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### **President's \$12.2 Billion 2012 Budget for Interior Focuses on Spending Discipline, Strategic Investments, and Vital Missions**

WASHINGTON, D.C. – President Obama's fiscal year 2012 Budget request of \$12.2 billion for the Department of the Interior reflects fiscal discipline, setting priorities and cutting worthy programs, while investing responsibly to sustain the national economic recovery and maintain Interior's vital missions and strategic goals. The investments proposed in the 2012 Budget are balanced by reductions in other programs, recognizing the Nation's need to live within its means to ensure a legacy of economic strength.

"The President's budget makes tough choices, cutting costs through program terminations, reductions and management efficiencies, recognizing the Nation's need to live within its means," Secretary Salazar said. "But it does so responsibly, because for America to be at its best and win the future, we need lands that are healthy, waters that are clean, and a broad range of energy sources that can help power our economy. With this disciplined budget we are making necessary investments in key priorities and ensuring Interior missions can help sustain economic growth and job creation and continue to provide critical services for land and wildlife conservation, energy development, American Indian trust responsibilities, natural resource science and water management in the West. "

The 2012 Budget proposal includes \$11.2 billion for programs funded by the Interior, Environment, and Related Agencies appropriation. This is \$69.2 million, or less than one percent, above the 2010 enacted level and \$87.6 million above the 2011 continuing resolution (CR) level. The 2012 request for the Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.1 billion, \$88.3 million or eight percent below the 2010 enacted level, and \$78.3 million or seven percent below the 2011 CR level.

During this critical time of national economic recovery, Interior's programs and activities continue to support more than 1.3 million jobs around the country, generating roughly \$370 billion in annual economic activity, according to a 2009 DOI economic study. Parks, refuges, and monuments generate more than \$24 billion in economic activity from recreation and tourism; conventional and renewable energy produced on Interior-managed public lands and

offshore areas results in about \$295 billion in economic benefits; and water supplies managed by Interior in western States supports \$25 billion in agriculture.

Interior programs will continue to generate revenue on behalf of the American people in 2012, collecting about \$14.1 billion while proposed mandatory legislation will generate an estimated \$3 billion in additional savings over ten years.

The 2012 Budget request includes \$1.1 billion in program terminations and reductions. This includes the elimination of \$47.6 million in 2010 Congressional earmarks. The Budget eliminates and reduces lower priority programs, defers projects, shifts costs to others who have the ability to pay, streamlines management, and captures administrative and efficiency savings, including \$182 million in reductions under the Administration's Accountable Government Initiative.

Program reductions are proposed in every bureau and office. Construction, for example, is cut Department wide by \$163 million. Land management agencies will freeze new construction and defer construction of replacement facilities and the Office of Indian Affairs will not construct replacement schools or school facilities. Interior's 2012 Budget focuses construction on the highest priority health and safety and mission critical projects.

The 2012 request reflects the President's five-year freeze on discretionary funding as well as a freeze on Federal salaries for 2011 and 2012. The 2012 Interior Budget is at a freeze level with the 2011 CR. The 2012 priority initiatives funded by these reductions focus on 'winning the future' with a New Energy Frontier, America's Great Outdoors, and others that will help to rebuild America, encourage innovation, and employ youth, while shrinking the burden of mounting debt.

### **A New Energy Frontier**

The 2012 Budget continues the Department's **New Energy Frontier** strategy that is intended to create jobs, reduce the Nation's dependence on fossil fuels and oil imports, and reduce carbon impacts. Facilitating renewable energy development is a major component of this strategy. The Department's high-priority performance goal is to increase approved capacity for renewable energy production on Interior lands by at least 10,000 megawatts by the end of 2012, while ensuring full environmental review. The Budget requests \$72.9 million for renewable energy programs in 2012, an increase of \$13.9 million above the 2010 enacted/2011 CR level.

To encourage **safe, responsible oil and gas development**, the Budget proposes significant investments to support an aggressive strategy to reorganize offshore oil and gas activities and build up capabilities in environmental analysis, inspection and other oversight, and oil spill research. The 2012 Budget requests \$358.4 million for the Bureau of Ocean Energy Management, Regulation and Enforcement, an increase of \$119.3 million above the 2010 enacted level and \$134.1 million over the 2011 CR. The BOEMRE budget is offset by \$225.2 million in rental receipts, cost recoveries, and inspection fees, consistent with the recommendations of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling.

## America's Great Outdoors

The 2012 Budget recognizes the importance of **America's Great Outdoors** to America's economy, competitiveness, and health. Under the America's Great Outdoors Initiative (AGO), Interior will play a leading role in developing and implementing this partnership to restore and protect the health, heritage, natural resources, social and economic value of the Nation's most significant ecosystems and provide greater public access to these natural areas. The 2012 Budget calls for a landmark investment of \$5.5 billion for Interior's AGO programs and requests full funding for the Land and Water Conservation Fund (LWCF) land acquisition and grant conservation programs.

To support the America's Great Outdoors initiative, the Administration's Budget request for both Interior and the U.S. Forest Service totals \$900 million for the **Land and Water Conservation Fund**, the full amount of revenue generated each year from oil and gas development that is dedicated for land acquisition and conservation. Interior's 2012 Budget includes \$375.0 million for Federal land acquisition, \$200 million for an expanded LWCF State grants program including competitive grants, and \$100 million for Cooperative Endangered Species Conservation Grants. As part of the 2012 development process, the Department leveraged the activities of Interior's bureaus and the Forest Service to coordinate land acquisition and conservation strategies to maximize conservation outcomes in geographic focal areas.

As part of the AGO initiative, the 2012 Budget maintains \$4.6 billion for core operations in the land management bureaus -- National Park Service, Fish and Wildlife Service, and the Bureau of Land Management. The 2012 Budget also includes \$150.0 million for Fish and Wildlife conservation grants and \$72.4 million for National Park Service partnership programs -- increasing historic preservation grants to States and Tribes and local community assistance in the development of trails and waterways in the Rivers, Trails, and Conservation Assistance program.

## Youth and Landscape Conservation

Complimenting AGO, the 2012 Budget proposes to engage **Youth in the Great Outdoors** by employing, educating and engaging young people from all backgrounds in exploring, connecting with, and preserving America's natural and cultural heritage. This initiative complements Interior's goal of hiring or temporarily engaging individuals aged 18 to 25 in the Department's missions and activities. The 2012 Budget includes \$46.8 million for youth programs, an increase of \$7.6 million above the 2010 enacted/2011 CR level.

The 2012 Budget also supports **Cooperative Landscape Conservation** to leverage expertise across Interior and with outside partners, identify resources vulnerable to climate change and other factors and implement coordinated adaptation response actions for 50 percent of the Nation by the end of 2012. The 2012 Budget includes \$175.0 million for cooperative landscape conservation, an increase of \$43.8 million over the 2010 enacted/2011 CR level.

## Strengthening Tribal Nations

The 2012 Budget for Indian programs is \$2.5 billion, a decrease of \$118.9 million from the 2010 enacted/2011 CR. The major reductions include: completion of a one-time \$50 million forward funding payment to tribal colleges; \$14.4 million for completed settlements; \$5.1 million from the Indian Guaranteed Loan program, while the program undergoes a review; \$14.2 million from central oversight consistent with increased contracting to Tribes; and \$27.0 million for Trust Real Estate Services.

The Budget includes \$29.5 million for contract support and the Indian Self-Determination Fund. These funds will enable Tribes to fulfill administrative requirements associated with operating programs.

**Honoring trust responsibilities and Strengthening Tribal Nations:** The 2012 Budget includes \$354.7 million for Bureau of Indian Affairs public safety and justice program operations to improve the safety of Indian communities. The goal is to achieve a reduction in crime of at least five percent within 24 months on targeted tribal reservations through a comprehensive and coordinated strategy. This request is a program increase of \$20.0 million above the 2010 enacted/2011 CR.

**American Indian land and water settlements:** The 2012 Budget also includes \$26.7 million to begin implementation of the Claims Resolution Act of 2010, which includes four water settlements for Taos Pueblo of New Mexico, Pueblos of New Mexico named in the Aamodt case, the Crow Tribe of Montana, and the White Mountain Apache Tribe of Arizona. Primary responsibility for constructing water systems funded by the settlements was given to the Bureau of Reclamation, and the Bureau of Indian Affairs is responsible for the majority of the trust funds. This funding is in addition to mandatory appropriations for these settlements.

## Science for Land and Water Management

The U.S. Geological Survey Budget for 2012 of \$1.1 billion is \$6.1 million above the 2010 enacted/2011 CR level. Within the request, there is a total of \$53.6 million in reductions to ecosystems, mineral resources, water resources, natural hazards, geologic and geospatial, and facilities and maintenance programs.

**Ensuring the future of Landsat Earth Imaging:** The 2012 USGS Budget includes \$99.8 million for National Land Imaging including \$48.0 million to establish a permanent budgetary and managerial home for the Landsat series of Earth imaging satellites at USGS, fulfilling a recommendation endorsed by consecutive Administrations. With almost 40 years of recording both natural and man-made changes of the global landscape, Landsat has become vital to the Nation's agricultural, water management, disaster response, and national security sectors, providing an estimated \$935 million in value to the U.S. economy per year. Working closely with NASA to procure and build future satellites, a USGS-led program will best ensure the continued collection and maintenance of this important scientific resource.

## Water Challenges

The Budget for the Bureau of Reclamation is \$1.0 billion, a reduction of \$69.3 million below the 2010 enacted/2011 CR level, with reductions in rural water projects, Central Valley Project, WaterSMART grants, and Yakima River basin. The Central Utah Project Completion Act 2012 Budget is \$33.0 million, a decrease of \$9.0 million.

**The 2012 Budget will help tackle western water challenges** with the goal of increasing available water supplies in western states by 490,000 acre feet from 2010 to 2012 through the Bureau of Reclamation's water conservation programs. The 2012 Budget includes \$69.8 million for WaterSMART sustainability activities, a reduction of \$11.0 million below the President's 2011 budget for the Bureau of Reclamation and a \$9.0 million increase for USGS above the 2010 enacted/2011 CR.

### **Additional Revenue Generating Proposals**

The 2012 Budget incorporates new and expanded discretionary fees of \$38 million and \$65 million, respectively, for onshore and offshore inspection of oil and gas operations. In addition, the Budget incorporates a range of mandatory legislative proposals that will generate additional revenue and save \$3 billion over the next decade by:

- Reforming OSM's Abandoned Mine Land Reclamation program to terminate unrestricted payments to States and Tribes that have completed their coal reclamation work and creating a competitive grant program to reclaim high-priority coal AML projects.
- Levying a new abandoned mine lands fee on the production of hardrock minerals on public and private lands, and allocating funds through a competitive process to reclaim the highest priority abandoned mine sites across the Nation.
- Instituting a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum currently covered by the General Mining Law of 1872. After enactment of legislation, new mining for these metals would be subject to bonus bids, annual rental payments, and a royalty of not less than five percent of gross proceeds.
- Charging a fee on non-producing Federal oil and gas leases to encourage timely energy production on lands and waters already leased for development.
- Sharing with States the costs of administering energy and minerals programs on Federal lands through a two percent deduction from State mineral revenue payments.
- Repealing a prohibition on the ability of BLM to issue cost-recovery regulations for processing applications for permits to drill and repeal of mandatory funding currently provided to BLM for this purpose.

- Repealing payments made to counties from Federal geothermal energy receipts and returning to the traditional 50/50 Federal-State revenue sharing arrangement.

The Budget also proposes to modify existing authorities including:

- Increasing the cost of Migratory Bird Hunting and Conservation Stamps from \$15 to \$25 per stamp, with the revenue used to acquire additional habitat for migratory birds.
- Reauthorizing the Federal Land Transaction Facilitation Act allowing lands identified as suitable for disposal in recent land use plans to be sold and proceeds to be used to acquire environmentally sensitive lands.
- Enacting the agreement between the United States and the Republic of Palau for a new 15-year Compact of Free Association.

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The Budget is online: [www.doi.gov/budget](http://www.doi.gov/budget) and [www.doi.gov/budget/2012/11Hilites/toc.html](http://www.doi.gov/budget/2012/11Hilites/toc.html).