ideas you may be looking at from the Park Conservation Association and the Bipartisan Policy Center.

Secretary JEWELL. Thanks very much, Mr. Chairman. This is certainly something that I'm familiar with having served on the Second Century Commission of the National Parks along early with Senator Portman, although he left us to run for elected office which we certainly appreciate as well.

There's no question that we have a significant deferred maintenance backlog. It's estimated to be over \$11 billion in our national parks. That is really something that has been accumulating over many, many years of not treating our assets in the public lands in the way we might do them in the private sector in terms of setting aside depreciation. That has more to do with appropriations and less to do with what the national park would like to do. They would like to maintain these facilities.

But it is a challenge in budgetary times. We need your help to put the Federal Government's part in the budget to supplement what we might do from the private sector. There are opportunities for private sector engagement.

One of the things that the Second Century Commission worked on was public/private partnerships and recognizing that people love their national parks. There is an opportunity to leverage that love

of the parks to find ways to support and recognize private donations. But I think it's fair to say, and this came from the Second Century Commission as well, that private philanthropy should be the margin of excellence for the parks, not the margin of survival.

It's critically important that we step up as a Federal Government to support these assets that are so important. There's hardly a Senator that I visited with on either side of the aisle that didn't have some wish or desire that related to a national park in their district or certainly public lands in their district and support for them. So we do need to work with you and with the appropriators on adequate funding to begin to address the maintenance backlog. But we are very willing and I know Director Jarvis is in particular, in finding ways to support and enhance private sector engagement.

Just a quick story. I went up the Washington monument with a private donor who is splitting with the Federal Government the cost for the renovations of that facility, David Rubenstein. I appreciate his support. He's setting a great example for the private sector. We're certainly looking for more opportunities like that.

The CHAIRMAN. I'll give you just one question for the record and stay under time. On the Klamath issue in Oregon, which, as you know, is a classic challenge. Fish, agriculture, water, energy. Commissioner Connor testified a few weeks ago that the Bureau of Reclamation didn't anticipate any supply cut-off to on-project users.

If you could just get that back to me in writing with a quick confirmation, that would be much appreciated. I have not heard anything to the contrary. My time is up.

If you could just get back to me with a response reaffirming what Commissioner Connor said, that would be helpful.

Secretary JEWELL. Sure, we're happy to do that.

The CHAIRMAN. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Secretary, I'm going to defer my questions until my colleagues have had a chance to address theirs because I'm going to be coming back after the votes.

But I did want to just put a statement on the record. You had noted in your opening statement that oil production from Federal onshore lands is at its highest level in over a decade. You noted that perhaps our commentaries differed. I had said oil production from the Federal estate actually fell 5 percent and the reference there.

So I think it is important to just give some of the numbers here very briefly because I think it can be confusing.

Federal onshore oil production was at 89.5 million barrels back in 2003. It's gone up to 108.7 million in 2012. So you do have a substantial increase there. But it's not the full picture and that's my point.

Because on Federal offshore production we've seen that fall from 532.7 million barrels in 2003 to 430.6 million barrels in 2012. So what we've got is Federal onshore production which rose by about 20 million barrels. But Federal offshore production fell by 100 million barrels, more than 5 times the onshore increase.

So I think it's important that when we're talking about this we look at the full picture. So if your numbers are different than mine I'd be happy to share with them. But with that, Mr. Chairman, I

will defer to others so that they can get their questions in before the vote.

The CHAIRMAN. Very good.

Senator Franken.

Senator FRANKEN. Yes, can I ask? Did the BP oil, the moratorium after the BP oil spill was that, is that really what has caused that dip? I mean, we had a huge thing happen. There was a moratorium after that.

Is it OK if I ask that of Mr. Hayes?

Secretary JEWELL. Sure.

The CHAIRMAN. Mr. Hayes.

Mr. HAYES. Yes, Senator. It is true that oil production in the Gulf did decline because of the safety issues that arose and the need to upgrade our safety standards.

The good news is that there's an EIA recently reported a very strong upward trend now in the Gulf. The Secretary mentioned a major discovery. There have been ten major new discoveries. There are now more than 50 rigs drilling in the offshore.

The lease sales are very strong that we're having and that we've had in the Central Gulf and the Western Gulf. So we expect to be back to where we were and further. But there certainly was a time that we did a pause and increased the safety standard and changed the way we did business. That did effect, we believe, temporarily production of the offshore.

Senator FRANKEN. Yes, I'm sorry. I just wanted to clarify that. It's a shame it might come out of my time to put pressure on the Secretary's children for grandchildren.

[Laughter.]

Senator FRANKEN. I regret that. But I'm going to be chairing lately and later.

The CHAIRMAN. You will?

Senator FRANKEN. Where I can do that we can find out the whole story there.

[Laughter.]

Senator FRANKEN. Secretary Jewell, I want to very briefly talk about an issue that is really important in Northern Minnesota. There are 93,000 acres of school trust lands that belong to the State that are trapped in the Boundary Water Canoe Wilderness Area which means they can't contribute to the economic development of the support schools in Minnesota.

The Forest Service is working with the State to both purchase land from the State and to exchange the rest of the lands with Minnesota. The Superior National Forest has submitted to the Administration a pre-proposal for the purchase piece. I want to urge you to give every consideration to this application. It's an important issue to Minnesotans and to our schools.

Secretary JEWELL. Just to clarify, Senator, if it's Forest Service it's in the Department of Agriculture. So I'm not sure that we're involved directly in that one unless David knows otherwise.

Mr. HAYES. Not sure but we'll certainly work on it.

Secretary JEWELL. I mean, we certainly can support that with my colleague, Tom Vilsack.

Senator FRANKEN. It goes to both agencies.

Secretary JEWELL. Does it?

Senator FRANKEN. But we'll clarify.

Secretary JEWELL. Yes, I'd be happy to review that.

Senator FRANKEN. Yes.

I just want to get into water a little bit. You mentioned water. It's critical, obviously, to our economy and to our well being. We need water for farming, for healthy ecosystems and we need it for energy production.

The drought that devastated so much of the country last year drove home just how important water is. To make ourselves resilient to drought we need to monitor our ground water resources. We need to know if the rates at which our aquifers recharge are sustainable given how much water is being taken out.

Your Department is issuing a lot of oil and gas permits in drought prone areas. These activities require huge amounts of water. For instance, a single hydraulic fracturing well uses between one and ten million gallons of water. We've even heard about competition now between farmers and oil and drilling.

So can you just give me your take on a walk through how you consider water issues when issuing permits for energy development on public lands? The largest wholesale supplier in the Nation is the Department of the Interior. You have to be a leader in sustainable management.

Can you just walk through these considerations?

Secretary JEWELL. I'll do it at a high level. I'll ask my colleague, David Hayes, to weigh in with a little more detail.

First, on hydraulic fracturing one of the things that we are encouraging is the reuse of hydraulic fracturing fluids so it can be reused. Another thing that's happening within the industry is the potential of using produced water which is salt water from lower depths for hydraulic fracturing as opposed to water, ground water, that may be competing with other resources. Those activities are being encouraged.

The water is generally controlled by States. So as energy companies purchase water, they're not purchasing it from us or asking us for it. It's coming from State and local resources.

So I think that the role that we can play is encouraging reuse and monitoring appropriate use of produced water so that there isn't competition for that. It's certainly very expensive for the energy companies to buy water for these purposes as well.

But David, I want to turn to you to give, perhaps, a little more detail specific to this topic.

Mr. HAYES. Just very quickly, Senator. Obviously the water use is a big issue for us. The President's budget follows through on the requirement that Congress laid out for us in 2007 for a water census. We're asking for about 15 million for the U.S. Geological Survey to help provide the data for that.

In terms of permitting what the Secretary said is very important. Typically the States have primacy with regard to the water use. The proposed fracking rule that is now out for further comment suggests that we require a tracking of that water because when it comes up it can be, if it's not handled appropriately, it can cause damage to, for example, the public lands.

But we look forward to a further dialog. It's a very important issue.



The CHAIRMAN. Let's do this. We're going to have Senator Franken chair after the break.

Senator BARRASSO.

Senator BARRASSO. Thank you, Mr. Chairman.

First, Mr. Hayes, thanks for your dedicated service. We're very grateful. Thank you.

Madame Secretary, you brought up sequestration. I just wanted to ask about this revenue owed to States under the Mineral Leasing Act. In March the Department of the Interior notified States that it would withhold over \$109 million of revenue during the remainder of fiscal year 2013.

This was before you were confirmed. This was before you were sworn into office.

At that time the Department said that its decision was in accordance with the Budget Control Act of 2011, the sequester. Three weeks ago a bipartisan group of us, ten Senators, 5 members of this committee.

Senator Heinrich was one, Senator Mark Udall, Senator Hoeven, Senator Lee. I sent a letter to OMB. You have a copy of the letter.

But in that letter we asked OMB to confirm that your Department would return mineral revenue withheld in fiscal year 2013 to the States and do that next year in fiscal year 2014. We explained that a provision within the Federal budget law required the Department to return withheld mineral revenue to the States when sequestration took place back in the mid-1980s. The same provision of the law applies today to the sequester which took affect this year.

So you have a copy of the letter to OMB. So can you confirm that the Department will return mineral revenue withheld in fiscal year 2013 to the tune of \$109 million to the 35 States to which it is owed?

Secretary JEWELL. Senator, thanks for the question and your letter. I understand the importance of mineral revenue to the States. We are doing our best to comply with the Balanced Budget Under Emergency Deficit and Control Act otherwise known as the sequester.

Our understanding is that we were required to withhold payments. It is designed to be inflexible, damaging and indiscriminate. It is. This is an example of that.

So I will be fulfilling my obligation under the law. Whether that requires a repayment to the States or not is something that certainly OMB is the right place to assess this. If we're asked to do that we'll absolutely will do that. We appreciate the importance to the States. But we are doing our best to comply with the law as it written.

Senator BARRASSO. Thank you.

I'd like to ask about the BLM's revised hydraulic fracturing rule. Today you announced extending the comment period another 60 days. I understand the oil and gas producers will be able to obtain a variance from BLM's rules in States which have their own hydraulic fracturing rules that "meet or exceed the BLM's rule and how it's written."

Secretary JEWELL. Correct.

Senator BARRASSO. BLM may, it says also that the BLM may rescind this variance or modify the conditions of approval at any time. So this is hardly the certainty that you acknowledged during your confirmation process is so important for the private sector. You had said they need certainty.

It's unclear to me why BLM is adding Federal regulations on top of State regulations. You know, Wyoming adopted hydraulic fracturing regulations about 3 years ago. Since then nearly all States who have meaningful oil and gas production have adopted or are in the process of adopting their own hydraulic fracturing rules. Many States, such as Wyoming, already apply their rules to Federal lands within their borders.

So in this respect BLM's rule is a solution it seems to me looking for problems. Do you believe that States which are currently regulating hydraulic fracturing aren't doing a sufficient job? If so, which States do you have in mind?

Secretary JEWELL. Senator, I want to say that it's highly variable between States. The State of Wyoming is sophisticated in its oversight of hydraulic fracturing. We applaud that.

You understand the resources within the State and I think that it's a good example of a State that's doing an effective job. Our role is to provide minimal acceptable standards on public lands. That is our oversight on behalf of the American people. That's what we're doing.

The reason for the comment period, the 30 days initially and now the extension of 60 days is to provide an opportunity for people to comment on those rules to determine if it's problematic for them. So we will be listening to those comments and reacting appropriately.

Senator BARRASSO. I appreciate it because the variance process leads to uncertainty. It doesn't give the kind of certainty that you talked about in your confirmation. So I appreciate that.

Final question about leadership of the Bureau of Land Management. Last year Bob Abbey, the Director retired. President Obama has yet to nominate a successor. As the President considers a replacement it's critical that he look to qualifications outlined in Federal law.

The Federal Land Policy and Management Act states the Director of the Bureau shall have "a broad background and substantial experience in public lands and natural resource management." Bob Abbey had over 30 years of experience working for land management agencies prior to his nomination as BLM Director. His predecessor, Jim Caswell, also over 30 years of experience in land and natural resource management prior to his nomination.

So do you believe the BLM Director should have a broad background and substantial experience in land and natural resource management as the law calls for?

Secretary JEWELL. Senator, I'm going to do my best job to find someone that's highly qualified for the position that has the requisite experience. I need to take into account the talent that exists throughout the BLM and the ability of an individual to lead that organization, leveraging the talent that's there. That's what we would do in private industry. You take all of these things into account. I'm certainly committed to doing that here as well.

Senator BARRASSO. Thank you, Madame Secretary.  
Thank you, Mr. Chairman.

Secretary JEWELL. Thank you.

The CHAIRMAN. Thank my colleague.

Senator Heinrich is going to be next and just because I think colleagues are trying to figure their schedules what we'll do is we'll get as many colleagues in. In fact now Senator Landrieu has come, Senator Heinrich, so she'll be next. I think we're going to get you in before 10:15.

But when the votes start at 10:15, we will break. I anticipate those votes being done at 11. Senator Franken will come back and Chair and Senator Murkowski will be there. So we'll just keep going.

Senator Landrieu will be next. After Senator Landrieu will be Senator Risch.

Senator LANDRIEU. Thank you very much, Mr. Chairman. I apologize. I had to step out for another meeting.

Welcome, Secretary Jewell. Thank you so much for taking one of your first trips down to the Gulf Coast. I understand you were off the coast of Louisiana at one of our offshore oil and gas rigs. We really appreciate you reconnecting with that important industry and resource for our Nation based on your experience earlier in your career.

I wanted to bring up two issues and have questions just on two issues.

First is the request in the budget for the Land and Water Conservation Fund. There are many of us that are very interested in funding the Land and Water Conservation Fund for many reasons. There's a Federal side that helps our parks and our land acquisition. There's a State side that helps our States to really leverage those conservation dollars to expand recreational opportunities and save special places.

I don't think there's really a member on this committee that doesn't want to do that, within reason. Recognizing the Western States think they still, they have too many, too much land already purchased by the Federal Government. I acknowledge that, their concern.

However, my concern is that in this budget we are using revenues generated off the coast of Louisiana and Texas when Louisiana and Texas and Alabama and Mississippi and Florida are coastal areas have so much need. The money that we're generating it seems like to me which is pretty significant. I'm going to put up a chart in a minute. Is basically being used to fund the Land and Water Conservation Fund, all the money goes elsewhere in the country.

We're saving the redwoods, you know, in the Northeast and California and the sequoias. But we're not saving the marsh where the revenues are coming from. Do you have a comment about that or what are your general feelings?

I say, coming from Louisiana, I mean, our States are serving as platforms for the production. Without the south Louisiana, Texas, there would be no way for the Federal Government to access resources that are clearly ours. But without our States, there could be no access to the offshore.

Secretary JEWELL. Yes, Senator, thank you for the question. As I mentioned in my opening comments, I support full funding of the Land and Water Conservation Fund which has not been the case for more than 1 year in its almost 50-year history.

I appreciate the revenue generated from offshore oil and gas production. As I went to the Gulf Coast I saw firsthand the positive impact it has on the residents of Louisiana through the jobs that it's created including visiting our offices there which has over 500 people in the offices there.

Senator LANDRIEU. Listen, and look, we appreciate the jobs. But 500 jobs and the jobs that are created along the coast do not compensate for the loss of revenues. This is 6 billion in 2006. It's projected to be 11 billion annually coming off the coast of Louisiana and Texas. Yet we are struggling here for years trying to get a fair share of that money just to be kept at home along the coast that's producing these revenues.

Now meanwhile if you put up the other chart. The inland States which I do not, you know, I'm a little jealous actually of what the deal that they were able to get because Wyoming and New Mexico, Senator, your State, as you know, keeps 50 percent of their revenues. But Western States have a deal with the Federal Government. All the money that they generate on Federal lands, they keep 50 percent.

So over the course of time the Western States have kept \$61 billion, the Western States to spend on anything they want, not even on conservation. They spend it on schools, hospitals, roads. They don't even have to spend it on the environment.

Meanwhile the Gulf Coast States get nothing, get nothing. We generate more money than they do and in our case we are even willing, at least for the State of Louisiana, we are willing to dedicate all of that money to coastal restoration. So I just can't impress upon the both of you how critical this is.

I want to thank the chairman and the ranking member for their support of this general concept. Now how we work out the details I don't know. But again I want to say to the Western States, I just want the same deal you all have.

I'm even willing to take a little bit less. I'm willing to be more flexible. The people I represent are truly desperate. This is the largest land loss in the continent of North America, in the whole continent, the largest land loss.

Alaska has some serious erosion issues, and they're serious. I don't think they're as serious as Louisiana's. This is a river that supports the whole Nation. This river is not a stream or a little paddle place where you just paddle around and have an enjoyable time. We're putting the largest tankers and commerce down this river.

So I'm not going to stop on this. I just want to tell you that, you know, or just share with you that, you know, I'm going to be watching this budget very carefully.

The second question I have I will not ask because my time is over, but I will submit it on the permitting process. We cannot produce any of these revenues, not in the Western States, not off of our shore without streamlined, efficient, best practices permitting. I'm still, despite the good work that you're doing. Hearing

complaints from the industry that they've got to get some green lights to drill.

They can do it. They can do it safely. They need permits.

Thank you very much.

The CHAIRMAN. Senator Risch.

Senator RISCH. Thank you. Thank you, again.

Mr. Chairman, Secretary Jewell, thank you for visiting the inter-agency fire center in Boise. I think you'd agree with me after you and I toured that facility that the agency is prepared. They're ready and they're willing and able to take on the 2013 fire season.

Well equipped, even better trained, but at the end of the day, of course, it's going to depend upon the fuel loads and mother nature and the number of fires that they have to deal with. But we appreciate your input. We certainly appreciate you appearing there.

They've already been tested. Last Friday they had a fire, a small one, but none the less a fire less than 5 miles from the facility. So they'll be at it this summer.

You know I've had a number of conversations about Sage Grouse. You're probably tired of hearing about Sage Grouse. But I just, I want to get a response from you now that's you've been on the job for a while and been able to review this.

You and I talked about the letter that first of all, the comments and the suggestions that Secretary Salazar made regarding how we should rehabilitate the population of the Sage Grouse and particularly his letter of December 18, 2012, which outlined the Department's view of how that should be done and the questions for the record and the answers that were attached. All of it is in sync with my view of a collaborative method and a State driven method to address this issue. I think in sync with what your view is about the collaborative system.

After you've been on the job now for the period of time you've had, do you have any more thoughts on this? Are you still in agreement that this is the best way to pursue how we do, what all of us want to do? That is preserve, protect and rehabilitate the greater Sage Grouse. Are we still singing off the same sheet of music?

Secretary JEWELL. Yes, Senator, I believe we are. I've seen great collaboration between States, private landowners, the Bureau of Land Management, Indian tribes, all in, working together to how can we preserve and protect this important habitat. It's a challenging issue with invasive species and wildland fires, as you know. But these are things that we want to work on together and there's some great examples out there for us to learn from. We certainly are learning from that. So I'm very committed to an ongoing collaborative effort as you describe.

Senator RISCH. Thank you. I appreciate that. We know that in past years all of this has been driven top/down from the Federal Government. I think we've learned that this new approach of doing it from the State up seems to work a lot better and actually gets results.

So I'm delighted to hear that you remained committed to that. Thank you very much.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank my colleague.

Here's where we are. Senator Portman can't come back. Senator Heinrich is being very gracious. He will Chair at 11 and Senator Murkowski will be here.

So Senator Portman we can get you in before the break because of the thoughtfulness of Senator Heinrich.

Senator PORTMAN. Thank you very much, Mr. Chairman. I've always Heinrich was a particularly thoughtful guy. Now it's been proven.

[Laughter.]

Senator PORTMAN. He's also my mentee. We have a mentor/mentee relationship here. I can't go into detail because your time is too precious. But I think that's really the reason he's willing to do it. He's looking for something.

[Laughter.]

Senator PORTMAN. Thank you, Martin.

Quickly on hydraulic fracking, I know you've come up with this rule for federally controlled lands. Thank you for your testimony on that. It's a big deal because, as you know, about 90 percent of your wells will be fracked probably on public lands.

I would just, you know, Ohio frankly doesn't have a lot of public lands. However we do have a lot of fracking. We've been doing it for about 50 years.

We have some good regulations. We think they're some of the best in the country. We have no documented cases, for instance, of any ground water contamination. We're proud of that.

So I would just raise the point that on average it takes 307 days to get needed permits on Federal lands. This is one reason I've been working with some colleagues on both sides of the aisle on permitting reform. We're now 17th in the world based on the IMMF metrics for the ease of doing business with regard to building something.

It affects everybody. Energy developers who are seeking approvals for major capital projects whether it's oil and gas or whether it's wind or solar are facing the same thing. On Federal lands often a bureaucratic gauntlet of, you know, going through multiple separate agencies and the threat of litigation concerning permits can go as long as 6 years, as you know. So it's uncertainty, I think, that's leading to a lot of investors being hesitant to make these kind of commitments to new capital investments.

So I would hope that as you look at this issue or look at what the States are doing and specifically our State of Ohio where, you know, again, we do have a good record.

Second, that you help us on this permitting bill. This is not something we've introduced yet. We're still looking for input and ideas. But we want to be sure that we have it, have the input from the Department and that it's a bipartisan effort going forward.

Second, I want to ask for your comment on that because of the short period of time, but if you have any comments after I raised two of the quick issues, I'd appreciate it.

This World War II prayer bill, we talked about this during your confirmation process. It passed the House last year with a vote of 386 to 26. It would take this D-Day prayer that FDR said on the day of the D-Day invasion.

As you know today is the 69th anniversary of D-Day. We're interested in moving it forward in the Senate as well. Last year Senator Lieberman and I were able to make some progress but not get it through the process. We would love your help on that.

The Park Service has worked with us to ensure the bill is subject to the standard commemorative works approval and review process. Again, your support on that would be terrific. Since it's the anniversary of D-Day today I thought I had to raise that. It's S. 1044.

Finally on national parks. Your comments were correct that we need to do better on the public/private partnership front. I'm interested in your specific example of Washington monument.

This \$11 billion backlog and the deferred maintenance backlog, I was at the Cuyahoga Valley National Park over Memorial Day which is a real jewel and top ten park in the country I'm told in terms of attendance. They've got some serious concerns on this very issue. So my question to you is in the process of the centennial coming up do you all have a plan to try to encourage more public/private partnership?

As you know when I was at OMB we started this initiative that you, Madame Secretary, know a lot about. The notion was to with the Centennial Challenge to challenge the private sector frankly to match dollar for dollar. Do you have a centennial plan that you all have put together? We haven't seen one yet. We are, as you know, trying to encourage that.

Mark Udall and I had sent a letter on to our colleagues on this that you may have seen. So anything you can tell us about what you're doing on the permitting, any thoughts on the World War II prayer and any thoughts on the public/private partnerships as we come up to the centennial, we'd appreciate it.

Secretary JEWELL. I'll try and do this quickly.

First on the centennial. There's actually quite a lot of work going on with the National Park Foundation and with the National Park Service and various advisory boards to look at what we can do to facilitate the public/private partnerships which I think are going to be a very important part of that. Also raises visibility among the American people.

People love their parks. We want to give them an easy opportunity to support their parks. So that is coming and should there be legislation involved I'll make sure that you're well aware of that. At this point we're working within the Park Service and the external friends groups and so on to facilitate that.

On the permitting side, there's actually been a lot of work that has been done by the BLM to streamline the permitting process. We've also done that offshore. There's lessons from offshore that we think we can bring onshore. There is a need, a desperate need for automation in the process.

We've also found that unfortunately with sequestration across the board the offices that are most active still have to scale back their operations, so getting past that would be very, very helpful. We—so there's a lot of work going on. In the 2014 budget there is a request for fees generated to support that activity so it doesn't become just strictly a line item in the budget that can be cut.

It's a variable depending on the demand which is going to depend on the areas that we are, where the development is going on. It

doesn't—formations don't go across State lines, but that's how we're required to fund these agencies. So we're going to need your help on some of those things for streamlining.

On the World War II prayer bill. Certainly we appreciate the importance of faith in the lives of all Americans and the sacrifices made in World War II. Happy to continue to work with you on that bill.

Thank you.

Senator MURKOWSKI [presiding]. OK, we will stand in recess until 11 or until the series of votes are concluded. I'll be back and Senator Heinrich will be back. Thank you.

[RECESS]

Senator HEINRICH [presiding]. Secretary Jewell and Mr. Hayes, thanks for your patience. We're going to get started here. I'm going to go ahead and ask the question that I held off earlier. Then we've got a couple of other Senators who've been very patient as well. We'll get to them as quickly as we can.

Secretary Jewell, you mentioned interagency cooperation around your firefighting effort, something that is very timely for me right now. That coordination is especially important when it comes to post fire rehabilitation and flood prevention in the communities that are oftentimes downstream from Department of the Interior lands as well as downstream from Forest Service lands.

Are there any additional authorities that you need to ensure a seamless and coordinated response between Interior agencies like BLM, BIA, Fish and Wildlife Service, Park Service and the Forest Service to make sure that we're meeting these challenges in as coordinated and consistent and seamless way as possible?

Secretary JEWELL. Senator, thanks for bringing up the important issue of wildland fire. I would say that on the coordination front we are very well coordinated. When I went to the Interagency Fire Center I went there with Secretary Vilsack. All the various units of the Federal Government as well as the State governments and the local governments are well coordinated.

I would say that you raise an issue around post fire remediation and making sure we prepare lands for fires in advance whether that's prescribed burns or hazardous fuels removal and other means. Those are being squeezed from a budgetary standpoint. That is the biggest challenge I would say that we face.

When we do have a wildland fire, for example, on rangeland the ability to go back after that and replant native, you know, shrub step, sage and so on is really, really important. If we don't do that you end up with cheat grass and other non-native species that are much more prone to fire and actually habitat destroying. We have not had sufficient money to be able to do that work. That's very important.

Not to mention on our tribal lands where year round it's an important source of jobs for tribes as well. So I would appreciate support in making sure that the emergency part of firefighting gets segregated so that we can year in/year out do the right job in terms of management of the lands for wildland fire.

Senator HEINRICH. Oh, I appreciate that.

We recently had a hearing earlier this week with the Forest Service about this issue. We've had real challenges in terms of



some of the downstream impacts on tribes and other communities in New Mexico after the big fires of last year and the year before. So it's something I'm more than happy to work with you on.

Senator Franken brought something up which I hadn't thought of before the hearing, but I think bears a little attention. He talked about the issue of land consolidation and State lands within Federal lands. Not knowing the specifics of the situation in Northern Minnesota I can say that that is an enormous issue that has not received a whole lot of attention but is ubiquitous across much of the West.

Whether you're in New Mexico or Utah or Nevada, you have these situations where you have State lands checker boarded through Federal lands. It's a very large resource efficiency issue. Some of the tools that we typically use to consolidate and do land swaps and other things are limited in that case, particularly the Land and Water Conservation Fund is a tool we can't use to purchase State lands.

I've proposed reauthorizing FLTFA which was used for about 10 years and actually resulted in higher disposal rates at BLM but also was something we could use to resolve these sorts of conflicts and then focus those resources back on high value lands. But I would be curious if you have any sort of concerted effort. I would encourage you to give this issue its due while you're the Secretary because I think it's something that has festered for a long time and it leads to a lot of unnecessary management and resource conflicts between States and the Federal Government.

Secretary JEWELL. I very much appreciate your support of reauthorizing FLTFA. I think that's a useful tool that has worked in the past and would be helpful to have in the future. So thank you for your support there.

We're in full agreement. I would say that we've done it more on a case by case basis as land swaps have made sense. There's certainly some that are pending that I'm aware of.

There's also some lands that are Federal that may not serve the Federal Government as well as they might service States. So we are very open to that. I think have the procedures in place to be able to deal with those things.

I don't think we've looked at it necessarily on a landscape level basis. There may be an opportunity to do that in some areas. But we are with you in concept fully.

Senator HEINRICH. Great. I know that it can be challenging and they're oftentimes transparency issues. But I would urge you to take a look at that. When it's done well it can definitely serve the public on multiple fronts.

Let's see. It's just the two of us.

Senator MURKOWSKI. Alright.

Senator HEINRICH. So I'm looking around at my list but none of them are here. So.

Senator MURKOWSKI. They may.

Senator HEINRICH. Do you want to?

Senator MURKOWSKI. Thank you. Thank you. I appreciate it, Mr. Chairman.

Madame Secretary, let me start with some questions that I alluded to in my opening. This is as it relates to the NPRA legacy wells. I think that you feel my frustration and my concern.

As I mentioned in our conversations earlier, you know, if the Federal Government was a private operator and had abandoned these wells as the Federal Government has, the State would have had an opportunity to levy some fines on that private operator. Our estimates are that it would be about \$41 billion in fines.

So I've just been so concerned about what I believe to be a double standard here because I think we do have an expectation that if you were going to be exploring and producing in an arctic environment there is an absolute need to be responsible, to be cautious, to really be careful. So it just hurts to see what we have left. So now we get to the part where, OK, it happened. Let's figure out how we're going to clean it up.

I thought that we had agreed that, look, there's got to be a better path forward rather than just telling the State, you figure it out. So when we met before the Interior probes hearing last month, I thought we had a pretty good discussion on how we might work together to find a path forward that didn't require the State to pay for these Federal well remediation efforts. Since that time I've had constituents come back to me who have had meetings, not only with you, but those in your Department and they have effectively told me that they believe that the Department and that you, actually support and agree with the proposal that was put out again before you took the position as Secretary.

Those decisions that were made before you came, you're now, kind of, stuck to deal with them, to settle with them. But I guess the question that I would have of you this morning. I had submitted the letter from Mayor Brower for the record that outlines their concerns about that. Is it your opinion that the State of Alaska should be held financially responsible for the Federal Government's responsibility to remediate these wells?

Secretary JEWELL. Senator, I completely agree that the legacy wells are a problem that we need to solve.

They were drilled by the USGS and the Navy years ago to access the potential of the National Petroleum Reserve in Alaska. It's one of the reasons we have a sense of the resource potential there and of course modern techniques have been used as well. They do need to be cleaned up.

I'm pleased that the BLM has done an assessment and has shared with the State a priority list of where they would go first so that we deal with the worst offenders first. We do need money to be able to do that. I would like to think that as the resource was assessed in part through the use of these wells that the revenue from the resource, State and Federal, be used to help in the clean up.

I think that it is a revenue generator. It puts oil in the pipeline.

Senator MURKOWSKI. But who?

Secretary JEWELL. We need to work on figuring out how to pay for it because right now there isn't sufficient money.

Senator MURKOWSKI. I would agree that we have some very difficult budget limitations. We all know that. But I have a very dif-

difficult time suggesting that those revenues that would go to the State that in turn go to the residents of the North Slope Borough.

Again, I will refer you to the Mayor's letter and the Commissioner's letter. That somehow or other you think that it is right to take those revenues that would go to those residents for no value that they have gained from the exploration of these wells some 30, 40 years ago. All that's left is an eyesore and a level of contamination.

I want to work with you on a path. But if that path is going to mean that moneys that would be going to the State of Alaska and the residents of the North Slope are going to be choked back that's not appropriate. So I'm hoping to hear you say that you're willing to work with us to find a better path forward.

Secretary JEWELL. I'm absolutely willing to work with you and to find the money that we need to remediate the legacy wells and certainly committed to doing that. Any creative suggestions you have on how we can fund that, I'd be all ears.

Senator MURKOWSKI. Let's work on this. We do need to be creative. But being creative does not mean that we assess the State for the cost of the cleanup that the Federal Government is responsible for.

The other area that I wanted to visit with you on and this is, again, a little bit of a rub to Alaska. As you know we became a State some 50 odd years ago. Our lands have not been yet fully and finally conveyed under the terms of the Native Claims Settlement Act.

Lands that are owed to our native peoples have not yet been finally conveyed. We're working on that. We had some good discussions about some ways.

We're thinking creatively. OK, can we use a different methodology to do the surveys? The how we reduce our costs to still accomplished that same goal. I think that that's a good step for us.

But again, in the proposal that we have before us with the budget effectively Alaska, those revenues that would be coming to our State, we're saying OK, we will take from you in order to complete the conveyances or to pay for those conveyances. I cannot understand why any State should ever be expected to effectively pay the Federal Government to perform that Federal obligation of conveying the lands that have been approved by Congress and clearly passed Administrations. Yet somehow or other it seems that the Interior Department is suggesting that Alaska needs to share in this financial burden.

So you need to know that, again, I've been pushing on this issue since I came to the Senate. We advanced legislation that put in place an expedited process. We're still, 9 years later, and we still have not yet fully and finally finished these conveyances.

So we need to make better progress on that. We've got more in the budget this year. That's helpful.

But again, we're still looking at decades and decades before these conveyances are complete. So I'd like to hear your proposal on how we might move forward with that. But again, if the expectation is that the State is going to have to pay for the conveyances or the costs that are associated with the conveyances, that's just not going to work.

Secretary JEWELL. Senator, I'm not aware of anything that has suggested the State pay for the cost of the conveyances. So I appreciate an opportunity to work with you and better understand that aspect.

Senator MURKOWSKI. What they're suggesting is that a share of the mineral payments that Alaska would receive would be utilized to help cover the costs for the conveyances.

Secretary JEWELL. OK, I'll look into that.

On the survey themselves the BLM is really committed to an expedited process so that we can move forward. We agree that we want to convey these lands. I really appreciate your willingness to do an expedited process and use GIS mapping techniques because the way the legislation is you put actually a physical stake every two miles. You know how impractical and expensive that is in Alaska.

So we'll be working with the BLM to get it moving forward. Again, I hadn't heard of the issue about the State paying. We'll look into that further and better understand.

Senator MURKOWSKI. I appreciate you looking into it. The other thing I learned in my most recent meeting with Bud Crippley from Alaska was that in fact there will be no surveys that will be conducted in Alaska this year. He pointed the finger to the budget. But if there's no surveys going on at all how are we ever going to get this done?

So if you could look into that aspect as well, I would appreciate it.

Thank you, Mr. Chairman. I've gone over my time. I've got another question but I'm going to defer to my colleagues here.

Senator HEINRICH. OK. Thank you, Senator Murkowski.

Senator Scott.

Senator SCOTT. Thank you very much.

Secretary Jewell, thank you for appearing before us today and taking the time to answer a couple of questions. I know you're new on the job. So, congratulations on your confirmation.

As it relates to the environmental impact study in the Atlantic, we're about running a year late. Have you been able to discover why we're running about a year late on the EIS?

Secretary JEWELL. Senator, this is for the geological and geophysical survey activity?

I know that it's in process and that we're doing the programmatic EIS right now in order to move forward on that.

Deputy Secretary, do you know about delays or are we on schedule as far as you know?

Mr. HAYES. Senator, we have been pushing forward on this actually. I recall a year ago we accelerated the schedule. My sense of it is that we are moving forward in a deliberate pace. We are very, very interested in getting this done.

So we're certainly not dragging our feet. We're telling our folks we want this environmental analysis done.

Senator SCOTT. Do you believe that you have enough of the right folks working on this project as we speak now?

Mr. HAYES. Yes, yes. We are giving it, again, in this time of sequester.

Senator SCOTT. Yes.

Mr. HAYES. It's a challenge. But we are very committed to funding that effort and bringing it to completion.

Senator SCOTT. The one thing, Mr. Hayes, is to recognize that I got this started before the sequester. So we're about a year late from our perspective. So one of the questions that I have for you is do you have any expectation on what you believe will be a part of the completed EIS?

Do you have any idea what year or anticipations are on what the report will show?

Any indications at all at this point?

Mr. HAYES. I have no personal knowledge of any special items there. My understanding is there's a very vigorous analysis that will be put forward. There are consultations with the other affected agencies including NOAA in particular. Those are proceeding along.

So we're helpful that this will be and obviously, Senator, as you know, an environmental impact statement is a major deal particularly for such a large area as this, the Mid and South Atlantic, but nothing on the horizon as far as we're aware in terms of issues that would be out of the ordinary in terms of an EIS.

Senator SCOTT. Certainly, Secretary Jewell, you've expressed support of moving forward to collect more data so that we'll be in a better position realizing that some of the data is about 30 years old. So for us it's an important part of the equation where they get the revenues and the opportunity for job creation off in our Atlantic OCS. From the southland perspective we think about the companies that would go out and shoot the seismic and perhaps the discover the resources.

After discovering the resources the question that they're going to ask is will we have the opportunity to then gain, to get those resources. My question is as you look at that, the company's necessity of a return on the investment, what do think the prospects are of our ability to move forward and to provide the companies with the necessary opportunities to recoup their investment?

Secretary JEWELL. Senator, as someone that's spent time early in my career in the oil and gas industry.

Senator SCOTT. Yes.

Secretary JEWELL. I appreciate not only the importance of resource development, but also the timeframe that it takes. These are massive investments when you're talking about exploring and developing new areas. So I think that this first step toward the geological and geophysical analysis is important.

It will take time for industry to analyze that data and to decide where their priorities are and where they want to lease. We certainly will be there in terms of lease sales to open the lands as appropriate. It's not in the 5-year plan that came out the 2012 to 2017.

Senator SCOTT. Year 2017.

Secretary JEWELL. But the data will be accessible once we do the analysis. So companies can plan for that.

Having been recently out in the Gulf of Mexico, these are long term operations. They require infrastructure development and planning. In my early career I did some of that development and planning. So I think, you know, when 2017 rolls around and that

5-year plan is regenerated that will be the opportunity for people to actually do the exploration production activities.

Senator SCOTT. Are there any other obstacles or impediments to moving forward, from your perspective, that you would like assistance with?

Secretary JEWELL. I think that the programmatic EIS that we're doing is going to be really important in identifying if those obstacles exist. But there's nothing that I'm aware of at this point in time.

Senator SCOTT. Thank you.

Secretary JEWELL. Thank you.

Senator HEINRICH. Is that it?

Senator SCOTT. Yes, thank you.

Senator HEINRICH. Great. Super.

We'll do another quick round for those folks who have stuck around.

Senator Murkowski, why don't you go first and then I'll wrap up with a couple of questions.

Senator MURKOWSKI. Great. Thank you.

Just a couple here to follow up. This follows on Senator Landrieu's comments about revenue sharing. It's something that she and I have worked on for a period of time. We're hopeful that we'll have an opportunity to have that bill presented here before the committee so that our colleagues can take a look at it.

In your confirmation hearing you indicated that you'd be willing to work with us on the concept. So the question is whether or not you've had a chance to look at our legislation if you think that this is an approach that you might be able to support and work with us on.

Secretary JEWELL. Senator I haven't looked at any specific legislation. I know that it's a tricky issue in terms of Federal revenues going here and then, you know, what to use to support the Federal Government. These are assets in the outer continental shelf that are Federal assets.

So I'm happy to look into the bill language. I haven't seen it specifically.

Senator MURKOWSKI. OK.

It is when we're talking about, kind of thinking outside the box and how we're going to deal with some of the issues that are at play. I know that the Chairman has mentioned that when we talk about revenue sharing it needs to be broader than we have envisioned in the past. It might be able to assist us with some of the issues that we face, for instance, on land with our Secure Rural Schools funding.

So I would commend that to you for your review.

We have had a whole series of hearings and moved some public lands bills through the committee already. I'd like to think that we can move them through to the Floor and see passage on them. But one of the issues that comes up continually as we deal with parks and park issues is the fact that we have a \$13 billion park's maintenance backlog. So a lot of the conversation around this Dias is gosh, should we really be adding more to the parks when we can't afford to maintain what we already have.

It was noted by yourself and by others that we've got the park's centennial coming upon us in just this year after next. It seems to me that this would be a great time to really kind of re-evaluate how we establish, how we maintain our parks as we move into this second century and really also how we build support for our parks within our local communities and effectively nationwide and whether it's getting support through private dollars, whether it's just getting the local people engaged and having ownership in their parks. I think that that's going to be important for us.

So just very generically asking if you will work with Chairman Wyden, work with myself and other members of the committee to review the options and really how we define a path forward for the parks as we advance into the second century of our National Parks.

Secretary JEWELL. Thank you, Senator.

There's no question that this historic opportunity, the centennial, that will fall on this Congress and this Administration is extraordinarily important to seize. I'm very happy to work with you and Senator Wyden on whatever we can do to address the maintenance backlog on our national parks and look more broadly at just the challenges we have in maintaining our public lands.

I will also say that sometimes you've got a willing buyer and a willing seller in the Federal Government on private lands and it doesn't necessarily increase the costs. So I don't want to stop doing, thinking about landscape level issues and what we need to do because of the maintenance backlog. We want to knock it down. But I think there is, I'm learning, about the complexity of land management and landscape level conservation and understanding.

So would really love to work with you and Chairman Wyden and others on this committee for a more permanent solution.

Senator MURKOWSKI. Good. Good.

Another thing that we have discussed a lot is duplication of efforts within government agencies, the redundancies that are inherent there. DOI published what they called an inventory of programs last week. Under the heading for Bureau of Land Management there's a program called Wildlife and Fisheries. There's another one called Threatened and Endangered.

If you look a little further down you see that Bureau of Reclamation also has a program called Fish and Wildlife Management and Development and Endangered Species Conservation Recovery Program. They've got another one Fish and Wildlife Management and Development.

I say all this to suggest that it looks, just from the casual observation, that you've got about 24 different programs within Fish and Wildlife and then within the other departments. I'm not suggesting here that all of these 28 programs in the 3 bureaus are duplicative. But it does, kind of, beg the question as to whether or not they are and what kind of review is underway.

Just, kind of, from a department perspective if you've got your folks looking internally to make sure that we are being smart in how we are advancing these programs and paying for these programs.

Secretary JEWELL. If I could take just a minute to respond. These are budget category titles, but I have observed as I've gone corridor by corridor and sat down with a lot of people that they're actually

leveraging each other. There are scientific resources that are available in the USGS, in the Fish and Wildlife service that are working to support those wildlife or fish needs that are in the National Park Service or the BLM.

So I'm looking for duplication of effort.

Senator MURKOWSKI. OK.

Secretary JEWELL. I'm certainly looking for opportunities to streamline where we can. I don't see a lot of overlapping effort when you have, sort of, land manager on the ground that's trying to do the work with the scientist that may be at the U.S. Geological Survey. There are ways that that knits together.

But I appreciate the sentiment that we need to be making sure we're not overlapping. I'm certainly committed to doing that.

Senator MURKOWSKI. Good. Good. Knowing that you're all looking at that is important.

Then one final question here. Fish and Wildlife came out with their draft conservation plan and their EIS for ANWR. It did not include a developmental alternative for gas and oil within the coastal plain. I've been told that the service's rationale for this was that development requires an act of Congress.

But the draft plan also included some alternatives for additional wilderness and wild and scenic rivers which also require an act of Congress. So it seems a little bit inconsistent there. So the question to you is whether or not the conservation plan in the EIS for ANWR will include an oil and gas development alternative. If you're not proposing that I guess the question would be why would you not consider that?

Secretary JEWELL. I'm going to give a high level answer and then ask my colleague, David Hayes, who has been very involved in Arctic issues to add more color.

The President has made it clear that it is not part of his agenda to do oil and gas exploration in the Arctic National Wildlife Refuge. I support that position. So further details on this, David is very immersed in issues around the Arctic and has been really committed to the issues there.

So David, would you mind adding?

Mr. HAYES. Sure.

Senator, I believe that the Fish and Wildlife Service was consistent in not including as alternatives, alternatives that require Congressional action.

Senator MURKOWSKI. But you would agree that when you have an alternative that allows for additional wilderness or wild and scenic that that also requires act of Congress.

Mr. HAYES. Yes.

Senator MURKOWSKI. Right.

Mr. HAYES. Yes, absolutely. But in fact all it does is there is no actuation of any wilderness designation by an agency. There can only be a recommendation.

Senator MURKOWSKI. Right.

Mr. HAYES. So and then as the Secretary said, the and of course, the law is very clear on the oil and gas side about needing Congressional decision before going forward.

Let me just, if I can, Senator, mention that thank you for your Arctic leadership. I just wanted to state publicly that the White



House came out, as you know, with a new national strategy for the Arctic and promised to have some outreach sessions in this month, in Alaska as a follow up. We are going to go forward with these listening sessions in Alaska at the end of next week.

We will have leadership from across the government in those sessions and are taking very seriously the issues that you take so seriously. Thank you for your leadership in the Arctic generally.

Senator MURKOWSKI. I appreciate what you have done to help us on the Arctic issues. Your leadership in advancing the report out of Department of the Interior was very important. You will be missed.

I've said that. I'm not afraid to say it publicly. I think you have been a big help to us. I appreciate that.

Let me just conclude then. Do you know, David, when the final plan might be released? Do you have any timeframe on that?

Mr. HAYES. We do not have a timeframe on that, Senator.

Senator MURKOWSKI. OK.

Then you mentioned the listening sessions up North. I was pleased to see that they will be moving forward. We're trying to get things pinned down so that we can make sure that the appropriate folks are in place.

I was a little troubled this morning. There's an article in one of our online newspapers. The headline is, are the Interior Department's Alaska listening sessions just hot air? It takes a little punch at me. It takes a little punch at you, not you personally, me personally.

But I do hope that they're not hot air. I do hope that there is real substance that we, as Alaskans, are not only engaged but I will reach out to my colleagues from all States. New Mexicans need to be reminded that we are an Arctic nation. It's not just Alaska as a State. We are an Arctic nation.

Hopefully these listening sessions will allow us to push that reality out so that people know and understand it. So I look forward to working with the folks at Interior on that.

I thank you for your indulgence, Mr. Chairman.

Senator HEINRICH. Thank you.

Senator Lee, why don't you go next? Then I'll wrap things up.

Senator LEE. Thank you, Mr. Chairman. I also thank our witnesses for joining us.

Madame Secretary, as you've undoubtedly heard from some of my Western colleagues on this committee, the potential listing of the Greater Sage Grouse under the Endangered Species would inevitably have some real far ranging impacts on the people of Utah and on the residents of several of our neighboring States. As you know the State of Utah has proposed a management plan that would protect more than 90 percent of Utah's Greater Sage Grouse while significantly limiting the adverse economic impacts that these efforts would have. So we see it as a real win/win potentially should it be improved.

Now during your confirmation process you stressed, quite repeatedly, that cooperation and coordination with States and with all the stakeholders involved would be the hallmarks of your tenure at Interior. Can the State of Utah and its 3 million residents count on your commitment to give serious consideration to approving our

State management plan for the Greater Sage Grouse? Can I count on your commitment to work with the State of Utah and with other Western States on this issue and on similar issues under the jurisdiction of the Department of the Interior?

Secretary JEWELL. Yes, you have my commitment that we will work with States. We'll work with private landowners. We'll work with everyone that is involved in this.

The habitat necessary for the Greater Sage Grouse is vast. It covers a lot of jurisdictions. The only way we're going to really be able to take care of this over the long term is by working together.

Senator LEE. OK. Thank you. I hope you'll take a very serious look at the efforts that have been put forward by the State of Utah because, again, I think they achieved the environmental gains that are necessary, but they do so in a way that also respects the needs of our residents, the people on the ground that are most affected.

A recent study by the U.S. Chamber of Commerce reveals that from 2009 to 2012 a total of 71 lawsuits against various Federal agencies were settled under circumstances that could be described as sue and settle, sue and settle cases, sue and settle case resolutions. The settlement of these cases directly resulted in more than 100 new Federal rules many of which were major rules meaning rules that carry an annual aggregate economic compliance impact of \$100 million or more. While some of these cases involved EPA settlements under the Clean Air Act and the Clean Water Act, more than a few of them fell under the jurisdiction of your department highlighted by some key Fish and Wildlife service settlements under the Endangered Species Act.

The sue and settle process that I'm describing allows agencies to avoid, in some circumstances, the normal protections that are built into the rulemaking process including a first review by the Office of Management and Budget. But also including, not insignificantly, the public, the review process by the public. The opportunity the public has to review their proposed rulemaking.

As your tenure as the Secretary of the Department of the Interior begins do you think the practice of using settlement agreements and consent decrees to further policy goals is consistent with your commitment to how you want to run the Department including your commitment to transparency?

Secretary JEWELL. Senator, as a business person you want to avoid lawsuits at all costs. I have certainly been struck by the amount of lawsuits that are filed against Interior. We're trying to uphold the laws. People differ with that and they sue.

As a business person I know that sometimes the most cost effective way to deal with a lawsuit is to settle certainly not something that I want to make any kind of a practice of. I want to avoid lawsuits to begin with by making sure that we have parties around the table that understand the law and understand what we're up to doing in upholding the law. Certainly transparency is something I've been known for in the business side and I'm committed to being transparent in this process as well.

I do know that we have laws that have time requirements on them such as the Endangered Species Act. We are overwhelmed sometimes with the amount of volume that comes in. We work to

try and address the underlying needs in the most cost effective way that we can in dealing with upholding those laws.

So this is an area that I'm becoming more familiar with particularly as all the lawsuits now bear my name. We want to avoid lawsuits to begin with. That's going to be my commitment.

Senator LEE. I understand that. I respect that. I certainly understand that, as a businesswoman, when you were involved in lawsuits you had an obligation to find resolutions of those cases. You also had a natural inclination to defend the most important thing for your business and settle only where it was reasonably possible without doing harm to your business.

Settlements involving government are sometimes a little bit different because when the aim of the lawsuit is to achieve a different policy that can have the effect of a law making effort. So where there is not a distinct adverse interest on the part of the government with the plaintiff, you do have some potential for what some people call, a friendly suit or a friendly suit resolution where two people can just agree.

The government can agree with the plaintiff. Yes, that's a good policy. We should implement that. You have de facto law making by means of a friendly suit resolution. Do that's the problem we're concerned about there.

Mr. Chairman, if I could have your indulgence to ask just another line of questions. I know we're on a short time line. Is that a possibility?

Senator HEINRICH. How many do you have?

Senator LEE. Just one more.

Senator HEINRICH. You bet.

Senator LEE. OK, so the U.S. Congress recognized the need for the development of domestic oil shale resources with the passage of the Energy Policy Act of 2005 in which the Congress directed in now almost 8 years ago the Department of the Interior to establish commercial oil shale leasing program. Then following an extensive public process the Bureau of Land Management issued a final programmatic EIS for oil shale development. It established a commercial oil shale leasing rule in 2008.

Then in 2009 a group of non-governmental organizations challenged the 2008 oil shale management plan resulting in a settlement agreement with Interior that was followed by new oil shale regulations in 2012 that reduced the acreage available for oil shale development by almost 75 percent. Just a few weeks ago BLM was notified that another group of NGO's is planning a lawsuit concerning these new regulations. So with the understanding that all these decisions were made during Secretary Salazar's decision will you commit to take a fresh look at the oil shale leasing program and whether it complies with the objectives of the Energy Policy Act of 2005?

Secretary JEWELL. Senator, as I understand we have about 600 thousand acres available for oil shale development under these research and development leases. I think that, you know, the realities right now are more economic on oil shale development not to be mixed up with shale oil.

Senator LEE. Right.

Secretary JEWELL. That, you know, there's work to be done to assess the value of these resources and their potential for the future. Certainly continuing to do that as part of the President's All of the Above Energy Strategy and I'm supportive of that.

I'm going to ask my colleague, David Hayes, to provide a little more detail as it specifically relates to these programs.

Mr. HAYES. Senator, I would just add that per the previous point about settle and sue. This was a situation where there was a lawsuit, but what followed was a notice and comment proceeding that led to the final rule that's before us.

Senator LEE. Sure. I understand.

Mr. HAYES. Right.

Senator LEE. I didn't intend necessarily to lump that to the previous statement.

Mr. HAYES. OK.

But I think that our view is that the final rule is solid and that we are open for business for demonstration projects in the oil shale area.

Senator LEE. OK, so it sounds like you're prepared to defend the 200—

Mr. HAYES. Correct. We are.

Senator LEE. OK.

Thank you, Mr. Chairman. Thank you to both of you for your service and for your testimony.

Senator HEINRICH. Thanks, Senator Lee.

A couple more things I wanted to bring up. I very much appreciate the ranking member's comments around the need to address the backlog in the Park Service and to be efficient with our conservation and public lands dollars.

I thought I'd bring up a situation we have in New Mexico where we currently have a national preserve that is basically a one off model, the Valles Caldera National Preserve. It is almost an agency in and of itself. As a result their spending per visitor right now is 250 per visitor. You drive across a two lane road to the Bandelier National Monument and the spending is \$13 per visitor, oftentimes for the same visitor.

So I thought I'd bring that up. We are going to be looking at legislation on this committee to consider transferring management of that to the Park Service to see if we can't achieve some level of efficiency there. So I just put that on your radar screen.

I did want to ask a question about the work that the BLM has done around renewable energy on public lands. I think you've done an incredible, a lot of good work, using existing authorities. I would note that Congress has really never directly addressed the question of how best to site wind and solar projects on public lands. I wanted to get your view as to whether there are any additional authorities that you feel would help facilitate good siting of renewable projects on public lands and what issues you would ask us to consider if we look at legislation on this topic?

Secretary JEWELL. Senator, thanks. Thanks for the question.

One of the things that pretty exciting to me as I enter this job is the potential that we have to use modern techniques like GIS mapping to better understand the whole Federal land management picture. We have done some good work over the last few years on

understanding the solar and the wind energy potential, understanding the underlying environmental sensitivities. I think that's very, very useful.

There could be some things that we would work with you on that facilitates the development. Certainly transmission, as you're well aware of in your home State, is an important element of that. Perhaps there's ways we can work together to streamline that as I become more steeped in the rules and the lawmaking process.

David, do you want to add anything to that?

Mr. HAYES. I would just add, Senator, that I think on the wind side, the wind energy guidelines that came out of the Federal Advisory Committee effort that included developers, conservationists and government officials really do provide a template for and criteria for siting that help developers understand what types of sites are going to provide the least likely conflict with birds and bats and other avian species.

We appreciate also your support for the solar siting approach that we've done where we've worked collaboratively with parties to identify solar energy zones that attract industry to the best places, we think. Our sense is that we don't need new authority here. But we're certainly open to a validation of these efforts. We're very pleased with the cooperation across all interests, developers, conservationists, tribes, States, Federal interests. Only together we've been able to site over 12 thousand megawatts of new renewable energy within the last 4 years.

Senator HEINRICH. I will say I very much appreciate your efforts and your attention to the transmission issues. That's certainly something that has, you know, there's an enormous amount of generation right now that is just waiting for the transmission for us to be able to move energy potential from New Mexico into markets to the West. That is the bottleneck right now is being able to get good transmission, well sited transmission, to do that.

Let me ask you one more question and then we'll wrap up. I know you have a speaking engagement in a few minutes.

The Department's 2010 oil and gas leasing reforms introduce the master leasing planning process to allow BLM to take a more in depth look at areas opened to mineral leasing. I think we can all agree that there are many places on our public lands where energy development is not only appropriate but often times the highest and best use. But there are also other places where development may be incompatible with important uses like hunting and fishing, watershed protection or the preservation of important cultural sites.

How can the master leasing plans help identify and resolve some of the conflicts we've seen there with other resources including cultural resources and in particular tribal sacred sites?

Secretary JEWELL. Thank you, Senator. This fits right into my comment earlier about the potential that we have on landscape level conservation marrying together with the science of GIS mapping.

The people on the ground in these communities, tribes know their sacred sites. People on the ground in those communities know the special places that are very, very important to them. They know, you know, the land like the back of their hand.

Oil and gas companies, mineral development companies understand the resource potential as does the U.S. Geological Survey. It's important to know those things too so that we can help facilitate the right kinds of transactions where there is not conflict. If there is substantial conflict we know that up front and we can plan accordingly. I think that's really useful.

So David has done some great work in terms of the notion of landscape level planning. Landscape conservation cooperatives have been really helpful in terms of thinking about water on a watershed at a landscape level. Fire management is another thing. Sage Grouse habitat.

We have great potential to accelerate this right now given the technological advancements that we have with mapping. We just activated Landsat 8 which will give us even more data that I think will be helpful. We can overlay those things that people know on the ground, like the sacred sites, to better understand that and manage the resource effectively.

Senator HEINRICH. I think those tools are going to be quite important. We're obviously, in Northwestern New Mexico, we have incredible oil and gas resources. We also have some of the most important archeological sites, places like Chaco Canyon and being able to avoid those conflicts up front is always better than trying to reverse engineer once you've got a mess on your hands.

So I would say members of the committee are going to be able to submit additional questions in writing. I'd certainly ask that you answer those for inclusion in the hearing record.

I'll defer to the ranking member for your last questions.

Senator MURKOWSKI. It's not a question, Mr. Chairman. I just wanted to make a clarification. When I mentioned this article yesterday in hot air with DOI, we've got a couple different listening sessions that are going on this week in Alaska with Mr. Boudreau. We have the BOEM hearings.

Apparently that was what the individual was referencing. So you've got your listening session next week on the 14th is what I understand. I am hopeful that we will have good commentary on that.

So I just want to make sure that we're clear for the record here that when we talk about the national Arctic strategy we're all on the same page there.

Then just one final clarification and this relates to the question that I had asked about ANWR and the EIS there. It's my understanding that NEPA does require that the Department analyze all reasonable alternatives for ANWR. This includes the oil and gas development.

So I understand the President's position. I understand the position that has been iterated here. But it's my understanding that you just can't decide not to include a development alternative because you don't have support for that. But that the regulations, the CEQ NEPA requires that the Department evaluate the reasonable alternatives even if it, the alternative, would require an Act of Congress.

So I would just ask you to look at that. I understand where the politics is on this. I'm just wanting to make sure that we're complying with NEPA and the requirements out there.

I apologize for taking so much time. But as the Secretary knows and Mr. Hayes knows, when we talk about the Department of the Interior and its role in my State, there's a lot we've got to talk about. So I appreciate that.

I look forward to seeing you in Alaska, Mr. Hayes. Secretary, I look forward to welcoming you at the end of the summer.

Senator HEINRICH. Thanks for joining us. With that this hearing is adjourned.

[Whereupon, at 12:15 p.m., the hearing was adjourned.]





## APPENDIXES

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### APPENDIX I

#### Responses to Additional Questions

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##### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR WYDEN

*Question 1.* In March, then Secretary Salazar responded to a letter from Sen. Murkowski and me inquiring about the status of the operations of the Federal Helium Reserve. The response stated that, under current law, the Helium Production Fund will terminate when the Department makes its final payment to the U.S. Treasury within 7 days after October 1, 2013. According to the letter, “when the Helium Production Fund terminates, the Department will lose the source of funds established to operate the Reserve and storage, transport and withdrawal facilities and equipment at the Cliffside Field. Absent action by Congress this would hinder or prevent management of the Reserve, including sales and revenue.” Can you confirm that October 7, 2013 is a hard deadline for the continued operation of the Reserve, and that the matter requires the urgent action of Congress to prevent a supply disruption that will have severe consequences on major sectors of the economy, including advanced manufacturing?

Answer. The House and Senate recently passed H.R. 527, which prevents termination of this important program and allows the Bureau of Land Management to continue implementing the program, and the enrolled bill was signed by the President on October 2, 2013.

*Question 2.* What is DOI doing to assist states, like Oregon, who are trying to develop Sage Grouse plans and implement conservation measures to prevent the USFWS from having to list the Greater Sage Grouse on the ESA list?

Answer. The U.S. Fish and Wildlife Service is committed to working with each state within the range of the species, including the State of Oregon, to develop a comprehensive conservation plan to address threats to greater sage-grouse and to provide timely feedback to states about their plans, both during plan development and upon completion of the plans. The Service has reiterated this commitment to the Governors’ Sage-grouse Task Force and has also committed to providing the states with a more explicit framework and/or criteria to use to report their sage-grouse conservation efforts leading up to the 2015 decision. We are hopeful this approach will help states and others accurately quantify and qualify the efficacy of collective work to conserve sage-grouse and allow the Service to conduct a comprehensive and robust analysis of the species’ status.

*Question 3.* With the number of wild horses in holding facilities now surpassing 50,000, what concrete steps has the BLM taken to reduce the holding population? Has the agency analyzed Herd Areas from which wild horses have been eliminated to identify potential habitat areas that would be appropriate for reintroduction of horses from holding facilities?

Answer. The BLM’s Wild Horse and Burro program is dedicated to reducing the population of wild horses and burros currently in holding facilities. When rangeland health concerns require the BLM to gather and remove wild horses and burros from public lands, the BLM actively works to place as many as possible into private care through adoptions and sales to good homes. Ford Motor Company and Take Pride in America have joined together through the Save the Mustangs Fund in support of the BLM’s effort to place sale-eligible animals into good homes. In addition to humane sales and adoptions, the BLM recently delivered 300 non-reproducing wild horses to the first wild horse eco-sanctuary in Wyoming, and is currently conducting an environmental review for a proposed eco-sanctuary in Nevada.

Under the Wild Free-Roaming Horses and Burros Act of 1971, the BLM manages wild horse and burro herds within areas where they were found roaming in 1971. Section 1339 of the Act states that nothing in the Act “shall be construed to authorize the Secretary to relocate wild free-roaming horses or burros to areas of the public lands where they do not presently exist.” In many herd areas where the BLM does not manage public lands for wild horse and burro use, herd reintroduction at this time is not possible because the lands were transferred out of BLM ownership; they were removed from wild horse and burro use through court decisions; they featured checkerboard land ownerships where water sources were not controlled by the BLM; they held substantial conflicts with other resource values; or they did not provide critical habitat components necessary to support a herd (such as winter range). BLM periodically reviews wild horse and burro use of public lands through its land use planning process.

*Question 4.* The Bureau of Land Management recently re-proposed its rule on hydraulic fracturing that would apply to oil and gas operations on federal land. I want to encourage you to personally ensure that the BLM issues a strong final rule—one that provides for advance public disclosure of fracking chemicals; well integrity requirements; and sound water management, including baseline and follow-up monitoring.

- Advance Disclosure of Fracking Fluids.—Why shouldn’t the public get advance notice of what fracking chemicals are used in their vicinity? I understand that the mix of chemicals can change after the drilling begins but why not have advance notice supplemented by updates if the mix of chemicals change?
- FracFocus.—BLM proposes to rely on FracFocus, a private not-for-profit entity, as a means of public disclosure. However, I understand that there is no verification of the information that is posted by industry on that site. Also, the site doesn’t conform to federal requirements regarding data and record retention. And it’s not clear that regulators can enforce if false information is provided on a private website. Will the final rule require that any internet site relied on by BLM for public disclosure address these problems?
- Backstop Standard.—At the Committee’s Natural Gas hearing earlier this year, Frances Beinecke of NRDC raised an interesting point about having some sort of a national backstop standard to reassure the public that our water resources are protected, given the boom in hydraulic fracturing that is likely to continue for the foreseeable future. What do you think about that?

Answer. The revised proposal, on which the Department sought public comments until August 23, 2013, supports the Administration’s commitment to an all-of-the-above approach to energy development by expanding domestic oil and gas production on public lands in a safe and responsible way in order to reduce our reliance on foreign oil imports. BLM’s current regulations governing hydraulic fracturing operations on public and Indian lands have been on the books since 1983 and were not written to address modern hydraulic fracturing activities.

As indicated in the revised proposal, a number of comments were received requesting that BLM require up-front disclosure of the chemicals proposed for use in fracking fluid. In response, BLM noted that an analysis of the impacts from fracking is done as part of the National Environmental Policy Act analysis conducted prior to the issuance of permits and that, for this purpose, the exact composition of the fluid proposed for use is not required because chemicals used in the process are generally considered potentially hazardous for the purpose of impact analysis and mitigation. Also, operators will be aware that the rule requires disclosure of chemicals after operations are complete and operators will also be required to certify that the fluid used complied with all applicable permitting and notice requirements and all applicable federal, state, and local laws, rules, and regulations. Finally, operators would also be required to certify that wellbore integrity was maintained prior to and throughout fracking operations. Through these requirements, BLM believes that the post-fracturing disclosures and certifications would provide adequate assurances that fracking operations protect public health and safety and protect federal and Indian resources, and will ensure that the public is informed about the specifics of the actual fracking operations which are ultimately performed. Moreover, it is the practice in the industry for operators to change fracking contractors and for the fracking contractors to change the chemicals used for a variety of reasons. Thus, a prior disclosure rule would either provide the public with information of low reliability, or the operators would have to delay operations every time a chemical was changed from its previously filed plan. Neither of those options would promote the goals of the rulemaking.

Similarly, comments were received on the FRACFOCUS issue referenced in the question and were addressed in the revised proposal. BLM recognized and under-

stood that FracFocus is in the process of improving the database with enhanced search capabilities to allow for easier reporting of information. Moreover, information submitted to the BLM through FracFocus will still be required to comply with this federal rule, including its requirements that the operator must certify the information submitted is correct.

Finally, the Department agrees that it is important that the public has full confidence that the right safety and environmental protections are in place. The revised proposed rule will modernize BLM's management of hydraulic fracturing operations and help to establish baseline environmental safeguards for these operations across all public and Indian lands.

*Question 5.* The Department of Interior has had an Acting Inspector General since February 23, 2009—a period of more than four years—when the President appointed Earl Devaney to chair the Recovery Accountability and Transparency Board. It is important that the Department of Interior have a permanent watchdog who can lead the 300 employees in its mission to “provide independent oversight and promote excellence, integrity and accountability within the programs, operations, and management of the Department of Interior.” Will you work with the White House and the Committee to bring a qualified nominee to the Senate for confirmation?

Answer. This is an important position and we will work with the White House to ensure continued excellence and integrity.

*Questions 6–7.* Less than a decade ago, energy experts said that coal, like natural gas, was a commodity the U.S. would be importing rather than exporting. But last year the U.S. exported 125 million tons of coal, the most in 30 years. Arch Coal estimates the nation's coal export capacity will double over the next five years, with proposed coal terminals in Oregon, Washington, as well as the Gulf and East coasts. With protection of federal and state revenue in mind, Ranking Member Murkowski and I wrote a letter in January that prompted the Office of Natural Resources Revenue to begin an audit of coal mined on federal land then sold to international buyers.

What progress has the Office of Natural Resources Revenue and its state audit partners made since the audits began earlier this year?

Answer. In December 2012, ONRR formed a special task force that includes our state auditor partners to review U.S. federal coal mines located in the Powder River Basin through a risk-based audit and compliance action plan. ONRR is also working closely with the Office of Inspector General's (OIG) office as needed to provide a further check on overseas coal sales.

To date, the task force has reviewed all sales summaries and sales contracts submitted by federal coal lessees to ONRR for all PRB mines/leases. The goal was to identify whether additional documentation is needed to determine if reported transactions are U.S. coal export sales from federal leases involving non-affiliated or affiliated marketers or brokers and non-affiliated foreign companies. ONRR has also identified the universe of ONRR and State partners' completed or current audits of PRB coal mines/leases through a review of audit work plans covering sales in CYs 2009 through 2011. In addition, ONRR and its auditing partners in Wyoming and Montana are auditing all 15 producing federal Powder River Basin coal mines in their Fiscal Year 2013 and 2014 audit work plans.

*Question 8.* The agency is using a risk-based strategy to narrow the number of leases and mines that are being audited. How many leases or mines have been identified as being in need of an audit, and what percentage of leases or mines being reviewed does this group represent?

Answer. ONRR and its state audit partners are auditing all 15 producing federal PRB mines for calendar years 2009 through 2011, to verify whether export sales are occurring from a mine and whether coal lessees are properly valuing coal production under federal statutes, lease terms, and regulations.

#### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR LANDRIEU

*Question 1.* Do you support the implementation of some form of revenue sharing to coastal energy producing states, specifically the acceleration of GOMESA?

Do you believe that allowing coastal states to share in the revenues that they produce will allow those states to implement important coastal protection measures, protecting invaluable infrastructure, wilderness and population centers?

Answer. The Administration has been clear that all American taxpayers, who own the nation's natural resources and public assets, should get a fair return from the sale of the public resources. It is through continued rigorous dialogue with stakeholders that the Department, as steward of our public lands and waters, must strike

the right balance of the interests of local communities and the public owners of the resource as the President's all-of-the-above energy strategy is advanced.

*Question 2.* Do you see room for improvement in the current permitting system for on and offshore oil and gas development?

Specifically, do you see a way to bring the time required to process onshore permits on Federal lands more in line with the time required to process permits for practically identical private lands?

Currently, one issue I hear come up frequently regarding offshore permitting is the issue of permits being "deemed received"- essentially, permits are being returned to their submitters multiple for spelling and other minor errors before they may be reviewed for technical criteria, slowing the process of permit submission and review. Do you support a commonsense reworking of this system to allow permits which are 100 percent technically accurate, but may have differing abbreviations or very minor typos to be considered without the process of return and resubmission?

*Answer.* The leasing reforms put in place by the Department in 2010 established an open and environmentally sound process for developing oil and gas resources on public lands in a manner that maintains a robust leasing system and provides certainty in acquiring federal oil and gas leases. We will continue to maximize efficiencies and to work with industry and the public to ensure that these resources are developed safely and responsibly, while also delivering a fair return to the American taxpayer, businesses and communities. As noted at the hearing, BLM is also taking steps to implement an online permitting system that is designed to reduce the time it takes to process drilling permits, and the bureau recently hosted an interagency meeting that included executives from multiple agencies to establish strategies for decreasing permitting times while improving environmental outcomes.

Offshore, BOEM has achieved substantial efficiencies in its review process for offshore oil and gas exploration and development plans, while requiring compliance with the heightened safety and environmental protection standards. Exploration and development plans for deepwater drilling in the Gulf of Mexico submitted between October 2010 and October 2011 averaged 190 days from submission to approval. In contrast, since October 2011 these plans have averaged 125 days for approval. Similarly, the Bureau of Safety and Environmental Enforcement (BSEE) achieved an average review time of 52 days for deepwater permits in 2012, down from 83 days in 2011, all while requiring compliance with the heightened safety standards. The FY 2014 budget includes a package of legislative reforms to bolster and back-stop 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.

*Question 3.* Though immunocontraception tools have been used on wild horses for research purposes, the BLM has vaccinated only a relatively small handful of horses over the years. The NAS indicates that this is the most promising technology that is available to humanely reduce population growth without resorting to removals.

Why has the BLM been seemingly so resistant to embracing and using the technology and how will you ensure that the agency begins to fully utilize this methodology to control wild horse population growth while limited or eliminating capture and removal of animals.

*Answer.* The BLM's Wild Horse and Burro program utilizes a variety of strategies to ensure herd populations are maintained within the land's capacity to support them. Since 1978, BLM efforts to safely and sustainably control herd population growth have included support for the development of an effective contraceptive agent. Several approaches developed in that time were tried but abandoned as ineffective or impractical. The BLM currently utilizes the immunocontraceptive vaccine Porcine Zona Pellucida (PZP) in the formulations known as ZonaStat-H and PZP22; however, appreciable decreases in on-the-range herd growth rates as a result of these treatments have not yet been apparent—in part because too few mares were treated but also because the duration of effectiveness is too short lived. The President's Fiscal Year 2014 budget provides \$2 million in funding for the implementation of recommendations made in the National Academy of Sciences (NAS) independent review of BLM wild horse and burro management practices. The BLM is currently considering the report's findings, and will evaluate contraception and population growth suppression recommendations for potential implementation on the range. Unfortunately, the impacts of the sequestration will be unavoidable and will result in difficult choices in future budgets.

## RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR CANTWELL

## YAKIMA RIVER BASIN INTEGRATED WATER RESOURCE MANAGEMENT PLAN

*Question 1.* We've learned that climate change is causing more extreme storm events and changing seasonal temperatures and precipitation patterns in the Pacific Northwest. Some parts of the Cascades have already experienced a more than 30 percent decline in spring snow water melt-off over the past five decades, and the April 1st snowpack at mid and low elevation basins is projected to decline by 44 percent by the 2020s.

In the Yakima Basin, agricultural output is highly sensitive to water availability, and to potential impacts of climate change that increase the probability of water shortages. Expected annual crop losses due to water shortage increases are estimated to be \$79 million by midcentury, roughly six times the historic average losses. While we need to begin reducing carbon emissions as much as we can and as soon as possible, natural resources will continue to be hurt due to the carbon pollution already in the atmosphere. In anticipation of coming water challenges, we've been working on long term management plans in Washington state. Particularly, the Yakima River Basin Integrated Water Resource Management Plan is the product of extraordinary work and compromise with many potential long term benefits for both farmers and the environment.

The tens of millions of dollars that Washington State has already contributed and is planning to contribute into the Integrated Plan demonstrate the commitment of a diverse group of stakeholders to ensuring adequate water supplies in Yakima valley and adequate flows for fish as the region faces increasingly erratic snow fall patterns. While we appreciate the Administration's inclusion of \$8 million in its FY14 budget for enhancement projects in the Yakima River Basin, there will have to be a significant federal commitment over the long term to make this happen and realize all of these benefits. Former Secretary Salazar came to the Yakima Valley and expressed support for these efforts. Will you continue support for the Integrated Plan at the federal level, and will you give due consideration for funding projects on the Yakima River as part of the FY15 budget process that is already underway?

Answer. The Administration's FY 2014 budget request included \$8 million for the Yakima River Basin Water Enhancement Project, and due consideration will be given to funding programs and projects on the Yakima River as part of the FY 2015 budget process. In the meantime, the Department continues to partner with the Washington State Department of Ecology on the Yakima River Basin Integrated Water Resource Management Plan (Integrated Plan), along with the Yakama Nation, irrigation districts, environmental groups, and local and county governments.

Ongoing Departmental activities in the Yakima Basin include the completion of the Yakima River Basin Study under the Bureau of Reclamation's WaterSMART Basin Study Program, jointly funded with the Washington State Department of Ecology; coordination with basin stakeholders to implement early action items from the Integrated Plan; funding early action items such as the Manastash Creek Project to increase instream flows and the Cle Elum Fish Passage; and the release of the Final programmatic environmental impact statement in March 2012. Reclamation and the Washington State Department of Ecology developed the proposed Integrated Plan, which has the strong support from basin stakeholders.

## WOLF MANAGEMENT FUNDING

*Question 2.* Montana and Idaho received over \$500,000 in FY11 and FY12, and Wyoming has received over \$300 over that time for wolf management activities. Over that same period, Washington, which was the only one of these states that currently had Endangered-Species-Act-listed wolves present, is expected to receive only \$50,000 in FY13 for wolf activities. Washington received only \$100,000 in FY12.

Do you feel that this disparity in funding levels is fair and equitable, given the greater burden on Washington State for managing the recovery of wolves under the Endangered Species Act? Will you work with the Washington State Department of Fish and Wildlife to ensure that adequate resources are available to implement the wolf recovery plan in Washington state?

Answer. The U.S. Fish and Wildlife Service has been working closely with the State of Washington on their recovery plan for gray wolves and will continue to do so. Generally, once a species is delisted, the amount of funding available to assist in their management is reduced. When a species is delisted, a minimum of five years of post-delisting monitoring is required under the Endangered Species Act. Wyoming, Montana, and Idaho have and will continue to receive funds to support post delisting monitoring efforts until the five year period ends. Last year FWS also

provided recovery funds to Oregon and Washington to assist in building capacity for wolf management and is also providing recovery funds this year.

RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR STABENOW

*Question 1.* The State of Michigan is home to 36,000 miles of rivers of streams, many of which flow through major cities like Detroit, Flint, Grand Rapids and Kalamazoo. As you can imagine, these rivers face many challenges in an urban setting, including contamination, fish passage and spawning problems, and pollution run off. I am pleased that the Urban Waters Federal Partnership, which includes the Department of the Interior, will be working with the City of Grand Rapids on rehabilitating the stretch of the Grand River that runs through the city. This work is important in tackling problems that this river has faced for decades and serves as a good example of how people at the local, state, and federal levels can work together to support urban waterways nationwide. Could you please describe the plans of the Department of Interior's to work with our nation's cities on providing cleaner, safer rivers for our urban areas?

Answer. The Urban Waters Federal Partnership is an innovative union of thirteen federal agencies that is improving coordination and collaborating with local community-led revitalization efforts. This program is a key component of the America's Great Outdoors initiative. By uniting landowners, businesses, nonprofit organizations, tribes, and local, state and federal agencies, we can lead the efforts to stop pollution of the waterways and make them safe for recreational use. In 2013, Grand Rapids was selected as one of 20 AGO national urban projects, as well as one of eleven new Urban Waters Federal Partnership locations. America's cities serve as centers for innovation and engines for economic growth. By coordinating efforts of federal agencies, and collaborating with community revitalization efforts, we can improve our nation's water systems and promote their economic, environmental, and social benefits.

*Question 2.* As you know, the National Park Services is facing \$153.4 million in cuts due to sequestration. The timing of these cuts are especially concerning as we approach tourism season in the State of Michigan. My state is home to five national parks that attract millions of visitors each year, generating over \$159 million for the economy.

The parks play an integral role in enhancing communities, business, and Michigan's way of life. For example, Isle Royale in Michigan's Upper Peninsula contributes an estimated \$2 million to nearby communities. However, due to the cuts forced by sequestration, the park is shutting down facilities, reducing law enforcement, and will not be hiring staff to ensure visitors have access to safe drinking water. This will undoubtedly affect not only how the park functions, but the economic benefit the park provides for local communities.

What effect are you expecting the sequestration cuts to have in terms of economic impact and attendance at our nation's parks?

Answer. In planning for the sequestration cuts, the National Park Service (NPS) took care to minimize the potential negative effects of sequestration on visitors. However, with a reduction of this magnitude, implemented in a compressed timeframe of seven months, the impacts are not entirely avoidable. The NPS has delayed road openings and reduced hours of operation for programs and services. In addition, the NPS has hired about 1,000 fewer seasonal employees for the summer of 2013 than were hired last year and will leave approximately 900 permanent vacancies unfilled for the remainder of FY 2013. These actions are resulting in some diminished services for visitors. In addition, as parks adjust operating seasons and facility staffing schedules, we expect to see negative impacts to park entrance fee revenue, concession revenue, and the economies of gateway communities. However, we do not know the impact sequestration is having on park attendance, since attendance levels are based on a variety of factors.

*Question 3.* As you know, the Department of Interior is a member of the Great Lakes Interagency Task Force and shares responsibility for providing funds through the Great Lakes Restoration Initiative.

I am glad the President's FY2014 Budget proposes to at least keep funding for the Great Lakes Restoration Initiative at levels similar to FY2013. It is imperative that the federal government continue to focus on projects that will improve and protect this region.

Since the start of the Initiative, the Great Lakes are experiencing a resurgence in Lake Sturgeon and other native fish populations, as well as reduced contamination by toxins. And as our hunters and anglers can attest, natural habitat has been restored in many areas.

The GLRI has also helped introduce new methods to combat the destructive sea lamprey eel, and is a key source of funding to address the growing threat of Asian carp to the Great Lakes region.

Can you please describe how the Department of Interior plans to work with other federal agencies to combat the spread of Asian carp and other invasive species?

Answer. Protecting the Great Lakes ecosystems and fisheries from invasion by the Asian carp is a significant challenge. Confronting this issue is a major priority of the Great Lakes Restoration Initiative (GLRI), an unprecedented regional collaborative effort under the Obama administration to restore ecosystem health in the Great Lakes. The FWS and the USGS, partners in the implementation of the GLRI, serve on the Asian Carp Regional Coordinating Committee, a multi-agency body that coordinates an intensive, comprehensive strategy with federal, state and local partners to stop the spread of Asian carp in the Great Lakes. The FWS is also providing technical assistance and support to the Great Lakes states to monitor for the presence of Asian carp.

The USGS is researching use of seismic technology to contain Asian carp; determining the potential use of pheromones or food cues to herd Asian carp; and developing and improving existing molecular tools to detect Asian carp in areas of low abundance. USGS researchers are also working closely with private industry to develop chemical formulations for new control methods that can target specific aquatic invasive species. However, we note that the impacts of the sequestration will be unavoidable and will result in difficult choices in future budgets.

#### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR MURKOWSKI

*Question 1.* The Land and Water Conservation Fund budget request is for a funding level of \$600 million, which represents a nearly \$300 million increase above the current level for DOI agencies and the Forest Service. Shouldn't these funds be used to pay down our maintenance backlog? With such an enormous maintenance backlog, why would DOI focus such a large amount of money on acquiring more federal land.

Answer. The commitment for the Land and Water Conservation Fund, proposed by President Kennedy and enacted in 1964, is to use a portion of the proceeds from the development of our public lands and waters for investments in conservation and recreation for the benefit of all Americans. Enactment of a mandatory LWCF program would ensure continued funding for this program designed to balance investments in conservation and recreation with the development of oil and gas resources. 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 Department also takes seriously its responsibility to maintain facilities and infrastructure, and the budget request proposes \$4.7 billion in fiscal year 2014 for core land management operations, a \$141 million increase from 2012. Within this is \$585 million for maintenance of our parks, refuges, and public lands, a \$5 million increase from 2012. The Department is committed to working with the Committee to explore available opportunities for a long-term solution to these funding issues.

*Question 2.* More generally, how do you reconcile additional federal land acquisition at this time of staggering national debt and maintenance backlogs?

Answer. The land acquisition component of our budget request is a long-term investment as part of a balanced approach intended to protect our natural and cultural treasures and support the robust outdoor recreation economy. LWCF funds are used to acquire parcels 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 United States. Strategic land acquisition allows DOI to join with partners to conserve significant landscapes before they require more expensive efforts to sustain them, resolve conflict, and reduce landscape fragmentation making it more efficient to protect wildlife habitat, respond to wildfires, and other natural disasters and to improve access to recreational opportunities. The program also provides matching grants to states and local governments for the acquisition and development of outdoor recreation areas, helping to create and maintain nationwide high-quality recreation areas and to stimulate non-federal investments in recreation resources. Permanent authorization and mandatory funding also provide certainty for planning and accomplishing our priority conservation efforts, coordinated in concert with our state and tribal partners.

*Question 3.* Recently, the National Park Service has closed a number of preserves in Alaska to certain methods of bear and wolf hunting or shortened the hunting sea-

sons as defined by the Alaska Board of Game. When instituting the closures, the NPS has cited "Park Values" in those closures. Please provide a definition of "Park Values." Please be specific.

Answer. In the last several years, the State of Alaska has adopted measures to reduce predators in order to increase game (generally moose and caribou) for human consumption. State regulations that seek to manipulate natural wildlife populations for human consumption are inconsistent with NPS statutes, regulations, and policies. Section 101 of the Alaska National Interest Lands Conservation Act (P.L. 96-487) cites "values" among the purposes for establishing conservation areas. Section 1313 of the Act authorizes NPS to designate zones where and periods when to close or restrict hunting in preserves for reasons of public safety, administration, floral and faunal protection, or public use and enjoyment. Additional definition of park resources and values are found at Section 1.4.6 of the 2006 NPS Management Policies.

*Question 4.* Do you believe that the State of Alaska has the right to manage wildlife within the borders of the State? When is it proper for the federal government to reverse State Board of Game decisions?

Answer. In general, the State of Alaska manages wildlife within the State. In some cases, however, the federal government must act to ensure that State measures do not compromise wildlife conservation and management actions mandated by federal law. By law and policy, non-conflicting State general hunting and trapping regulations are adopted on lands within the U.S. Fish and Wildlife Service (FWS) National Wildlife Refuge System (NWRS) and on National Park Service (NPS) Preserves. However, there have been instances when State regulations created direct conflicts with federal statutes and policies underlying the management of NWRS and NPS lands. In those instances, it is appropriate for the federal government to act to supersede state regulations. For NWRS lands in Alaska, a number of statutes provide authority and directives, including the following three key statutes: the Alaska National Interest Lands Conservation Act, the NWRS Administration Act (as amended), and the Wilderness Act. In addition, FWS policies 601 FW 3 (Biological Integrity, Diversity, and Environmental Health) and 610 FW 2 (Wilderness Stewardship Policy) provide guidance as to actions that are allowable on NWRS lands.

Practices that are counter to NWRS requirements are also inconsistent with NPS statutes, regulations, and policies on wildlife management and hunting. Additionally, Title VIII of the Alaska National Interest Lands Conservation Act provides for a subsistence priority on federal public lands in Alaska. Accordingly, it is also appropriate for the Federal Subsistence Board to override the State of Alaska's decisions if those decisions were contrary to Title VIII of ANILCA. Finally, we note that before regulations are issued, the proposals are subject to public notice and comment including from the State of Alaska, tribes, localities and interested stakeholders.

*Question 5.* Last month, BLM released new draft regulations on hydraulic fracturing. While the new proposal did make some improvements over the previous draft, states are best positioned to regulate hydraulic fracturing that occurs within their borders. BLM appears to recognize the important role states play by including provisions that would allow for a "variance" from these rules when state regulations "meet or exceed" federal law. However, it is unclear how this variance process would work.

Could a blanket variance from the regulations be provided if a state's rules "meet or exceed" federal law? If not, why not, and which regulations could a state not obtain a variance from?

Answer. The revised proposed rule would allow for two kinds of variances. One would be proposed by an operator that has a technology that will be as effective in protecting the resources as a requirement in the rule. The other would be developed with a state or a tribe and would apply to all lands within that state or tribal lands, or in specific fields or basins.

An approved variance would allow the use of an alternative standard, technology, or process that meets or exceeds the hydraulic fracturing rule's protections of the public's resources and lands. However, variances are not necessary in many of the situations where a state's regulation meets or exceeds standards in the hydraulic fracturing rule. If an operator, through compliance with state rules, is automatically meeting the requirements of the hydraulic fracturing rule, no variance is necessary.

In those cases where compliance with state rules would not automatically put the operator in compliance with the hydraulic fracturing rule, the revised proposed rule would allow the BLM to approve a variance that would apply to all lands within a field, a basin, a state or within Indian lands and that would be based on the BLM's determination that it will meet or exceed the objectives of the regulation. The variance process would allow the BLM to work with States or tribes to appropriately adapt the regulatory requirements to the unique geology of an area or defer to a



standard, technology, or process required or allowed by State or tribal government, as long as application of the standard, technology, or process meets or exceeds the objectives of the hydraulic fracturing rule. BLM would issue the variance in cooperation with the state or tribe. The variance would apply only to the requirements of the hydraulic fracturing regulations.

*Question 6.* Once it's been determined that the state's regulations "meet or exceed" federal law, what federal obligations would remain for the regulated entity?

Answer. The hydraulic fracturing rule contemplates that variances would be granted as to specific requirements under it. If BLM in cooperation with a state has issued a variance from certain provisions of the hydraulic fracturing regulation, then compliance with the state rules specified in the variance will be deemed compliance with the specific provisions of the fracking rule. All requirements of the Mineral Leasing Act, or the Mineral Leasing Act for Acquired Lands, other federal statutes and other all regulations would continue to apply to all lessees and operators.

*Question 7.* BOEM is in the process of developing Arctic-specific regulations for the exploration and development of Alaska's OCS oil and gas resources. Exploration has been delayed in 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? Is it your intent to have these regulations in place in time for a 2014 drilling season?

Answer. The Department plans to have proposed Alaska OCS regulations published in the Federal Register by the end of 2013. As part of the process, the Department 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 8.* How will you intend the new regulations to impact Exploration Plans and Oil Spill Response Plans for 2014?

Answer. There have been no proposals received for 2014. Since it is unlikely the regulations will be in place for 2014, if a proposal were to be submitted for 2014, appropriate Arctic-specific standards would be put in place as conditions of approval for Exploration Plans and Oil Spill Response Plans.

One of the goals of the rulemaking is to codify and further develop Arctic-specific standards that were applied during the 2012 drilling season. As a result, these standards would be in place for all companies that may propose drilling offshore Alaska, rather than impose the standards on an operation-by-operation basis.

*Question 9.* What will the stakeholder engagement process look like?

Answer. BOEM and BSEE are already actively engaged in obtaining stakeholder input on the development of the proposed Alaska OCS regulations. The stakeholder engagement process began with public outreach efforts in the form of Listening Sessions, held in Anchorage and Barrow, on June 6 and 7. Public comments will also be accepted through Regulations.gov. In addition, BOEM and BSEE held more detailed meetings with industry, non-governmental organizations, 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.

Stakeholder 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 regulations 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.

*Question 10.* BOEM has worked with NMFS on the EIS for the impacts of oil and gas activities in the Beaufort and Chukchi Seas. 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 walrus—species for which the Service has trust responsibility. Why was this approach taken? Will these species be removed from the next draft? If not, please explain why not.

Answer. The U.S. Fish and Wildlife Service declined to be a cooperating agency on the Arctic EIS in 2010 because it had recently completed Environmental Assessments (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. Instead, the Service offered to provide copies of these EAs and an informal review and comment on the Draft EIS. The Service is currently reviewing the Draft EIS and, as appropriate, will provide feedback to National Marine Fisheries Service (NMFS).

Since both the polar bear and Pacific walrus occur in the area of the Arctic EIS, the Service expects that NMFS would retain discussion of each in the Final EIS. The National Environmental Policy Act requires that all resources in an action area are analyzed in an EIS regardless of which agency has jurisdiction. Because polar bears and walrus are important resources in the Arctic region, NMFS must analyze any potential impacts to them.

*Question 11.* 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? If it isn't, will BOEM clarify this point in the next draft?

Answer. NMFS is the action agency on the Draft Supplemental EIS (SEIS). The purpose of the Draft SEIS is to analyze the potential environmental impacts of seismic and exploration activities for the purpose of informing NMFS' decisions regarding authorizations for the incidental take of marine mammals under the Marine Mammal Protection Act.

The seismic and exploration activities analyzed in the Draft SEIS are not limited to one drilling unit at a time per sea per company. The alternatives analyzed in the Draft SEIS consider up to four drilling units operating in each sea at one time.

It is important to note that a NEPA document is not a decision document; rather, it is an analysis of potential environmental impacts associated with particular activities. BOEM will use the information in the Draft SEIS, as appropriate, to inform its own decisions for specific projects.

*Question 12.* 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 environmental document with no timeline? What was the rationale for an open-ended document?

Answer. The Draft Supplemental document provides an analysis of the potential environmental impacts of a reasonable range of OCS activities that changes and adds to the analysis begun in the 2011 Draft EIS.

*Question 13.* How do you plan to ensure that this document is not used to limit exploration in the Arctic?

Answer. As previously noted, the Draft SEIS is not a decision document but is an analysis of potential environmental impacts associated with particular activities. BOEM will use the information in the Draft SEIS, as appropriate, to inform its own decisions for specific projects, and all decisions made will be consistent with statutory authority.

*Question 14.* The Fish and Wildlife Service's draft conservation plan and EIS for ANWR did not include a development alternative for oil and gas in the coastal plain. The Service's rationale for this omission appears to be that development requires an Act of Congress. However, the draft plan included several alternatives for additional wilderness and wild and scenic rivers, which also require an Act of Congress.

Will the final conservation plan and EIS for ANWR include an oil and gas development alternative? If not, why not? And if the reason that the oil and gas development alternative was omitted is that, as a policy matter, the President does not favor oil and gas development for ANWR, on what legal basis has the oil and gas development alternative been omitted?

Answer. The final conservation plan and EIS have not yet been finalized and, as such, it would not be appropriate to speculate as to the content of any final documents. However, any additional exploration would require Congressional authorization because it is currently prohibited under the terms of the Alaska National Interest Lands Conservation Act.

*Question 15.* When do you expect the final plan to be released?

Answer. While there is no date set for release of the plan, the FWS has completed its public engagement process and the plan and companion EIS are currently under review.

*Question 16.* Last month, the State of Alaska presented an oil and gas resource evaluation and resource proposal for ANWR and offered to provide \$50 million to help complete seismic work. Does the Department intend to move forward with the State's proposal? If not, why not?

Answer. As noted in response to Q. 14, any additional exploration in the coastal plain would require Congressional authorization because it is currently prohibited by the terms of the Alaska National Interest Lands Conservation Act.

*Question 17.* The U.S. Geological Survey has steadily reduced the amount of geological surveying that it conducts. These activities accounted for less than 9 percent of the USGS budget in FY 2012. The rest was spent on facilities, climate change research, and other activities. Yet the USGS has managed to use hyperspectral imaging to map 96 percent of Afghanistan with DOD funding. But only 5 percent of the U.S. has been mapped using these same technologies.

When the Afghan data was released, a DOD official stated that “The mineral resources in Afghanistan have the potential to completely transform the nation’s economy.” I agree that surveying is important, and that it facilitates investment, but American mineral resources provide an equally significant opportunity to transform our own economy.

For this reason, I sent a letter to the President—with a dozen of my Senate colleagues—explaining that we believe the next nominee for Director of the USGS should be an economic geologist. The position of USGS Director remains vacant, and it is clear to me that someone with a background in economic geology would be best suited to restore an emphasis on the activities contemplated by the agency’s Organic Act. Do you agree?

Please share your perspective on mission creep at the USGS over the years, and any thoughts you might have on how to restore the agency’s focus on conducting geological surveys.

*Answer.* In 2014, the USGS will celebrate 135 years of providing the Nation with reliable scientific information. The Administration is evaluating potential nominees who will ensure strong leadership is brought to the USGS.

The Department, mainly through the USGS, serves the Nation by providing reliable scientific information to describe and understand the Earth; minimize loss of life and property from natural disasters; manage water, biological, energy, and mineral resources; and enhance and protect our quality of life. Research on and assessments of the location, quantity, and quality of the Nation’s and world’s mineral and energy resources, including economic and environmental effects of resource extraction and use, are supported through a range of USGS programs and provide valuable contributions to the President’s “all-of-the-above” strategy for energy development. The USGS continually works to enhance its ability to bring its core strengths to bear on the challenges the Nation faces today and into the future.

Conducting geological surveys remains an important component of the USGS mission. Application of remote sensing technologies, such as the hyperspectral survey of Afghanistan funded by DOD, here at home in the United States is helping to delineate areas that may contain concealed mineral resources. A survey released at the beginning of this year of the U.S. mid-continent conducted by USGS minerals scientists imaged deep subsurface structures similar to those associated with mineral resources now being mined in Canada. The USGS’s role in understanding the Nation’s mineral endowment is essential to supporting national security and a robust economy. However, assessments of mineral and energy resource potential, using tools such as geological surveying or remote sensing, are but one component of the USGS’s activities to produce decision-ready information. For example, in early September the USGS made available as part of its Alaska Mapping Initiative more than 400 new topographic maps for the State of Alaska. These digital, layered maps update foundational data for the State and replace the existing 50 year old maps.

The 2014 budget requested support for several programs that will continue to enhance our understanding of domestic energy and mineral resources including \$28.3 million for the National Cooperative Geological Mapping Program, which advances the understanding of earth-surface processes, groundwater availability and quality, and energy and mineral resources; \$46.4 million for the Minerals Resources Program to support data collection and research on a wide variety of nonfuel mineral resources; and \$31 million for the Energy Resources Program, which addresses the challenge of increasing demand for energy sources by conducting basic and applied research on geologic energy resources and on the environmental and human health impacts of their production and use.

*Question 18.* What is the process and current status of nominee selection for USGS Director?

*Answer.* Science plays an important role at the Department and this is an important position. The Administration intends to ensure that USGS remains a world leader in basic research, and as part of that commitment we are reviewing highly qualified candidates for this position.

*Question 19.* Alaska is the largest state in the United States. It has roughly 229 million acres of land in federal ownership, more than any other state in the country. The federal lands in Alaska alone exceed 36 percent of the total land area of the state of Texas, the second largest state in the nation. As a result, PILT payments make up the largest percent of federal land payments in Alaska. PILT payments

have not gone out yet but are expected to go out sometime this summer. How will sequestration affect PILT payments?

Answer. The 2013 authorized level for PILT payments is \$421.7 million, which was reduced by \$21.5 million due to sequestration. After administrative expenses, a total of \$399.8 million is allocated for payments to counties.

*Question 20.* When does the Department plan to make its PILT payments to states?

Answer. On June 13, 2013, The Department announced it will be making payments to counties totaling \$399.8 million; and payments were made that day to over 1,900 local governments. A breakdown of payments by state and county can be found at the following website: <http://www.doi.gov/pilt/county-payments.cfm>

*Question 21.* You recently described the condition of our western forests as a tinderbox and called for more focus on reducing the hazardous fuel loads on public lands. Yet, the FY2014 budget proposal for the Department, if enacted, would result in steep budget cuts to your hazardous fuels programs—a 50 percent cut. What is the rationale behind these budget cuts?

Answer. The budget request provides funding to cover anticipated preparedness and suppression needs, and we developed a sequestration implementation plan that preserves our fire response capabilities in the short term. We have concerns that long-term effects of the sequestration are unavoidable. One of the difficult choices that this budget makes is a reduction to the hazardous fuels budget.

*Question 22.* What do you understand the relationship to be between the Department's hazardous fuel reduction programs and its wildfire management program?

Answer. The Department's Wildland Fire Management Program is a Department-wide program that funds fire preparedness, suppression, and rehabilitation activities carried out by the Department's land management bureaus (and the Bureau of Indian Affairs). Generally, hazardous fuels reduction activities are part of that program and are carried out to remove or modify wildland fuels to reduce the risk of intense wildfire behavior, lessen post-fire damage, limit the spread and proliferation of invasive species and diseases, and restore and maintain healthy, diverse ecosystems. Along with improving fire risk reduction and suppression, restoring fire-adapted ecosystems, and promoting community assistance, hazardous fuels reduction is one of the goals identified in the National Cohesive Wildland Fire Management Strategy. Consistent with the Strategy, the Wildland Fire Management Program is continuing to focus fuels reduction on the highest priority projects in the highest priority areas resulting in the mitigation of risks to communities and their values.

*Question 23.* In Northwest Alaska, with the increase in ships transiting the Northwest Passage, there is a growing need for America to develop a northern Arctic port that can be used to base environmental cleanup equipment to aid with shipping accidents or oil and gas development or other activities in the Arctic. Soon, the U.S. Coast Guard will be turning back to your Bureau of Land Management a several thousand acre tract at Port Clarence, the site of now-abandoned Loran Station. Alaska's Bering Straits Native Corporation, the corporation representing Alaska Natives in the area, selected that site back in 1976 as one of its prime land selections under terms of 1971's Alaska Native Claims Settlement Act. The Corporation is perfectly willing to reserve for the Coast Guard areas at Port Clarence for it to use for docks and air facilities for future operations. Options should be opened to speed development of one or more facilities to handle Arctic development needs.

Will you commit to work with Alaska to accelerate the Port Clarence land conveyance to Bering Straits once the Coast Guard's needs have been fully met in any agreement?

Answer. The Department supports the goals of completing ANCSA entitlements as soon as possible so that Alaska Native corporations can take advantage of the economic benefits of completed entitlements. BLM is committed to exploring opportunities for completing the Port Clarence land conveyance in a manner that ensures the Coast Guard's needs are met in a timely fashion.

*Question 24.* You recently stated that it is the Obama administration's position to build a "strong renewable energy portfolio on our public lands and water." This is evident in the Administration's approval of 45 solar, wind, and geothermal power projects on over 250,000 acres of federal land since 2009. Missing from this equation however, are sustainable hydroelectric power projects. Hydropower remains a viable, proven source of clean renewable energy and must be a part of our public lands energy portfolio.

Given ecological advancements in hydroelectric generation, the demand advantages of pump storage, and the promise of marine hydrokinetics, is this administration willing to take another look at hydropower projects on public lands and water?

Answer. Hydropower remains a clean and efficient way to produce energy and is a renewable resource. The Department signed a Memorandum of Understanding with the Department of Energy and U.S. Army Corps of Engineers on March 24, 2010 to increase communication between federal agencies and strengthen the long-term relationship among them to prioritize the generation and development of sustainable hydropower.

And in 2011 Reclamation released the results of an internal study, the Hydropower Resource Assessment at Existing Reclamation Facilities, that estimated the Department could generate up to one million megawatt hours of electricity annually and create jobs by addressing hydropower capacity at 70 of its existing facilities. Last year Reclamation completed the second phase of its investigation of hydropower development. While the first phase focused primarily on Reclamation dams, the second focused on constructed Reclamation waterways such as canals and conduits, and estimated the Department could generate over 365,000 megawatt hours of electricity annually by addressing hydropower capacity on 373 of its existing canals. In total, the two studies revealed that an additional 1.5 million megawatt-hours of renewable energy could be generated through hydropower at existing Reclamation sites.

The budget allocates \$1.1 million to increase clean renewable energy generation by exploring how renewable technologies including solar, small hydropower, and hydrokinetics can be integrated into Reclamation projects; by continuing the effort to optimize Reclamation hydropower projects to produce more energy with the same amount of water; by investigating hydro pump-storage projects that can help integrate large amounts of variable renewable resources such as wind and solar into the electric grid; and by working with Tribes to assist them in developing renewable energy sources.

*Question 25.* How can the Department of the Interior assist in moving hydropower projects forward in their resource agency role in the Federal Energy Regulatory Commission licensing process? Please provide a list or a link to the list of hydropower projects currently under review in the Department.

Answer. One of the goals of the MOU referenced in the previous response was to gather federal agencies involved in the permitting process, including the Department of the Interior and DOE's Federal Energy Regulatory Commission, to clarify the current processes for projects and development occurring at federal sites and facilities, and identify the most time-intensive and resource-intensive components of each process. DOE, Reclamation and the U.S. Army Corps of Engineers also held a collaborative workshop in June of 2010 to identify ways in which processes could be shortened by reducing unnecessary delay, streamlined, or simplified for appropriate projects. Reclamation and its regional offices, power and water customers, investors, and developers have conducted several meetings to identify ways to improve the lease of power privilege (LOPP) process.

Reclamation developed a directive and standard in 2012 to provide standardized guidance for Reclamation offices and developers in permitting under the LOPP process. Since the signing of the MOU, there has been non-federal hydropower development interest and activity at 43 Reclamation sites through FERC and LOPP. The MOU agencies are continuing to move forward under the framework of the MOU by developing a new list of action items to be initiated between 2013 and 2015.

Attachment 1 to this document is a spreadsheet indicating projects under review in the Department. The first tab lists FERC projects under Reclamation review as of 7/2013, and includes all FERC projects on Reclamation facilities that are currently in development. The second tab lists all FERC projects under Departmental review, as indicated by DOI bureaus, as of 9/2012. This second list is currently being updated.

## Attachment 1.

## FERC Hydropower Projects Under Review by Bureau of Reclamation

Project	FERC Project No.
16.4 Wasteway	14349
45-Mile	13817
46A Wasteway	14351
A Drop	12549
Amnor Clear Creek Hydro	14065
Black Canyon Pumped Storage Project	14087
Blue Diamond Pumped Storage Project	14344
Bryant Mountain (Pumped Storage)	13680
Clark Canyon Dam	12429
Deer Creek Drop	14370
Easton Diversion	13850
Eldorado Pumped Storage Project	13861
FARGO DROP NO. 2	5040
Fresno Dam	13474
Friant Fishwater Release	11068
Gibson Dam	12478
Johnson Drop	12545
Keechelus Hydro Power	14116
Lake Powell Hurricane Cliffs Pumping Plant	12966
Longview Pumped Storage Project	14341
MAIN CANAL NO. 10	5041
MAIN CANAL NO. 6	5038
Mary Taylor Drop	14294
Mason Dam Hydro	12686
Medicine Bow Pumped Storage	13836
Medicine Creek Dam	13648
Mill Coulee	13700
Monroe Drop	14430
PEC 1973 Drop	14316
Plateau Creek Pumped Storage	14426
Rocky Coulee Wasteway	14372
Scootney Outlet Drop	14317
Scootney Wasteway	14352
Scootney Inlet Drop	14318
Square Butte Pumped Storage	13349
Sun River Diversion Dam	13161
Unity Dam Hydro	13834
Verde Pumped Storage Project	14061
WALDVOGEL BLUFF	5043
Warm Springs Dam	13570
Wickiup Dam Hydro	12965
Willwood Diversion Dam	13423
Woods Drop	12540

FERC Hydropower Projects Under Review in the Department (Excluding Bureau of Reclamation)

Project	FERC Project No.	Bureau of Indian Affairs	National Park Service	US Fish and Wildlife Service	Bureau of Land Management	Bureau of Reclamation
Yadkin-Pee Dee River Project	2206			x		
Sawtooth Conifer Project	199			x		
Snohomish River	2-45	x				
Klamath Project	2082			x	x	
Lake Chelan	637		x			
Merrwin	935			x		
Merrimack River	1893			x		
Yair	2071			x		
Swift No. 1	2111			x		
Priest Rapids/Wanapum	2114			x		
Rocky Reach	2145			x		
Baker River	2150			x		
Henry M. Jackson	2157			x		
Bar Mills	2194			x		
Clackamas River	2195			x		
Swift No. 2	2213			x		
Willamette Falls	2233			x		
Gulf Island/ Deer Kips	2283			x		
Condit	2342			x		
School Street	2539			x		
Orono	2710			x		
King Mill	9988			x		
Clackamas River	2195			x	x	

Question 26. In 2010, the State of Alaska adopted a goal of meeting 50 percent of its energy needs with renewable energy by 2025. To help achieve this goal, in 2011 the Alaska State Legislature enacted legislation directing the Alaska Energy Authority (AEA) to undertake the licensing and development of the Susitna-Watana Hydro Project.

To facilitate development of the Project, the State has requested BLM to open certain withdrawn federal lands in the Project area for the limited purpose of allowing

title to those lands to be conveyed to the State. These lands previously were selected by the State of Alaska under the Alaska Statehood Act many years ago.

It is my understanding that BLM previously has followed a process that did not require amendments to the relevant Resource Management Plan to facilitate Alaska Statehood Act conveyances at other proposed and existing hydroelectric projects in Alaska. It also is my understanding that BLM has raised questions about its ability to follow this approach with respect to the Susitna land conveyances. Finally, I understand that BLM has a fair amount of discretion under the law regarding the procedural steps it will take to open the lands for conveyance to the State.

What is the likelihood that the administrative action of opening the Susitna lands for the limited purpose of allowing conveyance to the State may evolve into a time-consuming exercise that is likely to create greater risk of challenge and potentially delay development of the Project?

Answer. The BLM's Alaska State Office is actively working with the State of Alaska and the Federal Energy Regulatory Commission to explore the possibility of opening the withdrawal and conveying state-selected lands related to the Susitna-Watana hydropower project. Several procedural and legal questions have been raised related to the request. The BLM is working to resolve these issues as quickly as possible.

*Question 27.* Can you assure me that BLM will exercise its discretion in a manner that allows the Susitna lands to be conveyed in a timeframe that meets the State's schedule and that minimizes the risk of challenges and delay?

Answer. As mentioned in the previous response, several procedural and legal questions have been raised related to the request to open the withdrawal. The BLM is working to resolve these issues as quickly as possible, and I have asked the BLM to keep you informed of the status of that effort.

*Question 28.* Please describe the level of collaboration between the agencies of the Interior Department and the Department of State. How is this collaboration coordinated?

Answer. The Department conducts international activities to accomplish its mission and support complementary U.S. foreign policy priorities. These cooperative activities include facilitating access to energy and mineral resources in an environmentally responsible manner; conservation and management of wildlife and other natural resources; protection of cultural resources; cooperation on indigenous affairs; and scientific research and monitoring of natural hazards such as volcanoes and earthquakes. The Department collaborates on these activities at all appropriate levels with the Department of State. Some interactions take place at the technical or field level. For example, DOI makes technical experts available for meetings with visiting foreign officials upon request of DOS, and coordinates with the relevant DOS and U.S. Embassy personnel when technical personnel carry out activities in foreign countries. As needed, DOI and DOS leadership coordinate to provide appropriate management and guidance. For instance, the Secretary of the Interior accompanied the Secretary of State to the 2011 meeting of the Arctic Council in Greenland, to highlight U.S. government priorities involving Arctic natural resource management.

*Question 29.* The Bureau of Safety and Environmental Enforcement, U.S. Geological Survey, Bureau of Land Management, and other Interior Department agencies have international programs. Is there a Department-level strategy to coordinate these various efforts?

Answer. While there are clear linkages between some of the bureaus' international activities, such international activities are shaped by bureau program goals and through the budget process, in coordination with complementary foreign policy goals set by DOS. The Secretary has delegated the authority to coordinate DOI international activities to the Assistant Secretary for Policy, Management and Budget in order to maximize effectiveness and efficiency. By facilitating meetings and exchanges of information as needed, AS-PMB personnel help bureaus identify activities where they can work most effectively with each other, as well as with DOS and other federal agencies. Through this flexible approach, DOI and its bureaus work to ensure strategic coordination across their international activities.

*Question 30.* Are any Interior Department personnel currently deployed in Afghanistan or Iraq?

Answer. With the understanding that the term "deployment" means long-term stationing, the Department does not currently have personnel deployed in Afghanistan or Iraq. However, Departmental personnel do travel to those countries on occasion, pursuant to coordination with relevant agencies such as DOS and DOD.

*Question 31.* Please provide an overview of the recent trends in Reclamation's maintenance backlogs, including trends over the past ten years.



Answer. Reclamation's anticipated expenditures for major rehabilitation and replacement (MR&R) needs, which are focused on its aging infrastructure, have been relatively steady, totaling approximately \$3 billion for a five-year time horizon. Reclamation began compiling its MR&R needs in 2008, which initially totaled \$3.2 billion. The most recent annual update, at the end of fiscal year FY 2012, totaled \$2.5 billion (five year outlook). Some of this decrease can be attributed to the completion of work activities in recent years, but most of the decrease is reflective of continued data verification and validation which has occurred over these years.

These MR&R estimates have been compiled for all facilities based on current conditions, at the major facility level, and irrespective of the source of financing. It should be noted that of the FY 2012 estimated total (five year outlook), approximately 50 percent was related to activities funded through annual appropriations.

As defined in the amended Statement of Federal Financial Accounting Standard No. 6, "deferred maintenance and repairs" are maintenance and repairs that were not performed when they should have been or were scheduled to be and which are put off or delayed for a future period. Deferred Maintenance (DM) amounts have been reported by Reclamation since FY 1998 for reserved works assets only; no mission critical maintenance is deferred.

DM is reported on the amount of maintenance that was scheduled, but not completed, and Reclamation does not "project" DM into the future. The trend over the last ten years has been for increasing DM.

*Question 32.* What are the plans or expectations for each of these backlogs going forward (e.g., steady state, significant increases, decreases)?

Answer. Reclamation has been constructing water, power and associated facilities for over 111 years, and many of these facilities now have an average age of over 50 years. Although Reclamation has lengthened the service lives of many of these facilities through its preventive maintenance activities, a number of these facilities are showing increased operations and maintenance needs.

*Question 33.* What is the average amount of time it takes Reclamation to address a deferred maintenance project, from the time it is documented to the time the project is complete? (If exact statistics are not available, please provide an approximation.)

Answer. Reclamation tracks and reports an accumulated deferred maintenance amount for its reserved works facilities, which, at the end of FY 2011, was slightly more than \$128 million. A certain amount of DM is typical for the "utility-type" missions that Reclamation is responsible for, and there is no expectation that this amount will be significantly reduced or eliminated in the foreseeable future under the current budget climate. DM continues to be completed within reasonable timeframes, and Reclamation is adequately managing its accumulation of DM. The data on accumulation of DM on Mission Critical Assets demonstrates that, over time, DM identified in one year is addressed and generally becomes a smaller percentage of the overall outstanding DM in subsequent years.

*Question 34.* In recent years, deferred maintenance needs doubled in one region (Mid Pacific, FY2007-FY2008) and tripled in another (Great Plains, FY2010-FY2011). Please provide a more detailed explanation for these major increases. Are similar increases expected for other regions in future years?

Answer. The doubling of deferred maintenance from FY 2007 to FY 2008 was almost entirely due to the Mid Pacific Region bringing outstanding DM work up to current prices. Between FY 2010 and FY 2011, the reported DM for the Great Plains Region tripled due to management decisions to reschedule and do more research to determine the best methods to complete the work. Similar increases are not expected, but are possible in the future as each region continues to evaluate the way maintenance is managed and addressed.

*Question 35.* What is the status of Reclamation's loan guarantee program authorized under P.L. 109-451? What actions has OMB requested as needing to be complete, as referenced in the FY2011 AMP, for this program to be implemented?

Answer. P.L. 109-451 authorized loan guarantees for certain rural water supply projects; operation and maintenance of facilities authorized by or under contract pursuant to Reclamation law, and improvements to some existing Bureau of Reclamation water projects. Reclamation requested public comment on a proposed rule to implement the loan guarantees program published in the Federal Register on October 6, 2008. The proposed rule established criteria to determine eligibility of entities to use loan guarantees to fund Rural Water projects, as well as extraordinary maintenance and rehabilitation for existing federal facilities. Reclamation received comments from 14 entities mainly dealing with: 1) the appropriate portion of loans to be guaranteed; and 2) using loan origination fees to offset appropriations needed to fund the program. The rule has not been finalized. Authority for the program will end in December 2016.

*Question 36.* Why have no requests been made for the long-term extended repayment of extraordinary operations and maintenance costs (XOM) under Title IX of P.L. 111-11? Have any users approached the Administration or requested to use this funding? What actions could Congress take to facilitate usage of this program?

Answer. Reclamation has received five requests for funding and repayment under Title IX. All five requests have been approved; however, only three of the requesting entities chose to move forward with the funding. Two of the entities opted to use their own funds for the necessary XOM costs after the request for Title IX funding and repayment had been approved. Reclamation is aware of an additional request that is in preparation at this time for XOM funding and repayment under Title IX.

RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR BARRASSO

*Question 1A.* What is the current estimate for Reclamation's indicated maintenance backlog?

*Question 1B.* What are the plans/expectations for each of these backlogs going forward (e.g., steady state, significant increases, decreases)?

Answer. Reclamation's anticipated expenditures for major rehabilitation and replacement (MR&R) needs have been relatively steady, totaling approximately \$3 billion for a five-year time horizon. Reclamation began compiling its MR&R needs in 2008, which initially totaled \$3.2 billion. The most recent annual update, at the end of fiscal year FY 2012, totaled \$2.5 billion (five year outlook). Some of this decrease can be attributed to the completion of work activities in recent years, but most of the decrease is reflective of continued data verification and validation which has occurred over these years.

These MR&R estimates have been compiled for all facilities based on current conditions, at the major facility level, and irrespective of the source of financing. It should be noted that of the FY 2012 estimated total (five year outlook), approximately 50 percent was related to activities funded through annual appropriations.

As defined in the amended Statement of Federal Financial Accounting Standard No. 6, "deferred maintenance and repairs" are maintenance and repairs that were not performed when they should have been or were scheduled to be and which are put off or delayed for a future period. Deferred Maintenance (DM) amounts have been reported by Reclamation since FY 1998 for reserved works assets only; no mission critical maintenance is deferred. DM is reported on the amount of maintenance that was scheduled, but not completed, and Reclamation does not "project" DM into the future. The trend over the last ten years has been for increasing DM.

Reclamation has been constructing water, power and associated facilities for over 111 years, and many of these facilities now have an average age of over 50 years. Although Reclamation has lengthened the service lives of many of these facilities through its preventive maintenance activities, a number of these facilities are showing increased operations and maintenance needs due to age.

*Question 2.* In the FY 2011 Asset Management Plan (AMP), Reclamation notes a total of \$1.3 billion for "Other RAX" items (i.e., not deferred maintenance or dam safety). Is it accurate to say that Reclamation's indicated maintenance needs for non-Dam Safety projects are \$1.3 billion?

Answer. Other Replacements, Additions, and Extraordinary Maintenance (RAX) items are those items that have been identified and scheduled to be completed within the next five years but do not fall under any of the other three criteria. It would be accurate to say that "Other RAX" items are non-Dam Safety projects.

"Indicated/identified maintenance" is maintenance that is recognized as needing to be accomplished and may or may not be scheduled by the office responsible. Most indicated/identified maintenance on mission critical reserved works is identified either in Reclamation's annual budget process, or through advanced funding agreements from Reclamation's (mostly power) customers. Other indicated maintenance is identified through Reclamation's Facility Reviews and Review of O&M Program Examination of Associated Facilities.

*Question 3.* Does the Bureau of Reclamation maintain a listing, including dollar amounts, of Reclamation's deferred and indicated maintenance needs at the project level? How much of this information is publicly available?

Answer. Reclamation currently tracks deferred and indicated maintenance needs at the project level and is annually reported as part of Reclamation's Major Rehabilitation and Replacement (MR&R) needs. Reclamation's 2012 MR&R needs are approximately \$2.5 billion.

Reclamation also reports the deferred maintenance (DM) five year plan as required by the Department of the Interior's Budget Guidance Attachment G. The five year plan only lists those projects reported in the MR&R that have been scheduled to be completed within the five year timeframe. Depending on the reporting period,

some projects may fall before or after the reporting time period and therefore would not be included in the five year plan.

*Question 4.* In recent years, deferred maintenance needs doubled in one region (Mid Pacific, FY2007-FY2008) and tripled in another (Great Plains, FY2010-FY2011). Please provide a more detailed explanation for these major increases. Are similar increases expected for other regions in future years?

Answer. The doubling of deferred maintenance from FY 2007 to FY 2008 was almost entirely due to the Mid Pacific Region bringing outstanding DM work up to current prices. Between FY 2010 and FY 2011, the reported DM for the Great Plains Region tripled due to management decisions to reschedule and do more research to determine the best methods to complete the work. Similar increases are not expected, but are possible in the future as each region continues to evaluate the way maintenance is managed and addressed.

*Question 5.* How is "indicated maintenance" tracked?

Answer. "Indicated/identified maintenance" is maintenance that is recognized as needing to be accomplished and may or may not be scheduled by the office responsible. Most indicated/identified maintenance on mission critical reserved works is identified either in Reclamation's annual budget process, or through advanced funding agreements from Reclamation's (mostly power) customers. Other indicated maintenance is identified through Reclamation's Facility Reviews and Review of O&M Program Examination of Associated Facilities.

*Question 6A.* Is Reclamation's Facility Reliability Rating (FRR) information publicly available?

*Question 6B.* Where would the public find this information?

Answer. The percentage of water infrastructure in good condition, as measured by the FRR, is available to the public. The details of the FRR criteria and scoring specific to each facility are available only within Reclamation.

The percentage of water infrastructure in good condition, as measured by the FRR, can be found at: [http://www.doi.gov/bpp/upload/DOI\\_FY2011-FY2016\\_StrategicPlan.pdf](http://www.doi.gov/bpp/upload/DOI_FY2011-FY2016_StrategicPlan.pdf)

*Question 7.* What is the process for tracking and reviewing maintenance needs on transferred works, and how does it differ from the process for reserved works?

Answer. Essentially, the operating entities for transferred works facilities are responsible for the day-to-day tracking and reviewing (and funding) of related maintenance needs. As part of Reclamation's oversight responsibilities of these facilities, Reclamation is aware of general performance of routine maintenance activities and most extraordinary maintenance needs through the MR&R estimates.

These MR&R estimates are compiled for all facilities based on current conditions, at the major facility level (e.g., dam, canal system, power plant, major pumping plant, pipeline, etc.), and irrespective of the source of financing (e.g., appropriated monies, power financing, funding agreements, revolving funds, non-appropriated funds used by operating entities of transferred works, etc.).

*Question 8A.* What portion of transferred works do not track performance data for the Federal Real Property Profile (FRPP)?

*Question 8B.* Are there any estimates as to the cost of compliance with these metrics?

Answer. Reclamation's Federal Real Property Profile (FRPP) reporting is at the major asset level for transferred and reserved works. The metrics for these assets are computed and reported as part of the FRPP. The estimate of cost of compliance is currently not available.

*Question 9A.* Has the Administration considered how it could improve its approach to tracking and addressing maintenance needs at transferred works?

*Question 9B.* What options are available to you to address maintenance needs at transferred works?

Answer. It is important to note that much of the O&M funding responsibilities of Reclamation's assets lies with our project beneficiaries and those operating entities that O&M Reclamation's transferred works facilities. For some operating entities and project beneficiaries, rehabilitation and replacement needs may exceed available resources. In particular, many smaller irrigation or water conservancy districts are unable to fund these needs in the year incurred absent long-term financing assistance. To address this issue, the Administration is currently developing a strategy for appropriate implementation of a program of loan guarantees, as authorized in P.L. 109-451, to assist water users in financing costly rehabilitation and replacement of project facilities. We are also exploring opportunities for utilization of the authority provided under P.L. 111-11 to allow extended repayment with interest of extraordinary (non-routine) maintenance costs on project facilities. Water users are currently required by Reclamation law to pay these costs, often substantial, in advance.

*Question 10.* Page 28 of the AMP notes that indicated maintenance is identified in Reclamation's annual budget process, through examination of facilities, or arrangements with customers. To what extent does Reclamation track indicated maintenance for transferred works?

Answer. Most indicated/identified maintenance on mission critical reserved works is identified either in Reclamation's annual budget process, or through advanced funding agreements from Reclamation's (mostly power) customers. For transferred works, where maintenance needs are identified as part of formal O&M recommendations, which result from facility reviews, such recommendations are tracked until completion through Reclamation's electronic database tracking system (i.e., Dam Safety Information System.)

It is important to note that much of the O&M funding responsibilities of Reclamation's assets reside with our project beneficiaries and those operating entities that O&M our transferred works facilities.

*The following questions were submitted on April 8th during your confirmation process. With respect to each of these questions, you responded that it would be "premature and inappropriate" to answer until you were confirmed.*

*Question 11.* What specific steps, if any, will you take to expedite the Department's preparation and completion of environmental impact statements for large scale coal, oil and gas, and uranium projects on Federal public lands?

Answer. The Department's view has been that in most cases existing environmental review provisions do not unduly delay project development and, at the same time, provide for important public input into the process and ensure environmental health and safety in the management of the public lands. However, Departmental staff understand the value of expedient environmental review and its importance for efficient decision making by both businesses and government. The leasing reforms that were implemented in 2010 established an orderly, transparent, and environmentally sound process for developing resources on public lands in a manner that has maintained robust leasing and permitting. These reforms focused on increasing predictability and certainty for stakeholders, including industry, and restoring needed balance with comprehensive upfront analysis added to the development process. We will continue to work toward increasing efficiency and decreasing the time necessary for completion of these reviews.

*Question 12A.* Do you believe States and local governments which would be impacted by settlement agreements between the Department and environmental groups should have a say in such agreements?

*Question 12B.* Will you agree not to enter into any settlement agreement unless the States and local governments which would be impacted by the agreement are party to the agreement?

Answer. Unfortunately, litigation is a common occurrence when implementing the numerous statutes under our jurisdiction. We agree that the Department's resources are best spent on implementing these statutes than on litigation. However, often settlement is the most prudent course. Much of our litigation involves missed mandatory statutory deadlines. In each of these cases, before any settlement is entered, its merits are carefully reviewed, in conjunction with our colleagues at the Department of Justice, to ensure it is in the interest of the United States. In such settlements, we do not commit to any substantive outcomes, but rather only to making otherwise statutorily required determinations by a date certain. All of these agreements are approved by a court. Before any determination called for in a settlement agreement has regulatory effect, it is subject to public notice and comment, including from States and local governments if they so desire.

*Question 13.* Will you commit to supporting the principles of S. 258, the Grazing Improvement Act to streamline the renewal process for grazing permits and extend the term of a grazing permit from 10 to 20 years?

Answer. As stated in the Department's statement at the April 2013 hearing on this legislation, the Department shares the interest in identifying opportunities for increasing efficiencies in public land grazing administration and for finding ways to make permit renewal less complex, costly, and time-consuming. The Department also supports the concept of having the flexibility to issue, in certain circumstances, longer term permits. The Department supports a solution that achieves these goals without limiting the BLM's ability to provide for appropriate environmental review and public involvement, critical components of the BLM's multiple-use management of the public lands.

*Question 14.* What do you plan to do, or what specific actions will you take to ensure the Department complies with the National Environmental Act in a more timely fashion? What specific ways is the Administration proposing to "modernize NEPA" as you put it?

Answer. As noted in the response to question 11, the Department's view has been that in most cases existing environmental review provisions do not unduly delay project development and, at the same time, provide for important public input into the process and ensure environmental health and safety in the management of the lands that belong to them. However, we understand the value of expedient environmental review and its importance for efficient decision-making by both businesses and government.

The leasing reforms that were implemented in 2010 established an orderly, transparent, and environmentally sound process for developing resources on public lands in a manner that has maintained robust leasing and permitting. These reforms focused on increasing predictability and certainty for stakeholders, including industry, and restoring needed balance with comprehensive upfront analysis added to the development process. We will continue to work toward increasing efficiency and decreasing the time necessary for completion of these reviews. The Administration, through the Council on Environmental Quality, has made public a number of proposals to strengthen and modernize NEPA. Detailed discussions of those proposals and related information can be found at: <http://www.whitehouse.gov/administration/eop/ceq/initiatives/nepa>. Unfortunately, the impacts of the sequestration will be unavoidable and will result in difficult choices in future budgets.

#### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR RISCH

*Question 1.* If legislation is not enacted extending BLM's authority, will BLM have to stop private sales of helium from the reserve when the BLM makes its final payment to the U.S. Treasury sometime around October?

Answer. The House and Senate recently passed H.R. 527, which prevents termination of this important program and allows the Bureau of Land Management to continue implementing the program, and the enrolled bill was signed by the President on October 2, 2013.

*Question 2.* Since the reserve represents about half of U.S. helium supply the concern is that if the reserve closes, a helium shortage would follow. Does the BLM have emergency authority to sell helium to prevent an economic disruption or would Congress have to act first?

If Congress does not act, will BLM still have the authority to operate the reserve for federal use? If so, how will BLM fund the operations?

Answer. As noted in response to the previous question, enrolled bill H.R. 527 was signed by the President on October 2, 2013.

#### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR SCOTT

##### OFFSHORE ATLANTIC

The investment to collect seismic data is only worth something to energy producers if there is the future prospect of being able to lease in the areas where new data shows there are resources. When President Obama came into office nearly all off America's offshore was available to lease. Unfortunately, the President's restrictive 5-year lease plan eliminated the Mid and South Atlantic offshore areas from the 2012-2017 plan and only left 15 percent of America's offshore available to lease.

*Question 1a.* Given that we still need to collect seismic data in these areas to update our current resource estimates, do you think that government, through the reorganization of the MMS and the implementation of new regulations—and the industry, through the development of new and the creation of the Center for Offshore Safety—have made sufficient progress to consider future leasing in the Mid and South Atlantic offshore areas?

Answer. By applying modern seismic interpretation techniques to existing data and incorporating more recent information from geologically analogous offshore regions worldwide, BOEM has made significant progress in updating their resource estimates as reflected in their 2011 National Resource Assessment. BOEM is proceeding with a region-specific strategy in the area that focuses on the need to update information in order to inform future decisions about whether and, if so, where leasing would be appropriate. As part of that strategy, the bureau is working to complete a Programmatic Environmental Impact Statement evaluating the potential environmental impacts of proposed geological and geophysical activities in the Mid and South Atlantic. Completion of the PEIS will inform future decisions about whether leasing in the Atlantic would be appropriate and, if so, where such leasing should take place. The current goal is to complete the PEIS by the end of the year.

*Question 1b.* If so, when will you direct that the development of a new 5-year Plan begin?

Answer. In order to comply with all statutory requirements and have a new program in place July 1, 2017, we envision we will begin the process in late 2014 or early 2015.

*Question 1c.* If not, what else do you see that needs to be done (outside of collecting new seismic data)?

Answer. Collection of new seismic data is not a pre-requisite to developing the next Five Year Program. BOEM has begun informal efforts to put in place the data, procedures, and agreements necessary to begin the preparation of the next Five Year Program. One example is BOEM's work with the Department of Defense on complex issues relating to identifying and mitigating multiple or conflicting use issues.

#### NATIONAL OCEAN POLICY

On August 21, 2012 John Holdren and Nancy Sutley sent a "Memorandum for the heads of departments and agencies" with the subject "National Ocean Policy Implementation Guidance for the FY2014 Budget" to your agency and others instructing DOI to present to OMB, along with their FY14 budget proposals, "an explanation of their continuing efforts and plans to comprehensively support the goals and objectives of the National Ocean Policy through existing ocean, coastal, and Great Lakes programs."

*Question 2a.* Did you make such a presentation to OMB and include the National Ocean Policy budget explanation?

Answer. The Department did make a presentation.

*Question 2b.* If so, please provide a copy of DOI's National Ocean Policy budget explanation as requested in the memo.

Answer. The budget explanation and related material are internal, deliberative Executive Branch communications. However, an explanation of most of the programs addressed in this memo, and some program accomplishments, are contained within the Federal Ocean and Coastal Activities Report for FY 2010-11, which was transmitted to Congress on July 19, 2013.

*Question 2c.* How many people within DOI worked to draft this explanation? If not, why did you not make such a presentation to OMB?

Answer. One person from each of the participating bureaus (BLM, BOEM, BSEE, FWS, NPS, OIA and USGS) selected applicable information from data already assembled for the budget development process, accomplishment reports and similar existing sources. One person at the Department assembled the information into the memorandum.

*Question 3.* The same memo references the importance of "Regional Efforts" in implementing the National Ocean Policy. What efforts if any have been made by DOI to coordinate, work with or partner with local entities in South Carolina and the Southeast as a whole, including but not limited to State and Tribal entities and authorities and local and national non-governmental organizations? If none, are there currently plans for any such efforts in the future?

Answer. The Department's work related to South Carolina under the National Ocean Policy is largely conducted through the Governors' South Atlantic Alliance (the Alliance) comprised of North Carolina, South Carolina, Georgia, and Florida. These States have joined together to work on various ocean- and coastal-related issues, with an emphasis on Clean Coastal and Ocean Waters, Working Waterfronts, Disaster Resilient Communities, and Healthy Ecosystems. The Department has been a supporting partner to the Alliance since its inception four years ago, and provides support at all levels of the Alliance with personnel from the USGS, FWS, and NPS stationed in those States. These bureaus also cooperate directly with the State of South Carolina, tribes and stakeholders on many programs, including those related to ocean and coastal areas, but as this is part of their normal operations, the Department does not track those efforts.

*Question 4.* How many people at the Department of the Interior are working on implementation of National Ocean Policy? How much of their time is dedicated to working on the National Ocean Policy? Have any additional hires at DOI been made to specifically work on or coordinate with others who are working on the National Ocean Policy?

Answer. A large number of individual employees work on actions related to implementation of the National Ocean Policy as part of their regular work. The actions to implement the Plan on which the Department is engaged, as set out in the May 2013 Implementation Plan, are all directly related to the statutory responsibilities and on-going work of the Department and its participating bureaus. Many of these actions are work long underway which is now being better coordinated with other agencies, resulting in more productive use of resources. Because of this, we do not

know nor could we readily determine how many employees are involved. The Department has not hired anyone to work specifically on or to coordinate with others who are working on the National Ocean Policy, although the Department's Ocean, Coastal and Great Lakes Activities office has played a significant supporting role in this matter.

*Question 5.* In your view, what are the immediate and long term goals for DOI in the implementation of the National Ocean Policy?

Answer. The Department supports the long-term goals of the National Ocean Policy as set out in Executive Order 13547. These are to ensure the protection, maintenance, and restoration of the health of ocean, coastal and Great Lakes ecosystems and resources, enhance the sustainability of ocean and coastal economies, preserve our maritime heritage, support sustainable uses and access, provide for adaptive management to enhance our understanding of and capacity to respond to climate change and ocean acidification, and coordinate with our national security and foreign policy interests. The intermediate goals of the Policy are set out in the Implementation Plan, and are focused on several priority areas—the Ocean Economy, Safety and Security, Coastal and Ocean Resilience, Local Choices, and Science and Information needed to support those priorities.

*Question 6.* How has the implementation of the National Ocean Policy impacted or influenced the current programmatic EIS being conducted in the Atlantic for the assessment of the oil and natural gas resources in the OCS?

Answer. The development of the Programmatic EIS incorporates the guidance of the National Ocean Policy Implementation Plan. It takes an ecosystem based approach to assessment of environmental resources, is fully transparent, provides for stakeholder input through NEPA public review opportunities, and makes use of the best available science and data to inform the analysis. It also increases efficiencies in decision-making as the Programmatic EIS was developed to meet the NEPA environmental analysis needs for both BOEM and the National Marine Fisheries Service, thereby avoiding duplication of efforts and generating cost savings.

*Question 7.* How do you see implementation of the National Ocean Policy impacting the potential for portions of the South Atlantic planning area to be included in the next 5-year offshore leasing plan?

Answer. The marine planning information in the National Ocean Policy Implementation Plan lays the groundwork for all stakeholders to be involved in identifying multiple ocean uses and resources in the South Atlantic planning area. BOEM anticipates the affected States and South Atlantic Regional Planning Body, when established by the region, to play important roles in providing local perspective in future planning for this area.

#### RESPONSES OF HON. SALLY JEWELL TO QUESTIONS FROM SENATOR PORTMAN

*Question 1.* I have been told that on October 7, 2013, barring Congressional action to authorize the continuation of the Helium Production Fund, BLM will not be able to operate or maintain the Federal Helium Reserve. Is this your understanding?

Answer. The House and Senate recently passed H.R. 527, which prevents termination of this important program and allows the Bureau of Land Management to continue implementing the program, and the enrolled bill was signed by the President on October 2, 2013.

*Question 2.* Are there administrative actions which could be taken that would allow BLM to continue to deliver crude helium to refiners for processing and delivery for end market users?

Answer. As noted in response to the previous question, enrolled bill H.R. 527 was signed by the President on October 2, 2013.

*Question 3.* Do you agree that the upcoming centennial is an excellent opportunity to engage all of those who utilize and benefit from our national parks in helping prepare for their future?

Answer. The centennial of the National Park Service in 2016 is an exciting opportunity to engage all American's, including park visitors, the public in general, and local civic and business communities.

*Question 4.* How does the Department intend to engage the private sector in the upcoming NPS centennial?

Answer. The NPS is engaging a broad array of stakeholders in its planning for the centennial, and recently established a Centennial Advisory Committee of the National Park System Advisory Board, including representative stakeholders for gateway communities, local and national business operators, education and youth program partners, park friends groups, and advocate organizations for conservation, preservation and recreation. The task of this committee is to offer guidance and recommendations to the National Park System Advisory Board, and by extension, the

Secretary of the Interior and the Director of the NPS, on centennial strategies, products and programs that celebrate the national park idea and its growing value to society.

In addition, the National Park Foundation, the national philanthropic partner of the National Park Service is also engaging the private sector in planning and a range of opportunities for support and engagement for the centennial.



## APPENDIX II

### Additional Material Submitted for the Record

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ARCTIC SLOPE REGIONAL CORPORATION,  
INUPIAT COMMUNITY OF THE ARCTIC SLOPE,  
May 15, 2013.

Hon. SALLY JEWELL,  
*Secretary of the Interior, Office of the Secretary, U.S. Department of the Interior,  
1849 C Street, NW, Room 6156, Washington, DC.*

DEAR SECRETARY JEWELL:

On behalf of the State of Alaska and the undersigned North Slope governments and entities, we want to offer our congratulations on your recent confirmation as Secretary of the Interior. We look forward to working with you on the Department of Interior's wide variety of activities in Alaska, and we want to continue the efforts to strengthen the relationship between your department, the State of Alaska, the North Slope Borough and other North Slope communities and stakeholders. To accomplish this, an open, constructive dialogue will be critical.

In that spirit, we are writing to you to inform you of our strong objections to the Department of the Interior's budget proposal, under which Alaska's 50-percent share of revenue from oil and natural gas activity in the National Petroleum Reserve-Alaska (NPR-A) would be "temporarily" diverted to pay for cleaning up more than 100 abandoned oil wells drilled decades ago by the federal government and for completing land conveyances owed to the State of Alaska and Alaska Natives.

From 1944 to 1981, the federal government drilled 136 wells in what's now the NPR-A. The Bureau of Land Management (BLM) is the federal custodian of those wells, and is obligated to plug the wells to prevent damage to the environment. Only 18 of the wells have been plugged, and seven of those were taken care of by the North Slope Borough, not by BLM. The remaining wells remain in various conditions of non-compliance with State law.

The federal government's land conveyance responsibilities grow out of the Alaska Statehood Act and the Alaska Native Settlement Claims Act of 1971, and this mandate has been reinforced by further federal law, including the Alaska Land Transfer Acceleration Act of 2004. Your Department's 2014 funding proposal includes just \$17 million-nearly a 50 percent cut from 2012 funding levels-for land conveyances. At this annual funding level, BLM estimates it will take as long as 80 years to finish patenting the conveyances.

Alaska's share of NPR-A revenues are allocated to the State of Alaska's NPR-A Impact Aid Fund. Deposits into the Impact Aid Fund have declined steadily as many of the leases in the NPR-A have been relinquished during the last four years. Impact Aid funded grants in FY 2012 totaled just \$3 million dollars, and FY 2013 grants totaled \$4.7 million. In FY 2014, we believe the State of Alaska will receive approximately \$3.8 million, dropping to around \$3.4 million in FY 2015.

The majority of NPR-A Impact Aid grant funding goes to four communities located within the NPR-A-Barrow, Nuiqsut, Wainwright and Atkasuk-which rely heavily on Local Government Operation grants to sustain their city governments. The four Local Government Operational grants total approximately \$3.1 million annually, subject to NPR-A Impact Aid funding. These projects support operations and maintenance costs necessary to operate the local governments.

The Department's proposal to divert NPR-A revenues owed to the State will result in the elimination of NPR-A Impact Aid payments to the four NPR-A villages that depend on NPR-A revenues to operate. In 2010, the North Slope Borough completed a comprehensive Economic Profile and Census project in our region. The results indicated that 26.5% of our residents are unemployed and 49.4% are underemployed. If NPR-A revenue sharing payments cease, our villages and our residents will be harmed.

Based on figures cited in the Anchorage Daily News, the Department has expended \$86 million to address 18 legacy wells (\$4.77 million per well). Current NPR-A Impact Fund deposits are less than \$4 million per year, and there are more than 110 additional wells to address—that means the “temporary” halt in revenue sharing payments proposed by the Department would end in about 150 years if all revenues are diverted to the Legacy Well cleanup program and no funding is committed to State and Native land conveyances.

We cannot understand why the Department would choose to deprive our villages and our residents of Impact Aid grant funds, which are specifically authorized by Congress to address the impacts of oil and gas development in the region. Moreover, NPR-A revenues cannot support either the Legacy Well cleanup program or the Alaska Land Conveyance program, as proposed in your budget. We hope BLM will consider other solutions to fulfill its federal commitments to Alaska and to our people.

We are committed to working with you on this and other issues of importance to Alaska, and look forward to positively developing our relationship.

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