



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Provides \$12 billion, which is roughly the same as in previous years. This reflects increases in land and water conservation programs as well as increased funding for oversight of offshore oil and gas drilling. Savings are achieved through decreases in the U.S. Geological Survey, significant reductions to construction programs across the Department, and some tribal program reductions.
- Supports the development of new solar, wind, and geothermal electricity generation capacity, which can create jobs, drive growth and mitigate the effects of climate change.
- Promotes water conservation through programs like the water reuse and recycling effort and WaterSMART, and continues restoration of sensitive ecosystems such as the California Bay-Delta.
- Provides over \$500 million to restructure the Bureau of Ocean Energy Management, Regulation and Enforcement and strengthen oversight of offshore oil and gas operations in the aftermath of the unprecedented Deepwater Horizon explosion and oil spill.
- Improves the return to taxpayers from mineral production on Federal lands and waters through royalty reforms and industry fees.
- Conserves landscapes and promotes outdoor recreation and youth employment in national parks, refuges, and on other public lands through the America's Great Outdoors initiative.
- Reduces the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines.
- Strengthens Native American communities through the Tribal Law and Order Act of 2010 with funding to reduce crime and protect natural resources.

The Department of the Interior's (DOI) mission is to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources;

and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and Insular areas. With this function in mind, as the Nation's economy continues to grow,

the President's 2012 Budget provides \$12 billion for DOI, which is roughly the same as in previous years, and includes mandatory proposals that would save the Treasury about \$3 billion over 10 years. This reflects a continued increase in land and water conservation programs—an Administration priority—and an increase for offshore oil drilling oversight in the wake of the Gulf Coast oil spill. As with all Departments, cuts had to be made in other worthy areas including construction programs for tribal facilities, national parks, wildlife refuges, and public lands.

Invests in Clean Energy Development and Natural Resources for Economic Growth

Funds the Development of Clean Energy and Tackles the Challenges of a Changing Climate. To enhance energy security, create green jobs in new industries, and mitigate the effects of climate change, the Administration proposes key funding increases for renewable energy development and Federal natural resource stewardship. The Budget includes \$73 million to maintain capacity to review and permit new renewable energy projects on Federal lands, with the goal of permitting at least 9,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2011. The Administration proposes funding for a framework of climate science centers and landscape conservation cooperatives that will assist Federal land managers and other affected land, water and wildlife professionals to respond to changes in water resources and habitat due to climate change. The Budget proposes \$48 million for the U.S. Geological Survey to take charge of the Landsat satellite program, which collects remote sensing data that are invaluable for many purposes, including natural resource management and climate research.

Protects and Restores Water Resources and Infrastructure. The Administration continues to focus resources on the Department's Water Conservation activities, including the Bureau of Reclamation's water reuse and recycling (Title

XVI) and WaterSMART grant programs. The Bureau of Reclamation is also helping to bring reliable water supplies through its rural water program to a number of Western States. Moreover, in coordination with other Federal agencies, States, and other stakeholders, the Department is also participating in activities and dedicating resources to foster continued progress in the restoration of a number of sensitive ecosystems, including the California Bay-Delta.

The Administration's water policy goals are dependent upon Federal agencies working together and with State and local governments, Tribes, industry, and the agriculture sector. This outreach and cooperation enables Federal agencies to better identify gaps in information, incorporate stakeholder input, reduce barriers to effective action, and eliminate redundancies. This cooperation has led to numerous actions the Administration has taken to improve national water policy, including: reducing the environmental impacts of surface mining in Appalachia and developing a national framework of reliable, unbiased and current data on freshwater resources. In 2012, the Administration implements the Claims Resolution Act of 2010 with funding for newly enacted water settlements.

Improves the Way Federal Dollars Are Spent

Reorganizes and Reforms the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to Increase Oversight of Offshore Drilling. In the wake of the Deepwater Horizon disaster and subsequent oil spill, the Administration has initiated comprehensive reforms in BOEMRE, the agency that manages offshore oil and gas drilling on the Nation's Outer Continental Shelf (OCS). In addition to establishing greater independence for a new safety and environmental enforcement agency being created as a result of the incident, the Administration is aggressively implementing management reforms to strengthen oversight of OCS oil and gas operations. These investments are consistent with recommendations for stron-

ger oversight made by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling in their January 2011 report. The Budget proposes over \$500 million to restructure BOEMRE; hire new oil and gas inspectors, engineers, scientists, and other key staff to oversee industry operations; establish real-time monitoring of key drilling activities; conduct detailed engineering reviews of offshore drilling and production safety systems; and implement more aggressive reviews of company oil spill response plans. These reforms will also facilitate the timely review of offshore oil and gas permits.

Reduces Funding for Construction Projects. As with all Departments, cuts had to be made in other worthy areas including construction programs for tribal facilities, national parks, wildlife refuges, and public lands. In total, construction costs are reduced from 2010 levels by 36 percent in order to target funds for the highest priority programs.

Provides a Better Return to Taxpayers from Mineral Development. The public received about \$9 billion in 2010 from fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters. A number of recent studies by the Government Accountability Office and DOI's Inspector General have found that taxpayers could earn a better return through more rigorous oversight and policy changes, such as charging appropriate fees and reforming how royalties are set. The Budget proposes a number of actions to receive a fair return from the development of U.S. mineral resources:

- Charging a royalty on select hardrock minerals (such as silver, gold and copper).
- Terminating unwarranted payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines.
- Extending net receipts sharing, where States receiving mineral revenue payments

help defray the costs of managing the mineral leases that generate the revenue.

- Charging user fees to oil companies for processing oil and gas drilling permits and inspecting operations on Federal lands and waters.
- Establishing fees for new non-producing oil and gas leases (both onshore and offshore) to encourage more timely production.
- Making administrative changes to Federal oil and gas royalties, such as adjusting royalty rates and terminating the royalty-in-kind program.

Protects America's Natural Resources and Heritage

Conserves Landscapes and Ecosystems and Promotes Outdoor Recreation. The America's Great Outdoors (AGO) initiative supports Federal, State, local, and tribal conservation efforts while reconnecting Americans, particularly young people, to the outdoors. DOI plays a critical role in AGO by conserving natural and cultural resources, protecting wildlife, and providing recreational opportunities in national parks, refuges, and public lands. The Administration maintains support for land management operations, and fully funds at \$900 million the Land and Water Conservation Fund (LWCF) programs in the Departments of the Interior and Agriculture. The 2012 Budget leverages and integrates efforts of the Fish and Wildlife Service, the National Park Service, the Bureau of Land Management, and the U.S. Forest Service, along with States, Tribes and others, to conserve the most critical landscapes. This includes \$200 million for State LWCF grants, some of which will be competitively awarded to address priorities and leverage resources for urban parks and public-private conservation projects. The Administration also proposes funding for key grant and partnership programs, such as the Challenge Cost Share and historic preservation programs, and reauthorizes DOI's authority

under the Federal Land Transaction Facilitation Act to use proceeds from the sale of low-conservation value lands to acquire additional high-priority conservation lands.

Reduces the Environmental Impacts of Mining. The Budget mitigates the environmental impacts of mining by dedicating and prioritizing funds to clean up abandoned mines and by strengthening the regulation of active coal mining. For abandoned coal mines, DOI currently charges industry an abandoned mine land (AML) fee and allocates receipts to States based on production, rather than on reclamation needs. The Administration proposes to target these coal AML fee receipts at the most hazardous sites through a new competitive allocation process with State participation. It also proposes to establish a new AML fee on hardrock mining, with receipts allocated through a competitive process to reclaim abandoned hardrock mines, so that the hardrock mining industry is held responsible in the same manner as the coal mining industry. As for current coal mining, the Administration

proposes increased funding for DOI to improve oversight, as part of an interagency effort to reduce the environmental impacts of surface coal mining in Appalachia.

Strengthens Tribal Nations. In support of tribal self-determination, the Administration increases funding to compensate Tribes for the work they perform in managing Federal programs under self-determination contracts and self-governance compacts. The Administration continues to focus attention on combating crime in Indian Country through cooperative efforts by Federal, State and tribal entities. In July 2010, the President signed the Tribal Law and Order Act, which addresses many of the public safety challenges that confront tribal communities. In support of these efforts, the Administration proposes funding to operate six new detention centers that were constructed with Recovery Act funds. It also increases funds for tribal courts and additional law enforcement officers, coordinates community policy programs to reduce crime, and protects natural resources in Indian Country.

Department of the Interior
(In millions of dollars)

| | Actual 2010 | Estimate | |
|--|----------------|----------|--------|
| | | 2011 | 2012 |
| Spending | | | |
| Discretionary Budget Authority: | | | |
| Bureau of Land Management | 1,156 | | 1,132 |
| Bureau of Ocean Energy Management, Regulation and Enforcement..... | 191 | | 132 |
| Office of Surface Mining..... | 163 | | 146 |
| Bureau of Reclamation/CUPCA..... | 1,140 | | 1,051 |
| United States Geological Survey | 1,112 | | 1,118 |
| United States Fish and Wildlife Service | 1,651 | | 1,695 |
| National Park Service | 2,781 | | 2,922 |
| Bureau of Indian Affairs | 2,619 | | 2,501 |
| Office of the Special Trustee | 186 | | 152 |
| All other | 1,150 | | 1,280 |
| Wildland Fire (non-add)..... | 858 | | 822 |
| Subtotal, Gross discretionary budget authority..... | 12,149 | 12,086 | 12,129 |
| Mandatory Savings Proposals | | | -72 |

Department of the Interior
(In millions of dollars)

| | Actual 2010 | Estimate | |
|---|----------------|----------|--------|
| | | 2011 | 2012 |
| Total, Discretionary budget authority..... | 12,149 | 12,086 | 12,057 |
| <i>Memorandum:</i> | | | |
| <i>Budget authority from supplementals</i> | 16 | — | — |
| <i>American Recovery and Reinvestment Act rescission.....</i> | -7 | — | — |
| Total, Discretionary outlays | 12,877 | 14,062 | 13,102 |
| Mandatory Outlays: | | | |
| Cobell Settlement | | | |
| Payments from the Judgment Fund | — | -2,000 | — |
| Payments for Trust Land Purchasing..... | — | 100 | — |
| All other | | | |
| Existing law | 423 | 936 | 923 |
| Legislative proposals..... | — | — | -113 |
| Total, Mandatory outlays | 423 | -964 | 810 |
| Total, Outlays | 13,300 | 13,098 | 13,912 |
| Credit activity | | | |
| Guaranteed Loan Commitments: | | | |
| Indian Guaranteed Loan Program | 119 | 108 | 45 |
| Total, Guaranteed loan commitments | 119 | 108 | 45 |