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Cc: Patrick Wilkinson[p2wilkin@blm.gov]

From: Holmes, William

Sent: 2017-08-09T17:22:34-04:00

Importance: Normal

Subject: REQUEST FOR REVIEW: HRG. #46 - Interior (NPS) Questions for the Record from 6/20/17 Hearing Re: President's Budget Request for the Department of the Interior.

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[QFRs Submitted to Sec. Zinke from the 6-20-17 SENR Cmte Hrg -NPS.LWCF.Antiquities Act OCL \(2\).docx](#)

[SecyZinkeBudgetTest_062017.pdf](#)

NOTE TO REVIEWERS: When you send your comments to me please cc: Jill Ralston, jralston@blm.gov

Questions for the Record/QFRs (other agency)

Subject: HRG. #46 - Interior (NPS) Questions for the Record from 6/20/17 Hearing Re: President's Budget Request for the Department of the Interior (short timeframe).

Due Date/Time: Friday, August 11, 2017, COB (EDST).

Guidance: Attached are draft OFRs from Interior (NPS) in follow-up to a hearing on June 20, 2017, before the Senate Committee on Energy and Natural Resources. Also attached is a copy of Secretary Zinke's testimony for your reference. These questions were submitted to Interior (NPS) by members of the Committee for their written response. We are being given the opportunity to review these to determine if there are any concerns from a BLM perspective. Please review, and provide a response of either "No Comment" or provide comments on any proposed BLM-related recommended changes. Any proposed changes must be detailed, specific, and explain why the change is recommended.

Questions: Jill Ralston, 202/912-7173, or William "Earl" Holmes, 202/912-7430. Thanks.

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William “Earl” Holmes

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Questions from Ranking Member Maria Cantwell

Question 1: I would like to follow up on our discussion about hiring a site manager at the Hanford Unit of the Manhattan Project National Historical Park.

As I noted at the hearing, the National Park Service announced earlier this year that a site manager for the Hanford unit had been selected, but that her transfer from another park was being delayed during the Trump Administration's hiring freeze.

I understand that the hiring freeze is no longer in place, but the appointment still has not been carried out—even though there are currently no Park Service staff on the ground in Hanford and the person selected for this position is simply transferring from one park to another.

We were told that any transfer or new hire requires senior DOI approval, but at the hearing you indicated that you didn't think you were holding up this position.

Can you please confirm that the appointment of a site manager for the Hanford unit is not being held up and provide me with a time frame for when the transfer will be approved?

Answer:

As I stated at the hearing, I believe that we need to provide our front lines in the parks with the appropriate resources to get the job done. I appreciate you bringing this issue to my attention and look forward to its resolution.

Questions from Senator Ron Wyden

Question 6: While the Antiquities Act authorizes the President to designate national monuments, there does not appear to be any authority within the Act to reduce the size of the monuments. Most legal scholars conclude that any ambiguity in the Antiquities Act was cleared up with the passage of the Federal Land Policy and Management Act of 1976 whereby Congress made clear that only the legislature has the authority to diminish or rescind national monuments.

Given this, does the Administration intend to ask Congress for legal authority should it want to proceed to implement the interim report's first recommendation?

If the Administration is not planning to seek new authority from Congress, please provide a citation for the legal authority that would allow a President to rescind or diminish a national monument that was established by a previous President.

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Answer:

As provided in his Executive Order, our role in the review of monuments is to provide a recommendation to the President. Final action and authority rests with him.

Question 7: Bears Ears National Monument was strongly supported by local tribes and the public, evidenced by the hundreds of thousands of public comments and signatures submitted. Despite that support, however, your interim recommendation to the President was to reduce the size of the monument.

In Oregon, Cascade-Siskiyou National Monument is critical to the beauty and economic well-being of Oregon and highly supported by my constituents. I wrote to you about this last month to share with you the robust process and support that was behind this designation.

I am greatly concerned about your analysis and recommendation for Bears Ears. Your decision runs entirely contrary to the flood of public comments your Department received reflecting that the vast majority of the public supports keeping the National Monument intact. I am concerned about the implications that decision has on your review of the remaining National Monuments.

Given your recommendation for Bears Ears, it seems clear that you are unconvinced by the public comments and the opinions of sovereign tribal nations which called for keeping the monument intact. Looking ahead to your review of the Cascade-Siskiyou National Monument, if public comments are not persuasive for you and are overshadowed by far fewer voices of special interests, then what role does the public comment process play in your analysis of Cascade-Siskiyou, or any other monument? And how do your actions help the department achieve your stated goal of regaining public trust?

Answer:

Each monument is being reviewed in a holistic fashion. We have listened to every facet of the impacted local communities including state, county and federally elected officials, tribes, local businesses, and trade associations. For all of the reviews, each group's input is weighed as we craft recommendations for the President.

Question 9: The budget includes an 84 percent cut to LWCF. LWCF is essential to maintaining and increasing access to our public lands. Cuts this deep would mean LWCF could essentially only cover staff salaries, with possibly a little left over for emergency acquisitions. Willing sellers will be left in the lurch, and projects that could expand access by connecting previously inaccessible public lands could be lost to commercial development.

Given these cuts, how does this budget reflect the need to improve recreation and other access to public lands?

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Answer:

The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long. Land acquisition is an area where the Department has flexibility to defer expenditures.

Questions from Senator Debbie Stabenow

Question 2: The MotorCities Heritage Area inspires and educates Michigan residents and visitors on how the automobile changed our state, the nation, and the world. This site exemplifies Michigan's pride in our automotive and labor history and has a positive influence on our region's future. In FY17, MotorCities received only \$491,000 but the site generates \$35.4 million in tax revenue, supports 4,560 jobs, and is estimated to have an overall economic impact in the region of \$410.4 million. Your proposed budget eliminates all funding for this National Heritage area as well as the other 48 heritage areas across the country.

When asked about eliminating funding for these important cultural areas during last week's House Appropriations Committee Hearing, you provided no further justification than "tough choices had to be made." I find this to be eye opening when you also propose to increase funding for fossil fuel production on public lands. **Can you explain how you justify eliminating funding for some of our most important cultural and historical areas while shifting that funding to fossil fuel development?**

Answer:

The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long.

Question 5: The National Parks Service has a well-known maintenance backlog across the country, including sites in Michigan like the Sleeping Bear Dunes and Isle Royale National Park. According to a report by the Pew Charitable Trusts, total deferred maintenance on Park Service lands in Michigan totaled nearly \$50 million.

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It is my understanding that Interior's FY2018 budget cuts the Park Service's Operations account by \$200 million compared to FY2017 levels. In addition, I understand the budget proposes to decrease Park Service staff by 1,200.

While you have testified about your commitment to addressing the Park Service's maintenance backlogs, could you explain how the FY2018 budget would accomplish that objective? It strikes me as difficult to address these needs when you are cutting the resources and the personnel that are required to maintain our National Parks.

Answer:

Across the Department, 2018 funding for land management operations is reduced by approximately seven percent, which will impact staffing levels. However, the budget also prioritizes funding non-recurring infrastructure projects that will help address the deferred maintenance backlog. In the long run, this will create a better experience for visitors and staff by ensuring that facilities are safe, functional, and can be operated more efficiently.

Additionally, the current estimate for the NPS deferred maintenance backlog is \$11.3 billion which is difficult to address fully using only annual appropriations. NPS continues to pursue innovative public/private partnerships, such as the Centennial Challenge program, and uses the Recreation Fee program to reduce some of the backlog. We will continue to work with NPS and Congress to develop innovative funding ideas to reduce the backlog.

Questions from Senator Al Franken

Question 6: Secretary, during your confirmation hearing you spoke about the importance of the Land and Water Conservation Fund to preserve special areas and improve public access to the outdoors. You also touted your support of the program while serving in the House. This is something that we really agree on—the LWCF has done great things in Minnesota, such as improving state and local parks and helping to protect some of the most beloved areas of the state. This is why I am so disappointed to see the proposed cuts in the President's budget. Did the administration consult with you before releasing the budget proposal? Did you support their proposal to cut LWCF? If so, how do you justify this shift, do you still support the program?

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Answer:

In recent years, a large portion of the Department's LWCF portfolio has focused on projects to acquire new lands both on federal lands and through grants to States. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long. Land acquisition is an area where the Department has flexibility to defer expenditures.

Questions from Senator Joe Manchin III

Question 1: In West Virginia, the Land and Water Conservation Fund is the reason you and your agencies have incomparable public assets such as the Harpers Ferry and the Gauley and New Rivers National Recreation Area. In 2016, West Virginia received more than \$400,000 in grants from the state side of the fund. These funds were used for all sorts of upgrades that will make the West Virginia outdoors even more wild and wonderful. I know it is just as important to your home state, where it protects the Greater Yellowstone area and Glacier and, I understand, key recreation access and drinking water supplies for your own hometown of Whitefish, Montana. I was surprised by your FY18 budget recommendation for LWCF, which would gut the program by 84 percent and stop many conservation and access projects dead in their track. Furthermore, your budget submission offers what I consider a false and dangerous choice between maintaining facilities in these parks and conserving public access and the actual resources people go to the parks to enjoy. Good management requires that you do both, just as I worked to do with West Virginia's state parks when they were under my care as governor.

The FY2018 Budget in Brief document says, "The LWCF receipts authorization expires at the end of fiscal year 2018 and the Administration will review options for reauthorization, including consideration of a range of conservation-related investments that could be funded through the LWCF."

Simple yes or no question, do you support permanent reauthorization of LWCF?

Do you have any recommended policy proposals for permanent LWCF reauthorization that you would like to share with the Committee today?

How do you intend to balance those commitments with a budget that essentially wipes out LWCF, and specifically endorses diverting those very revenues you previously sought to defend for their intended LWCF uses?

Answer:

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Yes, I continue to support the LWCF. In recent years, a large portion of the Department's LWCF portfolio has focused on projects to acquire new lands both on federal lands and through grants to States. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long. Land acquisition is an area where the Department has flexibility to defer expenditures.

Question 2: The President's budget proposes eliminating the Heritage Partnership Programs Commissions and grants, a program of the National Park Service. National Heritage Areas (NHAs) are designated by Congress as places where natural, cultural, and historic resources combine to form a cohesive, nationally important landscape. There are currently 49 – two of which are located in West Virginia. These are not land management programs – they are cultural and heritage programs that generate revenue. As an example of the positive economic impacts of a national heritage area designation, the National Coal Heritage Area in southern West Virginia generates \$207 million in economic impact, supports 2,744 jobs and generates \$16.8 million in tax revenue. National Heritage Areas leverage federal funds to create jobs, generate revenue for local governments, and sustain local communities. NHAs average \$5.50 for every \$1.00 of federal investment. According to the budget justification, this is a program that is better funded locally. The problem with that is there are 49 National Heritage Areas spread all over the country, the local hunger to contribute to these programs will vary depending on location, mission, etc.

Do you believe the National Park Service has a role to play in ensuring that funds that have already been invested continue to yield as high of a return as possible?

Are you concerned that the administration may be viewing opportunities for potential cuts from a high level, and not considering hearing the local support for these programs?

Answer:

National Heritage Areas provide economic and cultural benefits, and are good examples of the benefits of partnerships. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long.

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Question 3: Secretary Zinke, during your confirmation hearing you said that we must find ways to get the younger generations –specifically millennials—into the outdoors. You said, specifically, “We have to motivate and incentivize outdoor activities to teach our millennials the importance of the great outdoors. If you look at the numbers, and the demographics are actually a little different. The people that are visiting the parks are the older generations. So we have to look at new ways of incentivizing younger millennials to experience the parks...”

I couldn’t agree more, and part of my motivation as a Senator is to conserve areas that are simply too special to not be preserved so that we can pass them off to our children and grandchildren. West Virginia is an outdoorsman’s paradise, with some of the best hunting, fishing and other recreational opportunities you can find. Like you, I am a grandfather, and I have enjoyed taking my grandchildren hunting and fishing to teach them the joys, and serenity of the great outdoors. That is why I can’t escape the irony of the President’s budget request proposing to eliminate several programs that do exactly what you described in your confirmation hearing—getting millennials out to enjoy and conserve our public lands and quite possibly become the next Teddy Roosevelt. The President’s budget proposes to eliminate the Fish and Wildlife Service Youth Conservation Corps Program, and reduce funds for the National Park Services Visitors Services Youth Projects and Interpretation and Education Projects as well as the Volunteers in Parks Program.

Do you still stand by your statement in your confirmation hearing that we must find ways to get the younger generation into the outdoors?

Do you believe this budget reflects that goal?

Answer:

Yes, I believe that it is important to get our children and grandchildren out to our parks and public lands to experience our collective heritage. By focusing on priorities to ensure that we take care of the assets we currently own, as this budget does, we make sure that these lands will be maintained and available for future generations.

Questions from Senator Mazie Hirono

Question 2: The President’s budget proposes to reduce the Operation of the National Park System account by \$200 million, which would reduce base funding for parks throughout the country, impacting staffing, hours, and services. The budget proposes reducing staff by 1,242 FTEs, causing 90 percent of national parks to reduce current staffing levels.

The National Parks subcommittee just held an oversight hearing on opportunities to improve the workplace environment within the National Park Service. It was mentioned how employees are

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currently overextended with increased park visitation and how that negatively impacts employee morale.

Do you think this reduction in National Park Service staff funding will improve or worsen the workplace environment?

Answer:

Across the Department, 2018 funding for land management operations is reduced by approximately seven percent, which will impact staffing levels. However, the budget also prioritizes funding non-recurring infrastructure projects that will help address the deferred maintenance backlog. In the long run, this will create a better experience for visitors and staff by ensuring that facilities are safe, functional, and can be operated more efficiently.

Question 3: You have also noted that one of your highest priorities as Secretary is to address the \$11 billion deferred maintenance backlog within the National Park Service.

If there was an influx of funding to address the backlog, whether it be as part of an infrastructure package or something else, how do you expect projects to be completed if there aren't enough National Park Service staff to perform those duties?

Answer:

I believe that we have to realign our employees to make sure that the focus is at the field level, rather than in layers of bureaucracy. This type of realignment will support the proposals contained in the 2018 budget, particularly those prioritizing taking care of the assets we currently own.

Question 5: The National Park Service is charged with not only protecting our nation's natural resources, but also the cultural and historic resources that tell the story of our country. An example of this is Honouliuli in Hawaii where the story of Japanese internment is told.

What will you do as Secretary to ensure the telling of our nation's diverse history, as well as the preservation of historic and cultural resources, receives adequate funding and capable management given the dramatic cuts proposed in the current administration's budget?

Answer:

I am a strong supporter of the National Parks. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified.

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The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long.

Question 6: As noted before, climate change continues to be a major factor in landscape, infrastructure, and natural resource planning in Hawaii.

How will you ensure that our national park sites in Hawaii and beyond are protected and adequately resources in the face of these changes and what appears to be inadequate funding in the administration's budget?

The President's budget supports many actions to mitigate and adapt to extreme weather, drought, flood, wildfire, and other hazards that affect federal lands. These mitigation and adaptation strategies are fundamental to the Department's stewardship mission.

Questions from Senator Angus S. King, Jr.

Question 1: I wanted to follow up on your comment during the hearing about cuts to individual national parks. In the hearing after I asked if there are cuts at individual parks that will hit their operating budgets, you stated that those kind of cuts would be "very doubtful" to individual parks. Yet Acadia National Park is facing an 8% cut to its Operation and Maintenance budget from the National Park Service FY18 budget request, This cut is also in the context of a national park that has seen nearly 60% increase in visitation in ten years, and is facing a nearly \$70 million backlog.

How does the Department of Interior specifically plan to make the National Park Units function more efficiently while visitation levels are at their highest and are projected to continue to grow, yet Operation and Maintenance funding is requested to be cut?

Answer:

I am a strong supporter of the National Parks. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long.

Question 2: You specified in the hearing that Advisory Commissions, though temporarily suspended during the review period, could apply for exemptions to meet formally for scheduled meetings. You also stated that if the Acadia National Park Advisory Commission had a scheduled meeting, "all they have to do is put in a request for exemption." If a request for an

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exemption is requested and filed for a scheduled September 11th meeting of the Acadia Advisory Commission, will this request be granted, as you stated?

Answer:

In order to make sure all commissions are giving local communities adequate opportunities to comment on park management decisions, the Department is reviewing the more than 200 boards, committees, and commissions under its responsibility. Throughout this review process, committees and commissions have been given the option to pursue waivers to meet. No such waiver was requested by the Acadia National Park Advisory Commissions; however, the review is scheduled to be completed later this year so that commissions can get back to work.

Question 3: Back in January during your nomination hearing, you stated before the Energy and Natural Resources Committee that “I am on record supporting full funding of the Land and Water Conservation Fund for a reason. I think it is an incredibly important program that has done great work.” Unfortunately the President’s budget calls for an 84% decrease to all LWCF non-outdoor recreational program funding. This hits home in Maine where LWCF grants have served the state well not only in acquisition but in development, planning or infrastructure investments in land conservation that helps generate outdoor recreation revenue. How does limiting LWCF funding in such a large way help protect the program?

Answer:

In recent years, a large portion of the Department’s LWCF portfolio has focused on projects to acquire new lands both on federal lands and through grants to States. The President’s budget proposes to balance the Federal government’s budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long. Land acquisition is an area where the Department has flexibility to defer expenditures. In addition, as I pointed out in the hearing, the LWCF program is funded by off-shore royalties and revenues, which dropped significantly throughout the last administration. In order for programs like LWCF to operate successfully, we must prioritize our revenue portfolio as well, which this budget does.

Question 4: It is my understanding that LWCF State and Local Assistance Grants over \$100,000 awarded by the National Park Service in 2017 have been put on hold for “an additional layer of review.” This is unfortunately putting a substantial burden on local organizations who have worked to line up project partners, funding sources and timetables to accomplish their conservation and park projects.

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One such project in Maine is in the town of Acton, for the purchase of 25 acres at Goat Hill, a valued destination for the year around and seasonal residents of the region. The current owners have allowed access over the years but have recently decided to sell the 25 acres of hill top. The Town of Acton (pop. 6000) has voted in referendum to contribute more than half of the funds needed for this purchase. Acton's LWCF State and Local Assistance Grant award funding is needed to help with the purchase price and to begin infrastructure investments to be sure the public can access the trail and summit during Maine's peak outdoors season.

What is the process for review of projects that have already been awarded, like the project in Acton, and when will the process be completed? Will these communities be given some guidance in the near term on whether and how their work to secure assistance through the NPS state grant program will be affected?

Answer:

After being confirmed, I made it a goal to be accountable for how the Department spends the taxpayer's dollar. As a part of that effort, I asked for a review of all grants that exceeded \$100,000 so we could have a thorough accounting of what is being dispersed and how it is being used. This is a simple good governance effort as we look to spend taxpayer dollars in the most efficient and wise manner.

Questions from Senator Tammy Duckworth

Question 2: As you are aware, there is an \$11+ billion National Park Service maintenance backlog. What specific plans does the Administration have on how this backlog will be addressed in the Administration's infrastructure proposal?

Answer:

As demonstrated in the President's budget, it is important that we take care of the assets that we own. The Department continues to work with the Administration on the enactment of this budget and any infrastructure proposals moving forward.

Question 3: During your confirmation, you shared that the National Park Service deferred maintenance backlog is a priority, as is supporting front line park rangers. However, the Administration's budget cuts the park service operating budget by 8% and reduces staff levels by over 1,200 people.

How can we reasonably expect the maintenance backlog to be addressed if we're cutting the staff that would do this work?

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How are you proposing to support front line rangers when you are seeking to cut more than 1,200 rangers?

Answer:

I believe that we have to realign our employees to make sure that the focus is at the field level, rather than in layers of bureaucracy. This type of realignment will support the proposals contained in the 2018 budget, particularly those prioritizing taking care of the assets we currently own.

Questions from Senator Rob Portman

Question 1: I've been working on the implementation of my World War II Memorial Prayer Act, which was signed into law by President Obama on June 30, 2014. This Act requires the Interior Department to install a plaque at the World War II Memorial in Washington, D.C. with the prayer that President Roosevelt gave to the nation on the morning of D-Day. I understand that the site for the plaque has been approved, but that the design of the plaque is still being reviewed by the Commission of Fine Arts and the National Capital Planning Commission. I have written to the Park Service to encourage them to move as quickly as possible to complete this project. Can you make the completion of this project a priority for the National Park Service?

Answer:

I support the placement of this plaque, and the sacrifices of all our men and women who defend our nation. I understand that the design concepts for the plaque were favorably presented to the National Capital Planning Commission in July. After approval of a final design, the NPS will work the Friends of WWII to complete this commemoration as expeditiously as possible.

Question 2: The Hopewell Ceremonial Earthworks, which includes the Hopewell Culture National Historical Park, has been on the National Park Service's Tentative List for consideration to become a World Heritage site since 2008. I understand that the next step is to issue a Federal Register notice to announce the nomination. Will you work with the Ohio partners to ensure that this nomination process continues to move forward?

Answer:

I look forward to working with you and your partners.

Question 3: As you know, my National Park Service Centennial Act was signed into law on December 16, 2017 (P.L. 114-289). The Act provides a reliable funding stream for the Centennial Challenge fund and the Park Foundation's endowment. I know you have been

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pushing for the change in the senior pass fee in a timely manner and I believe it will actually result in a leverage of greater than 2 to 1 over time. Can you please provide an update on when the Department will announce and implement that increase providing crucial funding to the parks?

Answer:

The Senior Pass increase will take effect across the country on August 28, 2017. The National Park Service issued a news release with this information on July 10, 2017.

Question 4: I've worked with Senator Mark Warner to introduce the National Park Service Legacy Act, which will provide funds from oil and gas leases for backlog projects. I was encouraged during your nomination hearing when you said you'd like to see NPS infrastructure projects included in the infrastructure reform plan, and hope that my National Park Service Legacy Act can help with this effort. As the infrastructure package hopefully begins to take shape do you believe that the Legacy Act could be an option to provide additional funding to reduce the deferred maintenance backlog? Can you help us in the Administration with these efforts?

Answer:

Yes, I look forward to working with you, Congress, and the Administration on options to address and reduce the deferred maintenance backlog at the Department.

Question 5: As you know, another program that is funded by oil and gas leases is the Land and Water Conservation Fund. Like you, I support the Land and Water Conservation Fund, and I support its permanent reauthorization. The LWCF is also of particular interest in my home state of Ohio, as two factory buildings at the Dayton Aviation Heritage site were included on the list of LWCF priorities in the previous budget request. These factory buildings were where the Wright Brothers built the first airplane, and are the oldest surviving aviation-related buildings in the U.S. It is important to have these buildings acquired by the Park Service so that our aviation heritage is preserved and can be taught to future generations. I am aware that the President's budget proposes to severely cut LWCF and does not include any new land acquisition projects. However, Congress appropriated \$400 million for LWCF in the FY17 Omnibus bill. If Congress continues to appropriate money for LWCF, will you support the activities of the LWCF program?

Answer:

The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. In addition, as I pointed out in the hearing, the LWCF

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program is funded by off-shore royalties and revenues, which dropped significantly throughout the last administration. In order for programs like LWCF to operate successfully, we must prioritize our revenue portfolio as well, which this budget does. That said, I continue to support the LWCF and will work with Congress to ensure support for our federal lands.

Questions from Senator Catherine Cortez Masto

Question 7: As you know, Secretary Zinke, I have voiced my concern about the executive order that requires a review of many national monuments across the country, including Gold Butte and Basin and Range in my state of Nevada. I submitted a comment letter to emphasize the economic and environmental benefits as well as the widespread support of both of these monuments. Will you take into consideration the economic benefit and widespread support of Nevada's monuments before making a decision?

Answer:

Yes, public comment is an essential component of the Department's process to develop recommendations on monuments currently under review and thank you for your letter stating your position on the monuments under review in Nevada. In this review, we have sought input on all levels, from locals on the ground and county commissioners to Governors, Tribal leaders, and Members of Congress, and will take all this information into consideration before making a recommendation.

Question 8: If the Administration's proposed budget cuts were implemented, how would they impact the review process moving forward?

Answer:

The proposed budget would not impact the current review process.

Question 10: How will we maintain visitation as sites like Gold Butte and Basin and Range when the Administration's budget aims to cut over 1200 staff positions?

Answer:

Across the Department, 2018 funding for land management operations is reduced by approximately seven percent, which will impact staffing levels. However, the budget also prioritizes funding non-recurring infrastructure projects that will help address the

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deferred maintenance backlog. In the long run, this will create a better experience for visitors and staff by ensuring that facilities are safe, functional, and can be operated more efficiently.

Question 11: As you know, Nevada's public lands are critical to the character and economy of my state. Outdoor recreation brings \$14.9 billion in consumer spending to Nevada, with well over half the population recreating outside each year. At Lake Mead alone, visitors spent over \$312 million in 2016. Without question, parks are a boon to local economies with over 330 million visits and nearly \$35 billion to the national economy last year. Despite this growth, and the need for federal support, I see that the administration's budget slashes funding for the National Park Service. Why cut funding when parks are so clearly beneficial to our national economy?

Answer:

I am a strong supporter of the National Parks. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes our maintenance backlog and focuses on taking care of the assets we currently own.

Question 12: How long do you think the current infrastructure will last with an increased number of visitors?

Answer:

National parks are a national treasure, and providing access to these federal lands for a range of activities is of critical importance to the Administration. I believe that it is important to get our children and grandchildren out to our parks and public lands to experience our collective heritage. By focusing on priorities to ensure that we take care of the assets we currently own, as this budget does, we make sure that these lands will be maintained and available for future generations.

Question 14: For nearly 40 years, LWCF has funded land acquisition, conserved threatened and endangered species, and provided critical grants to states. Just in Clark County, Nevada, there are 89 projects that received 13 million dollars of LWCF funding and have improved our natural areas and local economies, including conservation of recreation areas, local trails, and wildlife refuges. The Administration's budget proposes a cut from \$400 million to \$64 million – that's a decrease of more than 80 percent for a fund that has benefitted conservation and recreation in every state. Do you believe these cuts will destabilize conservation and our rural local economies? How would your agency be able to administer this program with these cuts?

Answer:

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In recent years, a large portion of the Department's LWCF portfolio has focused on projects to acquire new lands both on federal lands and through grants to States. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long. Land acquisition is an area where the Department has flexibility to defer expenditures. In addition, as I pointed out in the hearing, the LWCF program is funded by off-shore royalties and revenues, which dropped significantly throughout the last administration. In order for programs like LWCF to operate successfully, we must prioritize our revenue portfolio as well, which this budget does.

Question 19: President Trump's proposed budget would eliminate the Interior's National Heritage Areas Program, cutting nearly \$20 million from the program. National Heritage Areas are large lived-in landscapes with strong rooting in rural communities and towns. Since 2012, the Great Basin Heritage Area Partnership in White Pine County, Nevada has provided substantial funding and support to the Ely Renaissance Society, the Ely Shoshone Tribe, the Nevada Northern Railway, the White Pine Public Museum, and others projects totaling \$280,736. Those funds have been matched from local stakeholders with non-federal funding and labor valuing \$1.9 million for White Pine County residents. Why has the Administration proposed to eliminate funding to this program?

Answer:

National Heritage Areas provide economic and cultural benefits, and are good examples of the benefits of partnerships. The President's budget proposes to balance the Federal government's budget by 2027, in order to do this priorities must be identified. The 2018 budget prioritizes taking care of the assets we currently own. The majority of ongoing operational requirements cannot be deferred and maintenance needs have been postponed for too long.

**STATEMENT OF RYAN ZINKE, SECRETARY OF THE INTERIOR
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
ON THE
2018 PRESIDENT'S BUDGET REQUEST
June 20, 2017**

Chairman Murkowski, Ranking Member Cantwell, and Members of the Committee, I am pleased to appear before you today to discuss the 2018 President's Budget for the Department of the Interior, which provides \$11.7 billion for Interior's programs, with an additional \$123.9 million of discretionary Department of Defense appropriations requested to be transferred to the Department of the Interior to support enactment of the 2010 Compact Review Agreement with Palau.

Because of the timing between enactment of the FY 2017 Omnibus Appropriations Act and submission of the FY 2018 President's Budget, my statement compares requested funding to the FY 2017 Annualized Continuing Resolution unless otherwise noted.

2018 Budget Priorities

The 2018 budget for the Department of the Interior features targeted investments to further the Administration's America First national energy goals. At the same time, this budget reflects the President's commitment to fiscal responsibility – proposing sensible and rational reductions and making hard choices to reach a balanced budget by 2027.

Across Interior's diverse mission, this budget emphasizes the Department's crucial role in promoting economic growth. America's lands hold tremendous job-creating assets. Visitors to our parks spend more than \$18.4 billion in local gateway communities, supporting approximately 318,000 jobs and contributing \$34.9 billion into the national economy according to the 2016 *National Park Service Visitor Spending Effects Report*.

In 2016, the Department's energy, mineral, grazing, and forestry activities resulted in \$8.8 billion in revenue to the American people, including direct revenue payments to states, tribes, and local communities. These same activities supported \$136 billion in economic output. The Budget for the Bureau of Reclamation invests over \$1 billion in safe, reliable, and efficient management of water resources throughout the western United States. In addition, direct grants and payments to states, tribes, and local communities provided an estimated \$10 billion in economic output.

The Department's 2018 budget reflects the Administration's commitment to strengthen America's economic and energy security, focus on the Nation's infrastructure, be responsible stewards of magnificent lands, encourage public access for outdoor recreation, and strengthen tribal sovereignty and support self-determination.

America's Energy

The Department is the steward and manager of America's natural resources, including oil, gas, coal, hydropower, minerals, and renewable energy sources. The Department has a critical role to play in the future energy security of our Nation as well as our overall economic well-being. American energy resources create jobs and generate significant revenue both to the U.S. Treasury and states. This budget proposes \$791.2 million in current and permanent funding for energy related programs across the Department, an increase of \$16.3 million from 2017. The 2018 budget supports an "all-of-the-above" energy development strategy, increasing funding for onshore and offshore oil and gas, strengthening coal management activities, and sustaining the current pace of renewable energy development.

The budget reflects the importance of offshore energy production to America's economic and energy security. The 2018 budget shores up offshore oil and gas programs with appropriated funding to continue a strong offshore program. The request for the Bureau of Ocean Energy Management features a \$10.2 million increase to update the Five-Year Outer Continental Shelf Oil and Gas Leasing Program, consistent with the President's Executive Order *Implementing an America-First Offshore Energy Strategy* to expand offshore oil and gas exploration and production. The 2018 budget for the Bureau of Safety and Environmental Enforcement includes a \$1.2 million increase to focus on workforce training, permitting, and information technologies to better permit exploration, development, and production operations.

Onshore, the budget requests a \$16.0 million increase for the Bureau of Land Management's oil and gas management program, providing a total of \$75.9 million in appropriated funds focused on improving oil and gas permit application processing, streamlining leasing, and modernizing practices. The budget also includes \$19.0 million for the BLM coal management program, an \$8.0 million increase to reduce administrative processing times, simplify the lease application process, and improve the timeliness to complete lease sale fair market value determinations.

The 2018 budget includes \$78.1 million for Renewable Energy programs both on and offshore. Although a reduction from prior years, this funding level will sustain the current pace of development at a level consistent with anticipated project interest.

To ensure the public continues to receive the full value of natural resources production on Federal lands, in April, I signed a charter establishing a Royalty Policy Committee of 28 local, tribal, state, and other stakeholders to advise me on the fair market value of and revenue collection from Federal and Indian mineral and energy leases, including renewable energy sources.

The Nation's Infrastructure

Interior plays an important role in maintaining and improving the Nation's infrastructure. Interior's national role includes managing significant real property assets as well as conducting reviews and processing permits to support national infrastructure development as part of a balanced multiple land use strategy.

Interior's 2018 budget maintains the 2017 level of \$98.8 million for Fish and Wildlife Service planning and consultation activities. This level maintains the FWS capability to meet its legal consultation requirements and avoid logjams that could delay infrastructure projects and associated economic benefits. The BLM budget also directs base funding to address siting for energy transmission projects, and proposes an increase in the oil and gas management program to facilitate rights-of-way associated with energy development projects.

Interior manages an infrastructure asset portfolio with a replacement value exceeding \$300 billion, ranging from elementary and secondary schools serving Indian children, to highways and bridges serving the daily commuting needs of the Washington, D.C., metropolitan area. Interior owns approximately 43,000 buildings, 100,000 miles of road, and 80,000 structures – including iconic landmarks, as well as dams, bridges, laboratories, employee housing, and irrigation and power infrastructure. Taking care of this significant asset portfolio is a persistent challenge. Interior's deferred maintenance backlog has grown to over \$15 billion in 2016. Construction and maintenance funding across the Department totals \$1.4 billion in 2018, not including the Bureau of Reclamation.

From my first day on the job, one of my top priorities has been to prioritize efforts to address the National Park Service maintenance backlog. Our National Parks have 73 percent of Interior's deferred maintenance backlog while hosting 324 million visitors last year. The 2018 budget for NPS includes \$236.3 million for construction and deferred maintenance projects, an increase of \$21.0 million from 2017. Total estimated funding for NPS maintenance and construction needs including estimated recreation fee revenue is \$765.7 million, an increase of \$34.7 million from FY 2017. This increase will support targeted and measurable upgrades to a number of the NPS' highest priority assets, including the first phase of repairs to the Arlington Memorial Bridge project.

America's Lands

In my first days in office, I issued two Secretarial Orders to expand access to public lands and increase hunting, fishing, and recreation opportunities nationwide. The 2018 budget includes \$4.4 billion for the Department's land management operations in the NPS, FWS, and the BLM. While a reduction of \$354.3 million from 2017, this figure includes funding for operational programs as well as management and maintenance of the national parks, national wildlife refuges, and BLM's network of national conservation lands. Within land management operations, the budget prioritizes funding to protect and conserve America's public lands and natural resources, provide access to public lands for the next generation of outdoor enthusiasts, and ensure visitor safety.

To support land management priorities, funding for lower priority activities, such as Federal land acquisition projects, is reduced. The 2018 budget emphasizes taking care of our current assets, rather than adding more by purchasing new land. Accordingly, the budget for land acquisition programs is \$54.0 million, \$129.1 million below 2017. A small amount of funding is maintained in each bureau for emergencies or acquisition of inholdings needed to improve management of established areas or to increase public access.

To better manage and balance these responsibilities, the Department relies on its front-line land managers, field scientists, and partners to monitor, assess, and collect information about the status of resource conditions. Interior's U.S. Geological Survey is the Nation's leading source of expertise in earth and natural sciences and works closely with other Departmental bureaus and state, local, tribal and other Federal partners to help resource managers adapt to changing conditions on the ground. The 2018 budget includes \$922.2 million for USGS programs, to focus on core science activities including land and water resources, energy and minerals, mapping, ecosystems, invasive species, natural hazards, and environmental health.

The 2018 request budgets responsibly for the Payments in Lieu of Taxes program. The budget includes \$397 million for these payments as part of the discretionary request, to ensure continued support to the communities neighboring the Department's and other Federal lands without assuming enactment of separate legislation. The 2018 level for PILT is reduced 12 percent below the 2017 CR level, consistent with the total reduction in the Interior budget.

A key component of the Department's land stewardship is management of wildland fire. The 2018 budget provides \$389.4 million for wildfire suppression – the full 10-year average of suppression expenditures. This level of funding is projected to be sufficient to meet fire suppression needs in an average fire season without the risk of needing emergency transfers from other departmental accounts.

America's Waters

The 2018 budget also continues efforts to address the challenges of water availability and drought conditions.

The Department, primarily through the Bureau of Reclamation, works with States, tribes, local governments, and non-governmental organizations to pursue a sustainable water supply for the West by providing federal leadership and assistance on the efficient use of water. The 2018 budget continues these efforts to address the challenges of water availability.

Interior's \$1.1 billion budget request for Reclamation invests in our water and power infrastructure, facilitating the delivery of water to 31 million people across the West. It is the nation's largest renewable energy resource, and the Bureau of Reclamation plays an important role as the second largest producer of hydropower in the United States.

This budget also continues to strengthen our Tribal Nations by implementing Indian water rights settlements, and focuses on the protection and restoration of aquatic and riparian environments to ensure we can continue to provide a reliable water supply and power to the West.

America's Trust Responsibilities

Interior maintains strong and important relationships with Native and insular communities, helping to promote efficient and effective governance and to support nation-building and self-determination. The Department provides services directly, or through contracts, grants or compacts, to 567 federally recognized tribes with a service population of nearly two million American Indians and Alaska Natives. The budget prioritizes support for programs serving the

broadest service population and proposes reductions in initiatives that are more narrowly focused. The President's budget maintains the Administration's strong support for the principle of tribal self-determination, and efforts to strengthen tribal communities across Indian Country. The budget includes full funding for Contract Support Costs and Tribal Grant Support Costs that tribes incur from managing Federal Indian programs.

The 2018 budget request includes \$786.4 million to continue support for core Indian education programs, including formula funding and operation and maintenance funding for elementary and secondary schools, and support for post-secondary programs. The 2018 budget continues to meet Federal responsibilities outlined in enacted land and water rights claim settlements with Indian tribes, and includes \$160.8 million for authorized settlements and technical and legal support involving tribal water rights, to maintain the Department's ability to complete these settlement requirements within the statutory timeframes.

In recognition of the importance of the Nation's relationship with Palau and the Pacific national security strategy, the budget requests \$123.9 million of discretionary Department of Defense appropriations to be transferred to the Department of the Interior to support enactment of the 2010 Compact Review Agreement with Palau.

Management and Reform

As part of the President's March 2017, Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch, the Administration launched a government-wide effort to create a leaner, more efficient, and more responsive government. The Order directs agencies to begin planning to operate at the funding levels in the 2018 budget and develop a broader Agency Reform Plan to address long-term workforce reductions. Interior is moving prudently with implementation and has put in place hiring controls to enable limited hiring, prioritizing filling field positions rather than office positions, and limiting hires in the Washington, D.C., and Denver, Colorado, areas. This process enables the Department to continue to fill important positions as work is underway to develop a comprehensive and thoughtful agency plan.

The 2018 budget reduces lower priority programs \$1.6 billion below 2017 and supports 59,968 full time equivalents. This represents an estimated reduction of roughly 4,000 full time equivalent staff from 2017. To accomplish this, the Department will rely on a combination of attrition, reassignments, and separation incentives. Actual attrition rates and acceptance of separation incentives will determine the need for further action to reduce staffing.

Reducing the Department's physical footprint and seeking ways to consolidate space and resources will continue to be management objectives going forward. Efforts will build on several multi-year actions to reduce Interior's nationwide facilities footprint and improve the efficiency and effectiveness of its information technology infrastructure and financial reporting capabilities. Ensuring the Department's cybersecurity strength continues to be a priority. The 2018 budget maintains \$10.0 million in the appropriated working capital fund to continue the Department's remediation of its cybersecurity systems and processes.

Bureau Highlights

Bureau of Land Management – The 2018 request for the BLM is \$1.1 billion, a decrease of \$162.7 million below the 2017 CR level and \$180.5 million below the 2017 enacted level. The budget proposes \$963.2 million for Management of Lands and Resources and \$89.8 million for Oregon and California Grant Lands, BLM’s two primary operational appropriation accounts.

The BLM request features increases in oil, gas and coal management programs reflecting national energy security priorities. The budget proposes \$75.9 million for Oil and Gas Management to support permitting and rights-of-way processing, streamline leasing, and modernize practices. The budget also includes \$19.0 million to strengthen BLM’s Coal Management program, an increase of \$8.0 million from 2017.

To maintain the BLM’s land stewardship responsibilities, the budget includes \$67.8 million for Rangeland Management and \$70.7 million for the Wild Horse and Burro Management program. As part of a broader effort to consider all necessary options to manage the unsustainable growth of this program, the budget proposes to eliminate current appropriations language restricting the BLM’s ability to use the tools provided in the Wild and Free-Roaming Horse and Burro Act and enable BLM to manage on-range herds more effectively and humanely. The budget also proposes \$47.2 million for Recreation Resources Management and \$27.7 million to continue support for the National Conservation Land areas.

The budget includes \$89.8 million for the Oregon and California Grant Lands programs. At this level, the budget prioritizes offering the allowable sale quantity in new resource management plans.

Mineral development on Federal lands is important to the national economy. However, a long-standing challenge is to provide a fair return to taxpayers for the use of these natural resources without discouraging development. To meet this challenge, the Department will conduct a study starting in 2017 to evaluate the production and development of hardrock minerals from Federal lands. The review will include an analysis of revenue recovered by other entities, including other countries, which permit mining on their land. The Department will also consult with other appropriate agencies, such as the Department of Agriculture. The findings will be considered as part of ongoing efforts to improve agency management and streamline permitting related to natural resources produced from Federal lands.

Bureau of Ocean Energy Management – The 2018 President's budget for BOEM is \$171.0 million, slightly above the 2017 CR level, including \$114.2 million in current appropriations and \$56.8 million in offsetting collections from rental receipts and cost recoveries. The budget maintains a level program by increasing appropriated funding by \$35.5 million to address a commensurate shortfall in estimated offsetting rental receipts and cost recoveries. The 2018 budget features a \$10.2 million increase to support the development of a new Five-Year Plan for the OCS Oil and Gas Leasing Program.

Bureau of Safety and Environmental Enforcement – The 2018 President's budget request for BSEE is \$204.9 million, slightly above the 2017 CR level, including \$112.0 million in

current appropriations and \$92.9 million in offsetting collections from rental receipts, cost recoveries, and inspection fees. The budget maintains a strong offshore safety and environmental enforcement program by increasing appropriations and estimated inspection fee revenue to address anticipated shortfalls in offsetting rental receipts and other cost recoveries. The 2018 budget includes a \$1.2 million increase for technical training to expand staff development efforts for BSEE's inspector, engineer, and geoscientist workforce, and \$12.7 million for oil spill research, a reduction of \$2.2 million from 2017.

Bureau of Reclamation – The 2018 budget request for the Bureau of Reclamation is \$1.1 billion in discretionary appropriations. This figure reflects a decrease of 13.1% from the 2017 CR level. Of the total, \$960 million is for the Water and Related Resources account, Reclamation's largest account; \$59 million is for the Policy and Administration account; \$37 million is for the California Bay Delta Restoration account; and \$41.4 million is for the Central Valley Project Restoration Fund.

Office of Surface Mining Reclamation and Enforcement – The 2018 budget request for OSMRE is \$129.4 million in current appropriations, \$110.7 million below the 2017 CR level. The majority of this reduction reflects the elimination of \$89.9 million for Abandoned Mine Lands Economic Development Grants. Although beneficial, funding for this pilot program overlaps with existing mandatory Abandoned Mine Lands grants which continue without any proposed changes. The budget includes \$60.2 million for state and tribal regulatory grants, a level consistent with anticipated state and tribal program obligations.

U.S. Geological Survey – The 2018 budget request for the USGS is \$922.2 million, \$137.8 million below the 2017 CR level. The budget includes \$70.9 million for satellite operations, which supports continued development of the Landsat 9 ground systems, supporting a launch date in early fiscal year 2021 to replace the Landsat 7 satellite, which is reaching the end of its usable life.

The request emphasizes energy and mineral development, supporting essential hazards monitoring, and providing scientific information to support decision making by resource managers and policy makers. The budget maintains support for nationwide networks of more than 8,000 streamgages and nearly 3,000 earthquake sensors. The request provides \$17.3 million for nationwide efforts to counter invasive species and wildlife diseases such as white-nose syndrome and highly pathogenic avian influenza, and the budget maintains \$17.3 million for 40 cooperative research units that support state-specific needs, particularly related to fish and game species. It continues acquisition of modern elevation data for Alaska and the three-year cycle of topographic map updates for the contiguous United States.

The 2018 request proposes to realign the 2018 budget structure to create a new Land Resources activity to reflect focused science related to on-the-ground land management and adaptive management challenges. As part of this request, the budget proposes \$17.4 million for the National and Regional Climate Adaptation Science Centers, reflecting the proposed consolidation of eight regional centers to four.

Fish and Wildlife Service – The 2018 President’s budget requests \$1.3 billion for FWS programs, a decrease of \$202.9 million from the 2017 CR level. The budget includes \$1.2 billion for FWS operations, a decrease of \$85.3 million below 2017. Within Resource Management, the budget prioritizes funding to maintain operations and maintenance for the National Wildlife Refuge System (\$470.1 million) and the National Fish Hatchery System (\$51.9 million). Funding will continue operations for all refuge areas and hatchery sites.

The budget includes \$225.2 million for Ecological Services programs with an emphasis on species recovery and planning consultation activities. Consistent with efforts to focus adaptive management related science within the USGS, the request proposes to eliminate funding for Science Support at \$17.0 million and Landscape Conservation Cooperatives at \$13.0 million.

The budget is \$118.6 million for FWS conservation grants including \$52.8 million for State and Tribal Wildlife Grants, \$33.6 million for the North American Wetlands Conservation Fund, \$19.3 million for the Cooperative Endangered Species Conservation Fund, \$9.0 million for the Multinational Species Conservation Fund, and \$3.9 million for Neotropical Migratory Bird Conservation. Consistent with decreases in other land acquisition programs across the Department, the request proposes to eliminate funding for Cooperative Endangered Species Conservation Fund land acquisition grants.

National Park Service – The 2018 President’s budget request for NPS is \$2.6 billion, \$296.6 million below the 2017 CR level.

The budget proposes \$2.2 billion for NPS operations. Within this account, funding is prioritized for the care and maintenance of existing resources. The budget includes \$99.3 million for repair and rehabilitation projects, which addresses the deferred maintenance backlog, as well as \$112.7 million for cyclic maintenance projects, which ensures maintenance is conducted in a timely fashion to avoid increasing the deferred maintenance backlog.

The budget proposes \$226.5 million for Construction projects, an increase of \$34.0 million to help address deferred maintenance and allow for targeted and measurable upgrades to a number of the NPS’s highest priority assets. Within this request is \$18.2 million for phase one construction requirements for the Arlington Memorial Bridge. Also included in the request is \$15.0 million in appropriated funds for the Centennial Challenge program to provide the Federal match to leverage partner donations for signature projects and programs. An additional \$15.0 million from fee revenue is also anticipated for 2018 to support Centennial projects.

The request provides \$37.0 million for National Recreation and Preservation programs to support local community efforts to preserve natural and cultural resources. The budget assumes savings of \$18.8 million from the proposed elimination of payments to National Heritage Areas. The 2018 budget includes \$51.1 million for the Historic Preservation Fund core grants-in-aid programs. The budget proposes to shift support for Land and Water Conservation Fund State Grants from appropriated to mandatory funding comparable to an estimated \$90 million the program will receive from oil and gas activities from certain Gulf of Mexico offshore leases.

Indian Affairs – The 2018 President’s budget request for Indian Affairs is \$2.5 billion, \$303.3 million below the 2017 CR level. Funding for Operation of Indian Programs totals \$2.1 billion, a decrease of \$181.1 million below 2017. In 2018, priority is given to programs serving the broadest audience rather than initiatives or pilots. Within this total is \$786.4 million for Bureau of Indian Education programs where funding focuses on direct school operations and full funding for Tribal Grant Support Costs. The main operating account also includes \$349.3 million for Public Safety and Justice programs and \$277.5 million for Trust Services programs, which includes the elimination of the Tribal Climate Resilience program.

The budget fully funds Contract Support Costs at \$241.6 million, \$35.4 million below 2017, which will cover all anticipated requirements at the requested program funding level. The budget requests \$143.3 million for Construction programs. The 2018 budget prioritizes dams, irrigation projects, and irrigation systems which deliver water to aid economic development as well as protect lives, resources, and property. The budget prioritizes funding within education construction for operations and maintenance of existing facilities. The budget also includes \$14.0 million to provide payments to ongoing Indian Land and Water settlements and \$6.7 million for the Indian Guaranteed Loan Program.

Departmental Offices

Office of the Secretary – The 2018 budget request for Departmental Operations is \$123.9 million, \$596.5 million below the 2017 CR. The majority of this reduction is \$451.1 million associated with the shift of the Payments in Lieu of Taxes program which was appropriated within Departmental Operations in 2017. In 2018, the budget proposes to fund PILT as discretionary funding within Department-wide Programs. The budget also reflects the proposed transfer of \$140.3 million associated with the Office of Natural Resources Revenue to a new appropriation within Department-wide Programs. The proposed transfer of ONRR funding will increase transparency in the budget for the Department’s energy revenue programs. The 2018 request for remaining Office of Secretary programs reflects a reduction of \$4.0 million from central program management activities across the Office of the Secretary organization. Of this, \$2.6 million is associated with reductions to the Office of Valuation Services consistent with the proposed Department-wide decrease for new land acquisition.

Office of Insular Affairs – The 2018 OIA budget request is \$84.3 million, \$19.0 million below the 2017 CR. In addition, the majority of OIA’s budget proposal reflects a request to fully fund the renegotiated Compact with Palau by transferring \$123.9 million from the Department of Defense, rather than \$13.1 million in extended incremental annual payments. The Compact is an important element of the Pacific national security strategy.

Office of the Solicitor – The 2018 budget proposes \$65.7 million for the Office of the Solicitor, the same as the 2017 CR level, to provide legal counsel, administer the Department’s ethics program, and help resolve legal issues among bureaus and offices as they fulfill their duties.

Office of Inspector General – The 2018 budget proposes \$50.0 million for the Office of Inspector General, the same as the 2017 CR level, to continue support for audit and investigations across the Department.

Office of the Special Trustee for American Indians – The 2018 budget requests \$119.4 million for OST, \$19.4 million below the 2017 CR level. The budget proposes a \$3.7 million reduction below 2017 in Field Operations reflecting prioritization of services to continue operations at the beneficiary call center. A reduction of \$3.1 million is proposed within Historical Trust Accounting in expectation of reduced requirements. Smaller additional reductions are taken across the organization.

Department-wide Programs

Payments in Lieu of Taxes – The 2018 budget proposes \$396.9 million in discretionary funding for PILT, a decrease of \$54.3 million from the comparable 2017 CR level of \$451.1 million appropriated in Departmental Operations in 2016. This is a reduction of 12 percent, commensurate with the Department of the Interior’s overall reduction from 2017 CR budget levels.

Office of Natural Resources Revenue – The 2018 budget request includes \$137.8 million for ONRR’s receipts management programs, a decrease of \$2.5 million below the comparable 2017 CR level of \$140.3 million. The 2018 budget request proposes to transfer ONRR’s receipts management program from the Office of the Secretary’s Departmental Operations account to a separate appropriation within Department-wide Programs to increase transparency of the program. The request includes \$3.5 million for anticipated contract cost increases for the Minerals Revenue Management Support System.

Central Hazardous Materials Fund – The 2018 budget requests \$2.0 million for the Central Hazardous Materials Fund, \$8.0 million below the 2017 CR. The budget request funds program management and legal staff. The program will fund the highest priority remediation projects based on the availability of recoveries and focus resources on remediation projects with potentially responsible parties.

Wildland Fire Management – The 2018 budget request for the Wildland Fire Management Program is \$873.5 million. The total request represents a decrease of \$118.3 million from the 2017 CR level for the Wildland Fire Management and FLAME accounts. At this level the request provides \$389.4 million for Suppression Operations to fully fund the 10-year average. To streamline financial management processes and improve the efficiency in allocating suppression funding, the Department proposes to fund all suppression activities in the Wildland Fire Management account and eliminate the separate FLAME Wildfire Suppression Reserve Fund account once all current balances in the FLAME account are drawn down. The request also includes \$322.2 million for Preparedness activities, essentially level with 2017, and \$149.5 million for Fuels Management, \$20.2 million below 2017.

Natural Resource Damage Assessment and Restoration – The 2018 request for NRDAR is \$4.6 million, a decrease of \$3.2 million below the 2017 CR level. The budget includes funding needed for ongoing damage assessments and restoration activities.

Working Capital Fund – The 2018 budget proposes \$59.5 million for the appropriated portion of the Department’s Working Capital Fund, a decrease of \$7.5 million from the 2017 CR level. The reduction is from funds requested for the Financial and Business Management System which

is proposed at \$46.3 million. The request maintains \$10.0 million for Department-wide Cybersecurity needs.

Legislative Proposals

Bureau of Reclamation Title Transfer – The Administration is developing a proposal to better facilitate title transfer of Reclamation facilities to non-Federal entities when such transfers are beneficial to all parties. This proposal will allow local water managers to make their own decisions to improve water management at the local level, while allowing Reclamation to focus management efforts on projects with a greater Federal nexus.

Cancel Southern Nevada Public Land Management Act Account Balances – The budget proposes legislation to cancel \$230.0 million in unobligated balances from the Southern Nevada Public Land Management Act program over a three year period. This would redirect a portion of the program balances to the Treasury for broader taxpayer use. The SNPLMA program is not proposed for elimination and viable conservation efforts will continue to be supported.

Gulf of Mexico Energy Security Act Payments – The Administration proposes to repeal revenue sharing payments to four coastal States – Alabama, Louisiana, Mississippi, and Texas – and their local governments, which are currently set to expand substantially starting in 2018. This proposal will ensure the sale of public resources from Federal waters owned by all Americans, benefits all Americans. Mandatory funding for LWCF State Grants would continue, but this legislative proposal would replace GOMESA’s complicated allocation formula with a fixed annual appropriation of a comparable dollar amount, starting at \$90.0 million in 2018 and increasing to \$125.0 million in 2022 and remaining at \$125.0 million each year thereafter.

Land and Water Conservation Fund – The LWCF receipts authorization expires at the end of fiscal year 2018 and the Administration will review options for reauthorization, including consideration of a range of conservation-related investments that could be funded through the LWCF.

Oil and Gas Leasing in the Arctic National Wildlife Refuge – The Administration will propose legislation to allow oil and gas leasing in the coastal plain of the Arctic National Wildlife Refuge also known as the “1002 area.” The budget assumes lease sales would begin in 2022 or 2023, allowing adequate time for the completion of appropriate environmental reviews and an updated assessment of the state of the oil and gas market and lease bidding potential prior to scheduling specific lease sales. An additional lease sale or sales would be held in 2026 or 2027. Lease sales in the ANWR are estimated to generate \$3.5 billion in bonus bids to be split between the U.S. Treasury and the State of Alaska. The proposal is estimated to generate a net of \$1.8 billion in new revenue to the Treasury over 10 years.

Reauthorize the Federal Land Transaction Facilitation Act – The budget assumes permanent reauthorization of FLTFA’s land sale authority, allowing Interior to dispose of lands with low conservation value and use the proceeds to acquire lands with higher conservation values, consistent with the original FLTFA mandate.

Recreation Fee Program – The budget proposes to permanently reauthorize the Federal Lands Recreation Enhancement Act, which currently expires in September 2018. As a precaution, appropriations language is also submitted with the budget proposing a one-year extension through September 2019. The revenues collected by Interior from these recreation fees – nearly \$290 million annually – are an important source of funding for land management operations, maintenance, and improvements to recreation facilities on public lands.

Termination of EPAct Geothermal Payments to Counties – The budget proposes to restore Federal geothermal leasing revenue allocations to the historical formula of 50 percent to the States and 50 percent to the U.S. Treasury by repealing Section 224(b) of the Energy Policy Act of 2005.

Offsetting Collections and Fees

Bureau of Safety and Environmental Enforcement Offshore Inspection Fees – The budget includes appropriations language to amend the current fee structure for BSEE inspection fees to better align with BSEE’s inspection practices and program costs. The language structures fees charged for the inspection of offshore facilities to distinguish between those “without processing equipment” or “with processing equipment” and incorporate consideration of the number of wells and water depth. These changes to the fee structure are estimated to generate \$65.0 million in 2018.

National Wildlife Refuge Damage Cost Recovery – The budget includes appropriations language to authorize the FWS to retain recoveries from responsible parties to restore or replace damages they cause. This is similar to authorities provided to the NPS for damages to national parks and monuments.

Conclusion

Thank you for the opportunity to testify on the President’s 2018 budget request for the Department of the Interior.

In closing, this is a responsible budget to help balance the Federal budget by 2027. It maintains core functions important to the American people, including providing the public the unique American experience that comes from visiting our parks, refuges, and public lands. It reflects tough choices to prioritize and focus limited resources where investments have the most impact, but continues to deliver access and services which are critical to Americans. I thank you again for your continued support of the Department’s mission. I look forward to answering questions about this budget. This concludes my written statement.