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BUDGET PROPOSAL FOR THE DEPARTMENT OF THE INTERIOR FOR FISCAL YEAR 2013

HEARING

BEFORE THE

COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

SECOND SESSION

TO

CONSIDER THE PRESIDENT'S BUDGET FOR FISCAL YEAR 2013 FOR THE DEPARTMENT OF THE INTERIOR

FEBRUARY 28, 2012

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BUDGET PROPOSAL FOR THE DEPARTMENT OF THE INTERIOR FOR FISCAL YEAR 2013

TUESDAY, FEBRUARY 28, 2012

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

The committee met, pursuant to notice, at 10:03 a.m. in room SD–366, Dirksen Senate Office Building, Hon. Jeff Bingaman, chairman, presiding.

OPENING STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

The CHAIRMAN. OK. Why don't we get started.

This morning, the committee is reviewing the President's proposed budget for the Department of the Interior for fiscal year 2013. We are very pleased to have Secretary Salazar back with us in his old committee room. The Department's proposed budget of $11.7 billion in appropriated funds represents a slight increase over current funding levels. In my view, it's a reasonable proposal. It reflects the difficult choices the President's required to make, given the current fiscal environment that a number of programs, such as the Land and Water Conservation Fund, that I wish were funded at higher levels, but I understand the budgetary constraints the administration is facing.

I want to take a minute to just express my support for the Secretary's determination to adequately fund and carry out the Interior Department's responsibilities for safe and environmentally sound oil and gas production in Federal lands, and particularly in the Outer Continental Shelf. We were commenting in the hall before coming in here that at least it's not 2 years ago, when we had the BP oil spill as a very real issue before our committee. I believe, especially given the challenges of the Deepwater Horizon disaster, the Department has acted properly in continuing to focus on safety issues.

Obviously, there's a lot of concern about gas prices abroad in the land. I do believe that domestic production is important, robust domestic production is important. It needs to be pursued in a responsible way. That clearly is happening. Domestic production of both oil and natural gas are up since 2008. They're projected to continue increasing over the next 10 years to nearly historic levels. Our oil imports continue to decline, and they were down to 49 percent of consumption in 2010, which is an impressive improvement over where we were even 4 or 5 years ago.

I'm pleased that the budget includes increased funding for renewable energy development on public lands as part of the Department's new energy frontier initiative. I understand the Department has approved 29 commercial-scale renewable energy projects and associated transmissions since 2009. I believe these efforts hold great promise, and that renewable projects can yield important energy for our economy in an environmentally responsible way.

I'm also glad to see that the budget proposes enactment of a hardrock abandoned mine land fund for the reclamation of mine sites that threaten human health and safety, and cause environmental degradation. I'm particularly concerned with the legacy of unreclaimed uranium mine sites on Indian lands in States such as mine, in New Mexico. Mr. Secretary, I hope you can work with me and others here on the committee to seek funding to address this very serious issue.

Finally, I'm pleased to see that the Department's budget request demonstrates a strong commitment to implementing the Indian water rights settlements around the country, including funding for a number of settlements in my State of New Mexico.

With that, let me defer to Senator Murkowski for her opening statement.

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

Senator MURKOWSKI. Thank you, Mr. Chairman. Mr. Secretary, good morning. Good to see you. Ms. Haze, Mr. Hayes, welcome to you as well. Thank you for the work that you've been doing on behalf of so many. These are areas that are contentious, most certainly, and with a budget, it even makes them more contentious.

I was raised to recognize those that have tried to work with us and make good things happen, even if it's not as much as I would like, and so I start off my comments this morning by thank you, Mr. Secretary, for your personal involvement in trying to advance some issues that are critically important to my State, and I think to the country, when it comes to domestic oil and gas production.

The last time we were all together was when you came up to the State to visit, to look at some of the issues that we had before us, specifically CD5, at that time, stalled out, because we couldn't get a bridge, permit for a bridge across the area. I had, also, an opportunity to look at the OCS projects and what Shell is pursuing.

Mr. Hayes, I truly appreciate that you have committed as much of your time to help address not only these issues, but some of the other Alaska-specific issues. We've made some progress, and I think it is important to recognize that, but I also appreciate, as you do, that we've got a ways to go. We will continue to work with you, but I appreciate that you are working with us, and I thank you for that.

I would like to address just a couple very Alaska-specific issues, and Mr. Secretary, you and I have had a chance to discuss them. I'm more than a little bit disappointed about within the budget on the Alaska conveyance program, there's an enormous reduction to that program. As you know, we've been working for well over 40 years to try to get the conveyances to our Alaska natives, to try to get the land conveyances that were made upon statehood, which is

now 53 years ago. We're continuing with that, but we can't make these conveyances unless we have that budget.

I addressed our State legislature last week, and one of the early questions that came up was the issue of the Federal Government's role with regards to our Legacy Wells, the 137 wells that were drilled by the Federal Government decades ago, and sit, without attention, literally falling into the landscape. It's an environmental scar. We in Alaska kind of feel that that this is a double standard. The private sector is held to the highest environmental standard, and yet, the Government is saying, well, we can maybe get to 1 or 2 of them a year, and I understand that these are budget priority issues, but, I think we need to figure out how we make them a priority.

One of your priorities is full funding for the Land and Water Conservation Fund. The chairman has indicated his support of that. But it's difficult for me to say, well, we need to work to expand and bring even more Federal lands under the Federal purview, when we're not taking care of the commitments and the responsibilities, the promises that have been made with other lands. So, we need to resolve that.

I also want to bring up the very strange relationship that many Alaskans feel, where the Federal Land Management Agencies and the perceived overreach of the Federal Government into their lives, whether it's the ranger activity on the Yukon River, or the lack of cooperation and coordination by refuge managers. I think these are legitimate grievances. We need to work with you on this. So, I hope that you'll make it a priority to improve that relationship.

Next, is an issue that affects not only Alaska, but many others, and these are the new and the higher fees and royalties from Interior within this budget. I know that the philosophy is that the Federal royalty rate is lower than many State royalty rates, but you've got to admit that this isn't exactly a one-sided bargain. Those States easily trump the Federal Government in terms of regulatory stability. So, when we ask them to pay more, well, providing less, it really doesn't work.

I note that the chairman has mentioned the statistics that the President also has repeated, that oil and gas production is up. That is true. But, when you look to the oil and gas production on Federal lands, we've also seen an 11 percent decrease on the Federal side. So, I think it's important to put that into context.

I am hoping that we will get a little clarity about the disclosure requirements that the Department is working on for hydraulic fracking. The question that I would have is whether it is just that, whether it's a disclosure requirement, as many of the States have advanced, or actually a new set of regulations. I think all of us are looking very critically at this. We want to make sure that this boom that we are seeing across the country, when it relates to our opportunities for hydraulic fracking, combined with horizontal drilling, we recognize that it has vastly increased our natural gas supply, and it's reviving communities, bringing about jobs, but those could all be lost if the Federal Government decides to place onerous and redundant requirements on the technology.

Again, I appreciate your efforts in a very difficult area. Folks back home in Alaska are talking about nothing but energy right

now, and it's not just the price at the pump, but it's all energy. So you are here at a particularly opportune time for us. I thank you, and look forward to questions.

The CHAIRMAN. Mr. Secretary, why don't take whatever time you need to describe the administration's proposed budget, and then we will, obviously, have questions.

Thank you for being here.

STATEMENT OF HON. KEN SALAZAR, SECRETARY, DEPARTMENT OF THE INTERIOR

Secretary SALAZAR. Thank you very much, Chairman Bingaman and Ranking Member Murkowski. Thank you, Senator Wyden, and Senator Barrasso, Senator Lee, and Senator Shaheen, and Senator Franken for all the issues that we work on. Many we agree on, and sometimes we disagree, but I do think that we're making progress on a whole host of fronts on the energy agenda for the United States.

Let me also just say that at the table with me today is Deputy Secretary David Hayes. As Senator Murkowski pointed out, he has done a Herculean effort, in terms of moving forward on Alaska issues, including the coordination of permitting issues in Alaska. Pam Haze, who has been the Budget Director for the Department of the Interior for many years now. I also wanted to say thank you to the staff on both sides, democrat and republican, on this committee that work with us on so many issues.

Let me start out by just characterizing the way that I see this budget. Senator Bingaman and distinguished Senators, I see it as a squeeze budget, with some tough choices and some very painful cuts. It's a budget that cuts government, and requires government to do more with less. It supports job creation. Job creation, I know, is a focus of this committee, a focus of the President. It's job creation and energy, both in the conventional energy, as well as renewable energy.

It supports job creation through conservation and tourism. It supports job creation through the water supplies that we manage on behalf of the people of this country. Last, it honors our important responsibilities to the 566 tribes and Alaskan natives of the United States of America.

Overall, this budget is 3 percent below the budget which was enacted by this Congress in 2011. That's 3 percent below 2011. It's about even with the budget that was enacted in 2012.

Now, let me review each of these pieces in a little more detail. First, in terms of cuts and efficiencies in government, which I know many of you have been focused on, wanting to make sure that the government is run more efficiently. It's a high priority for the President. It's been a high priority for us at the Department of the Interior. This budget foresees that there will be a downsizing of an additional 591 FTE within the Department of the Interior. So, we are asking our employees to do a lot more. This is, in fact, even in the climate where we have asked them to take pay freezes for many years, at this point in time, but we're continuing to figure out a way of doing more with less.

We also have a number of program terminations that are set forth in this budget, and downsizing $517 million of downsizing

and reorganization that's included in this budget. Some of these are painful cuts. The national heritage area programs, which many of you on this committee, have supported, those are cut some $8 million. That's a painful cut. CUPCA, and some of the central Utah project, which I know Senator Lee and the Utah delegation have been very interested in, which we have supported and continue to work on, we have a cut in there of $18 million for the central Utah project. Not cuts that I would like to see, frankly, but given the tough budget times, these are things that we've had to do.

Administrative efficiencies, which include revisions to how we take a look at procurement, and information technology, and a whole host of other administrative functions with the Department, there's budget for 2013 forecasts that we will be able to save $207 million just from administrative efficiencies. So, we're doing everything we can, given the fiscal times that we face here in this country.

I want to spend a few minutes speaking about jobs, and energy, and the other components of the budget that I made some comments at the beginning about.

First, with respect to energy, you will note in the budget there's $662 million for conventional energy. There is $86 million for renewable energy. This is all part of the President's program to move with an all-of-the-above energy strategy. So when we look at the $662 million for conventional oil and gas, it foresees our robust move into moving forward with development of oil and gas resources in the Gulf of Mexico, and all of you, including Senator Landrieu, who was a the point of the sphere on dealing with the Deepwater Horizon Macondo oil spill, know how important it is that we do the job, and that we do it right. So, we appreciate the appropriations from the Congress last year, relative to helping us do our job in the oceans of America. We have a lot more work to do, but we're moving forward, not only in the Gulf of Mexico, and decisions still have to be made on how we will move forward in the Arctic, but preliminary decisions have been made there on additional opportunities there.

On the renewable energy front, which I know Senator Shaheen and others have been so strongly supportive of, along with the chairman, we're doing a lot of different things, but the 29 projects, which Chairman Bingaman mentioned at the beginning, that really has created a renewable energy revolution on public lands. It's not just in California, and Arizona, and New Mexico, but also places Senator Lee, and Milford, Utah, where we see wind energy, and Senator Barrasso, where we're now contemplating and reviewing the potential for a 3,000-megawatt project on the eastern part of Wyoming. There are huge things that are happening in renewable energy. It's something that we're very proud of in the Department, and we couldn't have done it without you.

There are differences in each one of the States. So, for example, Senator Murkowski, small renewable energy projects that would serve some of the Alaskan native villages is something that we are very focused on, and, again, here Deputy Secretary Hayes has been leading an effort to try to bring down the costs of energy for native villages by looking at opportunities with renewable energy, and ac-

tually working with some members of industry to see how we can get that done. So jobs and energy are a big part of this budget.

Second, jobs and outdoor recreation, and conservation and preservation, I think, without a doubt, in each one of your States, there is a huge cornerstone of your economies that is dependent on our outdoor recreation activities. It's the boaters, the hikers, the hunters, the anglers, who bring so much to the economy of the States, from Utah, to New Hampshire, Minnesota, to Virginia. Everywhere around this country, outdoor recreation is a huge addition to our economy.

When we look at job prospects for the next 10 years, we believe that tourism is one of the top 2 areas where we can create additional jobs in the United States of America. I'm proud to say the President has asked me and Secretary Bryson to implement a new tourism strategy that will also focus in on some of the outdoor recreation activities and opportunities that we have as a Nation.

Independent sources, independent reports, outside groups contemplate that there's approximately 8 million jobs a year that are created through outdoor recreation. McKenzie International has predicted that we can create an additional 2.1 to 3.3 million jobs just through outdoor recreation. So, much of what you see in this budget is in support of the job creation that comes through our conservation efforts.

In addition, the Department is moving forward with supporting water supply issues, which are so important to all of you who share the Colorado River Basin, for example. It's an area where the 31 million people who depend on Bureau of Reclamation projects, including the production of much of the food of the United States and the agricultural communities of the Southwest. We continue to push on that agenda. So, there is a $20 million increase for 2012.

It will result in an increase of water supply of some 730,000 acre feet. Now, you think about 730,000 acre feet, that's a very significant amount of water through the WaterSMART program. It's included in this budget, and working with local communities, and with the water users, we expect that we will achieve that goal.

Finally, let me just say that the budget honors the commitment that the United States of America does have to the tribal Nations of the United States. President Obama vowed from day one, when he became President of the United States, that we would change the relationship with Native Americans in this country. As we have implemented that agenda over the last 3 years, we have much to be proud of, from the major Indian water rights settlements, which this committee has helped lead and helped define, to the settlement of Cobell, and so many other efforts.

Law enforcement, we have a number of high-performing priority areas, where we have been able to reduce violent crime on reservations by as high as 36 percent. We intend to continue those law enforcement efforts, and they are set forth in this budget as well.

In conclusion, Mr. Chairman, and all of you, because I consider you to be friends, on this committee, let me just say, this is a good budget, but it is a squeeze budget, and there are tough and painful decisions that are included in this budget. It invests in job creation through energy, conservation, water, science, and in the honoring of our commitment to the tribes of America.

With that, Mr. Chairman, I'd be happy to take questions.
[The prepared statement of Secretary Salazar follows:]

PREPARED STATEMENT OF HON. KEN SALAZAR, SECRETARY, DEPARTMENT OF THE INTERIOR

Mr. Chairman and members of the Committee, I am pleased to be here today to present the details of the 2013 budget request for the Department of the Interior. Interior's 2013 budget totals $11.5 billion, essential level with 2012 funding. The request includes reductions and savings of $516.8 million. We made difficult choices in this budget, sacrificing in many areas, deferring projects, and programming savings for efficiencies in order to maintain funding for key priorities and investments that will contribute to strengthening the economic vitality and well-being of the Nation.

As the President has detailed in his Blueprint for an America Built to Last, the budget proposes investments in an economy that works for everyone. Our budget request supports responsible domestic energy development, advances an America's Great Outdoors strategy to maintain our legacy and stimulate new opportunities, applies science to address the most formidable natural resource challenges, and invests in self-determination and economic development to strengthen tribal Nations.

INTRODUCTION

The mission of the Department of the Interior is to protect and manage the responsible use of America's natural resources, support our cultural heritage and honor the Nation's trust responsibilities to American Indians and Alaska Natives.

Interior's people and programs impact all Americans. According to a Department study, in 2010, Interior programs and activities supported over two million jobs and approximately $363 billion in economic activity. The Department is the steward of 20 percent of the Nation's lands. Interior manages the resources of the national parks, national wildlife refuges, and public lands and assists States, Tribes, and others in the management of natural and cultural resources.

Interior manages many of the Nation's natural resources, including those that are essential for America's industry—oil and gas, coal, and minerals such as gold and uranium. On public lands and the Outer Continental Shelf, Interior provides access for renewable and conventional energy development and manages the protection and restoration of surface mined lands. The Department of the Interior oversees the responsible development of 24 percent of America's domestic oil and gas supplies, while striving to ensure safety and environmental protection and the effective collection of revenue from this development. We estimate that energy and minerals development on Federal lands supported 1.3 million jobs and $246 billion in economic activity in 2010.

The Department is also the largest supplier and manager of water in the 17 Western States, promotes and assists others to conserve water and extend water supplies, and provides hydropower resources used to power much of the Country. The Department estimates that the use of water, timber, and other resources produced from Federal lands supported about 370,000 jobs and $48 billion in economic activity.

Interior works to ensure that America's spectacular landscapes, unique natural life, and cultural resources and icons endure for future generations, tells and preserves the American story, and maintains the special places that enable the shared American experience. In 2012, visitors made 476 million visits to Interior-managed lands and supported an estimated $47 billion in economic activity.

Interior manages and delivers water, arbitrates long-standing conflicts in water allocation and use, and actively promotes water conservation. As one of the Nation's primary natural and cultural resource stewards, the Department makes decisions regarding potential development on the public lands and offshore coastal areas that can greatly impact the Nation's energy future and economic strength. Factored into this balance is the Department's unique responsibility to American Indians and Alaska Natives. The Department supports cutting edge research in the earth sciences—geology, hydrology, and biology—to inform resource management decisions at Interior and organizations across the world and in earthquake, volcano, and other hazards to protect communities across the Nation. Maintaining and building the capacity to carry out these responsibilities on behalf of the American people is Interior's primary focus.

POWERING AMERICA'S ECONOMY

Stewardship of America's lands and natural resources is at the heart of the national spirit and the economy—from the responsible management and development of natural resources and increasingly, the economic power of outdoor recreation.

In 2011, the Department of the Interior generated a total of $13.2 billion in receipts benefitting the U.S. Treasury—from a combination of fees, royalties, rents and bonuses from mineral, timber, and other natural resource development. The Department estimates that conventional and renewable energy produced on Interior lands and waters results in about $230 billion in economic benefits each year. In 2011, of the total receipts generated by Interior, $11.3 billion was collected from energy production on public lands, tribal lands, and Federal offshore areas—a $2.0 billion increase over the previous year—with receipts disbursed and revenues shared among Federal, State, and tribal governments.

Since 2008, oil production from the Federal OCS has increased by 30 percent, from 450 million barrels to more than 589 million barrels in 2010. Balancing the need for safety and environmental enforcement, Interior currently manages over 35 million acres of the OCS under active lease. A recently proposed five-year oil and gas leasing program would make more than 75 percent of undiscovered technically recoverable oil and gas estimated on the OCS available for development.

Onshore, the Bureau of Land Management held 32 onshore oil and gas lease sales in 2011. The BLM offered 1,755 parcels of land covering nearly 4.4 million acres. Nearly three-quarters or 1,296 of those parcels of land offered were leased, generating about $256 million in revenue for American taxpayers. This was a 20 percent increase in lease sale revenue over 2010, following a strong year in which leasing reform helped to lower protests and increase revenue from onshore oil and gas lease sales on public lands. The BLM recently has seen a 50 percent jump in industry proposals to lease for oil and gas exploration. Oil and gas companies nominated nearly 4.5 million acres of public minerals for leasing in 2011, up from just under 3 million acres the year before. Industry nominations are the first step in the BLM leasing process. After evaluating the parcels, BLM may offer them at auction. Successful bidders can then apply to drill for oil and gas.

Interior is moving aggressively to put the President's energy strategy, Blueprint for a Secure Energy Future, into action and expand secure energy supplies for the Nation—a strategy that includes the responsible development of renewable energy sources on the public lands. At the start of this Administration, there were no solar energy facilities sited on the public lands, and wind energy development was relatively limited compared to development on private lands. Since March 2009, 29 onshore projects that increased approved capacity for production and transmission of power have been approved including the first ever utility scale solar project, five wind projects, and eight geothermal projects. The Cape Wind Energy Project, approved for construction and operation, is the first ever offshore commercial wind operation. The 2013 budget reflects an expansion of these accomplishments with the goal of permitting 11,000 megawatts by the end of 2013.

The President's Blueprint recognizes the economic potential of renewable energy development. The economic benefits could be particularly significant in America's remote and rural places near public lands. The Department's 2010 estimates identified nearly $5.5 billion in economic impacts associated with renewable energy activities, a growing economic sector that supports high paying jobs.

GROWING THE ECONOMY OUTDOORS

Interior is at the forefront of the Administration's comprehensive effort to spur job creation by making the United States the world's top travel and tourism destination. In a recent statement, President Obama cited Department of Commerce figures showing that in 2010, international travel resulted in $134 billion in U.S. exports. International travel to the U.S. is the Nation's largest service export industry, with seven percent of total exports and 24 percent of service exports. The Bureau of Economic Analysis estimates that every additional 65 international visitors to the United States can generate enough exports to support an additional travel and tourism-related job. According to the travel industry and Bureau of Economic Analysis, international travel is particularly important as overseas or "long-haul" travelers spend on average $4,000 on each visit.

President Obama has asked me to co-chair an interagency task force with Commerce Secretary Bryson to develop a National Travel and Tourism Strategy to expand job creation by promoting domestic and international travel opportunities throughout the United States. A particular focus of the Task Force will be on strategies for increasing tourism and recreation jobs by promoting visits to the Nation's national treasures. The Department of the Interior manages iconic destinations in

the national parks, wildlife refuges, cultural and historic sites, monuments, and other public lands that attract travelers from around the country and the globe. According to a Departmental study, in 2010, 437 million visits were made by American and international travelers to these lands, contributing $47.9 billion in economic activity and 388,000 jobs. Eco-tourism and outdoor recreation also have an impact on rural economies, particularly in Arizona, California, Colorado, Florida, Nevada, North Carolina, Oregon, Utah, and Wyoming.

Interior is working to maximize the benefit of the outdoors for the millions of Americans at home. Hunting, fishing, and outdoor recreation contribute an estimated $730 billion to the U.S. economy each year. More than 12 million Americans hunt; more than 30 million Americans fish; and three out of four Americans engage in some kind of healthy outdoor activity. One in twenty U.S. jobs is in the recreation economy.

Through the America's Great Outdoors initiative, the Administration continues to expand opportunities for recreation—through partnerships with States and others and the promotion of America's parks, refuges, and public lands. The 2013 budget requests $5.1 billion in support of this initiative, a $145.6 million increase compared to 2012. Funding is focused on programs supported through the Land and Water Conservation Fund, land management operations, and other grant and technical assistance programs that promote conservation and improve recreational access.

By encouraging innovative partnerships in communities across the Nation, the Administration is expanding access to rivers and trails, creating wildlife corridors, and promoting conservation while working to protect historic uses of the land including ranching, farming, and forestry. As part of America's Great Outdoors, Interior is supporting 101 signature projects in all States across the Country to make parks accessible for children, create great urban parks and community green spaces, restore rivers, and create recreational blueways to power economic revitalization. Projects were selected in concert with governors, tribal leaders, private landowners, and other stakeholders, and were evaluated based on the level of local support, the ability of states and communities to leverage resources, and the potential to conserve important lands and promote recreation.

The America's Great Outdoors initiative is being implemented in partnership with communities and stakeholders across the Country. In January of this year, I accepted the first donation of land in south-central Florida to officially establish the Everglades Headwaters National Wildlife Refuge and Conservation Area—conserving one of the last remaining grassland and longleaf pine savannah landscapes in eastern North America. The new refuge and conservation area—the 556th unit of the national wildlife refuge system—was established with the support of local ranchers, farmers, and landowners who are working cooperatively with Interior and the Fish and Wildlife Service to conserve the wildlife values on their lands while retaining their right to raise livestock or crops, an approach championed by the Obama Administration.

The Everglades Headwaters National Wildlife Refuge and Conservation Area is one example of the new parks and refuges Interior has recently established to protect key natural and cultural resources for future generations. In addition to 650 miles of new national trails, designation of several national natural and historic landmarks, Interior welcomes the Martin Luther King, Jr. Memorial in Washington, D.C.; the Paterson Great Falls National Historical Park in New Jersey; the Fort Monroe National Monument in Virginia; the Dakota Grassland Conservation Area in North and South Dakota; New Mexico's first urban national wildlife refuge, the Middle Rio Grande National Wildlife Refuge in Albuquerque; and a signature America's Great Outdoors project in the Crown of the Continent Conservation Area in Montana. Interior launched significant efforts to protect America's enduring icons including upgrading the Statue of Liberty, initiating repairs to earthquake damage at the Washington Monument, and withdrawal of over one million acres in the vicinity of the Grand Canyon from additional uranium and hardrock mining, to protect and preserve the natural beauty of the Grand Canyon.

Interior's 2013 budget request for appropriations from the Land and Water Conservation Fund includes a total of $450 million for Interior and Forest Service Program. The budget requests $212.0 million for Federal land acquisition within national parks, national wildlife refuges, and BLM public land boundaries, including $83.6 million for a collaborative program to support landscape-scale conservation projects developed in a collaborative process conducted by the Forest Service and Interior land management bureaus. Investments in ecologically important landscapes will be coordinated with State and local efforts to maximize ecosystem benefits, support at-risk species, and create wildlife corridors. The request includes $128.4 million for acquisition to facilitate protection of parks, refuges, and BLM designated areas based on bureau mission-specific priorities.

The 2013 Federal land acquisition budget for BLM includes funding to will improve access for hunters and anglers to the public lands. Often these sportsmen and women are frustrated by complicated "checkerboard" land ownership and are unable to access BLM lands that provide recreation opportunities. The budget includes $2.5 million that will be used to purchase easements to alleviate these challenges and provide improved access for public recreation.

An additional $120 million is proposed for key grant programs supported by the LWCF, including $60 million each for the Cooperative Endangered Species Conservation Fund program and State LWCF grants.

SPURRING GROWTH AND INNOVATION THROUGH SCIENCE

Investments in research and development promote economic growth and innovation, ensure American competitiveness in a global market, and are critical to achieving the mission of the Department of the Interior. Investments in Interior's research and development will improve management of U.S. strategic energy and mineral supplies, water use and availability, and natural hazard preparedness. Sustainable stewardship of natural resources requires strong investments in research and development in the natural sciences.

Research and development funding is increased by nearly $60 million in the 2013 budget, with R&D funding increases among all of the DOI bureaus, and particularly USGS, FWS, BSEE, BLM and BOR. With these investments, Interior will support research that addresses critical challenges in energy production and the management of ecosystems, invasive species, public lands, and water.

Recent technology and operational improvements have led to increased use of hydraulic fracturing in developing natural gas resources. To ensure the prudent and sustainable development of this important source of domestic energy, economic development, and job creation, the 2013 budget invests in research and development that proactively addresses concerns about the potential impacts of hydraulic fracturing on air, water, ecosystems, and earthquakes. The 2013 budget supports a $45 million interagency research and development initiative by the USGS, the Department of Energy, and the Environmental Protection Agency aimed at understanding and minimizing potential environmental, health, and safety impacts of shale gas development and production through hydraulic fracturing.

The BOEM is working with the University of Texas and a team of arctic researchers on a five year comprehensive study of the Hanna Shoal ecosystem in the Chukchi Sea off Alaska's northwest coast. Past studies have identified this area as an important biological ecosystem, which supports a high concentration of marine life. Valuable data on physical and biological processes in the area obtained from this research effort will be combined with the results of previously conducted studies. The resulting information will be used by industry, as well as by BOEM in decisions regarding energy development in this region, and will be included in future National Environmental Policy Act analyses.

In 2011, USGS used cutting edge technology to complete the genome sequencing of the fungus that causes the skin infection that is a hallmark of the white-nose syndrome, which is decimating bat populations across the country. This sequencing will support further research that is necessary to develop management strategies to mitigate the spread of the syndrome among bats. Recognizing the impact of this is not limited to wildlife health, USGS and university partners produced a study which determined that bats contribute $3.7 billion to the agricultural economy by eating pests that are harmful to agricultural and forest commodities. The 2013 budget provides $1.8 million for USGS to conduct further research and development to address this critical issue.

In 2013, the Budget requests a $2 million increase in the BLM Wild Horse and Burro program to fund research on contraception/ population control. Research may include topics such as studies on herd genetics, animal behavior and overall rangeland use as it relates to sterilization and other population growth suppression techniques. The goal of the research will be to develop additional methods to minimize wild horse population growth and maintain herd health.

DELIVERING SUSTAINABLE GROWTH THROUGH WATER

Although the Bureau of Reclamation is within the jurisdiction of the Energy and Water Subcommittee, it plays a critical role in addressing the Nation's water challenges which are of interest the Subcommittee. Reclamation maintains 476 dams and 348 reservoirs with the capacity to store 245 million acre-feet of water. The bureau manages water for agricultural, municipal, and industrial use, and provides flood control and recreation for millions of people. Reclamation's activities, including

recreation, generate estimated economic benefits of over $55 billion and support nearly 416,000 jobs.

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

WaterSMART, established in 2010, has assisted communities in improving conservation, increasing water availability, restoring watersheds, resolving long-standing water conflicts, addressing the challenges of climate change, and implementing water rights settlements. The program has provided more than $85 million in funding to non-Federal partners, including Tribes, water districts, and universities, including $33 million in 2011 for 82 WaterSMART grant projects. In December, Interior released a report on the effectiveness of the WaterSMART program, which demonstrates the importance of this work to the sustainability of resources in the Colorado River Basin.

Another example of Interior's efforts to stretch water resources is the Yuma Desalting Plant in Arizona. Reclamation recently completed a year-long pilot operation of the Plant in collaboration with California, Arizona, and Nevada water agencies. The pilot demonstrated the capability of the Plant to augment Lower Colorado River supplies and produced sufficient water for use by about 116,000 people in a year. Reclamation and the regional water agencies are reviewing the results of this effort to evaluate the potential for long-term and sustained operation of the desalting plant.

ENCOURAGING ECONOMIC DEVELOPMENT IN INDIAN COUNTRY AND HONORING TRUST RESPONSIBILITIES

The Department has a unique responsibility to American Indians and Alaska Natives, which is upheld by Interior's support for a robust government-to-government relationship as demonstrated by a new comprehensive and transparent consultation policy that ensures there is a strong, meaningful role for tribal governments. The Department and the President hosted the third White House Tribal Nations Conference in December 2011, bringing together tribal leaders from across the United States and enabling tribal leaders to interact directly with Administration representatives and identify priority actions for American Indians and Alaska Natives.

In 2011, Interior began planning to implement the landmark $3.4 billion settlement of the Cobell v. Salazar lawsuit, and appointed a Secretarial Commission on Trust Administration and Reform to oversee implementation of the Settlement agreement. The Commission is undertaking a forward looking, comprehensive evaluation of Interior's management of nearly $4 billion in American Indian and tribal trust funds—with the goal of making trust administration more transparent, responsive, customer focused, and accountable.

The Department held regional consultations across the Country to set the framework for the Cobell land consolidation program. The Settlement establishes a $1.9 billion fund for the voluntary buyback and consolidation of fractionated land interests to provide individual American Indians with an opportunity to obtain cash payments for divided land interests and consolidate holdings for economic and other uses, a significant benefit for tribal communities. Almost four million individually owned interests involving nearly nine million acres have been identified as part of this effort.

To further encourage and speed up economic development in Indian Country, the Department took a significant step forward announcing the sweeping reform of antiquated, "one-size-fits-all" Federal leasing regulations for the 56 million surface acres the Federal government holds in trust for Tribes and individual Indians. The proposed rule identifies specific processes—with enforceable timelines—through which the Bureau of Indian Affairs must review leases. The regulation establishes separate, simplified processes for residential, business, and renewable energy development, so that, for example, a lease for a single family home is distinguished from a large solar energy project. The proposed regulation incorporates many changes requested by tribal leaders during extensive consultations this past year to better meet the goals of facilitating and expediting the leasing process for trust lands. During the initial consultation period more than 2,300 comments were received from more than 70 Tribes as well as several Federal agencies, including the Departments of Housing and Urban Development, Agriculture, and the Internal Revenue Service.

The BIA regulatory drafting workgroup is expected to review the comments and publish the final rule in 2012.

The Claims Resolution Act of 2010 settled the Cobell lawsuit and four settlements that will provide permanent water supplies and economic security for the five New Mexico Pueblos of Taos, the Crow Tribe of Montana, and the White Mountain Apache Tribe of Arizona. The agreements will enable construction and improvement of reservation water systems, irrigation projects, a regional multipueblo water system, and codify water-sharing arrangements between Indian and neighboring communities. The primary responsibility for constructing water systems associated with the settlements was given to the Bureau of Reclamation and BIA is responsible for the majority of the trust funds.

Reclamation is requesting $21.5 million in 2013 for the continued implementation of these four settlements and $25.0 million for the Navajo-Gallup Water Supply project. In total, the Indian Affairs budget includes $36.3 million for ongoing Indian land and water settlements, which includes $9.5 million for the seventh and final payment for the Nez Perce/Snake River Water Rights Settlement.

A key responsibility for Indian Affairs is ensuring and improving the safety of Indian communities. Some Indian reservations experience violent crime rates that are twice the national average. The high crime rates are a key issue for tribal leaders as they degrade the quality of life for residents, attract organized crime, and are a real disincentive for businesses to consider these communities for economic development. FY 2011 was the second year of a two-year pilot at four reservations to conduct expanded community policing, equip and train the law enforcement cadre, partner with the communities to organize youth groups and after school programs, and closely monitor results. The results exceeded expectations with a 35 percent overall decrease in violent crime in the four communities. Information about the four reservations is being analyzed and the program will be expanded in 2013 to an additional two communities. The 2013 budget includes $353.9 million for Public Safety and Justice programs, a program increase of $8.5 million to support this expansion and other public safety activities.

INTERIOR'S BUDGET IN CONTEXT

President Obama has challenged agencies to encourage American innovation, employ and educate young people, rebuild America, and promote economic development. Interior's 2013 budget invests in areas that are responsive to these challenges and more. This budget continues funding for important programs that will protect the Nation's significant natural resources and cultural heritage, makes strategic investments in energy development, advances partnerships to leverage resources, and seeks improved outcomes for Indian communities. At the same time, this budget recognizes the need for fiscal responsibility. The priority programs that are level funded with 2012 and limited strategic investments proposed in 2013 are balanced by reductions in lower priority programs, deferrals and planning efficiencies.

Taking Fiscal Responsibility—Interior made its 2013 budget decisions in the context of the challenging fiscal environment. The 2013 budget of $11.5 billion, including Reclamation, eliminates and reduces lower priority programs, defers project start-ups, reduces duplication, streamlines operations, and captures savings. The 2013 request is $97.9 million, essentially level with 2012 enacted and $280.4 million below 2011.

The 2013 budget contains $516.8 million in program terminations, reductions, and savings from administrative efficiencies. Staffing reductions of 591 FTEs are planned for 2013, a reduction of 741 FTEs from 2011 levels. These personnel reductions are focused on areas where there are funding reductions. Staffing reductions will be achieved through attrition, and buy-outs in order to minimize the need to conduct reductions in force to the greatest extent possible.

This budget is responsible, with strategic investments in a few, targeted areas, and maintains the core functions that are vital to uphold stewardship responsibilities and sustain key initiatives. The budget also continues efforts to shift program costs to industry where appropriate. Permanent funding that becomes available as a result of existing legislation without further action by the Congress results in an additional $6.0 billion, for $17.5 billion in total budget authority for Interior in 2013.

Administrative Savings—As part of the Administration's Campaign to Cut Waste, the Department will achieve additional administrative efficiencies that result in cumulative savings of $207.0 million from 2010 to 2013. These reductions are being implemented throughout Interior and result from changes in how the Department manages travel, employee relocation, acquisition of supplies and printing services, and the use of advisory services. The proposed savings in administrative functions

will not have an impact on programmatic performance, and to the greatest extent possible savings will be redirected into priority programmatic areas.

The Department's 2013 budget reflects a freeze on Federal salaries for 2012 and a 0.5 percent pay increase in 2013. The budget fully funds fixed costs for the civilian pay increase, anticipated changes in the Federal contributions to health benefits, rent increases, changes in workers and unemployment compensation costs, programs financed through the Working Capital Fund, and specific contract requirements for P.L. 93-638 agreements with Tribes.

Cost Recovery—Significant portions of Interior's budget are funded by cost recovery, offsetting collections, and discrete fees linked to uses of lands and resources. The budget proposes to increase cost recovery to offset the cost of some resource development activities that provide clear benefits to customers. The proposed fees on oil and gas inspections are consistent with the recommendations of the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling. The Commission's report stated the oil and gas industry should be "required to pay for its regulators" so that the costs of regulation "would no longer be funded by taxpayers but instead by the industry that is permitted to have access to a publicly owned resource."

The budget includes $48.0 million from new inspection fees to be paid by onshore oil and gas producers. Instituting these fees will allow for a $10.0 million program increase to be used to strengthen the BLM inspection program, along with a $38.0 million decrease in current appropriations for BLM as a whole. Similar fees were proposed in 2012 but not adopted due to concerns about impacts on the producers. The fees would be on average, 0.2 percent of the annual income collected by the producers. In addition to the proposed onshore inspection fees, estimated fee collections from the offshore oil and gas inspections instituted in 2012 are slightly increased in 2013 to $65.0 million. This fee-based funding is critical to maintaining the Administration's aggressive implementation of a robust offshore safety program.

The 2013 budget proposes a new grazing administrative fee of $1.00 per animal unit month on a three-year pilot basis. The fee is estimated to generate $6.5 million in 2013 and will be used to assist BLM in processing grazing permits. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing fee as a cost recovery fee after the pilot expires. The 2013 budget continues an offsetting collection initiated in 2012, allowing the Office of Surface Mining to retain coal mine permit application and renewal fees for the work performed as a service to the coal industry. An estimated $3.4 million will be collected in 2013.

MAJOR CHANGES IN THE 2013 REQUEST

The Department's 2013 budget request totals $11.5 billion in current authority including $10.5 billion for programs funded by the Interior, Environment, and Related Agencies Appropriations Act. This is $140.3 million, or 1.4 percent, above the 2012 level. The 2013 request for the Bureau of Reclamation including the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is $1.0 billion in current appropriations, $42.4 million or 3.9 percent below the 2012 level.

Interior continues to generate more revenue for the U.S. Treasury than its annual appropriation. In 2013, Interior will generate receipts of approximately $13.9 billion and propose mandatory legislation with a total net savings of roughly $2.5 billion over ten years.

Bureau of Land Management—The 2013 request is $1.1 billion, essentially level with the 2012 enacted budget. This includes a decrease of $8.2 million for BLM's two operating accounts, an increase of $11.2 million for Land Acquisition, and a reduction of $3.6 million that eliminates the Construction account.

To advance the America's Great Outdoors initiative, the request includes $6.3 million in programmatic increases for recreation, cultural resources, and the National Landscape Conservation System for BLM to expand and improve opportunities for recreation, education, and scientific activities while enhancing the conservation and protection of BLM managed lands and resources.

The BLM will continue to promote and facilitate the development of renewable energy on public lands, as part of the New Energy Frontier initiative. The 2013 budget includes a program increase of $7.0 million for renewable energy to support wind, solar, and geothermal energy. An additional $13.0 million in program increases are requested to maintain and strengthen management of the oil and gas program, along with a requested $10 million increase in mandatory funding specifically focused on strengthening BLM's oil and gas inspection program. These increases would be more than offset by $48.0 million in proposed inspection fees to

shift the cost of the oil and gas inspection and enforcement activity from taxpayers to the oil and gas industry.

The other major program increase is $15.0 million to implement sage grouse conservation and restoration measures to help prevent the future listing of the species for protection under the Endangered Species Act. The BLM will use $10.0 million of the requested increase to incorporate the necessary protections into BLM's land use plans to address conservation of the sage grouse. These plans will guide energy development, transportation, and other uses and ensure conservation of sage grouse habitat. The remaining $5.0 million funds on-the-ground projects to restore and improve sage grouse habitat and additional inventory, monitoring, and mapping efforts to delineate areas of highest priority habitat in the range of the sage grouse. Other program increases in the BLM budget include $1.5 million for the Secretary's Western Oregon Strategy, $2.0 million for research and development on population control in the Wild Horse and Burro Management program, and $4.4 million in the Resource Management Planning program to support high priority planning efforts.

A $15.8 million program decrease is proposed in the Rangeland Management program, however, the impact of this funding decrease will be mitigated by a new grazing administrative processing fee of $1.00 per animal unit month that BLM proposes to implement on a pilot basis through appropriations language, estimated to raise $6.5 million in 2013. The 2013 budget reduces programmatic funding for the Alaska Conveyance program by $12.4 million from the 2012 level. Interior will explore opportunities to further streamline the program. A $3.5 million program reduction is proposed in the Public Domain Forest Management program.

Bureau of Ocean Energy Management—The 2013 operating request is $164.1 million, including $62.7 million in current appropriations and $101.4 million in offsetting collections. This is an increase of $3.3 million above the 2012 enacted level.

The 2013 budget includes program increases of $2.0 million from the 2012 enacted level for activities to promote offshore conventional and renewable energy development that is safe and environmentally responsible. Increased funding will be used to develop baseline characterization and monitoring capabilities in the Gulf of Mexico that are required as a result of the Deepwater Horizon incident, as well as to support renewable energy lease auctions.

Bureau of Safety and Environmental Enforcement—The 2013 operating request is $222.2 million, including $96.3 million in current appropriations and $125.9 million in offsetting collections. This is an increase of $24.8 million above the 2012 enacted level. The $4.8 million increase for offsetting collections includes an estimated $3.0 million increase in inspection fee collections.

The 2013 budget includes funds to increase operational safety capabilities, develop the National Offshore Training and Learning Center for inspectors, and conduct research and development activities on critical safety systems associated with offshore oil and gas development.

Office of Surface Mining—The 2013 budget request is $140.7 million, a decrease of $9.5 million from the 2012 enacted level. The reduction reflects decreases in grants to States and Tribes to encourage regulatory programs to recover costs from fees charged to the coal industry and finalize the transition of abandoned mine land reclamation from discretionary to mandatory funding.

I signed a Secretarial Order on October 26, 2011, to review certain functions of OSM and BLM for potential consolidation. As part of this effort, I asked the Directors of OSM and BLM and other Interior officials to report by February 15, 2012 on the results of discussions with the bureaus' employees, congressional committees, and interested parties, such as Tribes, State regulatory officials, industry representatives, and representatives of communities affected by coal mining. Our efforts in consolidation will respect existing law and identify actions that will strengthen these two bureaus.

Bureau of Reclamation—The 2013 budget request for the Bureau of Reclamation totals $1.0 billion, including the Central Utah Project Completion Act program. Interior's 2013 budget proposes to consolidate the CUPCA program with the Bureau of Reclamation. This will allow the Department to evaluate the priority of the CUPCA program in the context of other water programs. The 2013 CUPCA request is $21.0 million, a decrease of $7.7 million from the 2012 enacted level. The Bureau of Reclamation total adjusted in 2012 to include CUPCA funding, is a decrease of $42.4 million below the 2012 enacted level.

Reclamation's 2013 request reflects reductions due to the completion of the construction of Animas-La Plata and the Central Valley Project Red Bluff pumping plant and fish screen, discontinues the Geographically Defined Investigation Programs and Rural Water Program, Title I, and does not continue the following congressional additions in the 2012 enacted budget: fish passage and fish screens;

water conservation and delivery studies, projects and activities; and environmental restoration and compliance.

The 2013 budget includes $7.1 million to begin implementation of actions under the Klamath Basin Restoration Agreement that are currently authorized under existing law, and some increases in programs such as: rural water projects, which includes a $9.2 million increase to complete the construction of the Mni Wiconi Project in South Dakota by the 2013 sunset date; the WaterSMART program; and the Safety of Dams program.

Funding for Native American programs in Water and Related Resources shows a reduction of $52.1 million, reflecting the shift of $46.5 million to the requested new Indian Water Rights Settlements account and smaller decreases. Reclamation is requesting the establishment of an Indian Water Rights Settlements account in 2013 to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. The total for Reclamation's implementation of Indian water rights settlements in 2013 is $106.5 million, $46.5 million in current funding and $60.0 million in permanent authority.

U.S. Geological Survey—The USGS budget request is $1.1 billion, $34.5 million above the 2012 enacted level. The President's budget supports science, monitoring, and assessment activities that are critical to understanding and managing the ecological, mineral, and energy resources that underlie the prosperity and well-being of the Nation. The 2013 budget includes a program increase of $51.0 million to fund research and development priorities in disaster response, hydraulic fracturing, coastal and ocean stewardship, and ecosystem restoration. The budget also supports the Secretary's initiatives in responsible energy development and further resolution of water challenges with funding above the 2012 enacted level.

The USGS budget also includes investments in important science programs to help meet societal needs. A program increase of $13.0 million above 2012 for the WaterSMART Program will be used to conduct research on predictive models on regional water availability, explore methods of integrating and disseminating data through science platforms, and establish a National Groundwater Monitoring Network.

A program increase of $8.6 million is requested to improve rapid disaster response to natural disasters. Funding will be used to improve capacity to provide timely and effective science and information products to decision makers, in order to minimize the risks hazards pose to human and natural systems. Funding will be invested in capability improvements to the USGS monitoring networks for rapid response to earthquakes, volcanoes, volcanic ash, debris flow, tsunamis, floods, hurricanes, and other potential threats to populations and infrastructure.

The budget includes a program increase of $13.0 million to support the hydraulic fracturing research and development effort with the Department of Energy and Environmental Protection Agency to understand and minimize potential adverse environmental, health, and safety impacts of shale gas development through hydraulic fracturing. New work will build on existing efforts and address issues such as water quality and quantity, ecosystem impacts, and induced seismicity.

With a program increase of $16.2 million, USGS will conduct science in support of ecosystem management for priority ecosystems such as the Chesapeake Bay, California Bay-Delta, Columbia River, Everglades, Puget Sound, Great Lakes, Upper Mississippi River, and the Klamath Basin. With an increase of $2.0 million, the USGS will address overarching ecosystem issues related to the invasive brown tree snake, white-nose syndrome in bats, and coral reef health. These increases will provide information management and synthesis and land change science support for these ecosystem activities. Included in the total above is $500,000 identified for research efforts through the DOI Climate Science Centers to enhance work with Tribes to understand the impacts of climate change on tribal lands. Funding increases will also support priorities in sustaining our National environmental capital, including development of the first coordinated multi-departmental effort of its kind to develop a standardized ecosystem services framework.

The 2013 budget also provides a program increase of $6.8 million to sustain and enhance existing activities and for a new initiative on Science for Coastal and Ocean Stewardship that supports priority objectives of the National Ocean Policy in the areas of marine and coastal science, resource and vulnerability assessments, ecosystem based management, and providing science based tools to inform policy and management. The USGS will work with partners to provide access to comprehensive maps and assessments of seabed and coastal conditions and vulnerability. The increase will improve the integrated science needed to inform development of resources while conserving the Nation's coastal and marine ecosystems.

Fish and Wildlife Service—The 2013 budget includes $1.5 billion, an increase of $72.0 million above the 2012 enacted level. In addition, the budget includes a $200.0

million cancellation of prior year unobligated balances in the Coastal Impact Assistance program. The budget includes America's Great Outdoors increases of $20.9 million in the Resource Management account and $52.3 million for land acquisition. There is a $3.9 million increase in the North American Wetlands grants program, a component of the AGO initiative. State and Tribal Grants are funded at $61.3 million, level with 2012. Funding for the Construction account is reduced by $3.9 million.

The budget proposes a program increase of $4.0 million for activities associated with energy development. This enables FWS to participate fully in priority landscape level planning and assist industry and State fish and wildlife agencies as they plan for renewable energy projects and transmission corridor infrastructure. The 2013 budget continues the commitment to ecosystem restoration by including $13.5 million for the Everglades, an increase of $3.0 million; $4.9 million for California's Bay-Delta, level with 2012; $10.2 million for the Gulf Coast, level with 2012; $10.3 million for the Chesapeake Bay, a program increase of $145,000; and $47.8 million for the Great Lakes, a program increase of $2.9 million. Funding for the Cooperative Landscape Conservation and Adaptive Science activity is $33.1 million, an increase of $856,000. This funding supports the operation of 14 Landscape Conservation Cooperatives.

The budget includes $994.7 million available under permanent appropriations, most of which will be provided in grants to States for fish and wildlife restoration and conservation.

The 2013 budget proposes a reduction of $14.0 million to eliminate the discretionary contribution to the National Wildlife Refuge Fund payments to counties to offset local tax loss due to Federal land ownership. An estimated $8 million in mandatory receipts collected and allocated under the program would remain. Payments collected by counties can be used for non-conservation purposes and as such, this Fund does not provide the high priority conservation benefits delivered by other FWS programs. The budget also proposes the cancellation of $200 million in prior year balances within the Coastal Impact Assistance Program.

National Park Service—The 2013 budget includes $2.6 billion, $1.0 million below the 2012 enacted level. Within the total available for NPS in 2013, $2.4 billion is for programs that support the goals of the America's Great Outdoors initiative. The budget proposes strategic increases to advance the goals of the initiative, including increases of $13.5 million for park operations and $17.5 million for Land Acquisition and State Assistance. The budget proposes reductions of $7.8 million in the National Recreation and Preservation account from the National Heritage Areas program, and $24.2 million from Construction. The request for the Historic Preservation Fund is level with 2012—grants to States and Tribes are continued at the 2012 level of $55.9 million.

Select programmatic increases in the park operations account include $5.0 million for Climate Change Adaptive Management tools, $2.0 million for U.S. Park Police operations including $1.4 million in support of the Presidential Inauguration, $1.2 million for National Capital Area parks in support of the Presidential Inauguration, and $610,000 for the Challenge Cost Share program. These increases are offset with strategic reductions of $24.8 million to park operations and service-wide programs.

Funding for Land Acquisition and State Assistance totals $119.4 million and includes a programmatic increase of $2.5 million for Federal land acquisition. The Land Acquisition proposal includes $9.0 million for matching grants to States and local entities to preserve and protect Civil War battlefield sites outside the national park system. The budget also requests a programmatic increase of $15.1 million for the State Assistance grant program. The $60.0 million request for State grants includes $20.0 million for competitive grants that support urban parks and green spaces, blueways, and landscape level conservation projects in communities that need them the most.

Funding for Construction includes a programmatic reduction of $25.3 million for line-item construction projects, however, the budget proposes funding for the most critical health and safety projects in the national park system. It also includes programmatic reductions of $1.5 million from construction program management and planning, $760,000 from the housing improvement program, $443,000 from construction planning, $450,000 from management planning, and $228,000 from equipment replacement.

Indian Affairs—The 2013 budget includes $2.5 billion for Indian Affairs programs, a decrease of $4.6 million from the 2012 enacted level. This includes an increase of $11.7 million for Operation of Indian Programs and a decrease of $17.7 million in the Construction account. The budget includes an increase of $3.5 million in Indian Land and Water Claim Settlements and a decrease of $2.1 million in the Indian Guaranteed Loan program.

In 2013, the largest increase, $8.8 million, is in Contract Support Costs and the Indian Self-Determination Fund, both high priorities for Tribes. Public Safety and Justice activities receive a program increase of $8.5 million to support additional police officers and detention corrections staff.

The budget proposes program increases of $7.8 million for the Trust Natural Resources programs and $7.0 million for Trust Real Estate Services programs. Funding increases for Trust Land Management programs are proposed to assist Tribes in the management, development, and protection of Indian trust land and natural resources. The budget proposes a $2.5 million program increase to support increasing enrollment at tribal colleges.

The 2013 request reflects a reduction of $19.7 million as the bureau will undergo a consolidation in 2013 to streamline and improve oversight operations. The BIA will engage in extensive consultation with Tribes to identify strategies that will ensure tribal needs and priorities are addressed. Following consultation, Indian Affairs will construct an implementation plan for a streamlined, cost-effective organization. The budget also includes $13.9 million in administrative savings from reductions to fleet, travel, contractors, and awards.

Departmental Offices and Department-wide Programs—The 2013 request for the Office of the Secretary is $261.6 million, a reduction of $266,000 from the 2012 enacted level. Of this, $119.6 million is for Office of Natural Resources Revenue including a program increase of $1.2 million to complete termination of the Royalty-in-Kind program and a program decrease of $2.3 million for completed information management system upgrades. The budget for OS includes a program increase of $1.6 million for minerals receipts modeling development to improve revenue estimation and reporting capabilities and a program increase of $2.0 million for facilities rent necessitated by the delay in the Main Interior Building modernization project. Other changes include a general program reduction of $3.7 million and the transfer of the Indian Arts and Crafts Board from OS to BIA resulting in a reduction of $1.3 million.

The Department's 2013 request for the Working Capital Fund appropriation is $70.6 million, an increase of $8.7 million from the 2012 enacted level. Within this request is $62.1 million to continue deployment of the Financial and Business Management System including implementation of the acquisition and financial assistance functionality as recommended by an independent assessment of the program. The budget proposes an increase of $3.5 million to improve Interior's stewardship of its cultural and scientific collections and an increase of $2.5 million to expand collaboration similar to the Service First to improve delivery and operating costs. Proposed reductions include $5.0 million to reflect the shift of the Department's Information Technology Transformation initiative from appropriated funds to the Departmental Working Capital fund and $2.5 million for completion of the Department's Acquisition Improvement initiative.

Major changes in other Departmental programs include an increase of $243.0 million in the Wildland Fire Management program. The net increase is comprised of a program increase of $195.8 million that fully funds the 10-year suppression average and a program reduction of $39.0 million in the Hazardous Fuels Reduction program reflecting a refocusing of the program toward treatments in the wildland-urban interface.

The budget request for the Office of Insular Affairs is $88.0 million, a decrease of $16.4 million from the 2012 enacted level. The budget includes $5.0 million to mitigate the impacts and costs of Compact migration and $3.0 million to implement energy projects identified by the Territories' sustainable energy strategies. Funding of $13.1 million for the Palau Compact is not requested for 2013 as it is expected the Compact will be authorized in 2012.

The Office of the Special Trustee request is $146.0 million, $6.1 million below the 2012 enacted level. The 2013 request includes a program increase of $3.0 million for the Office of Trust Review and Audit to conduct compliance audit reviews for Interior bureaus. The budget includes program decreases of $9.9 million for streamlining, administrative savings, and the completion of certain trust reform activities.

MANDATORY PROPOSALS

In 2013, Interior will collect $13.9 billion in receipts and distribute $6.0 billion in permanent funding without further appropriation for a variety of purposes, under current law. The budget includes 13 legislative proposals that will be submitted to the Congress to collect a fair return to the American taxpayer for the sale of Federal resources, to reduce unnecessary spending, and to extend beneficial authorities of law. Together these proposals will save a net total of approximately $2.5 billion over the next decade.

Reform Coal Abandoned Mine Land Reclamation—The Administration proposes to reform the coal Abandoned Mine Lands program to reduce unnecessary spending and ensure the Nation's highest priority sites are reclaimed. First, the budget proposes to terminate the unrestricted payments to States and Tribes that have been certified for completing their coal reclamation work because these payments do not contribute to abandoned coal mine lands reclamation. Second, the budget proposes to reform the distribution process for the remaining funding to competitively allocate available resources to the highest priority coal abandoned mine lands sites. Through a competitive grant program, a new Abandoned Mine Lands Advisory Council will review and rank the abandoned coal mine lands sites, so OSM can distribute grants to reclaim the highest priority coal sites each year. These reforms will focus available coal fees to better address the Nation's most dangerous abandoned coal mines while saving taxpayers $1.1 billion over the next ten years.

Create a Hardrock Abandoned Mine Reclamation Fund—To address the legacy of abandoned hardrock mines across the U.S., the Administration will propose legislation to create a parallel Abandoned Mine Lands program for abandoned hardrock sites. Hardrock reclamation would be financed by a new abandoned mine lands fee on the production of hardrock minerals on both public and private lands. The BLM would distribute the funds through a competitive grant program to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands. This proposal will hold hardrock mining companies accountable for cleaning up the hazards left by their predecessors while generating $500 million in savings over 10 years.

Reform Hardrock Mining on Federal Lands—The Administration will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal would institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. After enactment, mining for these metals on Federal lands would be governed by the new leasing process and subject to annual rental payments and a royalty of not less than five percent of gross proceeds. Half of the receipts would be distributed to the States in which the leases are located and the remaining half would be deposited in the Treasury. Existing mining claims would be exempt from the change to a leasing system but would be subject to increases in the annual maintenance fees under the General Mining Law of 1872. Holders of existing mining claims for these minerals could, however, voluntarily convert claims to leases. The Office of Natural Resources Revenue will collect, account for, and disburse the hardrock royalty receipts. The proposal is projected to generate Treasury revenues of $80.0 million over ten years.

Fee on Non-producing Oil and Gas Leases—The Administration will submit a legislative proposal to encourage energy production on lands and waters leased for development. A $4.00 per acre fee on non-producing Federal leases on lands and waters would provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so the tracts can be leased to and developed by new parties. The proposed $4.00 per acre fee would apply to all new leases and would be indexed annually. In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure companies diligently develop their Federal leases. Although the report focused on administrative actions the Department could undertake, this proposal requires legislative action. This proposal is similar to other non-producing fee proposals considered by the Congress in the last several years. The fee is projected to generate revenues to the U.S. Treasury of $13.0 million in 2013 and $783.0 million over ten years.

Net Receipts Sharing for Energy Minerals—The Administration proposes to make permanent the current arrangement for sharing the cost to administer energy and minerals receipts, beginning in 2014. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. In 2013, this net receipts sharing deduction from mineral revenue payments to States would be implemented as an offset to the Interior Appropriations Act, consistent with identical provisions included in the Act since 2008. Permanent implementation of net receipts sharing is expected to result in savings of $44.0 million in 2014 and $449.0 million over ten years.

Repeal Oil and Gas Fee Prohibition and Mandatory Permit Funds—The Administration proposes to repeal portions of Section 365 of the Energy Policy Act, beginning in 2014. Section 365 diverted mineral leasing receipts from the U.S. Treasury to a BLM Permit Processing Improvement Fund and also prohibited BLM from establishing cost recovery fees for processing applications for oil and gas permits to drill. Congress has implemented permit fees through appropriations language for

the last several years and the 2013 budget proposes to continue this practice. Upon elimination of the fee prohibition, BLM will promulgate regulations to establish fees for applications for permits to drill administratively, with fees starting in 2014. In combination with normal discretionary appropriations, these cost recovery fees will then replace the applications for permits to drill fees currently set annually through appropriations language and the mandatory permit fund, which would also be repealed starting in 2014. Savings from terminating this mandatory funding are estimated at $18.0 million in 2014 and $36.0 million over two years.

Geothermal Energy Receipts—The Administration proposes to repeal Section 224(b) of the Energy Policy Act of 2005. Prior to passage of this legislation, geothermal revenues were split between the Federal government and States with 50 percent directed to States, and 50 percent to the Treasury. The Energy Policy Act of 2005 changed this distribution beginning in 2006 to direct 50 percent to States, 25 percent to counties, and for a period of five years, 25 percent to a new BLM Geothermal Steam Act Implementation Fund. The allocations to the new BLM geothermal fund were discontinued a year early through a provision in the 2010 Interior Appropriations Act. The repeal of Section 224(b) will permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in savings of $4.0 million in 2013 and $50.0 million over ten years.

Deep Gas and Deepwater Incentives—The Administration proposes to repeal Section 344 of the Energy Policy Act of 2005. Section 344 mandated royalty incentives for certain "deep gas" production on the OCS. This change will help ensure Americans receive fair value for Federally owned mineral resources. Based on current oil and gas price projections, the budget does not assume savings from this change; however, the proposal could generate savings to the Treasury if future natural gas prices drop below current projections.

Repeal of Authorities to Accept Royalty Payments In Kind—The Administration proposes to solidify a recent Departmental reform terminating the Royalty-in-Kind program by repealing all Interior authorities to accept future royalties through this program. This change will help increase confidence that royalty payments will be properly accounted for in the future. The budget does not assume savings from this change because the Administration does not anticipate restarting the program; however, if enacted, this proposal would provide additional certainty that a new Royalty-in-Kind program could not be initiated at some point in the future.

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

Federal Migratory Bird Hunting and Conservation Stamps—Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the annual Federal license required for hunting migratory waterfowl. Today, 98 percent of the receipts generated from the sale of these $15.00 stamps are used to acquire important migratory bird areas for migration, breeding, and wintering. The price of the Duck Stamp has not increased since 1991, while the cost of land and water has increased significantly. The Administration proposes to increase these fees to $25.00 per stamp per year, beginning in 2013. Increasing the cost of Duck Stamps will bring the estimate for the Migratory Bird Conservation account to approximately $58.0 million. With these increased receipts, the Department anticipates additional acquisition of approximately 7,000 acres in fee and approximately 10,000 acres in conservation easement in 2013. Total acres acquired for 2013 would then be approximately 28,000 acres in fee title and 47,000 acres in perpetual conservation easements.

Compact of Free Association—On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. Under the agreement, Palau committed to undertake economic, legislative, financial, and management reforms. The conclusion of the agreement reaffirms the close partnership between the U.S. and the Republic of Palau. Permanent and indefinite funding for the Compact expired at the end of 2009. The 2013 budget seeks to authorize permanent funding for the Compact as it strengthens the foundations for economic development by developing public infrastructure and improving health care and education. Compact funding will also support one or more infrastructure projects designed to support Palau's economic development efforts. The Republic of Palau has a strong track record of supporting the U.S. and its location is strategically linked

to Guam and U.S. operations in Kwajalein Atoll. The cost for this proposal for 2013-2022 is $184.0 million.

Extension of Payments in Lieu of Taxes—PILT payments are currently authorized only through 2012. The budget proposes a one-year extension of mandatory PILT payments at the current authorization levels in 2013. These payments support local government services in counties that have significant Federal lands within their boundaries. The Administration looks forward to working with Congress to develop a longer-term strategy for providing sustainable levels of funding for PILT payments, in light of overall constrained budgets and the need for appropriate offsets for new mandatory spending. This extension utilizes the current PILT payment formula that is prescribed by law and based on population, certain receipt sharing payments, and the amount of Federal land within an affected county. The cost for this proposal in 2013 is estimated at $398.0 million.

OFFSETTING COLLECTIONS AND FEES

The budget includes several proposals to increase cost recovery fees, so that industries share some of the cost of regulation.

Fee Increase for Offshore Oil and Gas Inspections—Through appropriations language, the Administration proposes to continue the current offshore inspection fee levels authorized by Congress in 2012. These fees are estimated to generate $65.0 million in 2013, up from $62.0 million in 2012, from operators with offshore oil and gas drilling facilities that are subject to inspection by BSEE. The increased fees will fund an expanded inspection program, and as enacted for 2012, operators will now be charged for the inspection of drilling rigs in addition to production platforms. These inspections are intended to increase production accountability, human safety, and environmental protection.

New Fee for Onshore Oil and Gas Inspections—Through appropriations language, the Administration proposes to implement an inspection fee in 2013 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated $48.0 million in 2013, $10.0 million more than the corresponding $38.0 million reduction in requested BLM appropriations, thereby expanding the capacity of BLM's oil and gas inspection program. The fee would support Federal efforts to increase production accountability, human safety, and environmental protection.

Onshore Oil and Gas Drilling Permit Fee—The 2013 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the Interior Appropriations Acts. A fee of $6,500 per drilling permit was authorized in 2010, and if continued, would generate an estimated $32.5 million in offsetting collections in 2013.

Grazing Administrative Fee—The 2013 budget includes a new grazing administrative fee of $1.00 per animal unit month. The BLM proposes to implement the fee through appropriations language on a three-year pilot basis. The budget estimates the fee will generate $6.5 million in funds that will assist the BLM in processing grazing permits. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing fee as a cost recovery fee after the pilot expires.

Surface Mining and Reclamation Permit Fee—The 2013 budget continues an offsetting collection initiated in 2012, allowing OSM to retain coal mine permit application and renewal fees for the work performed as a service to the coal industry. The fee will help ensure the efficient processing, review, and enforcement of the permits issued, while recovering some of the regulatory operations costs from the industry that benefits from this service. The fee, authorized by section 507 of SMCRA, would apply to mining permits on lands where regulatory jurisdiction has not been delegated to the States. The permit fee will generate an estimated $3.4 million in offsetting collections in 2013.

CONCLUSION

Thank you for the opportunity to testify on the President's 2013 budget request for the Department of the Interior. We have a tremendous opportunity to invest in America's energy independence and economic growth. This budget balances forward looking investments with fiscal restraint. For America to be at its best, we need lands that are healthy, waters that are clean, and an expanded range of energy options to power our economy. This concludes my written statement. I am happy to answer any questions that you may have.

The CHAIRMAN. Thank you very much.

Let me start with a few questions related to the oil and gas industry. I think, Senator Murkowski, you said that that there has been a reduction in oil and gas production on Federal lands, although, the oil and gas production in the country, overall, has increased. That's not my understanding, but I wanted to ask you, Mr. Secretary, if you have those figures available, and if you could inform us as to what has happened with regard to production of oil and natural gas on Federal lands, both on shore and offshore.

Secretary SALAZAR. Chairman Bingaman, I appreciate the question. I think the bottom line that we should all be very proud of is the fact that we have been able to develop our domestic resources in a very robust way. When you look at the crude oil production in the United States in 2011, it's the highest level since it's been in 2003. When you look at oil imports into this country, they've dropped below 50 percent.

I remember being on that side of the table when we were speaking about import levels that were above 60 percent, and not so long ago, at 70 percent. So, we're moving in the right direction, and it's coming about as a result of multiple approaches, including what's happened with development of private lands, and the domestic gas industry, which is so abundant and so important to the future of this country. But, it's also happening with respect to our efforts in the onshore, as well as in the offshore, and so let me just say something about the public lands onshore.

On public lands, the natural gas production just on the public lands alone, Senator Murkowski, was the second highest since 2004, and oil produced on public lands, highest in 2010, since 1997. So, the amount that is being produced is very huge.

I would also say that contrary to some of the reports that you see from some of the trade associations in the press, we've continued to provide permits and to lease out vast amounts of acreage. Right now, on the onshore, for example, 7,000 permits are out there that companies hold in their hands, and they ought to be moving forward on those 7,000 permits.

Offshore, this committee knows very well, because of the number of hearings that you held with respect to the Deepwater Horizon and the Gulf oil spill, we have stood up the industry again. Today, we have more rigs working out there in the Gulf of Mexico than there were right before the oil spill, and we've continued to do leases in the Outer Continental Shelf, including the first lease in the Gulf, which we held back in December.

I attended that hearing in New Orleans, and it was one which attracted more than $338 million in bids in the Gulf of Mexico. We expect to have a combined lease sale from 2 areas in June or July of this year. In addition to that, Secretary Clinton, at the direction of President Obama and President Calderon, and I just signed a major transboundary agreement in the Gulf of Mexico that will allow development to move forward with both our resources on the transboundary area as well as with the resources on the Mexican side. So, we continue to be very bullish about the opportunity to develop our oil and gas resources on the public lands, both onshore as well as offshore.

The CHAIRMAN. Let me ask on a different issue, the Park Service has been working for some time to put in place a final rule with

regard to over-flights in the Grand Canyon. The reason I'm asking about this is we have a transportation bill on the Senate floor, and one of the amendments that has been offered is an amendment we've seen before, which would essentially override what the Park Service would propose in that regard.

Could you tell me when the Park Service would expect to have a final rule in place on this issue? Do we have a date certain that we could say that this will be established by a certain date?

Secretary SALAZAR. Chairman Bingaman, I do not. I know it's been a tough issue to work through, and I will be happy to speak with Director Jarvis, and get that information to you.

The CHAIRMAN. OK. That will be helpful.

Let me ask about another somewhat parochial issue. In 2006, we passed the United States Mexico Transboundary Aquifer Assessment Act. This was directing the Geological Survey to work with States and universities, both in the U.S. and in Mexico, to do an assessment of underground water aquifers on the 2 sides of the border.

It's my understanding that we don't have any funds being allocated to continue with this work at the current time. I don't know if this is something you focused on, but to me, it's important. We have large population centers in El Paso and Wattis, that you're very familiar with, that there's great disagreement between officials in the 2 countries as to what the groundwater situation is, and the thought behind this legislation was to try to correct that.

Is this an issue you could give us any information on today? Or maybe you need to get back to me on the record for this

Secretary SALAZAR. Let me get back to you. On the record, let me just say that I have been to El Paso and have worked on issues regarding both the Rio Grande and the Colorado River systems, and under the great leadership of the Bureau of Reclamation Commissioner Mike Connor, we have made huge progress on the surface water issues between the United States and Mexico. We have developed a series of agreements with the States on the Colorado River. We are working on some on the Rio Grande as well.

The underground issues, with respect to the transboundary aquifers, I believe that we were not able to fund those studies, because the money just was not in the budget. But I recognize the importance of the issue. Let me get back to you, Chairman Bingaman, with more specific information on what, if anything, we were able to do with the money that we have, or has or has not been requested.

The CHAIRMAN. Thank you. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

In the discussion that you were having with Senator Bingaman, it sounds like there's going to be some debate back and forth in terms of what the real numbers are, where the activity is. But, I'm looking at a map here of the lower 48 States that indicate that 93 percent of shale oil and gas wells are on private and State land, and that's where we're seeing this uptick.

You know, I think it is important for us to understand where we're seeing the increased activity, and I would like to see more on the Federal side, not only in the lower 48, but, of course, up north. So I think this is a pretty telling map. So we'll share that with you.

I wanted to ask you about this royalty study that came out. Apparently, last week, the Department of the Interior had commissioned it last year to compare the Federal royalty rates with other regimes. The report says when comparing jurisdictions, based on average government take among the cases generated for this study, all 3 Federal jurisdictions are levering a higher government take than other jurisdictions, relative to their remaining recoverable reserve ranking.

It also found that the bonus bids, which, of course, are pretty significant, can top $3 billion in a single lease sale, aren't being counted when the government assesses whether the taxpayers are getting a fair return on their resources, which is a pretty large factor to leave out.

So, as it relates to the onshore piece, the question that I would ask is whether we're really ready to call for an increase in royalties on Federal onshore areas. The report said, and this was just one piece pulled out of it, "Any of the suggested alternative rates for Wyoming Federal lands, however, will deteriorate their competitive position in the market, which is rather weak, as it is." Now, that's coming from your report, indicates that onshore, it really questions whether or not we should be increasing those royalty rates, because it will make the lands less competitive. Then as it relates to offshore royalty, the study says, "Any increase of the already high royalty rate levied in the Gulf of Mexico will increase the risk of system instability. Any potential gains from the higher royalty rate are likely to be offset by reduced revenue from signature bonuses and its lower pace of leasing."

So, what I'm trying to understand is, given what your own report has said, why are we proposing within this budget to raise the royalty rates both onshore and offshore?

Secretary SALAZAR. Senator Murkowski, I'm going to have David Hayes respond to the specific question. But, let me just say that the principle that we have followed, and we will follow in looking at these royalty rates, including the onshore royalty rates, is the principle of the fair return to the taxpayers. I think, as I've not reviewed the whole of the study, but what I remember from the pieces that I did read, is that when you look at the onshore royalty rates, Texas, Alabama, and many other States have a royalty rate that is significantly higher than what the United States has. So the question is whether the United States citizen and the taxpayer is getting a fair return on these lines, and so that's what we will look at.

Senator MURKOWSKI. OK.

Secretary SALAZAR. I need to take a look at the whole of the report. But, let me have David, because I think he may have more on the timeline.

Senator MURKOWSKI. Mr. Hayes, if you can also address the issue of whether or not the bonus bids then are being counted when the government assesses whether the taxpayers are getting a fair deal, because it's my understanding that they're not. I would further add that the difference that you might have in North Dakota or Texas is you've got a level of stability and predictability there that we're not seeing, certainly, with the Federal leases. So, Mr. Hayes.

Mr. HAYES. Senator, there are a variety of studies that are under way to help address the question of whether the taxpayer is getting an appropriate royalty rate or not. Of course, this started with a GAO study, which very strongly suggested that the Federal leases were not getting an equivalent rate to many State leases, with Texas being a prime example.

This study, as you know, primarily looks at the global question, and there are very few U.S. jurisdictions in this particular study. We're looking at that analysis, and we'll address it. I don't know the answer to your specific question about the bonus issue or not. It's a very important study, and it's part of it. We have another significant study under way as well, and it's the cumulative impact of all of these studies that we will utilize to determine if and what an appropriate proposal would be for a royalty rate.

Senator MURKOWSKI. It was my understanding that the GAO study was the one that left out the bonus bids, and, again, extraordinarily significant when you factor in what the Federal Government receives. $3 billion is pretty significant.

My time is up, but I'll come back for a second round. What I would leave you with is this is the Department of the Interior's study. This is what you had requested, in terms of the comparative royalty study. So, the fact that you're saying that it was more of a global study, as opposed to one domestically, I obviously need to understand a little bit more about what was requested. But what came out, I think, is pretty telling, in saying that efforts to increase the royalty rates onshore or offshore will make us less competitive and I don't think that that's a position that we would like to be in.

Thank you, Mr. Chairman.

Secretary SALAZAR. If I may, Senator Murkowski.

Senator MURKOWSKI. Yes.

Secretary SALAZAR. I think the study has to be read as a whole, and we obviously will do that. But, it was the GAO's finding back in 2008 that said that the American taxpayer was not getting its fair return, and so these studies have been put together to do that. My understanding is that it has a very different conclusion than the one that you articulated, but we'll take a look at it, and we'll work with you, because at the end of the day, we ought to be getting a fair return to the taxpayer.

Senator MURKOWSKI. Thank you, sir.

The CHAIRMAN. Senator Wyden.

Senator WYDEN. Thank you, Mr. Secretary. I want to welcome Secretary Salazar as well. Today, as a former member of this committee, he always reaches out to us, and did again with me last night. Mr. Secretary, it's very much appreciated, and I know other colleagues feel the same way.

Let me ask you a question about gasoline prices, if I might, to start with. The argument is being made that the reason gasoline prices are so high is that you haven't opened up enough public land. You've heard that argument, and it's been made by a variety of groups and individuals. Your testimony, of course, today counters that, and describes that you disagree with that position.

So, I think it would be helpful if you could lay out on the record, particularly because trends are so important, what areas in the

last year, offshore and onshore, have you opened up for energy development?

Secretary SALAZAR. Thank you, Senator Wyden, for that question. You know, we have moved aggressively in opening up and putting on the market new areas in the Gulf of Mexico. The conclusion of the treaty that Secretary Clinton and I signed last week, or the agreement, which still has to be ratified by the Congress, is part of that effort in the Gulf of Mexico.

We're moving forward to look at the potential for oil and gas exploration in the Arctic Seas. Onshore Alaska, Senator Murkowski well knows, the 22-million acre national petroleum reserve area, through the construction of the bridge into CD5, it may open that up in a very significant way. Onshore, I believe the numbers are close to 40 million acres of land has been leased to oil and gas companies.

As I indicated in my earlier testimony, there are 7,000 permits out there that have been given onshore, and just waiting for companies to drill, and the Gulf is back, and the Gulf is working. So I think we are doing everything that we can.

In terms of the gas price question, I think the realty of it is that it's easy to play politics with gas prices, and everybody has their bumper sticker solution to what we can do with it. The reality of it is that gas prices are set on the global market. You know, the instability in the Middle East is part of what has created the most recent gas price hike. We've seen these kinds of spikes over a long period of time, dating back, according to a report that I have at Interior, to 1857. So these kinds of issues are issues that we've confronted in the past.

Senator WYDEN. There's no question that there are a variety of factors with respect to gasoline prices. You didn't mention Iran, for example. I sit on the Intelligence Committee. We can't get into classified matters, obviously, but there are a whole host of issues. I think the only other point on gasoline prices is, I think it would be very helpful for the record, and I think you have this information Mr. Hayes.

The Secretary went through, I think, 3 major areas that he felt would constitute significant additions and supply, a couple of comments with respect to onshore. I think, for the record, if you could tell us your projections of what that would mean in terms of additional supply, I think that would be helpful.

Let me move on to one other quick question. It involves the matter you and I talk about often, Secretary Salazar, and that's the forestry situation in my home State. As you know, we're particularly concerned, because the cut level doesn't seem to be going up at the rate we need, particularly in southern Oregon and in Medford.

Now, to your credit, you-all are proposing 5 new pilot, you know, projects. You're dealing with a host of protests of sales from, you know, previous years. So the question is going to be: How are you going to balance all of these multiple tasks, get out the timber sales, and get the volume up, which means that you've got to essentially perform on a number of fronts, in order to try to strike the kind of balanced multiple-use approach we want for forestry in our part of the world.

How are you going to juggle those things, so that we can get more timber to the mills, particularly in southern Oregon, Mr. Secretary?

Secretary SALAZAR. Senator Wyden, thank you for your leadership on the issue. It is a difficult issue, and I will say that what we have done in developing the ecological forestry principles has followed the lead of Dr. Franklin and Dr. Johnson. They are the ones who are probably most respected, in terms of how you can do ecological forestry. I was in Medford, at the Pilot Joe project, and saw timbering that was going on in that place. Timber is being cut, and not just thinning out of the forest, but also timber that is substantial, that will provide timber to the mills.

There are some few hundred timber sales that are forecast by the BLM to go on the market in the year ahead. We hope that we are able to move forward with the sustainable forestry principles developed by Dr. Johnson and Dr. Franklin, to be able to provide timber to the mills, and at the same time be able to move forward with a healthy forest initiative that will restore the habitat, and also address other issues that have been very difficult, such as the issues relating to the Barred Owl and the invasive species, which is creating significant problems for the Spotted Owl.

Senator WYDEN. Thank you, Mr. Chairman. Thank you, Mr. Secretary.

The CHAIRMAN. Senator Lee.

Senator LEE. Thank you, Mr. Chairman, and thank you very much, Mr. Secretary, for joining us today. I appreciate your willingness to discuss your budget proposals and other matters of importance and concern to Americans.

BLM is currently operating under an interim plan that outlines certain procedures for maintaining the habitat of the sage grouse. I wanted to ask, just off the bat, if there's any possibility that a State plan could be approved as a substitute to that interim habitat management plan.

Secretary SALAZAR. Senator Lee, I think you have your finger on what is one of the most important issues for us in 11 States in the West. In that vein, Governor Mead, from Wyoming, and Governor Hickenlooper, from Colorado are working with Bob Abbey, the Director of the BLM, to see how we can move forward with a template that was developed in Wyoming, so that we can allow development to move forward, and at the same time, have a Western States strategy that is protective of the habitat and that is protective of the sage grouse.

It seems to me that in dealing with all of these ESA issues, that being proactive, as we are now doing in southern New Mexico and in Texas, with the dunes lizard, working with oil and gas industry to set up conservation programs that will allow oil and gas development, but that's the way to go. My hope is that we're going to be able to do that with respect to the sage grouse.

Senator LEE. OK.

Secretary SALAZAR. Utah and your Governor obviously are very involved with us.

Senator LEE. So you could potentially be supportive of such a plan in Utah, especially given that the State would bear, you know,

the primary burden of the regulations, and enforcing them, implementing them, and so forth. That's a possibility.

Secretary SALAZAR. It is.

Senator LEE. Great.

I next wanted to talk to you a little bit about the Central Utah water project, which you mentioned in your opening remarks. As you know, of course, in your proposed budget, you proposed authorizing language that would place management supervision, the oversight of this project back within the Bureau of Reclamation. Of course, it came out of the supervisory jurisdiction of the Bureau of Reclamation after Congress passed the Central Utah Water Project Completion Act of 1992.

Now, there were reasons for that. While this project was under the jurisdiction of the Bureau of Reclamation, prior to the 1992 act's passage, there were often significant cost overruns. Sometimes the overhead costs exceeded 50 percent of the total project cost. But, since 1992, since that act took effect, and since the Central Utah water project was placed under the jurisdiction of the Central Utah Water Conservancy District, the overhead costs have been reduced rather substantially.

In fact, I believe the Department of the Interior, not too long ago, recognized this good management by giving it a secretarial award. So, I just wanted to ask, given how well it's been managed under the Central Utah Water Conservancy District, and given the problems that we had when it was previously under the jurisdiction of the Bureau of Reclamation, why is it a good idea to change that, to offset that balance that Congress imposed this fix for back in 1992?

Secretary SALAZAR. Senator Lee, first, let me say that the Central Utah project has been a priority for President Obama and for me, as Interior. We have invested literally hundreds of millions of dollars during my time, including significant allocations from the stimulus program, the American Recovery Act, to get that project moving on a timeline that's a good timeline.

We're not abandoning the project. It's an important project. The consolidation issue of the agency into the Bureau of Reclamation, it seems to me that it makes no sense to have another government agency out there doing one of our Bureau of Reclamation projects, when we have hundreds of other Bureau of Reclamation projects within the Bureau of Reclamation. So by having the Central Utah project office come within the Bureau of Reclamation, I believe that it will allow us to do a better job. So, it's an efficiency measure on our part.

Senator LEE. But given the data prior to the 1992 act taking effect, suggesting that just the opposite was true, how do you respond to that point? Is there something that's different now about the way the Bureau of Reclamation is run?

Secretary SALAZAR. I think, Senator Lee, if you look at the leadership that we have been able to bring into the Department at the highest levels, the Assistant Secretary for Water and Science, Anne Castle, Mike Connor, the Commissioner of the Bureau of Reclamation, we are doing tremendous things on the water supply through the Bureau of Reclamation. I have no doubt that the same commitment and the same level of support for the Central Utah project,

in terms of our staff, will absolutely continue with the new configuration.

Senator LEE. OK. I see my time has expired. Thank you.

The CHAIRMAN. Senator Franken.

Senator FRANKEN. Thank you, Mr. Chairman. Thank you, Mr. Secretary.

As you well know, oil and gas companies are making record profits. In fact, the big 5 oil companies combined made a record $137 billion in profits in 2011. So, I am pleased that you have proposed a $–per-acre fee on leases that are not being used. There's a lot of leases that the oil companies have been granted by the Federal Government that they're not using, and it creates an incentive for them to drill on these leases. I'm also pleased that some of the permitting expenses have been transferred to the companies.

In light of that, I would like to ask you whether the $45 million USGS fund that you intend to use to study shale gas development through hydro-fracking, will that also be paid by companies engaged in this activity? We had testimony from the commission, and I think that under Interior that was studied, and I wondered whether the companies that benefit from this would pay for that study.

Secretary SALAZAR. The answer to that, Senator Franken, is the President is strongly supportive of research and development, and developing the science. In fact, much of the great boom and promise that we now have, with respect to shale gas in the United States, is a direct result of investments that this Congress has made, both in the United States Geological Survey and in the Department of Energy. The Bakken formation is an example where the USGS has been very involved in developing the numbers there, and helping industry develop the technologies.

So, this money, in response to your question, is part of our investment in understanding shale gas. Within the Department of the Interior, I believe the number is $18 million that would be appropriated in the 2013 budget for USGS to continue to do these studies. We will work closely with the Department of Energy, as well as EPA, to make sure that there's a coordinated effort in the study and the studies that are set forth in the budget.

Senator FRANKEN. You say $18 million, but the testimony is $45 million.

Secretary SALAZAR. You're correct. It's $45 million overall.

Senator FRANKEN. My point here is that this just seems like, in a time when we have these tight, tight, tight budgets, here is something where the top 5 oil and gas companies are making $137 billion profit, $45 million, it seems like it could be funded by the oil and gas companies themselves, or the gas companies that benefit from that.

Let's move on, because I've got a project where I could see that $45 million going, and you may know what I'm talking about. It's the Lewis and Clark water project, which we've talked about, the regional water system in Minnesota, Iowa, and South Dakota. Your budget requests include $4.5 million for this project, which is much more than the $493,000 that you requested for it last year, and we talked about at this hearing last year, and I thank you for that increase.

Unfortunately, this number still barely dents the remaining Federal cost share of more than $190 million, and we've discussed before the local partners have prepaid 99.7 percent of their share. So they're just waiting for the Federal portion, and the delay is holding up economic development in the region.

So, my question really is: What is your plan to make sure this project gets completed in a timely way, or that it even ever gets completed?

Secretary SALAZAR. Senator Franken, let me, first all, just say thank you for being such a great advocate for a great project that is very deserving of additional money. Frankly, because of the fact that your water users, local communities, have stepped up to the plate, have put up their cost share, we were able to prioritize this project, and have put in as much money as we possibly can in these very tough budget times.

As I said in the outset, it's a squeeze budget, with some painful decisions. If we didn't have the constraints we were facing, frankly, we would put in a lot more money, and we would get the Lewis and Clark project done, because it is a top priority project. But I will say as well, this committee knows better than probably any other committee in this Congress that the needs that we have with respect to water supply, especially rural water supply, are huge. Frankly, even the requests that we put in this budget in 2013 barely makes a dent on the need that we have there.

Senator FRANKEN. I really appreciate that, and I appreciate your response. My time is done. But I would just note that there is $45 million to study fracking, where the industry that benefits from it is doing really well. They're not hurting. They could pay for that, and there's $45 million that could go to a water project, or several water projects. I'd just give some thought to that.

Thank you. Thank you, Mr. Secretary.

Secretary SALAZAR. Thank you, Senator Franken.

The CHAIRMAN. Senator Barrasso.

Senator BARRASSO. Thank you, Mr. Chairman. Thank you, Mr. Secretary, for being here.

Last week, President Obama went to Miami to give another speech on energy. He stated that, quote, I will do whatever I can to develop every source of American energy so our future isn't controlled by events on the other side of the world. Nice words. The President too often says one thing and then does, in my opinion, something very different. To me, that's nowhere more evident than what we're seeing in the Interior Department, because the President says he supports an all-out, all-of-the-above energy strategy, but the Department has repeatedly taken steps to limit American energy production. A couple of examples.

In November, the Department proposed a 5-year plan for offshore oil and gas development, which excludes both Pacific and the Atlantic Oceans. The plan excludes the development off the coast of Virginia, even though both Senators, both democrat Senators and the Governor of Virginia, republican, supported such development.

In January, the Department withdrew approximately a million acres in Northern Arizona from uranium production. The Department withdrew this land, even though both Senators and the Governor of Arizona opposed the withdrawal, and the Department con-

tinues to pursue new stream protection regulations, which will limit American coal production. The Department is taking this step, even though Members of Congress and officials from coal-producing States oppose the new regulations.

Now, we get to the specific pain at the pump. On Friday, the front page of the "USA Today" read, "Most ever could get hit by $5 gasoline." The President said he's focused on production. But the Department policies seem to speak otherwise, as does the fiscal 2013 budget, which includes tens-of-billions of dollars in new taxes and fees on American energy. The President can't have it both ways. He can't pursue quote, An all-out, all-of-the-above energy strategy, and at the same time, block or tax new energy production.

A couple of questions, and following up specifically with the release the President did last year from the strategic petroleum reserve. Has this administration begun any planning to tap the strategic petroleum reserve again this year?

Secretary SALAZAR. Senator Barrasso, all options are on the table.

Senator BARRASSO. So that is something that then you are considering tapping. So, could you explain what happened to gas prices last year following the President's decision to tap the strategic reserve?

Secretary SALAZAR. What I would say, Senator Barrasso, is, you know, all options are on the table, and I would disagree, as you expect that I would, with you, in terms of your characterization of the President's agenda. From day one, in the Department of the Interior, we have worked to develop our oil and gas resources in a safe and responsible way, and we have done so both on the onshore as well as on the offshore.

We also have moved forward to develop other energy resources, including renewable energy, and for the first time since Three Mile Island, we've opened up the door to the possibility of nuclear energy as well. So, when the President says an all-of-the-above energy strategy for the United States, he's serious about getting us moving beyond the gridlock that has basically kept this energy program in the United States in a failing paradigm for the last 30 years.

Senator BARRASSO. So when the "Washington Post," last year said the release of the 30 million barrels from the strategic petroleum reserve, quote, Whatever the rationale, it's a bad idea, you're going to continue with that bad idea on the table this year, was what I just heard. So, could you explain to me then what your assessment is of the purpose of the strategic petroleum reserve?

Secretary SALAZAR. First, the strategic petroleum reserve, the SPRO, is under the jurisdiction of my colleague, Secretary Chu, and the President of the United States. I will just say the President is very cognizant of the pain at the pump that people are feeling. We have an energy strategy and a policy that we've been working on from day one, and we believe it continues to show good results. We'll move America to a new energy future. We're committed to doing that. In terms of dealing with the immediate issue of the high gas prices, all options are on the table.

Senator BARRASSO. Are you familiar with Senator Schumer's insistence that the State Department press the Saudis to increase oil

production? Yet, Senator Schumer opposes the Keystone XL pipeline, as you know, as the President has refused to move forward in granting the pipeline from Canada.

My question is: Do you agree with Senator Schumer that we should be pressing for more Middle East capacity, rather than North American production, such as can be brought in from Canada via the Keystone pipeline?

Secretary SALAZAR. First, on the international effort, that's obviously something that is a focus of the administration, along with dealing with what we can produce here domestically in the United States. That's part of all the options on the table. On the Keystone issue, yes, we just remarked that the pipeline that was proposed by TransCanada yesterday, that will take the segment from Cushing to the Gulf, is a step absolutely in the right direction. That has to be processed, and frankly, no judgment was ever reached, Senator Barrasso, on the Keystone Pipeline XL project, because of actions that were taken by the Congress, insufficient time to move forward with the processing of the alternative that is required.

Senator BARRASSO. Mr. Chairman, my time is gone. It's interesting, because the Keystone pipeline was actually proposed 7 years ago, and it's still not enough time.

Secretary SALAZAR. Senator Barrasso, I was with the Governor from Nebraska yesterday. There were serious concerns raised by both the republican Governor as well as our republican colleagues here in the Senate, with respect to that proposed pipeline. So, the alternative to that pipeline is still to come from TransCanada, and then it will be evaluated. So, if we play by the facts, it will be a process, and then a judgment will be reached on the facts, just as a judgment will be reached on the segment from Cushing down to the Gulf.

Senator BARRASSO. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Shaheen.

Senator SHAHEEN. Thank you, Mr. Chairman. Mr. Secretary, and Deputy Secretary Hayes, and Ms. Haze, we're pleased that you're here today.

Mr. Secretary, you talked about your new role to help develop a tourism strategy for the country, and the importance of protecting our outdoors and our beautiful environment and special places as being critical to that tourism strategy. As you know, the Land and Water Conservation Fund has been one of the Federal programs that has been most successful at protecting our special places, and wildlife habitats, and public recreation. In New Hampshire, we've got all kinds of examples from the LWCF. Our Umbagog National Wildlife Refuge, parts of the Appalachian Trail that are in New Hampshire have all been protected through the Land and Water Conservation Fund.

I was pleased to see additional funding in the proposed budget for that program, and I know that you've said you're committed to getting full funding for LWCF by 2014. I wonder if you could talk about your plans for how we should get to full funding, and whether you think there is a dedicated funding stream, an additional dedicated funding stream that we can add to what's been proposed by Congress, but has only been fully funded, I believe, twice since the program started.

Secretary SALAZAR. Senator Shaheen, let me first say, thank you for your leadership on this issue, and I thank the Chairman of the committee, Senator Bingaman, and others who worked hard on trying to get full funding for the Land and Water Conservation Fund. I do agree with you. It is part of our tourism and job creation strategy that comes through conservation, as we see through L.L. Bean and so many other wonderful stores that have a presence in your State, the hunting community, the angling community, boaters. It's a big part of the future of these United States.

As I've said often in front of this committee, both when I was on that side of the dais and on this side, the reality of it is that's been a broken promise to America. You know, in the 1960s, it was authorized to take a portion of the proceeds that come from offshore oil and gas production, and yet, if you look at the books of the Treasury, it is now north of $17 billion that are owed to the conservation programs of this country.

So, even in these tough fiscal times, I think it's important for us to continue to look for the possibility of that funding. You know, it pains me, frankly, when I look at the list of land and water conservation projects which we are not able to fund. You know, Senator Barrasso just left, but we're putting a significant amount of money into buying some of the in-holdings in the Grand Teton National Park. You know, in every one of your States, there are huge needs, and the needs are probably in the $5-billion-a-year range for the foreseeable future. So, from my point of view, the $450 million set forth in the 2013 budget is a fraction of what is needed.

But, as I said at the outset, this is very tough budget, and it's a very painful budget for me personally, but if we could find ways of doing more with LWCF, I think we should be open to that.

I'll note, Senator Landrieu and Senator Alexander, in the passage of the GOMESA Act, actually were able to set aside a permanent conservation royalty, and maybe there's more of that that can be done.

Senator SHAHEEN. Thank you. I was pleased to work with some members of your staff after the oil spill in the Gulf to try and address the Outer Continental Shelf Reform Act of 2011. Deputy Secretary Hayes, we worked on that. I was pleased to get a model for an Ocean Energy Safety Institute that was modeled on a partnership that NOAA has had with the University of New Hampshire, called the Coastal Research Response Center, and was very disappointed that that legislation has not gone forward.

But, as we think about the research that we still need to do to address cleanup to oil spills, are there additional opportunities for partnerships like the one we have at the University of New Hampshire, with NOAA, to do some of that research that is not going to be done at least right now, as the result of the legislation that's not gone forward?

Secretary SALAZAR. Deputy Secretary.

Mr. HAYES. Senator, first of all, thank you so much for your assistance on the Ocean Energy Safety Institute. We continue to believe it's very important that we have in the law the authority for the Bureau of Ocean Energy Management to have a safety institute that will, as a primary mission, have the ability to partner

with universities, and industry, and others to be on the cutting edge of research.

We do have ongoing research through the Bureau of Ocean Energy Management. This budget has pretty robust investment in continuing to raise the bar of safety, but I think until we have a dedicated institute, we're not taking full advantage of where we should be as a Nation.

Senator SHAHEEN. Thank you. My time is up, but I think it's important to point out that it's not just safety we need to protect. We need to figure out how to deal with the problems after they occur, because as much as we want to protect safety and prevent spills, the reality is we're probably going to see some in the future, and so having the best technology to address those and research to do that is very important.

Thank you.

Secretary SALAZAR. If I may, Mr. Chairman.

The CHAIRMAN. Go ahead.

Secretary SALAZAR. I think it's a useful conversation with all members of this committee, April 20, 2010, was really not that long ago, and this committee, like the rest of the Nation, was laser focused on what was happening as 50,000 barrels of oil were spewing out into the Gulf of Mexico every day. It was a national crisis, and something that we all have lived through. We ought not to ever have amnesia, as a Nation, and the President nor I have amnesia about what happened, in the Gulf of Mexico, nor the Members of Congress should not have amnesia either. But, to your point, Senator Shaheen, there's a lot of work that has been done, but a lot more work that has to be done.

Today, Tom Hunter, well known in the State of New Mexico, leads up a committee for us on offshore safety, looking at a whole host of things, from the technology on blowout preventers, to a number of other things that need to be done to ensure that we have the safest production.

We will move forward in the development of oil and gas in the Nation's Outer Continental Shelf, it's something that has bipartisan support to do that, but we need to make sure that we do it in the safest possible way. Frankly, having the additional resources to be able to develop the kinds of technologies that will keep us at the cutting edge is very important to the United States. I'm mindful as well, Senator Shaheen, with respect to your question here, that this goes way beyond the United States of America. When we talk to any of the oil and gas companies, which I do on a regular basis, we know that they are a global industry. So what's happening off the coasts of Nigeria and Algeria, or off the coast of Brazil, or off the coasts of Norway and Russia, those are all important matters. So how we elevate the technology, in terms of dealing with all aspects of ocean drilling is a really important opportunity for the United States, and we have to do it from the safety side, the prevention side, the response side, all aspects of ocean energy development.

The CHAIRMAN. Senator Heller.

Senator HELLER. Thank you, Mr. Chairman, and Mr. Secretary, thank you for being here.

Nevada is 110,000 square miles, so you've got a lot of work to do. 85 percent of it, as you know, is owned by the Federal Government. So that, I think, in itself, presents a lot of unique challenges.

The economic activity on the public lands in Nevada is important, and obviously comes in a lot of forms, mining, renewable energy development, the ranging, and recreation, some of those things. So, I'm concerned about the President's budget, as it concerns your office. Obviously, there's concerns to my constituents, also. They include smaller budgets for hazardous fuel reduction, I believe misguided prioritization of land acquisition, the 74 percent fee increase on public land grazers, and, in my opinion, an ill-conceived proposal to tax mining out of competitiveness.

Unfortunately, all those take a backseat to rising gas prices in my State today. I've seen the bumper stickers you talk about back in 2006, during those interim elections, coming from the left. So, both sides, I think, have issues and concerns, and certainly, like the bumper sticker politics. But I want to talk a little bit about verbiage versus reality.

I think Ms. Murkowski made comment to the production of natural gas on public lands and waters that in fiscal year 2011 have actually dropped 11 percent from the previous year, according to the Interior data. Also, oil production on public lands has dipped nearly 14 percent. So as the administration talks about all this new production, none of it's being done on public lands. It's all being done on private land.

In 2008, when you were a Senator, you refused to vote for any new offshore drilling. In fact, you had a conversation with leader Mitch McConnell at that time, where you objected to allow any new drilling on America's Outer Continental Shelf, even if gas prices reached $10 a gallon. You're halfway there, halfway there.

The question, I guess, we need to ask ourselves: Is this the direction that this department is going, and are we, at some point, believing, under your leadership, that gasoline prices will get to $10 a gallon?

Secretary SALAZAR. Senator Heller, let me first say that I think that exchange on the floor of the U.S. Senate, like the exchange that you're engaged in, is part of the phony debate with bumper sticker solutions to what is one of the most fundamental issues facing the United States of America.

Senator HELLER. So are you saying that conversation didn't——

Secretary SALAZAR. Let me finish. So, when you speak to the statistic of what happened in 2011, in terms of production, you have to look at what was happening in the Gulf of Mexico. It's about 30 percent, roughly, of all our domestic energy comes from the Gulf of Mexico, which Senator Landrieu knows so full well.

We went through a crisis in 2010, and we're back, and the rigs are back at work. In fact, there are more rigs working now, both offshore and onshore, in the United States of America than at any time in recent history, maybe in all of history. So whatever dip there was in production is because of the dip that happened in the Gulf of Mexico, in the wake of the 2011 Macondo oil well blowout.

Senator HELLER. I guess the question, just to follow-up, did that exchange occur on the Senate floor, and is it accurate?

Secretary SALAZAR. You know, Senator Heller, I know you will appreciate this, that there are lots of conversation that take place on the floor of the Senate, which are made for a political statement, and at that point in time, there was a political statement. I think the facts are that we moved forward with——

Senator HELLER. So it's a bumper sticker. It was a bumper sticker.

Secretary SALAZAR. It's a bumper sticker. We move forward, Senator Heller, with a very robust Outer Continental Shelf production. I think there were many people who thought that after the Deepwater Horizon that there would not be any more deepwater production in the United States of America. I think we're going to continue to lead the world, in terms of both the technology, as well as the production that we're doing there. The $300 million lease sale that occurred just in December in New Orleans I think is telling that we're moving forward in that direction.

So, in terms of my credentials, and the President's credentials, and support for offshore drilling, I have absolute confidence that we've moved in the right direction, and that we're moving forward in a balanced direction that's making sure that we have safety, and that we're protecting the environment as well.

Senator HELLER. Mr. Secretary, thank you.

The CHAIRMAN. Senator Landrieu.

Senator LANDRIEU. Mr. Chairman, thank you so much, and Mr. Secretary, thank you for your, you know, focus and interest in the Gulf Coast, and your many visits down, and your commitment to the restoration of our region, and the investments in our national parks and State parks. I know that you have a passion for conservation, and we appreciate that.

But, I want to add my voice to try to clarify that, in fact, the oil and gas production in our country, as you've just tried to explain, is lower than it has ever been on Federal lands, both offshore and onshore, and the increase has come from production on private land.

Now, those are the facts. I'm not arguing about the price of gas, and I would say to my republican colleagues that they should know that we can't drill our way out of this problem. We cannot drill our way back to $2 or $3 gasoline. I don't want to engage in bumper sticker politics, but I do want to engage in good policy for this country. Speaking from Louisiana's perspective, we need to get a more aggressive drilling policy in this country. We can't drill our way out, but we most certainly can create jobs. We most certainly can strengthen the U.S. independence. We most certainly can reduce our reliance on foreign oil. The facts are that drilling on public lands are down, and they need to be increased.

The other fact is contrary to the inference that we are drilling everywhere we can in the Outer Continental Shelf, you know, Mr. Secretary, the facts are these: We are drilling on less than 2 percent of the OCS, 2 percent. Now only a small portion is leasable, and of that leasable portion, we're drilling on 2 percent. The OCS is 200 miles wide, and it goes from Oregon to Maine, and we're drilling on less than 2 percent. So, I just think that it's important for us to be clear about what our situation is.

In addition, I want to say that despite the administration's arguments that are laid out that you-all are all guns blaring and green lights for drilling, the facts that I checked, and if you disagree, tell me, only 21 permits for offshore drilling have been issued by the second half of February. In 2010, there were 32 permits. I just left the annual conference of LOGA, which is Louisiana Oil and Gas Association, Mr. Secretary, yesterday. They are beside themselves with not being able to get their permits processed.

To answer you, Mr. Franken, let me just say that Exxon and Shell may be making record profits, but according to a study recently done by the Greater New Orleans, Inc., 41 percent of our oil and gas independent operators and service companies, I'm not talking about Exxon and Shell, that have operations all over the world, I'm talking about companies in the Gulf Coast, in Texas, Mississippi, Louisiana, and Alabama. Let me tell you what the studies show about their profits. Fourty-one percent of them are not making a profit at all. Seventy percent have lost significant cash reserves. Fourty-six have moved operations away from the Gulf. Eighty-two percent of business owners have lost personal savings as a result of this slowdown. Now, part of it is the accident, and part of it is the permitoreum.

I have to continue to express this to you privately and publically. I know what you're trying to do, and you're making statements about increasing production, but I can tell you the reality in the Gulf Coast is not there. So that is one point that I wanted to make.

Second, and I'll get to a question in a minute, this 4 percent of an acre is being proposed for non-producing leases, can you explain how much money that would raise, where it would be going, because we're already experiencing an increase of fees, a decrease in permits. We don't know if that money is coming from us and going elsewhere to promote what, we don't know. But we need more inspectors to get our permits and our drilling under way in places that the people support drilling, and the country needs the jobs. Where's the 4 cents going to go, and how much is it going to raise?

Secretary SALAZAR. Senator Landrieu, let me first say, I disagree with your conclusions. The fact is when you've lived through a national crisis, I think it's very responsible that we have moved forward. Now, with the approval, in just the last year over 100 shallow water permits, 60 deepwater permits, and the rigs are back and working, is very much public knowledge. We feel very comfortable, in terms of the production that is coming off of our public lands, both onshore and offshore. I'm going to have the Deputy Secretary make just a quick comment on that as well.

Mr. HAYES. Thank you, Mr. Secretary. Very quickly, on the onshore, we have 38 million acres available for leasing right now. Only 16 million are, in fact, being leased. Last year, we had 32 onshore lease sales.

Senator LANDRIEU. I realize that, but Mr. Hayes, not to interrupt him, Mr. Chairman, it's not about what percentage you have under production that are leased. If you said how much land you have in the United States on public lands, and then took your percentage of what is leasable, and then took your percentage of what is drilled, you'd give the people of this country a better picture.

Again, and I'm not an expert on onshore, but I am on offshore, 2 percent of the OCS is being drilled, do you agree with that or not, because those are the facts, 2 percent of the entire land of the OCS. Yes or no?

Mr. HAYES. We've made available 75 percent of the reserve.

Senator LANDRIEU. That is not what I'm asking.

Mr. HAYES. We are not leasing areas where there is no oil in the offshore.

Senator LANDRIEU. OK. What percent of the entire OCS of this country is being drilled on right now? What is the percentage?

Secretary SALAZAR. Let me take that, David.

Senator Landrieu, the fact of the matter is that there are over 40 million acres that we just did in the one lease sale. There's more that will be leased. The lease sale that I did in New Orleans in December, I think was 38 million acres. About 2 million acres of it was leased.

Senator LANDRIEU. Mr. Secretary.

Secretary SALAZAR. So when you make available in one lease sale tens of millions of acres, and you have some of it that's bid on, the companies are going where they know the oil and gas is.

Senator LANDRIEU. Mr. Secretary.

Secretary SALAZAR. So, the fact is, we are moving forward with a very robust gas leasing program.

Senator LANDRIEU. In my view, Mr. Chairman, we're never going to get clear, as long as we continue to talk around and throw statistics out that try to make both sides look good. I'm not trying to make you look any worse. I'm just trying to get the facts out to the public. When you speak, you get people thinking that we're drilling everywhere, onshore and offshore. The facts don't justify that. You know that 98 percent of our offshore is limited to drilling. We can't even explore there. We're talking about what we're drilling within that 2 percent.

My final point, and I'll say this, Mr. Chairman, you've been very good to me. I, as a Senator from Louisiana, have to come to this meeting every year, and I've now looked at my notes to find out that Wyoming, last year, got $1.7 billion in royalties. The Senator is not here. But, I want my colleagues to know. The State of Wyoming has 500,000 people. They got $971 million that they kept. I don't know what they're doing with that money. I don't know if they're preserving land or conservation. Louisiana, which produces more oil and gas than they have off of our shore has more infrastructure, got $38 million, and we have 4.5 million people.

Mr. Chairman, this is the greatest injustice to the Gulf Coast of this United States, and I hope nobody puts a revenue-sharing bill anywhere around this committee, because this Senator will fight to the end. No State is going to be treated like our State, and we've been treated like this since 1920.

The CHAIRMAN. Do we have Senators that haven't had the first round? I don't think so. So, let me start with the second round.

Mr. Secretary, let me pass out and give to you a few charts that are from previous hearings we've had, and some that we've developed ourselves. I'll go through the 3 charts, and then ask for any comment. Is someone passing those out?

Voice: Yes. Yes, they have.

The CHAIRMAN. OK. The first of these charts is the one that Mr. Burkhart, from Cambridge Energy Research Associates, provided to us at our hearing about a month ago, and he entitled it, "The Great Revival of U.S. Oil Production." It says, "The great revival of U.S. oil production has made the United States a leader in global oil production growth," and pointed out that there's substantially more growth in oil production in this country, and that's both private and public land, obviously, but it's a useful document.

Another chart that I've passed out relates to weekly retail price for premium unleaded gasoline, from 1996 to October 2011. It's not this chart, but it's a different one that's been passed out, showing the price of gasoline in the United States, at the retail, tracks pretty closely the price worldwide for gasoline, with the exception, of course, we don't have the taxes that the rest of the world has, and that's the big difference.

Then the third is the chart that we put up here on the board that shows U.S. oil production and gasoline prices, the percentage change year over year for the last 2 decades. I think it's clear from this chart, at least it's clear to me, that there is no relationship between the amount of oil we're producing in any particular year in the United States and the price of gasoline.

The price of gasoline is determined by the price of oil on the world market. What we are producing here in the U.S. has been relatively constant. It has gone up somewhat in the last several years, but the price of gasoline has fluctuated dramatically during that period of time, as shown on that previous chart. It has done so because of the changes in the world price of oil.

So, I bring these charts out and distribute them here in order to make the point that, you know, there's an underlying argument on this gas price issue that the high price of gas at the pump is a result of some failure to allow production to occur in this country. The truth is, production in the U.S. is up, is up substantially. Production on Federal lands is up. But in spite of that, the price of oil on the world market is also up. It's up, because of Iran, and it's up, because of all kinds of factors, increased demand from China, and all kinds of factors that are causing the world price of oil to rise. Unfortunately, it is impacting consumers in this country. I wish it weren't. I wish we had some way, in the near term, of disassociating ourselves from the world price of oil, but we don't. That's what's hurting us.

Anyway, Mr. Secretary, I give you those charts for what they're worth, and ask for any comments you have in the last few moments of my time.

Secretary SALAZAR. Thank you very much, Chairman Bingaman. I would say 2 things with respect to the presentation that you just made. First, oil and gas production in the United States is higher than it's been in a very, very long time. As your chart indicates, it's moving in the right direction, and I think there probably is no figure in my mind that says it better than the fact that we're importing less oil today than we have for a very, very long time. So, we are producing more here in the United States.

I think the second point you make is one that economists have recognized for a long time, that we don't control the price of gasoline here in the United States, based on the amount of production

that happens here in this country. It's a global marketplace that sets the price of oil, and it is the global factors that we see, both in terms of Iran, as well as the growing demand that we see from countries, such as India and China, which are part of what we're seeing in terms of the global economics which we face today.

The CHAIRMAN. Thank you very much. Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman. I think we would all agree, as Senator Landrieu has mentioned it, you know, the answer is not just drilling. Coming from an oil-producing State, the answer is not just drilling. But it is part of the solution. So, I think it is something that we would agree we are subject to the vagaries of the market. We are certainly subject to the volatility on the global scene, but I think that the fundamental problem that we have here is that we're too dependent on our oil imports from the OPEC countries, and we're too vulnerable to the price instability in the global market. So, I'm not sure how we can argue that producing more oil here at home and lessening our dependence on OPEC oil wouldn't make a difference. It just seems, to me, it makes sense to have as much as cushion as we can, because I think we recognize that the cushion that is available within the world markets is one that we're not entirely sure.

Senator Schumer has asked that Saudi Arabia crank it up a bit, so that we can get more from Saudi Arabia. How much spare capacity they have? I think this is one of those things that causes the volatility that we see.

I want to move off that subject for a moment and bring up the issue that I raised in my opening comments, and this relates to the Legacy Wells that were drilled, again, from 1944 to 1981, when the government drilled more than 100 wells. They have only plugged and properly abandoned about 10 out of 137 wells.

When I was in the legislature, giving my address, a representative from the House asked me, "Well, Senator, what can we do? What's our action plan on this?" I said, "We need to raise a little hell. We need to point out that there cannot be a double standard here." There's a resolution* that was passed by the State house of representatives, and I'd ask that it be included as part of the record.

The CHAIRMAN. We'll include that, of course.

Senator MURKOWSKI. Thank you, Mr. Chairman. It points out that the Federal Government has received over $9 billion from leased sales within the petroleum reserve, where these exploratory wells were drilled. The State can't impose fines on the Federal Government, but if it could, the fines would exceed over $8 billion. If the statute of limitations were disregarded, the fines would exceed over $40 billion. So, again, what I'd like to do, Mr. Secretary, is work within the department to figure out how we can do a better job of this.

Right now, DOI has suggested to the State of Alaska that we can do one well a year. If that's the rate that we're going, we're sitting here with over a hundred years to remediate and repair. I need to have an action plan for the people of the State of Alaska on this, and I need you-all to be working with me a little more aggressively.

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* Document has been retained in committee files.

In that same vein, I will also bring up the Alaska Land Conveyance Act, and, again, asking you to assign to me—I know that Secretary Hayes has been tasked with the double duty of taking on so many of Alaska's issues, we appreciate that, but we need to have a better path forward as to how we're going to complete these conveyances.

Again, if we keep on the track that we have been on, it's going to be an additional 70, 80 years for Alaska to get our lands conveyed, those lands that were promised on statehood, that lands that were promised to Alaska natives under the Alaska Native Claims Settlement Act. That's too long for the Federal Government to keep its promise. I need to be able to go back and report that, in fact, we are making progress, and better than just a couple conveyances a year, or a couple Legacy Wells a year. So, I would ask for your commitment to be working with me, with your folks, and the people in Alaska.

Secretary SALAZAR. Senator Murkowski, we know the priorities for both of these issues, and we agree with you that both of them need to get done. As I said at the outset of the budget, it's a painful budget, because I wish that we could do more, including on the Legacy Wells, and on the conveyance issues for Alaska.

The priority that I've placed on the Legacy Wells, I think you can see evident, in terms of the investments that we made from the American Recovery Act, the stimulus package, which helped us move forward with the plugging and abandonment of some of these wells.

Senator MURKOWSKI. We got 3.

Secretary SALAZAR. Yes. No, we did then, in the Recovery Act, and we proposed an additional 3 in the 2013 budget. But I recognize there's more to go. Close to 40 more that we have to get done, and I hope that we can find a way of getting it done.

The same thing is true with Alaska conveyance. I mean if we could put more money into Alaska conveyance and get it done a lot faster, we would be happy to do that. We'd be happy to work with you, to tell you what the plans are, given the fiscal constraints that we face. If there are other ways in which we can get to the same end, which we both agree on, we both agree that we need to get both of these things done, we'd be happy to work with you on that.

Senator MURKOWSKI. We need an action plan that works. It's not just this administration, I will tell you. I had to push the previous administration on this as well. I don't think that any other State would sit and wait for 50 years to get the lands that were promised at their statehood.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Lee.

Senator LEE. Thank you, Mr. Chairman.

Mr. Secretary, I want to make sure I understood what you said a moment ago in response to the chairman's questions. Surely, you're not suggesting, are you, that there is no relationship, to use the verbiage of this chart, that there is no relationship between U.S. oil production and U.S. gasoline prices. Would you agree with that statement, that there is no relationship between U.S. oil production and U.S. gasoline prices?

Secretary SALAZAR. What I said, Senator Lee, is that gas prices are set as a matter of the global marketplace, in terms of oil.

Senator LEE. As a result of the complex interaction between supply and demand, and all the factors, domestically and internationally, that affect supply and demand.

Secretary SALAZAR. Yes.

Senator LEE. OK. U.S. oil production is one of those factors.

Secretary SALAZAR. Yes.

Senator LEE. OK. Mr. Secretary, your office recently issued a programmatic environmental impact statement dealing with oil shale production, basically, se of Federal lands for oil shale production. This PEIS proposes to replace a previous PEIS issued by your department in 2008, I believe. The 2008 PEIS identified about 2 million acres of Federal public land that could be potentially suitable for leasing for the development of oil shale and tar sands. Your new PEIS proposes to limit that amount by more than 75 percent, bringing it down to about 450,000 acres.

Meanwhile, in 2007, the Bureau of Land Management issued several R&D leases for purposes of oil shale development. One of those R&D leases was in Utah. Can you assure me that your recent PEIS won't affect those previous leases that were issued in 2007? In other words, will those be taken off the map now as a result of this reduction?

Secretary SALAZAR. You know, with respect to your specific question, let me get back to you.

Senator LEE. OK.

Secretary SALAZAR. With respect to the specific lease. With respect to your more general question on the oil shale potential in your State of Utah, and Wyoming, and my State of Colorado, the fact is that there's still a lot of research and development that needs to take place. Senator Domenici and I, actually, when he was chairman of this committee, went to visit a couple of those places. There are huge unanswered questions, in terms of water supply, unanswered questions in terms of technology. The companies themselves admit that they need to have answers to those questions. So, my approach to oil shale and what is set forth in the PEIS is a conclusion that I have reached, that we ought not to engage in a wholesale giveaway of the public domain until we have some of these questions that are answered, but at the same time, moving forward in full support of the research and development programs that are under way both in my State, as well as your State.

Senator LEE. But you're aware, of course, Mr. Secretary, that this technology, or variations of it, has been in place and use in Europe for about a hundred years, and it's been used in some circumstances to produce oil, to produce electricity, and is still in use, to some extent, in Europe. I believe they produce about a million barrels a year from oil shale in Europe, currently, and they do all of this, meeting European environmental standards. It has not been used extensively in this country on a commercial scale, but it has been in Europe.

So, is that really what we need? Is it what, another hundred years of research? What is it that we're waiting for? What's the magic bullet?

Secretary SALAZAR. Senator Lee, we're waiting for the technology to be developed to be able to honestly assess the potential here. The fact is, I think you were born by then, but you might remember the 1980s, and what happened in Colorado and other places with the oil shale bust. That was after the investment of billions and billions of dollars, because the technology wasn't there. So the research and development that's taking place now, with respect to the development of kerogen from these rocks, which is very different from shale gas, and very different from shale oil, is something that is very important. We're very supportive of moving forward with those research and development efforts to get the right answer.

Senator LEE. There was a bust in the 1980s. Of course, we both know, there were a lot of reasons for that. A lot of those reasons have to do with kinks in the technology that have since been worked out, kinks in the technology that have been worked out, in terms of the amount of processed water, the amount of input energy that's required, the carbon footprint, the physical footprint that's required for these retoured systems. A lot of that has been worked out.

But, I do think that it's important to remember, I don't think it's your job to mitigate and to protect against all risk from the oil companies. In other words, if they want to make that investment, they are placing their own investment at risk. But, should they not be given the opportunity to make the investment, and to lease these Federal public lands for that purpose, knowing that they could develop oil there? An estimated 1.2 trillion barrels of proven recoverable oil locked up in oil shale in just a small segment of 3 Western Rocky Mountain States, Utah, Colorado, and Wyoming alone. 1.2 trillion barrels. More than the combined petroleum reserves of the top 10 oil-producing countries of the world, combined.

Secretary SALAZAR. You know, Senator Lee, it's my job to protect the public lands and public resources of the United States, as the custodian of America's natural resources. When I look at the oil shale potential of your State, Wyoming, and Colorado, I think there is potential there, but we need to move forward with answers to some very tough questions, including one of the key questions. You know, if it's going to take upwards of 1 million of acre feet of water to develop oil shale on the western slope of Colorado, where is that water supply going to come from? What's it going to do to agriculture? What's it going to do to municipalities? Those questions have not yet been answered. That's why the research and development efforts that are under way, which we are fully supportive of, are important. We will get answers to those questions. It's part of what we are undertaking right now.

Senator LEE. OK. I see my time has expired. But let me just close with the thought, this is one of the reasons why I hope you'll allow these research and development leases to move forward. This is one way that I think you really can get some of the answers that you're looking for. Allow those R&D leases to move forward. Don't cancel them. Let them do their thing, because they'll prove their ability to make it happen in an environmentally responsible and a commercially feasible way.

Thank you.

The CHAIRMAN. Senator Manchin.

Senator MANCHIN. Thank you very much, and thank you, Mr. Secretary, for being here. I have 2 points that I want to talk about. The AML, the Abandoned Mine Land Fund, from OSM, Office of Surface Mining, I see that where you-all have made some recommendations there and changing the process of the grant funds, which I applaud. I think it's the right direction, picking the most hazardous sites or the worst environmental sites that we have in the States that are most affected.

The money had been distributed before a little differently, as you know, by tonnage. You know, how much mining was done, how much per ton. Then it was coming back in that same, where it was kind of not really addressing the environmental needs. I think you're taking that step in the right direction, from what I can see here.

You estimated there will be some great savings on that, I would like to hear. The savings, I guess, would come, and it might be, Mr. Secretary, that, if you want Mr. Hayes, if he's worked on that end, or whatever you would think about that, how the savings are calculated.

Secretary SALAZAR. Let me just say I appreciate that comment, Senator Manchin. What we're trying to do is to focus on the high-risk areas.

Senator MANCHIN. Our State has a lot of old mining and Kentucky has a lot of old mining. Pennsylvania has a lot of old, old mining that really helped build the country. I think it's a step in the right direction to clean that up and put it back into production, so we can do something with the land.

Secretary SALAZAR. I think that was part of the intention of SMCRA, when it was passed, so we'd go after those old mines and get them cleaned up, and that's happening. I'm going to have either David or Pam—I don't know whether you know enough about the process and how it's changed.

Senator MANCHIN. If not, you can get back to me on that.

Mr. HAYES. I think the savings, Senator, is gained from focusing on the intent of SMCRA, which are the coal mine issues themselves, as opposed to other deeds.

Senator MANCHIN. I interpreted it by looking at the now targeting the return on the AML money, the abandoned mine land money.

Mr. HAYES. Yes.

Senator MANCHIN. Even though it was received from the tonnage that was produced, it's going to where the need is.

Mr. HAYES. Right.

Senator MANCHIN. Where we've always said——

Mr. HAYES. That's the primary intent. That's right.

Senator MANCHIN. That the savings would be that basically we were able to clean up and put land in production. I would assume that's the effect you-all have.

Mr. HAYES. Right.

Senator MANCHIN. Does everyone agree to that?

Secretary SALAZAR. That's correct.

Senator MANCHIN. Now, where I disagree. You were afraid of that, right?

Secretary SALAZAR. I'm not afraid of it.

Senator MANCHIN. Concerning the OSM and the Bureau of Land Mines, the merger, I can't find anybody that seems to be in favor and think that this would be a good thing. I don't see the generation of savings for the disruption of the operation. The OSM, you know, it's been kind of a long-term relationship, learning how to work as a partnership, working, making sure that there's a balance between the environment and the economy.

Going into the BLM, or recommending that merger, and I know you're doing it on from cost-effectiveness, and I can understand that, but, sir, on this one, I don't see the savings for what could be the downturn of having more regulations to the point we can't do anything. We're having a hard time now. Maybe somebody will want to talk to that. Are you-all serious about the OSM, BLM merger, or is it something maybe we can forget about?

Secretary SALAZAR. Senator Manchin, let me first say that I think it's important for us in government to always take a look at our——

Senator MANCHIN. Sure.

Secretary SALAZAR [continuing]. Agencies and see how we can do a better job, and it's in that vein that we move forward with my effort, which I authorized, approved, and supported then, and still support today, to take a look at how we could do a better job between BLM and OSM.

Based on the review that we've gotten, and a report, which is currently on my desk, I think there will be efficiencies that we can find between BLM and OSM. I have not yet read the final report. The deputy secretary has been leading it. But my since is that the guidance from this committee and your staff, especially Sam Fowler, who knows a lot about this, means that there's not going to be the wholesale consolidation——

Senator MANCHIN. Right

Secretary SALAZAR [continuing]. That was once planned for OSM and BLM. But there will be changes, and there will be more efficient ways of doing some of our work.

Senator MANCHIN. I understand that. That's not a problem. The bottom line is, I think we were expecting a report by February the 15th . Do you happen to have your report?

Secretary SALAZAR. I actually received it last night.

Senator MANCHIN. OK.

Secretary SALAZAR. It's in my briefcase.

Senator MANCHIN. You'll be sharing it with us.

Secretary SALAZAR. I am reviewing it.

Senator MANCHIN. It will not go the direction that we thought that it might have been going before.

Secretary SALAZAR. I think we should have a separate conversation, as soon as we get it.

Senator MANCHIN. Be happy to do it.

Secretary SALAZAR. To the point where we release it, but I think it will improve both the functions of OSM and BLM.

Senator MANCHIN. Yes.

Secretary SALAZAR. I think we will find some efficiencies there. I hope you will be positive in your response to it.

Senator MANCHIN. It's a stream buffer, sir, and I know it's been talked about briefly. I think it's been brought up by Senator Barrasso. I know my time's running short.

I'm concerned about the definition. I mean I want people to know in West Virginia, our streams are very valuable, our water sources are very valuable. But our topography, it is what it is. A stream that carries water 12 months a year, a stream that provides recreation, provides life-giving water and sources that have not have been touched, nor never intended to be touched, and I think there's a misnomer. We're talking about what some people have identified as a stream which is basically a drainage ditch, or a drainage area that might, if you had a piece of property, and you're putting the property, you want to make it more useful, and you change the ditch from here to here, so when they have heavy rains, and it runs off, it goes in an area that still keeps your property more useful, and that's a discussion I'd love to have with whoever in your office that we could have that with.

I know my time's up, but if you would accommodate me with that, I would really appreciate it, sir.

Secretary SALAZAR. Senator Manchin, let me just say, we know the importance of a stream buffer protection rule to you.

Senator MANCHIN. Right.

Secretary SALAZAR. To your State. As we move forward in addressing how we can both support coal development, at the same time making sure that we're protecting the streams, we will make sure that we are including you in our conversation.

Senator MANCHIN. In West Virginia, we believe very strongly, there's a balance between the environment and the economy, and we are more than glad to lead the way, if you will. But we want a partnership.

Thank you.

The CHAIRMAN. Thank you. Senator Heller.

Senator HELLER. Thank you, Mr. Chairman. I'll get off my $10-a-gallon bush, and talk about another issue that's important for Nevada. It's something that you've already touched on, Mr. Secretary, a little bit. That is the listing of the sage grouse. I know Senator Lee brought that up a little bit.

I have a letter here that you responded to a request for some information. First of all, I want to tell you, thank you. I'm not used to the administration responding to requests for information, so to have this here means a lot. In fact, I share a concern that we have for that listing, was an important part of that.

If the sage grouse were to be listed, I think it would have a devastating impact on the economic activities on public lands, including one of, I think, our shared priorities, and that's renewable energy. I have many concerns with the land management controls proposed by BLM and the sage grouse, and for that reason, I'm putting together a sage grouse working group.

You have an interim plan, without the listing, an interim plan, and it was, I believe, called an instructional memoranda. That was to maintain and enhance sage grouse habitat, which I think is an appropriate goal. A concern I have is that mitigation is not part of the restrictions. So this is my question.

I am concerned if the proposed actions of themselves would not be more restrictive, perhaps even more harmful than an actual listing. Can you respond to that?

Secretary SALAZAR. Senator Heller, you are focused on a very important issue for all the Western States, including Nevada, at least the 11 Western States where we know that there is sage grouse habitat. Director Abbey is moving forward with new resource management plans that deal with sage grouse, I think in 62 areas. But important to that effort, we are working very closely with the States, including your Governor, Governor Sandoval.

Senator HELLER. Correct.

Secretary SALAZAR. Governor Hickenlooper, from Colorado, Governor Mead, Governor Otter, and trying to move forward in the program, where, hopefully, we'll be able to develop a Western States habitat conservation program that will protect the species, and at the same time allow development to go forward. Based on successes that we've had with other species in other parts of the country, I am very hopeful, and I do believe that we'll get it done.

Senator HELLER. Here's the concern. Here's the concern. With this new memorandum that, as I just mentioned, was mitigation, if you have an application for a new mining site, without mitigation, do you think you can maintain or enhance sage grouse habitat? If you had an application for a solar farm, do you think you could produce and put up a solar farm without mitigation that would maintain and enhance the sage grouse habitat? The same thing with agriculture, can you do the same thing with agriculture, if you have some kind of an application to push agriculture, can you do that without mitigation? That's the concern that I'm hearing from my constituents back home.

They have no problems with moving forward, and to your goal, a healthy goal of maintaining the sage grouse, but the question is: Can you meet those goals without some possibility or ability to mitigate mining issues, agricultural issues, and renewable energy issues?

Secretary SALAZAR. Senator Heller, I think with respect to all of our permitting programs, including many in your State, both on mining and renewable energy, and transmission, and so many other things, mitigation is part of the package. We have done a good job on that, from my point in view, in terms of requiring mitigation when you have impacts in the development of renewable energy, where there are other projects. It would be better, frankly, if we did have a complete cohesive plan for sage grouse strategy across the 11 States than trying to do it project by project, and hopefully, the effort that we have under way, with the leadership of Director Abbey and Director Ash, and the involvement of the Governors of the States, we'll get us to that point.

Senator HELLER. OK. Thank you. You answered my question. Thank you.

The CHAIRMAN. Senator Murkowski, did you have additional questions?

Senator MURKOWSKI. Mr. Chairman, I do have a whole bunch of additional questions, but in the interest of time, and recognizing that the Secretary has given us a great deal of time this morning, I will submit them in writing.

I will ask, though, it's my understanding that last year, after a similar budget hearing, it took almost 6 months to get some responses to our questions, and by that time, of course, they're stale. I understand you have an awful lot on your plate, but if I could ask that we have more prompt replies.

I'm going to have the pleasure of having you before the Appropriations Committee tomorrow, so we'll be able to spare you some of the written responses in those questions tomorrow. But if we could have a little more expediency with the responses, I would certainly appreciate it. I know that all the staffs would. So, thank you. But, thank you for being here today.

Secretary SALAZAR. We will do our best.

Senator MURKOWSKI. Thank you.

The CHAIRMAN. Mr. Secretary, you've been very generous with your time, as Senator Murkowski said. We appreciate it, and we look forward to continuing to work with you to solve these problems. Thank you for coming.

Secretary SALAZAR. Thank you very much.

The CHAIRMAN. That will end our hearing.

[Whereupon, at 11:54 a.m., the hearing was adjourned.]

[The following statement was received for the record.]

PREPARED STATEMENT OF CARLA BOWERS, NATIONAL WH&B LEGISLATIVE TEAM, VOLCANO, CA

This is an urgent call to the Appropriations & Natural Resources Committees and Congress delegates to redirect funding from unsustainable, fiscally irresponsible roundups/removals/ warehousing of America's threatened wild horses and burros to on-the-range management through the FY13 appropriations process. The appropriation powers vested in Congress must be used immediately to stop the waste of millions of tax dollars and to save America's fast-disappearing national treasures, our valued wild horses and burros of the West. Independent research using BLM numbers and methodology has uncovered the following:

Fiscally Irresponsible Management—Millions of Tax Dollars Wasted

- The BLM is creating the out-of-control costs of the Program by taking wild horses and burros off the range, including non-excess animals, and by not allocating reasonable resources to them on their legal Western public lands. The herds are better managed on the range at very little cost using limited fertility control & scientifically based, reformed management protocols.
- Millions of taxpayer dollars are being wasted on the unnecessary, inhumane roundups and removals of herds, $11.4M in FY11, and the warehousing of animals, $48M in FY11.
- Millions of taxpayer dollars are spent to support the BLM Grazing Program for less than 0.5% of the total U.S. livestock inventory (on HAs/HMAs) at a loss of up to $1B per year.
- The 2008 GAO report stated the Program lacks accountability, science and fiscal sustainability.

Dangerously Low Numbers On The Range—BLM Removing Non-Excess WH&B

- 26,600 WH&B is the BLM's targeted national HIGH AML (appropriate management level). Research shows BLM appears to be using taxpayer dollars to unnecessarily round up non-excess animals below 26,600 in violation of the l971 Act. They are actually targeting LOW AML, ca. 18,000 total WH&B nationally.
- 18-26,600 are dangerously low numbers for long-term health & survival of the protected herds. Of that number, burros are in grave danger at only about 2-3,000 left in the wild. The majority of herds on the range consist of numbers well below the 150 animals per herd considered necessary for sustainability over time by expert equine geneticists.
- Compare the exorbitant numbers of livestock (up to 3M on BLM lands & 1.5M on USFS lands) & other wildlife (20+M deer; 1M elk; 780K pronghorns; 70K bighorns, considered a 'species of concern', to the miniscule numbers of WH&B.

Minimal Land / Forage / Water Allocated For Sustainability Over Time—Constant Downward Trend

- The herds are not overpopulated. They are under-allocated land, forage and water.
- They are being squeezed off their legal public lands. The original 53M acres where they were found in 1971 have been reduced to 27M BLM acres. Continued reductions are planned. These actions are in direct defiance of the 1971 Act.
- The herds are restricted to these 27M BLM acres or 4% out of 650M total Federal public land acres (which includes 245M BLM acres).
- Livestock graze over 238M USFS and BLM acres, which includes the 27M acres to which iconic herds are restricted in their HMAs (Herd Management Areas). On the HMAs, livestock are given preference and are allocated the majority of forage (3-15 times more) compared to the legally protected WH&B.
- 339 Herd Areas, or HAs, in l971 have been reduced down to BLM's count of 179 HAs and HMAs. Needless to say, hundreds of unique herds have been zeroed out and lost forever over the last 40 years, again counter to the intent of the 1971 Act.
- BLM claims to be managing the land for 'thriving natural ecological balance'. This mandate is impossible to achieve without 'natural predation' because of extreme predator control to benefit the livestock & hunting industries and the grazing of 'unnatural' livestock on public lands. WH&B are 'an integral part of the natural system of the public lands' per the 1971 Act.
- BLM also claims to be managing the land 'in balance with other multiple uses'. The numbers of livestock & other wildlife compared to WH&B in no way demonstrates any semblance of 'balance'. BLM 'zeroing out' 160 herds from their legal lands defies the 'multiple use' mandate as well.

Lack of Science, Consistency, Accuracy, Credibility, Transparency

- BLM's published data over the Program life is inaccurate, inconsistent, non-credible and non-transparent.
- No state-of-the-art, scientific census of actual WH&B numbers on the range has ever been undertaken to substantiate the Program goals. BLM cannot prove their estimated numbers.
- Current on-the-range management practices lack science and long-term efficacy studies on fertility treatment, sex ratio adjustments, herd/band behavior/dynamics/health and on the BLMs haphazard roundup protocols that have most probably caused the destruction of the social fabric of the herds & compensatory reproduction. Also, current roundup methods are inhumane as demonstrated by ample documentary evidence.
- Program lacks true independent peer review and accountability.
- Forced to acknowledge the lack of a science based Program, BLM has engaged the National Academy of Sciences to analyze the whole Program and make recommendations. However, this 2-year Study is flawed from the start because it's based on the false assumption made by BLM that the herds are overpopulated & are ruining the rangelands. The Study is not based on the whole Program. Plus, it is not an 'independent scientific study' because the BLM has 'directed' it, from creating the 'scope' of the Study, to influencing who is on the Study Panel to who presents information to the Study Panel at the meetings. Two years time, $2M more taxpayer dollars and 15K more WH&B rounded up in the meantime will render this Study biased & useless, with very few WH&B even left on the range to manage.

America asks Congress to redirect funding through the FY13 appropriations process from the wasteful, destructive roundups/removals/warehousing of wild horses and burros to humane, science based, on-the-range management protocols. These protocols can be implemented right now as indicated on pages 3 & 4 of this submission.

WHAT CONGRESS CAN DO IMMEDIATELY TO SAVE TAXPAYER DOLLARS AND SAVE AMERICA'S THREATENED WILD HORSES AND BURROS

Vote for Fiscal Responsibility in the Program

- Utilize the current FY13 budget process to redirect funding away from all roundups/removals of WH&B, with the exception of independently verified emergency situations.
- Redirect Program funds for humane, on-the-range WH&B management and stop additional stockpiling of animals in government holding facilities.
- Redirect Program funds for an immediate independent, accurate, state-of-the-art census of animals on the range & in holding.

- Redirect Program funds to repatriate as many animals as possible in holding back to their legal Western public lands. (Potential to save up to $48M in FY13)
- Ensure continued funding for all horses in holding until they can be repatriated back to their legal Western public lands.
- Ensure no funds are allocated for euthanasia or slaughter of wild horses & burros.
- Acknowledge & encourage revenue-producing ecotourism centered around the cultural, historic & heritage assets of America's living legends. Wildlife viewing is a $45B a year national industry as reported by USFWS, 2006.

Demand Science, Credibility, Accuracy, Consistency & Transparency in the Program

- Question the validity & credibility of the NAS Study. If the following parameters are not additionally considered, the Study & Recommendations will be biased & useless:

  1) Detailed accounting of current AUM allocations between livestock, WH&B & other wildlife, how they are established & the best course of action to raise the AUMs/AMLs for WH&B to maintain healthy, genetically diverse herds long-term in all WH&B management areas, i.e. amend all Land Use Plans & Range Management Plans.

  2) Detailed analysis of current uses of over 20M acres removed from WH&B usage by the BLM & scientific assessment of these lands for the repatriation of some animals in holding.

  3) Analysis & determination if compensatory reproduction has been caused by BLMs roundup/removal protocols, i.e., fragmenting the harem family bands, selective removals & selective returns to the range, as opposed to natural selection & keeping family bands intact.

  4) Analysis & determination if less compensatory reproduction would occur if family bands, including the lead stallions, lead mares & older family members were returned to the range intact minus a couple of younger adoptable members.

  5) Analysis & determination of the effects of 60/40 sex ratios, PZP & other fertility control methods on long-term herd behavior, dynamics, structure & health.

  6) Analysis & determination of best management protocols for truly humane treatment of WH&B through all phases of management.

  7) Analysis & determination of the best live stream tracking system to follow all animals during helicopter roundups & during removals from the range through & to their final destinations.

  8) Analysis & designation of non-traumatized, non-manipulated herds still on the range to be used as control groups for pilot research projects (very few left in this category).

  9) Independent, state-of-the-art census of all populations on the range & in holding facilities to obtain an accurate baseline utilizing FLIR (forward-looking infrared), satellite imagery &/or drones.

- Develop and pass legislation to re-protect America's WH&B.
- Develop and pass legislation to ensure the highest humane treatment and management practices on the range, which includes improved WH&B handling, tracking, accountability and real consequences for inappropriate management.
- Consider alternatives to remove entire Program from BLM's jurisdiction and create another entity that will truly preserve and protect America's herds as the original 1971 Act intended.

Create More Equitable Land/Forage/Water Reallocation Legislation to Protect and Preserve Viable Herds on the Range Long-Term

- Acknowledge that reducing the original HAs of 53M acres down to 27M acres and zeroing out over 150 herds has violated the multiple-use mandate of the 1971 Act.
- Acknowledge WH&B are not being allocated equitable resources on their restricted, legal Western public lands to sustain their health and longevity as Federally-protected species mandated by the 1971 Act.
- Utilize powers already vested in the 1971 Act to return all original HA acreage to WH&B and designate WH&B as the "principle" user on all HMAs and HAs. This will entail passing legislation requiring BLM to amend the Land Use and Range Management Plans of all the HMAs and HAs in order to:

  1) reinstate migratory routes and lands lost to WH&B,
  2) designate the lands as 'ranges' for WH&B,

3) reflect marked increases in forage and water allocations to WH&B, as the "principle" user of those resources, and

4) reflect marked increases in appropriate management levels of WH&B to ensure their continued survival for generations to come on public lands.

Stand up for Increased Appropriate Management Level Numbers of Wild Horses and Burros on the Range for their True Preservation Well into the Future

- Acknowledge that 18-26,600 WH&B on the range in the 10 Western states are far below a 'species of concern' population level as compared to other large wild land species. Wild burros numbering from 2-3,000 are in the endangered category right now.
- Support the increase of appropriate management levels of WH&B so their numbers will be sustainable for long-term survival on all HMAs & HAs.
- Support repatriation of WH&B currently in expensive holding facilities back to their legal lands in the West, thus saving millions of taxpayer dollars and preserving and protecting America's living legends as was originally intended by the 1971 Act.

WILD HORSES & BURROS (WH&B)—THE NATIONAL PICTURE

SOME PERSPECTIVE, NUMBERS, QUESTIONS & SOLUTIONS

- America's 'legally protected' WH&B are not 'overpopulated'. They are being squeezed off their legal lands and are not getting a fair share of forage & water.
- The national AML range of 16,000-26,600 for WH&B is too low & threatens the genetic diversity & survival of healthy, self-sustaining herds over the long-term.

—38,500: BLM reported total of WH&B population (as of 2/28/11, not validated) [1]
—26,600: BLM High AML (appropriate management level) for WH&B population [1]
—16,000-18,000 actual current targeted Low AML for WH&B population by BLM [2]
—21,354: WH&B population as of 2/28/11 using BLM's own data & 20% growth model (independent analysis) [3]
120,000-480,000: Approximate head of livestock on WH&B management areas [4]
—720,000-2.9M head of livestock on BLM lands [5]
—Up to 1.5M livestock on USFS lands [6]
—20 million deer, 1 million elk, 700,000+ pronghorns, 70,000 bighorns (considered a "species of concern") on Federal, state & private lands [7]
—245 million: Number of acres BLM currently manages [8]
—157 million: Number of BLM acres allocated to livestock use [8]
—53.8 million: Number of BLM & private acres originally designated for WH&B in 1971 [1]
—31.6 million: Number of BLM & private acres currently managed for WH&B [1]
—22.2 million: Number of acres WH&B have lost since 1971 [1]
—27 million: Number of BLM acres currently allocated to WH&B use (with livestock) [1]
11%: Amount of BLM land currently designated for WH&B use [9]
—83%: Average estimated forage allocated to livestock in BLM WH&B areas [10]
—17%: Average estimated forage allocated to WH&B in BLM WH&B areas [10]
—339: Number of BLM original Herd Areas designated for WH&B in 1971 [1]
—179: Number of BLM reduced-size Herd Management Areas currently designated for WH&B [1]
—160: Number of WH&B Herd Areas BLM has zeroed-out [1]
—191 million: Number of acres USFS currently manages [11]
—81 million: Number of USFS acres allocated to livestock use [12]
—million: Number of USFS acres allocated to WH&B use (with livestock) [13]
—1.05%: Amount of USFS land currently designated for WH&B use [14]
—650 million: Number of Federal land acres [15]
—4.5%: Amount of Federal land acres (BLM/USFS) designated for WH&B use (with livestock) [16]

Costs to Taxpayers:

—$75.7 million: FY2011 total cost of BLM's WH&B Program [17]
—$11.4 million: FY2011 cost of roundups, including fertility control [17]

—$48.2 million: FY2011 cost of BLM warehousing WH&B [17]
—$766,164: FY2010 cost of BLM WH&B census & range monitoring (3.3% of budget) [17]
—$144-500 million: FY2011 cost of livestock grazing program [18]
—$13 million: FY2011 cost of predator control program to benefit livestock [19]

QUESTIONS

—Considering the above numbers, is it fair to claim WH&B are overpopulated in America?
—Why is livestock allocated the majority of forage on WH&B legal areas?
—How does BLM arrive at AML for WH&B versus livestock on WH&B legal areas?
—Is WH&B genetic diversity & survival of healthy, self-sustaining herds considered at all in AML establishment?
—Shouldn't the above requirement be the first consideration in WH&B AML establishment before forage allocations are set on WH&B legal areas?
—What is the best mechanism to correct the insufficient & unfair allocations between livestock & WH&B on WH&B legal areas?
—Shouldn't the original Herd Areas legally designated by the 1971 Act be restored for WH&B use?
—How is damage to the range studied exactly & how much time is dedicated to monitoring?
—How is it determined unequivocally what animals did any range damage, i.e., WH&B, livestock or other wildlife?

SOLUTIONS

—Suspend helicopter roundups, in all but verifiable emergency situations, while the entire BLM WH&B Program undergoes objective & scientific review & reform.
—Increase Appropriate Management Levels (AML) & Animal Unit Months (AUM) for WH&B.
—Implement in-the-wild management that would keep WH&B on the range in their family bands & save taxpayers millions annually by avoiding the mass removal & stockpiling of them in government holding facilities.
—Restore lost acreage designated for WH&B by law in 1971.
—Create WH&B corridors for herd connectivity & to support summer/winter migration patterns.
—Protect predators in & around the WH&B management areas.
—Use only bait/water trapping to manage the herds, no helicopters.
—Apply only 1-year dartable PZP fertility control between the months of Nov-Feb.
—Increase budget for accurate censusing, range monitoring & range improvements.
—Return short-term holding WH&B to zeroed-out HAs/HMAs (Herd Areas & Herd Management Areas).
—Obtain an independent, state-of-the-art census of all management areas.
—Develop safari-style tourism around the WH&B for job creation & added value to this iconic natural & cultural asset.

References:

[1] http://www.blm.gov/wo/st/en/prog/whbprogram/herd__management/Data.html
[2] Estimated two-thirds of High AML
[3] Chart 2 by C.R. MacDonald, updated by Carla Bowers 11/4/11, originally Table 1 from Report to Congress, 11/10, http://tinyurl.com/46pppfx
[4] Calculated as 1/6 of [5] based on 27M BLM WH&B acres being 1/6 of 157M total BLM lands grazed
[5] 8.6M AUMs allocated to livestock in FY10 per BLM feeds this range of cattle/calves depending on usage months
[6] http://www.fs.fed.us/rangelands/ftp/docs/GrazingStatisticalSummaryFY2009.pdf
[7] http://wildlifecontrol.info/deer/pages/deerpopulationfacts.aspx
http://www.rmef.org/AllAboutElk/FastFacts/
http://en.wikipedia.org/wiki/Pronghorn__antelope
http://www.defenders.org/wildlife__and__habitat/wildlife/bighorn__sheep.php
[8] http://www.blm.gov/wo/st/en/prog/grazing.html
[9] 27M acres/245M acres = 11%
[10] Calculation based on 1/6 of 8.6M AUMs allocated to livestock on WHB HMAs, or an estimated 1,433,333 AUMs, compared to 301,000 AUMs allocated to WH&B

at High AML 1,433,333 + 301,000 = 1,734,333; 301,000/1,743,333 = 17.3% (most probably high)
[11] http://www.fs.fed.us/rangelands/whoweare/index.shtml
[12] http://www.fs.fed.us/rangelands/ftp/docs/GrazingStatisticalSummaryFY2009.pdf
[13] Estimate by Barry Imler, National Program Manager, Rangeland Products, USDA Forest Service, email communication with Carla Bowers dated 3/8/10
[14] 2M acres/191M acres = 1.05%
[15] http://nationalatlas.gov/printable/fedlands.html
[16] 29M acres/650M acres = 4.5%
[17] http://www.doi.gov/budget/2011/data/greenbook/FY2011__BLM__Greenbook.pdf, pgs. 1-34 to I-35 & IV-71 to IV-82
[18] http://sagebrushsea.org/pdf/factsheet__Grazing__Fiscal__Costs.pdf
[19] http://greenscissors.com/wp-content/uploads/2011/08/Green__Scissors__2011.pdf, pg. 21

2009 FORAGE ALLOCATION—ANIMAL UNIT MONTHS (AUMS) CHART

References

AUM—The estimated amount of forage that one horse, one cow & calf, 5 sheep, 1.7 elk, 5 pronghorn & 5 bighorn consume in one month at: http://projects.ecr.gov/tushar/pdf/Carter__AUM__paper.pdf

Ten Western states include CA, OR, NV, ID, UT, CO, AZ, AR, MT, WY

Wildlife AUMs do not include over 20 MILLION deer nationally

Additional references from WWW.AMERICANHERDS.BLOGSPOT.COM:

(1) 8.6M AUMs—BLM Grazing Fact Sheet downloaded 9/13/10 at: www.blm.gov/wo/st/en/prog/grazing.html

(2) 301K AUMs—At High AML (Appropriate Management Level) that support only 23K WH & 3K Burros. BLM Wild Horse & Burro Program Quick Facts, Updated 8/25/10, downloaded 9/11/10, at: http://www.blm.gov/wo/st/en/prog/wild__horse__and__burro/wh__b__information__center/Fact__Sheet.html

(3) 1,031,000 Elk—Elk Population Reflects Success of RMEF's First 25 Years, Rocky Mountain Elk Foundation, Press Release, April 27, 2009, at: http://www.rmef.org/NewsandMedia/NewsReleases/2009/ElkPopulations.htm

(4) 780,800 Pronghorn—

(a) 2002 Pronghorn Antelope populations obtained from Pronghorn Population Totals as of 2002, Nevada's Pronghorn Antelope: Ecology, Management and Conservation, Nevada Department of Wildlife, 2003, Table 2, at: http://www.ndow.org/about/pubs/pdf/reports/pronghorn.pdf

(b) 2006 Pronghorn antelope population estimates for MT, WY obtained from Conservation of the Northern Yellowstone Pronghorn: A Report and Possible Approach for NPCA's Involvement, Blank, Intern, Stevens, July 2006, National Parks Conservation Association, pg. 1, MT/WY average

(c) 2009 NM pronghorn antelope population obtained from NM Fish & Game at: http://www.wildlife.state.nm.us/commission/presentations/documents/PronghornManagement.pdf

(d) 2009 NV pronghorn antelope population estimates obtained from Nevada Department of Wildlife at: http://www.ndow.org/

(5) 70,000 Bighorn—2008 National bighorn sheep population estimates found at: "Bighorn Facing Smaller Habitat, Federal agency wants to reduce protected area by more than 50%", Mike Lee, Union-Tribune [San Diego], March 23, 2008, at: http://www.signonsandiego.com/uniontrib/20080323/news__1n23sheep.html

BUSTING A HOLE IN THE BUDGET

US TAXPAYER COSTS FOR BLM WH&B PROGRAM AND BLM/USFS GRAZING PROGRAMS

References

$21M in the black—http://www.sagebrushsea.org/pdf/factsheet__Grazing__Fiscal__Costs.pdf (ca. 2007)

About one-half of that $21M goes back into the Range Betterment Fund for range improvements, so the income is really only about $10.5M from grazing permit fees—

http://www.sagebrushsea.org/pdf/factsheet__Grazing__Fiscal__Costs.pdf (ca. 2007) and http://www.biologicaldiversity.org/publications/papers/assessing__the__full__cost.pdf (2002)

$75M in the red—FY11 Proposed & Granted WH&B Program Budget

$144M in the red—http://www.sagebrushsea.org/pdf/factsheet__Grazing__Fiscal__Costs.pdf (ca. 2007)

Up to $1B in the red—http://www.biologicaldiversity.org/publications/papers/assessing__the__full__cost.pdf (2002)

American taxpayers are in the hole in a major way to support livestock grazing on public lands (which produces less than 3% of the total cattle inventory of the U.S.—Managing For Extinction booklet, Animal Welfare Institute, pg. 15)

America's wild horses & burros should be kept on their legal Western public lands basically free to the taxpayer, not rounded up, removed and warehoused to benefit livestock & other commercial uses of public lands, all at huge taxpayer expense.

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR BINGAMAN

NATIONAL OCEANOGRAPHIC AND ATMOSPHERIC ADMINISTRATION

Question 1. The President has requested that Congress provide him with reorganization authority to streamline government, and the transfer of the National Oceanographic and Atmospheric Administration from the Department of Commerce to the Department of the Interior was one example that was mentioned in that context. I am very interested in learning more about the Administration's ideas on this proposal, and would like to have more details. I understand that this proposal was not initiated by your Department, but I would appreciate it if you would coordinate with other appropriate offices in the Administration to provide me with the Administration's views on what such a transfer would entail.

Answer. On February 12, 2012, the President submitted to Congress the proposal the "Reforming and Consolidating Government Act of 2012," which would reinstate reorganization authority similar to that afforded to Presidents for almost 50 years.

In general, the authority would allow the President to present, for expedited review by Congress, proposals to reorganize and consolidate Executive Branch agencies to streamline the government and improve operations. A coordinated planning effort will begin once Congress provides authority to the President to reorganize.

PRICE'S DAIRY (MIDDLE RÍO GRANDE NATIONAL WILDLIFE REFUGE)

Question 2. I'd like to thank you again for visiting Albuquerque last September to announce the creation of the Middle Rio Grande National Wildlife Refuge in the city's South Valley. I am concerned, however, that the Administration has not requested sufficient funding to complete the purchase in a timely manner. Can you tell me what the Department's timeline is for acquiring these lands?

Answer. As proposed, the Middle Rio Grande National Wildlife Refuge outside of Albuquerque, New Mexico, will become the first urban National Wildlife Refuge in the southwestern United States, and would serve as host to thousands of visitors each year as a cornerstone for recreation and restoration along this reach of the Rio Grande. This proposal is one of the key projects of the America's Great Outdoors Initiative. The Office of Valuation Services recently completed an appraisal of the property and we have identified adequate funds necessary to complete a Phase 1 acquisition closing by July 29, 2012. This is consistent with the landowner's current agreement with the Trust for Public Land to keep the Price's Dairy property off the market. The U.S. Fish and Wildlife Service (Service) plans to incorporate Bernalillo County's financial contribution into this acquisition phase in advance of the expiration of those funds. Due to the cost of these lands, the timing of project approval in relation to the appropriations cycle, and the limited amount of funds available through the Land and Water Conservation Fund, the Service is also exploring potential funding resources from an array of local, State and Federal partners.

Notably, execution of a first phase acquisition will formally establish the Refuge, which will enable the Service to pursue additional federal funding to complete acquisition of the property. Furthermore, Service staff continues to identify partners and additional sources of funding for future acquisition, habitat restoration, and infrastructure development.

TRANSBOUNDARY AQUIFER ASSESSMENT ACT

Question 3. In 2006, Congress passed the United States-Mexico Trans-boundary Aquifer Assessment Act which directed USGS to work with states and universities on both sides of the border to perform a comprehensive assessment of aquifers that

extend to both sides of the border. Since 2008, approximately $1.5 million has been spent on this program.

I understand that significant progress has been made in implementing this Act by research universities in New Mexico, Texas, and Arizona along with USGS and their counterparts in Mexico. I also understand that Mexico has provided funding for the next phase of research and is waiting for matching funds from the US.

Under those circumstances, why hasn't the Department of the Interior allocated any funding for this effort so that we can continue to try to better understand the aquifer characteristics and foster better bi-national relationships like we are doing on energy issues and within the Colorado River Basin?

Answer. The U.S.-Mexico Transboundary Aquifer Assessment Program has been a successful partnership between Mexico and the USGS, and the Water Resources Research Institutes from Arizona, New Mexico and Texas. Progress has been made in developing and implementing bi-national workplans. As a result of this partnership, a five-year interim report on the United States-Mexico Transboundary Aquifer Assessment is in development. Despite the success of this initiative, direct funding for this effort has not been continued as a result of other priorities. However, the USGS Groundwater Resources Program has provided funding to the USGS Arizona and Texas Water Science Centers to complete activities already in progress, and the USGS' NAWQA program is contributing funding to ongoing work in Texas.

FEDERAL OIL & GAS

Question 4. Critics of the Department's management of the Outer Continental Shelf often state that only 2-3% of the OCS is available for leasing or development. This apparently refers to the percentage of the 1.7 billion acres of the Outer Continental Shelf that are currently under lease, and not to a percentage of the available oil and gas resources. Do you believe that this is a valid measure of the extent to which the oil and natural gas resources on the Outer Continental Shelf are available to industry? If not, why not?

In your response, please provide information on the percentage of federally owned oil and gas resources that are currently available for lease both onshore and offshore; the percentage of those resources that are currently in the pre-leasing planning process; the percentage of the acres onshore and offshore available for lease that actually have been leased by industry; and the percentage of those acres available for lease that have been put into production by industry.

Answer. Regarding development on the Outer Continental Shelf (OCS), the Bureau of Ocean Energy Management published the Proposed Five-Year Program for 2012-2017 in November 2011, and on June 28, 2012, the Secretary announced the Proposed Final Program. The Proposed Final Program would make available offshore areas that contain more than 75 percent of undiscovered technically recoverable oil and gas resources that the OCS is estimated to hold. As the Outer Continental Shelf Lands Act requires, this represents a proper balance among the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

Two primary guiding principles underlie this Proposed Final Program. First, the program is designed to promote the diligent development of the Nation's offshore oil and gas resources, which are and will remain central to the Nation's energy strategy, economy, and security. The program is in alignment with the Administration's Blueprint for a Secure Energy Future, which aims to promote the Nation's energy security and reduce oil imports by a third by 2025 through a comprehensive national energy policy that includes a focus on expanding safe and responsible domestic oil and gas production.

Second, this Proposed Final Program is grounded in the lessons learned from the Deepwater Horizon explosion and oil spill. Since the Deepwater Horizon incident, DOI has raised standards for offshore drilling safety and environmental protection in order to reduce the risk of another loss of well control in our oceans and improve our collective ability to respond to a blowout and spill. While offshore oil and gas exploration and development will never be risk-free, the risk from these activities can be minimized and operations can be conducted safely and responsibly, with appropriate measures to protect human safety and the environment.

The Department recently released a report that shows that, offshore, industry had leased nearly 36 million acres, but only about 10 million acres were active. Moreover, in the lower 48 states, an additional 20.8 million acres remain idle, and 7,000 approved but unused permits to drill on public lands continue to be held by companies.

BUREAU OF OCEAN ENERGY MANAGEMENT

Question 5. How many acres of the OCS are under lease but not producing oil and gas?

Answer. As noted in response to the previous question, the recently released report shows that offshore, industry had leased nearly 36 million acres, but only about 10 million acres were active.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

Question 6. The Budget proposes to eliminate payments to certified states and tribes. This will hit the Navajo Nation, which I understand uses the funds for public facilities and the reclamation of contaminated uranium mine sites, particularly hard. Have you engaged in a government-to-government consultation regarding the elimination of this funding with the Navajo Nation consistent with the trust responsibility?

Answer. Consultation with the Tribe has taken place on several occasions over the past several years. For the FY 2013 Budget Request, the Director of the Office of Surface Mining led a call on February 14, 2012, with all interested groups and briefly touched on the proposal, which is the same proposal as that put forward last year. Most recently, on May 18, 2012, OSM sent a letter to the Tribe to determine the Tribe's interest in consulting on the proposal this year. That letter noted that the legislative proposal contained in the FY 2013 budget is identical to that proposed for the current fiscal year and that consultation took place on last year's proposal, which was not enacted by Congress.

Question 7. OSM is in the process of revising permanent program regulations relating to excess spoil and stream buffer zones. Please provide your time table for this rulemaking.

Answer. OSM will take the time necessary to make informed decisions on the rulemaking, and plans to publish a Proposed Rule and associated Draft Environmental Impact Statement later this year.

Question 8. New Mexico and the Navajo Nation have serious needs with respect to the reclamation of abandoned uranium mines, many of which were developed initially to provide uranium for our Nation's weapons program. Please provide for the record by state and tribe the funds included in the President's Budget proposal for the reclamation of abandoned uranium mines. Please include this information for all the Bureaus within the Department of the Interior and for all Federal agencies which fund abandoned uranium mine reclamation.

Answer. There are no funds included in the FY 2013 budget proposal for the Department of the Interior bureaus to cleanup abandoned mines on tribal lands.

The BLM's appropriated funds for abandoned mine cleanup, $19.5 million in FY2012, will be used to mitigate public safety and environmental hazards associated with abandoned mines on public lands, and projects are undertaken based on a priority ranking irrespective of the mineral once mined at the site.

BUREAU OF LAND MANAGEMENT

Question 9. How many fulltime I&E inspectors are currently employed in the Farmington Field office?

Answer. There are 45 fulltime I&E inspectors currently employed in the Farmington Field Office.

Question 10. How much Federal onshore acreage is under oil and gas lease but not producing?

Answer. As of December 31, 2011, approximately 56 percent of total acres of public land under lease in the Lower 48 States—totaling approximately 20.7 million acres—are undergoing neither production nor exploration activities. As of September 30, 2011, there are over 7,000 approved permits to drill on public and Indian lands that have not yet been acted on by companies. In the lower 48 states, 20.8 million acres remain idle, and 7,000 approved but unused permits to drill on public lands continue to be held by companies.

Question 11. What is the current level of funding and what level is proposed for fiscal year 2011 for the administration of renewable energy development on public lands? Please provide allocation by energy type.

Answer. In the current year, FY 2012, wind and solar activities are funded at $19.7 million through the BLM's Renewable Energy Management program. The BLM does not break out funding by energy type for wind and solar energy development activities. The BLM does have a breakout for geothermal energy because the program has been historically managed within the BLM's oil and gas appropriation. In FY 2012, funding for geothermal activities comes from two sources: $1.3 million

from the Oil and Gas Management program; and $3.9 million from the Geothermal Steam Act Implementation Fund under the Energy Policy Act of 2005. New deposits into the Geothermal Steam Act Implementation Fund ceased in 2010, and current year expenditures are expected to exhaust the remaining balance.

For FY 2013, the budget request for the BLM's Renewable Energy Management program is $26.8 million, and incorporates geothermal activities. This request includes a transfer of $2.0 million from Oil and Gas Management for geothermal activities, and an increase of $5.0 million for a combination of geothermal activities and other high-priority renewable energy studies.

Question 12. Please describe all geothermal leasing activity, including date and state for all lease sales, subsequent to the Geothermal Steam Act amendments contained in the Energy Policy Act of 2005. Please provide a table of lands showing acres under geothermal lease (and whether production is occurring) by state.

Answer. BLM geothermal sales since passage of Energy Policy Act of 2005 are contained in the following chart:

Lease Sale Date	State	Parcels/Approximate Acres	Revenue Generated
June 20, 2007	Utah	8 parcels; 15,000 acres	$9.4 million
August 14, 2007	California/Nevada	49 parcels; 125,000 acres	$19.7 million
August 6, 2008	Nevada	35 parcels; 105,000 acres	$28.2 million
December 19, 2008	Utah	44 parcels; 194,000 acres	$5.7 million
July 14, 2009	Nevada/California/Utah	98 parcels; 255,000 acres	$9.1 million
November 17, 2009	Utah	3 parcels; 3,700 acres	$209,257
February 23, 2010	Utah/Idaho	21 parcels; 70,800 acres	$378,349
May 11, 2010	Nevada	75 parcels; 212,000 acres	$2.8 million
November 10, 2010	Colorado	1 parcel; 800 acres	$31,345
March 22, 2011	Nevada	29 parcels, 87,469 acres	$506,446
May 24, 2011	Idaho	8 Parcels, 26,728 acres	$53,464
January 24, 2012	Nevada	8 Parcels, 27,834 acres	$112,540
February 9, 2012	Colorado	2 Parcels, 8,353 acres	$33,716
Totals		**381 parcels; 1.13 million acres**	**$76.22 million**

BLM geothermal leases by state and producing status are contained in the following chart:

BLM-Managed Geothermal Leases, Authorized & Producing				
State	Authorized		Producing	
	# of Leases	# of Acres	# of Leases	# of Acres
Arizona	1	2,084	0	0
California	104	120,131	29	37,936
Colorado	1	799	0	0
Idaho	26	59,735	0	0
New Mexico	527	1,069,995	29	22,499
Nevada	4	3,581	2	2,781
Oregon	80	104,994	0	0
Utah	59	162,205	5	4,928
Washington	4	8,437	0	0
Total	**806**	**1,531,961**	**65**	**68,144**

Question 13. How many applications for solar rights-of-way are pending? How many applications for wind rights-of-way are pending? Please provide listings by state and location.

Answer. The following chart contains the requested information:

State	Serial Number	BLM Field Office	Application Date	Customer Name (Project Name and/or Geographic Area)	MWs	Total Case Acres
AZ	AZA 032315AA	KINGMAN FIELD OFFICE	7/21/2009	BP WIND ENERGY (Mohave County Wind)	500	31338
CA	CACA 048254	BARSTOW FIELD OFFICE	7/24/2006	GRANITE WIND LLC (Granite Mountain)	74	1960
CA	CACA 048902	BARSTOW FIELD OFFICE	12/11/2007	WEST FRY WIND ENERGY LLC (West Fry Wind)	N/A (80)	3248
CA	CACA 049575	BARSTOW FIELD OFFICE	12/6/2007	AES WIND GENERATION INC (Daggett Ridge)	N/A (84)	2930
CA	CACA 049709	EAGLE LAKE FIELD OFFICE	3/6/2007	INVENERGY LLC (Horse Lake Wind)	50	11407
CA	CACA 050612	BARSTOW FIELD OFFICE	12/29/2008	AES WIND GENERATION INC (Sand Ridge)	N/A (150)	4162
CA	CACA 051552	EL CENTRO FIELD OFFICE	10/9/2009	PATTERN ENERGY GOUP LP (Ocotillo)	560	14691
CA	CACA 051561	RIDGECREST FIELD OFFICE	12/11/2009	POWER PARTNERS SOUTHWEST LLC (Tylerhorse)	N/A	1200
CA	CACA 051581	BARSTOW FIELD OFFICE	12/29/2009	Iberdrola/PACIFIC WIND DEVELOPMENT (Silurian Valley)	180	6720
CA	CACA 051605	BARSTOW FIELD OFFICE	12/29/2009	HORIZON WIND ENERGY (Camp Rock)	N/A	150
CA	CACA 051667	UKIAH FIELD OFFICE	1/22/2010	ALTAGAS RENEWABLE ENERGY PAC (Walker Wind)	70	7662
CA	CACA 052078	EL CENTRO FIELD OFFICE	5/28/2010	IMPERIAL WIND LLC (Black Mountain)	48	2054
CA	CACA 052186	EL CENTRO FIELD OFFICE	07/16/2010	RENEWERGY LLC	N/A (180)	11227
CA	CACA 052309	RIDGECREST FIELD OFFICE	3/19/2010	ENXCO DEVELOPMENT INC (Avalon)	N/A	275
CA	CACA 052348	RIDGECREST FIELD OFFICE	07/07/2010	BOULEVARD ASSOCIATES LLC (North Sky River)	N/A (292)	9267
CA	CACA 052362	RIDGECREST FIELD OFFICE	8/1/2010	BENT TREE WIND FARM, LLC (Bent Tree)	N/A	540
CA	CACA 052435	EL CENTRO FIELD OFFICE	12/10/2010	ORO VALLEY POWER LLC	180	11227
CA	CACA 052537	RIDGECREST FIELD OFFICE	5/12/2010	ALTA WINDPOWER DEV., LLC (Alta East Wind)	300	3660
ID	IDI	JARBIDGE FIELD	5/1/2007	CHINA MOUNTAIN WIND	425	20000

State	Serial Number	BLM Field Office	Application Date	Customer Name (Project Name and/or Geographic Area)	MWs	Total Case Acres
	035183	OFFICE		LLC (China Mountain)		
ID	IDI 035672	FOUR RIVERS FIELD OFFICE	08/31/2006	ARKOOSH MICHAEL (King Hill)	N/A (35)	0
ID	IDI 036838	JARBIDGE FIELD OFFICE	10/5/2009	VERTICAL ENERGY LLC (Bell Rapids)	40	1
NM	NMNM 115846	CARLSBAD FIELD OFFICE	4/9/2007	Windwalker LLC (Texas Hill)	150	7108.6
NV	NVN 073726	LAS VEGAS FIELD OFFICE	5/5/2000	TABLE MTN WIND CO LLC (Table Mountain)	80	8320
NV	NVN 084113	CARSON CITY FIELD OFFICE	8/28/2007	RIDGELINE NEVADA ENERGY LLC (Pah Rah Range)	100	3128
NV	NVN 084626	LAS VEGAS FIELD OFFICE	1/29/2008	DUKE ENERGY (Searchlight)	200	24382
NV	NVN 085186	CARSON CITY FIELD OFFICE	4/21/2008	GREAT BASIN WIND ENERGY LLC (New Comstock)	200	3093
NV	NVN 087411	SCHELL FIELD OFFICE	4/27/2009	WILSON CREEK WIND CO (Wilson Creek)	N/A	3053
NV	NVN 088201	ELY FIELD OFFICE	2/16/2010	NEVADA WIND CO (Ely)	700	14267
NV	NVN 089394	CARSON CITY FIELD OFFICE	12/23/2010	GREAT BASIN WIND ENERGY LLC (Churchill Butte Wind Project)	133	2909
NV	NVN 089476	ELY FIELD OFFICE	12/28/2010	SHELL CREEK WIND CO LLC (SHELL CREEK WIND)	280	7500
OR	OROR 065553	BURNS ANDREWS/STEENS FO	12/01/2008	HORIZON WIND ENERGY NW X LLC (Pueblo Mountain)	N/A	17982
OR	OROR 065616	VALE BAKER FIELD OFFICE	7/7/2008	HORIZON WIND ENERGY NW IV LLC (Burnt River)	500	11000
OR	OROR 066575	LAKEVIEW DISTRICT LAKEVIEW FIELD OFFI	1/10/2011	OREGON COMMUNITY WIND LLC	9	1160
OR	WAOR 065492	SPOKANE WENATCHEE FIELD OFFICE	5/21/2008	INVENERGY LLC (Vantage)	N/A	40
UT	UTU 082906	SALT LAKE FIELD OFFICE	06/18/2008	SOUTH UTAH VALLEY ESD (West Mountain)	N/A	10
UT	UTU 083061	CEDAR CITY FIELD OFFICE	11/12/2008	EVERGREEN WIND PWR PRTNRS LLC (Mineral Mountain)	53	4717
UT	UTU 083075	CEDAR CITY FIELD OFFICE	5/22/2009	WASATCH WIND DEV LLC (Harmony Mountain)	90	4183
UT	UTU 088017	FILLMORE FIELD OFFICE	6/1/2010	MILFORD WIND CRRDR PHASE 3 LLC	450	500
WY	WYW 166407	RAWLINS FIELD OFFICE	12/22/2009	SHELL WIND ENERGY INC (Sand Hills)	8	3101

State	Serial Number	BLM Field Office	Application Date	Customer Name (Project Name and/or Geographic Area)	MWs	Total Case Acres
WY	WYW 167155	RAWLINS FIELD OFFICE	1/31/2008	POWER COMPANY OF WY (Choke Cherry/Sierra Madre)	1500	110328
WY	WYW 167597	ROCK SPRINGS FIELD OFFICE	11/12/2007	TETON WIND LLC (White Mountain)	108	4398
WY	WYW 167692	ROCK SPRINGS FIELD OFFICE	2/2/2009	EVERGREEN WIND PWR PRTNRS LLC (Aspen Mountain)	50	4218
WY	WYW 167746	ROCK SPRINGS FIELD OFFICE	11/5/2009	WASATCH WIND LLC (Sweeney Ranch)	134	5360
WY	WYW 178872	RAWLINS FIELD OFFICE	11/05/2009	WASATCH WIND DEVELOPMENT LLC (Black Mountain)	65	3880
WY	WYW 170562	RAWLINS FIELD OFFICE	12/27/2010	EURUS MIDDLEWOOD, LLC (Middlewood)	531	7724
WY	WYW 170563	RAWLINS FIELD OFFICE	12/27/2010	EURUS DRY CREEK, LLC (Dry Creek)	351	3527

Summary Table of Pending Wind Right-of-Way Applications			
State	Active Applications	Acres	Estimated MWs
Arizona	1	31,338	500
California	17	92,380	1,462
Idaho	3	20,001	465
New Mexico	1	7,109	150
Nevada	8	66,652	1,693
Oregon	4	30,182	509
Utah	4	9,410	593
Wyoming	8	142,536	2,747
Totals	**46**	**399,608**	**8,119**

Information related to pending solar energy right-of-way applications is contained in the following charts:

State	BLM Field Office	Serial Number	Customer Name (Project Name and/or Geographic Area)	Date Received	MWs	Total BLM Acres	Planned Technology
AZ	Hassayampa	AZA 034184	BOULEVARD ASSOC LLC (Aguila)	06/26/2007	500	7,335	CSP/Trough
AZ	Hassayampa	AZA 034186	BOULEVARD ASSOC LLC (Burnt Mountain/Big Horn)	06/26/2007	500	5,912	CSP/Trough
AZ	Kingman	AZA	NextEra/BOULEVARD	06/22/2007			CSP/Trough

State	BLM Field Office	Serial Number	Customer Name (Project Name and/or Geographic Area)	Date Received	MWs	Total BLM Acres	Planned Technology
		034200	ASSOC LLC (Mountain Spring)		250	6,705	
AZ	Hassayampa	AZA 034321	AREVA SOLAR AZ II LLC (AUSRA Palo Verde)	10/01/2007	400	1,867	CSP/CLFR
AZ	Lake Havasu: Yuma	AZA 034335	BOULEVARD ASSOC LLC (Bouse)	06/08/2007	500	24,221	CSP/Trough
AZ	Lower Sonoran	AZA 034357	FIRST SOLAR (Gila Bend)	11/06/2007	500	6,003	PV
AZ	Lower Sonoran	AZA 034358	FIRST SOLAR (Saddle Mtn)	11/06/2007	300	5,997	PV
AZ	Yuma	AZA 034416	PACIFIC SOLAR INVST INC (Iberdrola) (Eagletail)	12/02/2007	1,500	26,082	CSP/Trough
AZ	Hassayampa	AZA 034424	PACIFIC SOLAR INVST INC (Iberdrola) (Big Horn)	12/04/2007	300	7,240	CSP
AZ	Lower Sonoran; Yuma	AZA 034425	PACIFIC SOLAR INVST INC (Iberdrola) (Hyder)	12/07/2007	350	4,500	CSP/Trough
AZ	Yuma	AZA 034426	PACIFIC SOLAR INVST INC (Iberdrola) (Ranegras)	12/02/2007	2,000	25,860	CSP/Trough
AZ	Yuma	AZA 034427	PACIFIC SOLAR INVST INC (Iberdrola) (La Posa Solar Thermal)	09/06/2007	2,000	38,212	CSP/Trough
AZ	Hassayampa	AZA 034540	HORIZON WIND ENERGY LLC (Horizon Aguila)	03/04/2008	250	11,535	CSP/Trough
AZ	Yuma	AZA 034554	NEXTLIGHT RENEWABLE POWER LLC (Quartzite)	03/26/2008	500	20,699	CSP/Trough
AZ	Yuma	AZA 034560	NEXTLIGHT RENEWABLE POWER LLC (Vicksburg)	03/26/2008	500	15,040	CSP/Trough
AZ	Yuma	AZA 034566	NEXTLIGHT RENEWABLE POWER LLC (Centennial)	03/26/2008	500	13,428	CSP/Trough
AZ	Yuma	AZA 034568	NEXTLIGHT RENEWABLE POWER LLC (Palomas)	03/26/2008	500	20,165	CSP/Trough
AZ	Yuma	AZA 034665	SOLAR RESERVE LLC (Black Rock Hill)	05/27/2008	600	5,600	CSP/Tower
AZ	Yuma	AZA 034666	SOLAR RESERVE LLC (Quartzsite)	05/27/2008	100	1,500	CSP/Tower
AZ	Yuma	AZA 034668	SOLAR RESERVE LLC (Agua Caliente)	05/27/2008	600	5,678	CSP/Tower
AZ	Hassayampa	AZA 034737	ARIZONA SOLAR INVST INC	07/10/2008	250	14,047	PV

State	BLM Field Office	Serial Number	Customer Name (Project Name and/or Geographic Area)	Date Received	MWs	Total BLM Acres	Planned Technology
			(Haraquahala)				
AZ	Yuma	AZA 034739	IDIT INC(Little Horn)	07/09/2008	1,000	12,291	CSP/Trough
AZ	Lake Havasu	AZA 034754	HORIZON WIND ENERGY LLC (Wenden)	03/04/2008	250	28,760	CSP/Trough
AZ	Lower Sonoran	AZA 034774	IDIT INC (Dendora Valley)	08/12/2008	250	14,765	PV
AZ	Hassayampa	AZA 034797	LSR JACKRABBIT LLC (LSR Jackrabbit)	08/27/2008	500	27,036	CSP/Tower
AZ	Lower Sonoran	AZA 034799	LSR PALO VERDE LLC (LSR Palo Verde)	08/27/2008	600	5,855	CSP/Trough
AZ	Yuma	AZA 034936	WILDCAT QUARTZSITE LLC (Quartzite)	01/29/2009	800	11,960	CSP/Tower
AZ	Lake Havasu	AZA 034946	WILDCAT HARCUVAR SOUTH LLC (Bright Source Energy) (Wildcat Harcuvar SO)	01/28/2009	800	10,947	CSP/Tower
AZ	Lower Sonoran	AZA 035166	IDIT INC (Arlington West)	07/27/2009	Unknown	5,800	PV
AZ	Safford	AZA 035236	SOLAR RESERVE (Safford Solar Energy Center/San Simon)	01/04/2010	250	22,892	PV
CA	Needles	CACA 048669	FIRST SOLAR (Stateline/Ivanpah)	12/14/2006	380	5,454	PV
CA	Palm Springs-Southcoast	CACA 048728	NextEra ENERGY (McCoy)	01/31/2007	750	7,754	PV
CA	Palm Springs-Southcoast	CACA 048808	CHUCKWALLA SOLAR 1 LLC (Chuckwalla)	09/15/2006	200	4,082	PV
CA	Palm Springs-Southcoast	CACA 048810	SOLAR MILLENNIUM/ CHEVRON (Palen)	03/14/2007	500	5,160	CSP/Trough
CA	Barstow	CACA 048875	DPT BROADWELL LAKE LLC (Broadwell SEGS)	01/24/2007	1,000	8,625	CSP/Tower
CA	Needles	CACA 049002	LEOPOLD COMPANY LLC (Ward Valley)	04/02/2007	250	35,200	CSP/Tower
CA	El Centro	CACA 049150	SUNPEAK SOLAR LLC (Superstition Solar I)	07/17/2007	500	5,464	PV
CA	Palm Springs-Southcoast	CACA 049397	FIRST SOLAR (Desert Quartzite)	09/28/2007	700	7,236	PV
CA	Palm Springs-Southcoast	CACA 049488	ENXCO INC (Mule Mountain)	11/13/2007	200	2,049	PV

State	BLM Field Office	Serial Number	Customer Name (Project Name and/or Geographic Area)	Date Received	MWs	Total BLM Acres	Planned Technology
CA	Palm Springs-Southcoast	CACA 049490	ENXCO INC (McCoy)	11/13/2007	300	20,480	CSP
CA	Palm Springs-Southcoast	CACA 049491	ENXCO INC (Desert Harvest)	11/13/2007	150	930	CSP
CA	Barstow	CACA 049584	Caithness Soda Mtn, LLC (Caithness Soda Mt)	12/14/2007	350	7,995	ConPV
CA	Barstow	CACA 049585	Power Partners Southwest (ENXCO) (Troy Lake Soleil)	12/12/2007	200	3,834	PV
CA	El Centro	CACA 049615	PACIFIC SOLAR INVESTMENTS INC (Iberdrola) (Ogilby Solar)	09/04/2007	450	7,405	CSP
CA	El Centro	CACA 049884	SOLAR RESERVE LLC (Solar Reserve/Imperial County)	04/24/2008	250	4,000	CSP/Tower
CA	Palm Springs-Southcoast	CACA 050390	SOLAR RESERVE LLC (Mule Mountain)	08/13/2008	Unknown	8,160	CSP/Tpwer
CA	El Centro	CACA 051625	SAN DIEGO GAS & ELECTRIC CO (Ocotillo Sol)	12/17/2009	14	115	PV
CA	Bakersfield	CACA 051812	ELEMENT POWER (GrEXt Valley - Atwell)	04/09/2010	150	1,509	PV
CA	Palm Springs-Southcoast	CACA 052130	RIDGELINE ENERGY (Indio Solar Project)	05/19/2010	30	640	PV
CA	Barstow	CACA 052796	BRIGHTSOURCE ENERGY (Johnson Valley SEGS)	05/23/2011	800	1,560	CSP/Tower
CA	Palm Springs-Southcoast	CACA 053138	BRIGHTSOURCE ENERGY (Rio Mesa SEGS)	02/14/2011	750	8,188	CSP/Tower
CA	El Centro	CACA 053143	DIXIELAND SOLAR FARM LLC	10/07/2011	21	246	PV
NM	Las Cruces	NMNM 119969	ENXCO DEVELOPMENT CORP (Afton)	02/06/2008	600	3,000	CSP/Trough
NM	Las Cruces	NMNM 120310	IBERDROLA RENEWABLES (Lordsburg Mesa)	03/25/2008	1,500	24,320	CSP/Trough
NM	Las Cruces	NMNM 121092	SOLAR RESERVE LLC (Lordsburg)	08/11/2008	100	5,296	CSP/Tower
NV	Las Vegas	NVN 083914	BRIGHT SOURCE ENGY SOLAR PTNR (Morman Mesa)	07/25/2007	500	10,000	CSP/Tower

State	BLM Field Office	Serial Number	Customer Name (Project Name and/or Geographic Area)	Date Received	MWs	Total BLM Acres	Planned Technology
NV	Las Vegas	NVN 084052	NV POWER CO (Dry Lake Valley)	08/14/2007	125	919	CSP/Trough
NV	Las Vegas	NVN 084232	FIRST SOLAR (Desert Spring)	10/22/2007	400	5,500	PV
NV	Las Vegas	NVN 084465	PACIFIC SOLAR INVESTMENTS INC (Iberdrola) (Amargosa North)	12/07/2007	150	7,500	PV
NV	Las Vegas	NVN 084631	BRIGHT SOURCE ENGY SOLAR PTNR	01/28/2008	1,200	2,000	CSP/Tower
NV	Stillwater	NVN 084654	NAVY FACENG CMND SW (Fallon NAS Solar)	01/25/2008	4	37	PV
NV	Las Vegas	NVN 085801	FIRST SOLAR (Silver State South)	08/25/2008	350	1,400	PV
NV	Las Vegas	NVN 086159	POWER PARTNERS SOUTHWEST LLC (ENXCO)	09/19/2008	250	1,751	CSP
NV	Pahrump	NVN 086248	AUSRA NV I LLC (Highway 160)	10/06/2008	420	10,080	CSP/Trough
NV	Pahrump	NVN 086249	AUSRA NV I LLC (Spector Range)	10/09/2008	Unknown	4,480	CSP/Trough
NV	Caliente	NVN 086350	SOLAR RESERVE LLC (Pahroc Solar)	10/02/2008	180	7,680	CSP/Tower
NV	Pahrump	NVN 086571	ABENGOA SOLAR INC (Lathrop Wells Solar)	12/12/2008	500	5,336	CSP/Trough
NV	Las Vegas	NVN 088552	GA-SNC SOLAR LLC	05/13/2010	150	825	PV
NV	Las Vegas	NVN 089530	SILVER STATE SOLAR LLC	2/24/2011	Unknown	5,651	PV
NV	Las Vegas	NVN 089560	GASNA 39 LLC	12/17/2010	50	600	PV
NV	Las Vegas	NVN 089655	ELEMENT POWER	9/9/2010	100	2,560	PV
NV	Las Vegas	NVN 089656	ELEMENT POWER	9/9/2010	50	640	PV
NV	Las Vegas	NVN 089657	ELEMENT POWER	9/9/2010	100	640	PV
NV	Las Vegas	NVN 089658	ELEMENT POWER	9/9/2010	100	640	PV
NV	Las Vegas	NVN 089659	ELEMENT POWER	9/9/2010	100	1,280	PV
NV	Las Vegas	NVN 090476	BRIGHT SOURCE ENERGY	1/21/2011	750	16,617	CSP/Tower

Summary Table of Pending Solar Right-of-Way Applications			
State	Active Applications	Acres	Estimated MWs
Arizona	30	407,932	17,350
California	22	146,086	7,915
New Mexico	3	32,616	2,200
Nevada	21	86,136	5,479
Totals	**76**	**672,770**	**32,944**

Question 14. How many acres administered by the Forest Service and the BLM have been leased for oil and gas development during each of the past ten fiscal years? Please display this on a state-by-state basis and by agency.

Answer. The BLM administers all acres of federal oil and gas mineral estate. The following link provides data for the total acres of federal land leased for the last 10 years by state. The attached table breaks out the acres of the Forest Service

leased each of the past ten fiscal years for each state.http://www.blm.gov/style/medialib/blm/wo/MINERALS__REALTY__AND__RESOURCE__PROTECTION__/energy/oil__gas__statistics/data__sets.Par.80157.File.dat/table05.pdf

Data last updated November 9, 2011

Acres Leased by Year on BLM and FS

Geographic State	FY 2002		FY 2003		FY 2004		FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS
Alabama	0	4,185	840	6,350	5077	0	80	0	0	13,625	4834	25,695	0	27,771	443	8,158	2096	0	500	19,658
Alaska	1,520,570	0	1,514,340	0	2,758,162	0	2,732,167	0	2,732,167	0	3,344,519	0	3,147,163	0	3,113,795	0	2,325,846	0	1,437,051	0
Arizona	113,704	0	99,258	5,761	109,243	0	96,498	0	71,374	0	384,848	0	359,673	0	308,319	0	357,680	0	32,383	0
Arkansas	0	71,247	26,896	60,896	9,693	172,495	5,819	167,035	0	36,711	19,273	80,311	0	49,361	0	9,937	975	691	428	6,163
California	39,078	0	58,792	760	34,343	0	5,679	0	74,466	0	14,475	0	61,880	0	13,996	0	21,201	0	10,239	0
Colorado	411,497	36,532	178,240	73,066	229,922	13,146	232,040	4,346	451,565	34,005	399,569	87,253	363,388	13,919	29,003	7,031	82,308	13,103	5,527	0
Connecticut	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	3,368	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	4,303	1,495	871	0	0	0	0	0	0	0	7,356	0	15,942	1,527	0	0	0	0	0	0
Illinois	112	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,562	0	0	0
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	2,378	0	5,444	320	1,000	240	160	0	0	310	360	878	2,763	0	8,823	0	5,614	0	134	0
Kentucky	2,100	0	0	0	4,964	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,834
Louisiana	0	3,033	511	0	1,126	240	0	1,985	120	1,327	199	2,574	11,079	25,327	0	10,973	1,785	3,432	3,211	98,785
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	3,928	3,384	696	0	0	460	0	197	0	0	3,825	0	17,940	0	34,249	2,402	0	49	6,284
Minnesota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	1,404	50,251	0	15,741	0	41,205	0	51,802	3,230	47,522	0	86,135	654	68	0	0	3,298	0	4,041	150,693
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	292,896	765	172,874	0	210,560	3,180	313,016	0	200,167	0	194,087	26,105	201,006	34,348	141,683	8,302	40,551	4,026	67,452	0
Nebraska	0	0	1,980	0	0	0	0	0	60	0	0	0	0	0	0	0	0	0	0	0
Nevada	259,920	0	118,272	0	636,632	0	1,315,238	44,047	1,286,282	73,585	830,372	0	721,901	240	800,654	3,432	649,546	0	480,560	0
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	192,124	0	239,919	160	201,691	13,065	184,768	0	161,132	0	198,630	1,280	138,772	0	196,875	0	68,139	0	22,974	0
New York	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	1,233	36,121	5,775	320	33,095	49,432	474	149,342	15,447	48,563	21,703	38,757	4,596	15,640	50,631	106,190	6,111	12,863	23,023	56,918
Ohio	0	121	0	0	1,822	2,756	284	154	0	0	0	65	0	0	419	85	80	8,933	102	78
Oklahoma	5,818	200	6,746	5,911	2,125	1,791	10,110	2,318	13,626	54,568	28,772	8,311	19,993	28,711	13,800	16,616	1,162	1,918	1,528	764
Oregon	5,006	0	160	0	0	0	0	0	255,920	0	24,944	0	14,358	0	7,734	0	0	0	0	0
Pennsylvania	274	561	0	0	0	0	0	0	0	102	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	2,780	0	546	0	10,962	0	33,214	319	21,796	2,678	29,350	240	0	0	6,577	15,179	0	0	11,842	921
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	4,974	33,182	0	43,377	13,986	5,953	0	3,625	3,060	14,767	5,472	31,247	3,361	16,005	8,920	47,386	4,275	8,059	2,244	7,167
Utah	110,422	111,648	231,726	7,861	84,520	24,308	986,627	14,659	379,288	156,683	359,169	3,744	90,373	4,196	240,141	0	109,120	1,737	25,400	0
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	1	1,028	0	0	453	9,699	0	0	0	0	0	0
Washington	11,544	0	210,180	0	192,878	0	45,423	0	127,363	0	23,611	0	3,904	0	0	3,044	0	0	0	0
West Virginia	0	0	0	9,650	1	8,873	0	12,507	0	16,760	0	0	0	5,195	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	537,975	3,880	540,958	6,737	718,695	5,546	703,043	3,191	783,625	23,575	774,233	1,474	786,456	21,300	37,556	12,748	289,208	1,635	1,005,736	9,005
TOTAL	3,661,556	358,548	3,418,913	740,476	5,213,384	341,280	6,586,403	454,130	6,587,525	578,364	6,601,912	346,218	5,345,251	246,826	5,026,279	302,697	3,317,996	57,187	3,168,420	311,731

Question 15. How many acres of lands administered by the Forest Service and the BLM in states west of the hundredth meridian have been under oil and gas lease in each of the past ten fiscal years? Please display by state and agency.

Answer. The BLM administers all acres of federal oil and gas mineral estate. The following table and link provides data for the total acres of BLM and Forest Service land leased for the 12 western states and those states through which the 100th meridian passes. The attached table breaks out the acres by agency of BLM and Forest Service land leased for the 12 western states and those states through which the 100th meridian passes. http://www.blm.gov/style/medialib/blm/wo/MINERALS__REALTY__AND__RESOURCE__PROTECTION__/energy/oil__gas__statistics/data__sets.Par.67327.File.dat/table-03.pdf

Data last updated November 9, 2011

Acres Under Lease West of the 100th Meridian

Geographic State	FY 2002[6]		FY 2003[6]		FY 2004[6]		FY 2005[6]		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS
Alaska	1,520,570	0	1,514,340	0	2,758,162	0	2,732,167	0	2,732,167	0	3,344,519	0	3,147,163	0	3,113,795	0	2,325,846	0	1,437,051	0
Arizona	113,704	0	99,258	5,761	109,243	0	96,498	0	71,374	0	384,848	0	359,673	0	308,319	0	357,680	0	32,383	0
California	254,962	16,901	315,560	8,726	300,507	7,966	294,044	18,083	370,341	8,032	372,661	8,126	431,461	7,968	414,784	7,566	263,661	7,966	252,610	7,968
Colorado	4,243,498	292,953	4,256,945	359,318	3,061,775	363,385	2,881,615	389,771	4,386,979	445,261	4,378,124	443,530	4,606,164	633,543	4,305,403	510,720	4,117,154	515,239	3,870,370	509,705
Idaho	7,006	4,496	10,263	0	2,465	0	2,465	0	1,784	0	9,149	0	28,650	0	20,527	1,527	22,074	40	8,110	0
Kansas	39,288	61,905	63,545	62,177	58,462	62,655	58,024	52,179	51,608	51,537	50,420	63,015	64,253	62,575	69,547	54,395	70,044	62,735	66,521	62,556
Montana	3,410,424	886,821	3,561,728	652,581	3,496,584	806,908	3,513,878	834,389	3,388,451	901,977	3,385,740	934,740	3,159,381	1,159,397	3,046,889	938,988	2,906,452	1,197,858	2,187,174	911,968
Nebraska	14,520	0	16,500	0	16,180	0	16,180	0	15,775	0	15,400	0	11,247	0	9,767	0	9,606	0	9,184	0
Nevada	1,957,718	1,940	1,810,532	2,081	1,956,340	14,059	2,563,147	7,773	4,042,006	30,912	4,433,352	19,504	4,311,973	33,488	4,224,341	21,389	3,862,797	103,583	3,878,671	31,003
New Mexico	5,117,752	234,870	5,212,086	229,301	4,583,696	242,964	4,497,439	243,110	5,153,228	296,021	4,514,146	249,218	3,198,023	244,022	5,223,676	244,382	5,076,217	249,665	4,912,827	243,756
North Dakota	494,943	347,466	391,924	371,343	290,899	530,513	223,235	653,199	331,015	584,172	82,101	717,715	162,336	666,289	205,445	757,853	190,865	758,096	153,923	841,079
Oklahoma	241,975	15,131	248,917	17,475	221,784	18,452	203,285	23,200	192,405	60,410	223,523	72,620	211,060	117,205	227,097	123,451	204,784	126,116	202,466	126,778
Oregon	43,483	0	42,918	362	32,779	5,111	37,730	0	276,873	0	302,953	68	289,093	0	271,139	7,494	269,645	0	260,668	0
South Dakota	236,952	12,510	232,814	8,110	78,778	25,919	117,567	10,782	127,312	14,364	124,783	9,501	126,576	8,907	128,947	21,099	107,265	22,163	95,691	25,227,86
Texas	295,884	133,325	244,769	222,762	236,037	209,868	220,426	223,572	206,452	242,262	146,864	273,863	159,786	290,153	169,896	318,748	121,402	348,259	113,710	342,855
Utah	3,470,860	264,008	3,542,785	275,748	3,051,640	372,533	3,766,308	359,236	4,131,017	496,671	4,169,707	511,622	4,461,272	507,621	4,416,378	579,101	4,285,717	570,116	3,692,772	566,223
Washington	102,555	0	312,740	0	483,050	0	532,747	0	533,390	0	546,763	1,902	579,163	0	463,693	0	376,245	0	168,808	0
Wyoming	15,079,617	276,606	14,967,529	321,943	9,724,579	302,302	9,273,778	313,004	13,818,388	344,996	12,210,609	370,042	12,152,554	397,969	12,358,708	374,249	11,282,419	378,671	11,242,256	374,650
TOTAL	36,567,310	3,051,522	36,875,186	2,737,277	30,421,691	3,011,772	31,331,355	3,114,349	38,769,977	3,465,634	38,498,680	3,671,766	40,626,565	4,120,324	39,052,151	4,061,462	34,667,143	4,348,566	32,520,810	4,030,157

Question 16. How many wells were started on federal lands (BLM and Forest Service) in each of the past 10 fiscal years? Please provide by state. Please also provide the number of completions per state per year on federal lands.

Answer. The number of wells started (spud) on all federal mineral estate in each of the past ten years is shown on the table below. The following data table and link provides the data on total well starts.http://www.blm.gov/style/medialib/blm/wo/MINERALS__REALTY__AND__RESOURCE__PROTECTION__/energy/oil__gas__statistics/data__sets.Par.36209.File.dat/table09.pdf

Data last updated November 9, 2011

Number of Well Bores Started (Spud) During the Fiscal Year on Federal Lands (BLM and Forest Service)

Geographic State	FY 2002[1]		FY 2003[2]		FY 2004[2]		FY 2005[2]		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS
Alabama		1			5	1									1					
Alaska	13		7		7		6		6		7		9		7					
Arizona													1							
Arkansas	7		3	2	3	1	5	1	9	2	8	5	3	9	1	13	1	12	7	
California	100		108		97		147		135		155		231		162		210		414	
Colorado	152	4	203	3	191	4	202	5	374	12	376	24	503	24	332	8	409	2	453	
Kansas	1	2	1	5				1	1	4		5			1	1	1			1
Kentucky								1												
Louisiana	2		5	1	13	1	15		36		39		24		5				2	
Michigan	1		1		7			1	1			2			1		1	1		
Mississippi	1	6	1	5		3		7	5	6	6	5		1		3		1		1
Montana	109		124		98		65		107		131		120		51		63		23	
Nebraska					1				1		1		1		1					
Nevada	3		4		4		9		8		8		4		2		2		3	
New Mexico	794	27	1,057	20	686	40	1,103	39	991	77	1,023	65	927	73	665	41	705	28	667	42
New York			1												2					
North Dakota	42	12	57	8	44	4	12	16	62	34	85	29	44	22	47	16	75	20	85	39
Ohio	1			1	2			1		2	1	2		1			1	1		2
Oklahoma	8		5	2	4	1		2	12	1	13		16	2	5	1	2			1
Pennsylvania		1							5		5					6		1		
South Dakota			2	1				1	6	1	8		2		2					3
Texas	10		7	3	1	14		10	12	5	11	7	11	3	10	3	19	6	38	5
Utah	233		274	1	226		470	6	176	5	568	14	706	10	425	4	256	21	415	18
Virginia	1													2	2					
West Virginia	1	3	1																	
Wyoming	1,332	6	1,015	26	1,219	25	1,125	64	2,706	3	2,735	5	2,275		1,446		1,289	1	1,048	1
TOTAL	2,806	62	2,879	78	2,698	94	3,159	155	4,956	152	5,160	163	4,897	147	3,169	98	3,574	92	3,156	105

[1] Data from Public Lands Statistics.

[2] Data from AFMSS.

[3] Due to AFMSS shut down in FY 2005 data is incomplete as of 11/18/2005. Data will be updated as soon as system is fully updated for FY 2005.

Data last updated November 9, 2011

Number of Well Completions During the Fiscal Year on Federal Lands (BLM and Forest Service)

Geographic State	FY 2002[1]		FY 2003[2]		FY 2004[2]		FY 2005[2]		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS	BLM	FS
Alabama		1			4				1	0	1	0			1	0				
Alaska	4		4		6		2	0	4	0	5	0	2	0	4	0	0	1		
Arizona																				
Arkansas					5	1	8	0	10	1	4	5	3	5	5	10	1	8	5	4
California	66		88		94		124		127	0	164	0	112	0	78	0	79	0	100	0
Colorado	139	6	167	2	216	2	269	4	325	3	367	13	492	15	396	30	368	3	374	2
Kansas	1	2	1	3		1		1	1	3	1	3	0	1	0	1	1	0	1	0
Kentucky								1			0	3								
Louisiana	2		5	1	9		23		39	1	43	0	33	0	3	0			2	
Michigan					7		1	1	2		1	3			1	0				
Mississippi	1			1	4	2	0	5	4	6	0	1	0	2	0	1				
Montana	89		90		169		169	0	120	0	158	0	117	0	62	0	58		15	0
Nebraska					1		2	0	1	0			1	0	1	0				
Nevada	1		4		2		5	0	3	0	3	0	5	0	1	0	3	0	1	0
New Mexico	676	28	873	17	974	32	1,019	31	1,150	57	1,120	63	993	40	770	74	730	19	787	43
New York			1												1	0				
North Dakota	29	10	40	2	48	2	48	2	75	10	44	24	44	7	52	10	55	17	89	26
Ohio		1		1	1	1	1	0	0	3							1	0		
Oklahoma	4		4	2	9	1	7	2	13	1	10	0	18	0	6	2	1	0	3	0
Pennsylvania															0	5	0	1		
South Dakota			1		2				1	0	1	0			1	0			1	0
Texas	9	1	7	1	10	13	21	11	12	2	14	3	19	4	8	4	8	4	33	5
Utah	245		210	1	293		491	1	544	3	524	5	635	10	519	10	321	17	308	16
Virginia													0	3						
West Virginia		1			1															
Wyoming	1,311	4	975	25	1,388	21	2,213	68	2,200	2	1,997	4	1,745		1,574		1,148	0	1,135	0
TOTAL	2,573	54	2,370	56	3,225	76	4,332	124	4,632	93	4,457	127	4,156	87	3,483	147	2,771	70	2,854	95

Question 17. Please list the total number of new federal oil and gas leases by state by year.

Answer. The following table and link provides the total number of new federal oil and gas leases by state by year for the last ten years.http://www.blm.gov/style/medialib/blm/wo/MINERALS__REALTY__AND__RESOURCE__PROTECTION__/energy/oil__gas__statistics/data__sets.Par.62098.File.dat/table04.pdf

Data last updated November 9, 2011

Number of New Federal Oil and Gas Leases Issued During the Fiscal Year

Geographic State	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Alabama	9	12	17	1	21	76	20	22	17	35
Alaska	59	1	123			81	1	6		
Arizona	1	3	2	20	3	59				
Arkansas	81	56	129	281	135	200	94	42	18	32
California	52	65	53	12	63	34	53	26	25	25
Colorado	427	260	234	272	461	464	320	83	148	11
Connecticut										
Delaware										
Florida		2								
Georgia										
Hawaii										
Idaho	3	1				4	10			
Illinois	1									
Indiana								13		
Iowa										
Kansas	4	12	6	1	1	9	4	15	9	2
Kentucky	2		7							5
Louisiana	9	4	12	9	3	7	90	25	32	123
Maine										
Maryland										
Massachusetts										
Michigan	4	13		2	2	12	18	42	3	19
Minnesota										
Mississippi	133	54	68	74	109	215	13		26	227
Missouri										
Montana	302	219	192	306	220	203	211	190	71	96
Nebraska		5			1					
Nevada	109	89	305	504	612	386	399	430	252	186
New Hampshire										
New Jersey										
New Mexico	245	231	225	278	215	207	159	212	190	81
New York										
North Carolina										
North Dakota	79	13	154	229	135	143	53	243	37	207
Ohio	2		31	5		1		7	25	2
Oklahoma	22	39	29	35	94	113	63	57	23	14
Oregon	6	1			157	29	5	6		
Pennsylvania	2				1					
Rhode Island										
South Carolina										
South Dakota	2	2	14	28	20	25		20		25
Tennessee										
Texas	102	47	20	7	39	73	26	90	42	32
Utah	132	171	93	617	351	303	67	155	79	28
Vermont										
Virginia					1		20			
Washington	10	119	134	28	97	21	2		2	
West Virginia		5	9	8	9		5			
Wisconsin										
Wyoming	586	598	842	797	996	834	783	388	309	1,038
Total	2,384	2,022	2,699	3,514	3,746	3,499	2,416	2,072	1,308	2,188

Data from Public Lands Statistics

BUREAU OF RECLAMATION

Question 18. What is the status of Reclamation's efforts to develop rules or criteria for the Rural Water program? If criteria have been finalized, please provide a copy.

Answer. The Bureau of Reclamation released its Rural Water Assessment Report on July 9, 2012, which reviews the status of the Bureau's rural potable water projects and includes a description of the proposed prioritization criteria. This comprehensive set of draft criteria for ranking projects will enable the Bureau to direct its limited construction dollars to the completion of the most meritorious projects. The draft assessment report reflects Reclamation's revisions to the interim criteria used to allocate the additional appropriations received in FY 2012. The interim criteria were also used to formulate the President's FY 2013 budget request for rural water construction. Reclamation modified the interim criteria to account for the collection of data on regional economic impacts and the use of renewable energy to meet project power demands. The revised criteria are available for public review and comment for 60 days, ending at 5:00 p.m. (MDT) on September 10, 2012. It is impor-

tant to note that the prioritization criteria will not be finalized until Reclamation has considered and reviewed comments submitted during the 60 day review period. Reclamation will continue to work closely with members of Congress, project partners, and stakeholders to finalize the criteria.

The revised criteria include factors that account for project completion, urgent and compelling needs for water supply, economic impacts in areas with low employment, Native American populations served, available non-Federal cost-share, and energy efficiency and renewable energy use. A copy of the Report and funding prioritization criteria can be found at: http://www.usbr.gov/ruralwater/docs/Rural-Water-Assessment-Report-and-Funding-Criteria.pdf.

Pursuant to Section 9505 of the Act, the Department of Energy (DOE) is in the process of conducting an assessment on the effect of, and risk resulting from, climate change with respect to water supplies that are required for the generation of hydropower. In consultation with Reclamation and USGS, along with the Power Marketing Administrations, the National Oceanic and Atmospheric Administration and the Army Corps of Engineers, DOE is preparing a report to Congress on climate change effects at Federal hydropower facilities, and recommendations on how to change operating and contracting practices to address identified climate change risks.

Question 19. What is the status of Reclamation's efforts to develop rules or criteria for the Title XVI program?

Answer. In October 2010, after receipt of public comments, Reclamation finalized funding criteria to identify Title XVI projects that most effectively stretch water supplies and contribute to water supply sustainability; address water quality concerns or benefit endangered species; incorporate the use of renewable energy or address energy efficiency; deliver water at a reasonable cost relative to other water supply options; and that meet other important program goals. Those criteria were incorporated into funding opportunity announcements in FY 2011 and FY 2012 to prioritize projects that most closely meet program goals for available funding.

Question 20. Please summarize the work being done to implement the SECURE Water Act, authorized by Section 9501 et seq. of P.L. 111-11?

Answer. The Department of the Interior is addressing the authorities within the SECURE Water Act (Act) through a broad set of activities. These activities, in conjunction with Secretarial Order 3289 establishing the Department's integrated approach to addressing climate change and Secretarial Order 3297 establishing the WaterSMART Program, are implementing the Act's intent to assess risks to the water resources of the Western United States and develop strategies to mitigate risks to help ensure that the long-term water resources management of the United States is sustainable. The Act requires identified Federal agencies to assess climate change implications for water supplies, water deliveries, hydropower generation, fish and wildlife, water quality, flood control, ecological resiliency, and recreation. The following summarizes the work being done by the Department to implement the Act.

Secretarial Order 3297 established the WaterSMART Program (WaterSMART), calling for coordination across agencies to integrate energy and water policies, and to ensure the availability of sound science and information to support decisions on sustainable water supplies. WaterSMART addresses current and future water shortages, degraded water quality, increased demands for water from growing populations and energy needs, amplified recognition of environmental water requirements, and the potential for decreased water supply availability due to drought and climate change. WaterSMART includes funding for cost-shared grants for water and energy management improvement projects, basin-wide efforts to evaluate current and future water supplies and demands, Title XVI water reclamation and reuse projects, the establishment and expansion of collaborative watershed groups, and smaller-scale water conservation activities through the Water Conservation Field Services Program. Together, these programs form an important part of Reclamation and the USGS's implementation of the Act.

The Department, through the Bureau of Reclamation, is addressing climate change impacts and water supply and demand imbalances through the Basin Study Program, which implements Section 9503 of the Act through three activities: (1) Basin Studies, through which Reclamation works with State and local partners to comprehensively identify strategies to meet future water demands within a river basin; (2) West-Wide Climate Risk Assessments (WWCRAs), which provide consistent projections of risks to water supplies and demands and impacts to Reclamation operations due to the potential impacts of climate change across the eight major Reclamation river basins identified within the Act; and (3) Landscape Conservation Cooperatives, which are focused on working with partners to identify shared science needs and meeting those needs through the development of applied science tools,

collaboration, and information sharing to support resource management at the landscape scale.

WaterSMART grants, under WaterSMART, implement Section 9504 of the Act by providing cost-shared assistance on a competitive basis for the following types of projects: (1) water and energy efficiency improvements that save water, increase energy efficiency and the use of renewable energy in water management, address endangered species and other environmental issues, and facilitate transfers to new uses; (2) pilot and demonstration projects that address the technical and economic viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale; (3) system optimization reviews that assess the potential for water management improvements and identify specific ways to implement those improvements; and (4) projects to develop climate analysis tools to more efficiently manage water resources in a changing climate.

In FY 2013, Reclamation anticipates funding approximately 50 new WaterSMART grant projects, including approximately 35 projects. Additionally, to ensure that the most effective approaches to sustainable water conservation and water recycling are being employed, Reclamation will continue to develop the WaterSMART Clearinghouse website as a resource to provide leadership and assistance in coordinating and integrating water conservation and sustainable water strategies. On May 2, 2012, Reclamation announced $11 million in WaterSMART Water and Energy Efficiency Grants, which will allow 34 projects sponsored by States, Indian tribes, irrigation districts, water districts and other organizations to partner with Reclamation on projects that increase water conservation or result in other improvements that address water supply sustainability in the West. Eight congressionally authorized Title XVI water recycling and reuse projects will receive $20.3 million in funding as well.

Pursuant to Section 9505 of the Act, the Department of Energy (DOE) is in the process of conducting an assessment on the effect of, and risk resulting from, climate change with respect to water supplies that are required for the generation of hydropower. In consultation with Reclamation and USGS, along with the Power Marketing Administrations, the National Oceanic and Atmospheric Administration and the Army Corps of Engineers, DOE is preparing a report to Congress on climate change effects at Federal hydropower facilities, and recommendations on how to change operating and contracting practices to address identified climate change risks.

In 2011, USGS issued a report pursuant to Section 9506 of the Act which documents actions that can be taken to help manage and prepare for the changes that may occur to our Nation's water supply systems as a result of climate change with a particular focus on observational data and measuring and monitoring systems. In addition, USGS has begun its work on implementing the WaterSMART availability and use assessment program pursuant to Sections 9507 and 9508 of the Act and has completed an initial pilot study in the Great Lakes system. Additional pilot studies are underway in the Colorado River Basin, Delaware River Basin and the Apalachicola-Chattahoochee-Flint River Basin.

A National Groundwater Monitoring Network (NGWMN) was authorized under Section 9507 of the Act, which is being implemented by USGS. In 2013, the USGS will transition from the pilot-scale NGWMN data portal to a production-scale portal. Using hydrologic understanding and modeling tools currently available and being developed for selected major aquifers, as part of groundwater availability studies, USGS scientists will identify monitoring locations to enhance the national monitoring network. In consultation with State and local agencies, the USGS will incorporate qualified wells and springs from State and local agencies into the NGWMN. The USGS will begin expansion of the groundwater climate response network to improve the understanding of the effects of climate change on groundwater recharge and availability. The proposed NGWMN will bring comparable monitoring data together from disparate sources in order to close spatial data gaps and evaluate national-scale groundwater levels, quality, and rates of change.

A Brackish Aquifer Assessment is also authorized under Section 9507 of the Act. Hydrologic understanding for selected major aquifers gained through the regional groundwater availability studies will be used to assist in identification of brackish groundwater resources. In addition, the USGS, in consultation with State and local water resource agencies, will begin assembling available data and other relevant information in order to identify significant brackish groundwater resources located in the United States and develop a work plan for the national Brackish Aquifer Assessment.

Over the next 10 years, the USGS plans to conduct a new assessment of water availability and use pursuant to Section 9508 of the Act, which calls for the estab-

lishment of a national water assessment program. The USGS Science Strategy identifies a water census as one of six USGS science priorities, and the Water Resources activity is able to provide scientific underpinnings for a coordinated assessment of water availability and use through its Hydrologic Networks and Analysis Program.

Question 21. The WaterSmart grant program supports innovative efforts to improve water and energy efficiency among other things. Of the projects that have been funded in the program's two-year history, are there any that you would like to highlight as demonstrable successes?

Answer. In 2011, Reclamation awarded more than $25 million for 58 Water and Energy Efficiency Grants. These projects were estimated to save about 100,000 acre-feet of water, enough to supply water for about 400,000 people for one full year. In addition, over 25 of the projects were expected save more than 15 million kilowatt hours of electricity per year, enough electricity for about 1,300 households.

The Three Sisters Irrigation District in Oregon, for example, will use its WaterSMART award to conserve water for environmental needs in the Upper Deschutes Basin. The district will use $859,149 to replace 20,000 feet of open canal with pipe expected to result in 750 acre-feet of water savings annually. The water conserved will then be marketed through the Deschutes River Conservancy for a protected instream right to support critical habitat for bull trout, red band trout, summer steelhead and chinook salmon. The District also will install a 950-kilowatt capacity turbine generator as part of the project. This renewable energy source is expected to supply 3.1 million kilowatt-hours of electricity annually.

Another project of note is the Vadose Zone Recharge Wells Capital Improvement Project being carried out by the City of Surprise, Arizona. Reclamation announced a $1 million WaterSMART Water and Energy Efficiency Grant for the City of Surprise in May 2011. Through this grant, the City intends to construct and operate 15 additional vadose zone wells, increasing the amount of reclaimed water that can be recharged annually by about 6,049 acre-feet annually (AFA). This $4,517,600 project would enable the City to recharge up to a total maximum of 8,049 AFA of reclaimed water that would be stored underground for later City use.

Question 22. How are grant applications for WaterSmart evaluated and prioritized for funding?

Answer. Each year, Reclamation posts funding opportunity announcements that describe eligibility requirements and funding criteria for the public. For example, water and energy efficiency projects should seek to conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, protect endangered and threatened species, facilitate water markets, or carry out other activities to address climate-related impacts on water or prevent any water-related crisis or conflict. These projects include, but are not limited to: canal lining/piping, municipal metering, irrigation flow measurement, and groundwater recharge. Applications received in response to Reclamation's funding opportunity announcements are scored against evaluation criteria by a review committee composed of experts in relevant disciplines selected from across Reclamation. Reclamation then prioritizes projects for funding based on those results and additional steps conducted to ensure the total amount of all awards does not exceed available funding levels. This is to ensure that the projects meet the scope and priorities of the WaterSMART program.

Question 23. WaterSmart grants support projects focused on water and energy efficiency, pilot and demonstration projects, system optimization reviews, and climate analysis tools. Will the same WaterSmart thematic areas be supported by increased funding in 2013 or are there new priorities that the Bureau of Reclamation are considering supporting with additional funds?

Answer. Yes, the same WaterSmart thematic areas will be supported by increased funding in 2013. In FY 2013, Reclamation proposes to fund WaterSMART at $53.9 million, $6.8 million above the 2012 enacted level. This request includes $21.5 million for WaterSMART grants, a $3 million increase in funding from the FY 2012 budget request. With that additional funding, Reclamation plans to provide cost-shared assistance on a competitive basis for the four existing categories of projects: (1) water and energy efficiency improvements that save water, increase energy efficiency and the use of renewable energy in water management, address endangered species and other environmental issues, and facilitate transfers to new uses; (2) pilot and demonstration projects that address the technical and economic viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale; (3) system optimization reviews that assess the potential for water management improvements and identify specific ways to implement those improvements; and (4) projects to develop climate analysis tools to more efficiently manage water resources in a changing climate. Interest from eligible applicants is strong. For example, Reclamation has received 167 pro-

posals for new FY 2012 water and energy efficiency grants, together representing a request for approximately $100 million in Federal funding. Significant interest is also expected for all grant categories in FY 2013.

Question 24. Please provide by agency the funds to be expended by the Department on restoration of the Klamath River Basin restoration during FY 2013. If possible, please also provide this information for other Federal agencies working on Klamath Basin restoration.

Answer. The fiscal year 2013 budget request for Klamath River Basin restoration activities includes: $7.1 million for the Bureau of Reclamation to support implementation of a number of the restoration and water supply actions that are authorized under existing law; $7 million for the Bureau of Indian Affairs to be provided to the Klamath Tribes to implement economic activities that support the Klamath Basin Restoration Agreement; $1.6 million for the Fish and Wildlife Service to fund the Arcata, Yreka, and Klamath Falls Fish and Wildlife Conservation Offices to support critically needed fisheries and fish habitat monitoring and modeling, fish and watershed habitat planning and restoration projects, and projects to improve instream flows for fish; and $901,000 for the U.S. Geological Survey to determine relationships between water availability, fish habitats, and water quality on sucker growth, condition, and survival in the Upper Klamath and Clear lakes, investigate aquatic productivity with special attention to intensity, magnitude, and composition of plankton blooms, investigate production of blue green algae and transfer of cyanotoxins through food webs to endangered suckers, and assess the biological effects of exposures of cyanotoxins in leading to a possible bottleneck in population recovery.

UNITED STATES GEOLOGICAL SURVEY

Question 25. I have a longstanding concern about depletions in the southern High Plains Aquifer. This is especially important in New Mexico because communities in eastern New Mexico rely on the Aquifer for their water supplies. Will you undertake more analysis necessary to address this serious problem?

Answer. We understand how important the High Plains aquifer is to New Mexico and many other states, and the USGS has been monitoring and studying this aquifer for many years. Since 2009, the USGS, through the Groundwater Resources Program, has been conducting a High Plains aquifer groundwater availability study to quantify groundwater resources, evaluate changes in those resources over time, and provide tools to forecast how those resources will respond to stresses from future human and environmental uses. This work already has resulted in several publications, and we expect more. A recent noteworthy product (2011) is a water budget analysis for the entire aquifer (USGS Scientific Investigations Report 2011-5183), including the Southern High Plains aquifer (NM, TX, and OK). Additionally, in 1987 Congress directed the USGS, in collaboration with numerous Federal, State, and local water resources entities, to assess and track water level changes in the High Plains aquifer. The most recent product (2011) summarizes changes in water levels and drainable water in storage in the High Plains aquifer from predevelopment to 2009 (FS 2011-3069). Groundwater quality of the High Plains aquifer also was evaluated by the USGS (1999-2006) as part of the National Water-Quality Assessment (NAWQA) Program.

For more information:

High Plains Groundwater Availability Study web page (http://txpub.usgs.gov/HPWA/index.html)

High Plains Water-Level Monitoring Study web page (http://txpub.usgs.gov/HPWA/index.html)

High Plains Groundwater Quality Study web page (http://co.water.usgs.gov/nawqa/hpgw/HPGW__home.html)

OFFICE OF INSULAR AFFAIRS

Question 26. The proposed FY13 OIA budget again assumes enactment of legislation approving the Agreement with Palau to extend financial assistance under the Compact through 2024. However, the Committee has been unable to report the necessary legislation because no viable offset has been identified to pay for the mandatory spending provided by the Agreement.

One option being considered is based on the proposal of Delegate Donna Christensen as set forth in H.R. 2220. This bill would authorize a "Pilot Program for Public-Private Territorial Investment" and would allow taxpayers a one-time transfer of existing IRA, 401k, and other tax-deferred investments into a special fund with no tax or penalties at the time of the initial transfer. 1/3rd of the collected

1.5% transfer fee would be made available for critical infrastructure construction in the USVI.

Is the Administration willing to consider support for the concept in H.R. 2220—to provide a portion of collections from such a pension fund transfer fee to be used by the territories to meet essential infrastructure needs, and at the same time, support Congressional use of a portion of the U.S. Treasury collections of the transfer fees as an offset for the legislation to approve the Palau Agreement?

Answer. The Administration proposes the following offsets to the legislation approving the Agreement with Palau to extend financial assistance under the Compact through 2024: Net Receipt Sharing, which takes into account the costs of managing Federal oil and gas leases before revenues are shared with the States; terminating payments for reclaiming abandoned coal mines to states that are already certified as having cleaned up all of their priority sites; and production incentive fees on non-producing Federal oil and gas leases. The Department has not developed a position on the bill. The Department looks forward to working with you and the Committee to find an appropriate offset for the Palau legislation.

Question 27. What is OIA's rough estimate of unfunded critical infrastructure need in each of the territories?

Answer. Covenant Capital Improvement Project (CIP) funds address a variety of infrastructure needs in the U.S. territories including critical infrastructure such as hospitals, schools, wastewater and solid waste systems. Improvements to critical infrastructure not only benefit the current population and businesses, but lay the groundwork to attract new investment to the territories thereby promoting economic development. The territorial governments, individually, compile and budget for anticipated actual infrastructure investment. Thus, there is no grand total for unfunded needs. The insular areas would certainly require billions of dollars to upgrade infrastructure to mainland standards.

Question 28. Would you please work with OMB to provide the Committee with a list of non-pension, and non-healthcare mandatory spending programs/authorizations, with spending in excess of $200 million annually, within the budgets of the State and Defense Departments, a portion of which could be considered as offsets for the Palau Agreement.

Answer. The Administration has proposed the following offsets to the legislation approving the Agreement with Palau to extend financial assistance under the Compact through 2024: Net Receipt Sharing, which takes into account the costs of managing Federal oil and gas leases before revenues are shared with the States; terminating payments for reclaiming abandoned coal mines to states that are already certified as having cleaned up all of their priority sites; and production incentive fees on non-producing Federal oil and gas leases. The Department will forward to OMB your suggestions for proposing additional offsets from the budgets of the Departments of State and Defense. The Department looks forward to working with you and the Committee to find an appropriate offset for the Palau legislation.

Question 29. I am concerned that the corpus remaining in the Rongelap Resettlement Fund may be insufficient to provide annual income sufficient to provide for future food importation and radiological remediation requirements.

a. What is the current balance in the Fund?

Answer. The balance of the Rongelap Resettlement Fund as of Friday, March 2, 2012, was $11,033,272.

b. What is the OIA/DOE estimate for the future annual cost for importing food and remediating radiation that would be expected to be funded by the Resettlement Fund?

Answer. The Office of Insular Affairs has not been involved with the importation of food to or the remediation of radiation at Rongelap Island. Representatives of the Departments of Energy and Agriculture would develop such an estimate; however, funding would be required for such an undertaking.

c. What size corpus would be needed to meet these future needs?

Answer. The size of the corpus would have to be determined by the Departments of Energy and Agriculture after estimating annual need.

d. What steps will OIA take to ensure that a sufficient corpus remains in the Fund to meet these and other long-term resettlement needs?

Answer. Working in consultation with the Committee, OIA has forbidden in fiscal years 2011 and 2012 the use of Rongelap Resettlement Trust Fund proceeds for activities other than those directly connected with the resettlement of Rongelap Island. OIA will continue this policy indefinitely.

e. An initial "target date" for initial resettlement was set for last October 1st. What is the current timeline for people to return to Rongelap?

Answer. The Mayor of Rongelap Atoll Local Government has informed OIA that he anticipates that by September 2012 all Rongelap schoolchildren from Mejatto Island will be enrolled in the public school on Rongelap Island. This will of necessity mean the return to Rongelap Island of many adults, who will accompany the returning schoolchildren. In addition the Mayor foresees that many Rongelap schoolchildren enrolled in the 2011-2012 academic year on Ebeye Island will return to Rongelap Island during the 2012-2013 academic year with a concomitant return of adult family members as well.

Question 30. I commend the Department for requesting $5 million to supplement the $30 million provided under P.L. 108-188 to mitigate compact impact, and for indicating its intent to hire a full-time employee in Hawaii to focus on this issue.

a. Please outline of the tasks you anticipate OIA, the Affected Areas, and the FAS governments will be jointly undertaking to reduce Compact Impacts.

b. How does OIA intend to enhance the education of migrants and prospective migrants regarding their rights and responsibilities under the Compact?

c. How does OIA intend to reduce the high cost of providing dialysis and cancer treatment in the Affected Areas?

d. What will be the performance indicator to determine progress in reducing compact impacts?

Answer. The Department will be establishing an OIA Compact Impact Initiative, which will focus on bolstering the Department's bilateral relationships and communication opportunities, while ensuring there is an annual forum to discuss issues of concern, make recommendations, and implement agreed upon policies. As part of the initiative, OIA will seek to facilitate travel by freely associated state (FAS) presidents to the affected jurisdictions to enhance relationships and coordination among territorial or State, Federal, and FAS leadership and communities. This provides opportunities for coordinated messaging and information distribution from FAS and U.S. senior officials to FAS migrant communities. Assistant Secretary of the Interior for Insular Areas, Anthony Babauta convened the inaugural Pacific Island Leaders Addressing Compact Impact (PILACI) a bilateral meeting of officials from the FAS and U.S. in March 2012. The PILACI meeting provided a forum where stakeholders including the FAS Presidents, Governors of the Federated States of Micronesia, Guam, and Commonwealth of the Northern Mariana Islands (CNMI), as well as the Lt. Governor of Hawaii, Guam Congresswoman, and participants from the CNMI Congressman and State Department raised concerns and discussed solutions. Future PILACI meetings will be held to advance joint undertakings and develop performance indicators. Utilizing existing resources, OIA will review and evaluate its ability to dedicate a member of the OIA staff to lead the OIA Compact Impact Initiative while working closely with PILACI stakeholders. OIA is also working with a number of Federal agencies and the appropriate regional bureaus to use existing authority under the Compacts of Free Association and other relevant Federal statutes.

As a result of the PILACI meeting, joint undertakings identified were:

- To better facilitate meaningful outreach meetings in the affected jurisdictions, OIA will convene regularly scheduled meetings with FAS and affected jurisdiction leadership to provide advance notice of travel, structure and format of outreach meetings in a way that maximize distribution of joint messaging and engages stakeholders from the affected jurisdictions.
- OIA will work directly with the affected jurisdictions about the feasibility of developing uniform reporting guidelines detailing impact of the Compacts of Free Association. The Abercrombie Administration announced they are pursuing efforts to acquire better data and would be providing input about how report guidelines may be developed. Upon receiving input from the Abercrombie Administration, OIA will distribute to other affected jurisdictions for their comments. Emphasis will be placed on evaluating the impact of qualified nonimmigrants, ". . .a person, or their children under the age of 18, admitted pursuant to the COFA who is a resident of an affected jurisdiction."
- Given the finite resources available to PILACI participants, the value in leveraging existing relationships, funding, and expertise is a shared priority to address needs in the FAS and affected jurisdictions. To date there has been limited investment by private foundations in Micronesia. This is an area the Micronesian Chief Executives seek to explore further to secure additional resources for the region. OIA will develop a network of private and non-profit sector stakeholders conducting health and education work in the Micronesia region

with the assistance of PILACI participants. Once the network is established, OIA will work to provide a forum to facilitate discussion with PILACI participants and the network to strengthen existing partnerships and develop new joint initiatives.

The Department has supported and funded efforts by the FAS governments to provide educational materials to orient their citizens, prior to departing their country, about the challenges and responsibilities associated with residing in the United States. OIA is supportive of awarding additional technical assistance to fund FAS government grant proposals that create, update, or enhance education and orientation materials for their citizens.

In addition to the joint undertakings previously mentioned, there are three ongoing OIA initiatives intended to reduce the effects of Micronesian migration on United States jurisdictions. First, in order to better educate and prepare citizens from the RMI traveling to the United States, OIA has awarded a technical assistance grant to develop an orientation pamphlet and video. These materials identify important documents that are necessary to live and work in the U.S., information about housing, employment, health care, education, U.S. law, and additional resources that can contribute to a better understanding of their rights and responsibilities while in the United States. The RMI has expressed interest in producing radio broadcasts of the orientation content to enhance the dissemination of such information.

Second, OIA has engaged in discussions with the FAS Governments to establish a health screening process. The goal of this initiative is to ensure that FAS citizens receive medical attention they need prior to traveling and limit the spread of communicable diseases, such as drug resistant tuberculosis. This targeted effort will assist in reducing the burden of providing expensive medical care and may prevent unnecessary loss of life. Areas of continued discussion with FAS officials, OIA, and the Departments of Health and Human Services as well as Homeland Security include how to develop and implement such a health screening process how to ensure consistency with FAS statutes, and how to handle the associated costs.

Third, OIA awarded the FSM Government a technical assistance grant to conduct a Household Income and Expenditure Survey (HEIS) that will provide data on the distribution of income, compile its national accounts, provide nutritional information and food consumption patterns for families, and conduct a poverty hardship assessment.

The OIA has participated in discussions with HHS, health officials from Hawaii and Guam, and FSM and RMI leadership about the establishment of dialysis facilities. There remains a substantial cost involved with establishing, operating, and maintaining dialysis facilities. Challenges such as water quality, power reliability, limited presence of specialized medical professionals, and comprehensive projections for needs of existing and future patients were factors that would affect the size and cost of each facility. OIA is in the process of contracting for a feasibility and cost assessment for constructing dialysis facilities and necessary operation, resource, and staff requirements to support such facilities in the FSM and RMI.

Question 31. The budget request proposes a large (70 percent) reduction in funding for the Maintenance Assistance Program. Does this reflect a decrease in the need for maintenance assistance in the territories?

Answer. In 2012 and 2013, the Maintenance Assistance Program plans to continue funding immediate needs for maintenance in the insular areas. Although the maintenance assistance program has proven to be an effective method of institutionalizing better maintenance practices throughout the U.S.-affiliated islands, the Department was faced with difficult budgetary decisions in a challenging fiscal environment. The increase to Empowering Insular Communities to support the implementation of sustainable energy strategies offsets the decrease to the Maintenance Assistance Program.

Question 32. The budget proposes $2.971 million for Empowering Insular Communities and identifies the two critical areas of focus as being lessening the impact of the Guam military buildup, and implementing sustainable energy strategies. Given that plans and priorities have been developed in these two critical areas, what is the purpose of the "call letter" and selection process as described on page 82 of the Green Book?

Answer. The Department believes that consultation with the territories via a call letter is an important part of determining priorities. OIA plans to use the call letter process in future years. The Department believes that proposals for Empowering Insular Communities funding need to be reviewed through open and transparent criteria.

Question 33. GAO and the DOI/OIG have reported on the need for OIA to improve grant monitoring. What is the current level of OIA's effort in this area and how would this proposed budget enhance that effort?

Answer. OIA currently has 15 financial assistance managers to manage a budget of $561 million in 2012. In order to respond to the findings of GAO and the OIG, OIA has moved two policy employees in to the Budget and Grants Management Division to provide additional financial assistance oversight. By the end of 2012, the Office plans to have hired two more financial assistance managers to manage FSM and compact impact issues.

Question 34. The OIA "Green Book" has a limited description regarding the CNMI Labor Ombudsman's Office. Accordingly, please have the CNMI Labor Ombudsman submit a brief report to the Committee describing:

a. The type and number of cases being handled by the Office,

b. The changes in the Office workload anticipated for the coming year,

c. A description of the issues that the Office has been involved in related to implementation of P.L. 110-229, and the status/outlook on resolution of these issues.

(If there are questions regarding this request, please have the Ombudsman and other appropriate officials contact the Committee staff at 224-7865 for clarification).

Answer a. Since its inception in May of 1999, the Ombudsman's office has assisted nearly 11,000 aliens in over 9,000 cases or complaints, the results of which have been awards of over $7 million during the thirteen-year period. Over the past three years since the position was filled in May of 2009 with the hiring of Pamela Brown Blackburn, the office has assisted nearly 4,000 aliens in close to 3,000 cases or complaints. Neither of these numbers includes telephone or walk-in inquiries not requiring a full in-take into the Ombudsman data system.

The office has handled much of the same types of cases over the past nearly 13 years of its existence. The law enforcement agencies to which aliens are referred for resolution of their cases/complaints have changed to include the various offices of the U.S. Department of Homeland Security, which only recently arrived in the CNMI. Referrals are still being made to the Federal Bureau of Investigations (FBI), U.S. Department of Labor, Wage & Hour Division, Equal Employment Commission, and CNMI Department of Labor, and when appropriate, CNMI Department of Public Safety.

The vast majority of alien cases and complaints involve the assistance of this office with aliens' labor complaints, such as failure to pay wages for hours worked, improper termination, failure to provide repatriation benefits as required by CNMI law, failure to provide payment of medical expenses as required by CNMI law, and other similar complaints of failure of employers to honor contractual obligations or CNMI labor law requirements.

Several labor complaints involved large numbers of workers complaining of an employer's failure to properly pay overtime wages for hours worked. These cases as always are referred to the U.S. Department of Labor, Wage & Hour Division. There has not been a marked increase in discrimination complaints but the steady flow of such complaints continues with the Ombudsman office working closely with the Equal Employment Commission to resolve these complaints expeditiously.

In 2009, the Ombudsman's office experienced a drastic increase in the number of aliens reporting to the office complaining of trafficking and labor fraud. From May 2009 to present, the office has directly assisted 243 aliens with trafficking and labor fraud complaints. While the majority of those aliens seeking help were Chinese nationals, 15 Indian nationals were also assisted.

Many aliens reported having been brought to the CNMI in mid-2008; however, most arrived during 2009 with increasing numbers coming just prior to the effective date of P.L. 110-229. Regardless of when or from where they came, all told similar stories detailing the promises and benefits they would receive in the CNMI. Promises ranged from high-paying jobs in resorts, construction companies or elegant restaurants once they completed a few months of English language classes. They were told that not only were these jobs waiting for them in the CNMI but that employers in Guam were also ready to hire them as soon as they completed such English training. The vast majority also reported the promise of Federal immigration status once they arrived in the CNMI and P.L. 110-229 became effective. All of these aliens were interviewed, questioned as to documentary evidence which could corroborate their claims, and whether any fee was paid either here or in their respective countries of origin. They all paid recruitment fees ranging from US$4,000 to US$50,000.

Finally, the vast majority of the aliens had the return portion of their air-ticket cancelled upon arrival in the CNMI, effectively stranding them here.

All were referred to the FBI since there were no DHS investigators on island at that time and operational during this period. It was later learned, however, that some of these victims were part of a DHS, Immigration and Customs Enforcement (ICE) investigation. Since ICE (now known as Homeland Security Investigations or HSI) became operational here in the CNMI, many of the victims are being referred to their agency for investigation and enforcement.

Service providers are limited but the U.S. Department of Justice and Office of Insular Affairs have provided funds to the only shelter in the CNMI, Guma Esperansa, to assist these victims with food and shelter. Also, Micronesian Legal Services working in conjunction with this office and Guma Esperansa is filing for T and U visas for the victims on a case by case basis. All of the victims have agreed to cooperate with law enforcement investigations and have done so when asked.

The number of aliens per year reporting to the Ombudsman office with trafficking and labor fraud complaints is: in 2009—153; in 2010—71; in 2011—17, in the first 3 months of 2012—3. The above numbers include both severe forms of trafficking as well as trafficking and labor fraud. The same recruitment scheme is being reported by the vast majority.

The other major addition to the caseload of the Ombudsman office since 2009 has been the increasing number of aliens and employers seeking assistance and clarification of P.L. 110-229.

Answer b. Based on the number and types of complaint and cases encountered by the Office during the first quarter of 2012, it is not anticipated that the Office's workload will change from workloads of 2010 and 2011. During these respective years, the number of aliens assisted was 1,748 and 901 respectively. The complaints did not change from those experienced by the Office during the 13 years of operation. The Office does, however, expect an increase in labor related complaints once aliens' Federal statuses are finally determined. It is suspected that a number of employers are paying aliens improperly or not at all during the past two years as well as not providing them with the benefits required under CNMI law, such as medical benefits. Years of experience working with aliens in the CNMI suggests that these matters are going unreported due to aliens' concerns for their Federal statuses.

The office continues to see more aliens and employers seeking assistance with how to navigate the complex Federal immigration system under which the CNMI now operates. Many of these simply require having procedures explained. Those with more complicated situations are either referred to the fledgling CNMI immigration bar for assistance or assisted in filling out and submitting an appropriate form to the DHS agency tasked with handling such matters. Demand for translation and interpretation numbers are expected to increase as a result of the continuing transition to Federal immigration procedures. Currently, the major area of concern is the uncertainty surrounding the Federal immigration statuses available under P.L. 110-229 for aliens who were lawfully present in the CNMI on November 28, 2009. Once the system is fully functioning, the Office may see a decline in the number of aliens seeking clarification of this process. It is not expected that demand for other immigration matters will decline, however.

Additionally, there will be an increase in the workload due to the expansion of the geographical region of responsibilities not only to the territory of Guam but also in correlation with the interagency focus on a Pacific regional approach to anti-trafficking in persons. The Ombudsman was recently named a member of the Advisory Board for a regional project funded through a grant from the U.S. Department of State to the National Association of District Attorneys. The project is a joint effort involving State, the Department of Justice, and the Department of the Interior to establish anti-trafficking operations within the freely associated states (FAS) of the Republic of Palau, Republic of the Marshall Islands and the Federated States of Micronesia. The project is also in consultation and coordination with the governments of the FAS.

The election of the Ombudsman as the co-chair of the CNMI Human Trafficking Intervention Coalition along with the U.S. Attorney for the Districts of Guam and the Northern Mariana Islands is also expected to increase workload within the Office. The HTIC focus for 2012 is community outreach and education as well as expanding the pool of service providers within the CNMI. The Ombudsman is expecting to be involved in such an effort as part of her expanded duties in Guam.

Answer c. The number one issue involving the implementation of P.L. 110-229 was the late date of October 2011 for the publication of the final CW visa regulation. The implementation of P.L. 110-229 created a great deal of anxiety, uncertainty and associated rumors. The Office has been seeing a large number of aliens and employers seeking clarification of the immigration procedures, which appear to the lay per-

son as a shifting set of rules and expectations. The numbers were more than 40 to 50 a day during 2009 and 2010 but began to dwindle until the final deadline of November 28, 2011. With the delayed publication of the final rule, the Office's workload greatly increased due to calls and appointments with employers seeking to understand what needed to be submitted to support the petition for CW workers and where it should all be sent in order to meet the deadline for submission.

Further, after the filing of the CW petitions and the United States Citizenship and Immigration Services' (USCIS) decision to issue humanitarian parole status to certain classes of aliens, the Saipan Application Service Center was inundated with aliens and employers requesting status on their respective petitions and applications. Also, the increase in the number of biometric examinations required for the granting of each and every request for some type of status or benefit simply overwhelmed the operation. Walk-in aliens were suddenly being turned away and the info-pass system was unavailable for many months. During this period, the Office, again, provided clarification and assistance to aliens and employers alike in seeking updates to their status questions and answers to other immigration related matters.

Most employers were unaware of which employment status could be or should be requested for alien employees. Therefore, despite several being qualified to begin seeking H1B or L1 federal employment status for their alien workers during the umbrella permit period from November 28, 2009 to November 28, 2011, most waited to see the final CW rule to begin a process for an H1 or L1 visa that usually takes up to 7 days to get a labor condition application (LCA) from USDOL for an H-1B, and another 60 days to simply get the proper clearance from USCIS for an H-1B or an L-1 visa petition. Most of these workers were, therefore, required to acquire a parole status and employment authorization (EAD) to continue employment in the CNMI. Many of these H and L petitions are still awaiting final adjudication from USCIS almost six months later. This translates into an alien needing to renew both the parole and EAD in order to remain in lawful status prior to final adjudication on the petition.

The second major area of concern involved the employment status of aliens for whom an employer submitted a petition. Many parolees were only given parole status until January 31, 2012 due to USCIS' expectation that CW petitions would be expeditiously processed and granted by that date. Out of 11,000 petitions, very few CW visas were issued by early April 2012. Petitioners seeking CW, H, and L visas suffer severe anxiety as they strive to maintain a lawful presence in the CNMI during an elongated petition period, which was unanticipated.

The Office discusses these issues regularly with the appropriate USCIS officials and disseminates the appropriate response within the community but each time an EAD must be renewed, it costs the alien or the employer $380. This is placing a heavy fiscal burden on alien workers who typically earn $5.15 per hour.

The Ombudsman is told that more adjudicators are being temporarily assigned to the California Service Center where all CW petitions are processed. She further successfully resolved the issue of having all parole requests and EADs for pending petitions adjudicated in Guam and not through the normal procedures of sending such requests to Chicago. USCIS expects to see most of the back log cleared within the next few months.

The third issue regarding implementation of P.L. 110-229 that required the Ombudsman's attention was the lack of regulations for issuance of visas for CW and E2C investors once they received their respective Federal immigration status. In response to my inquiry regarding two of the first aliens issued E-2C status who had been awaiting visa issuance in Seoul, Korea for over 6 months, State sent the following explanation:

> While the publishing of guidance for consular officers adjudicating E-2C and CW visa initially delayed by the interagency clearance process, the guidance was published in 9 FAM 41.34 on December 27th. On January 10, the ALDAC announcing the established reciprocity arrangement for these visa classifications was distributed worldwide. With those publications, posts have the resources necessary to begin issuing E-2C and CW visas (and our embassies in Malaysia and Japan have already begun doing so). Please advise individuals who require an E-2C or CW visa to contact the U.S. Embassy or consulate where they intend to apply for their visa. While this message was encouraging, many aliens possessing CW status were still experiencing delays in the issuance of visas and being told by embassy and consulate staff that they were awaiting guidance in order to adjudicate such requests.

Finally, with the implementation of P.L. 110-229 came the application of other Federal laws such as the Title VII of the Civil Rights Act of 1964 which prohibits

national origin discrimination in all aspects of employment, such as hiring, firing, promotion, wages, and retaliation. It covers employers with 15 or more employees, and is enforced by the Equal Employment Opportunity Commission (EEOC). In addition, the Immigration Reform and Control Act of 1986 (IRCA) makes it illegal for an employer to discriminate against a person because of that person's citizenship or immigration status when it comes to hiring, firing, or referral. It also supplements Title VII prohibitions against national origin discrimination, covering employers with four to 14 employees. The IRCA also prohibits retaliation. At present, the Ombudsman is in discussions with the Office of Special Counsel for Immigration-Related Unfair Employment Practices at the United States Department of Justice (DOJ), which enforces the IRCA's nondiscrimination requirements, regarding establishment of the Ombudsman's office as the outreach and educational office for its mission. Such a relationship already exists between the Ombudsman office and the EEOC, and has since 1999.

When and if such an arrangement is implemented, then it is expected that additional workload will result. There is, however, DOJ grant money available to fund such an operation by the Ombudsman.

Question 35. I understand that the responsibilities of the CNMI Labor Ombudsman have been expanded to include Guam. If this is correct, would you please describe these new responsibilities and how they will affect the Ombudsman Office budget?

Answer. In light of the relocation of several thousand military personnel to Guam and anticipated need for an increase of H-2B workers to accommodate the associated infrastructure development, the Office of Insular Affairs (OIA) recognized the potential for an increase of the types of abuse of alien workers experienced in the CNMI. As such, the Assistant Secretary for Insular Areas expanded the geographic area of responsibility for the Ombudsman to Guam. OIA determined that having the Ombudsman operational prior to the introduction of a large number of H-2B workers would be advantageous. During the course of the last ten months, the Ombudsman has travelled to Guam to develop relationships with Federal and local government officials as well as with the alien communities in an effort to understand the community and the unique issues facing Guam. She has already formed strong ties with the U.S. Attorney, FBI, USCIS, Guam Attorney General, Guam Department of Public Safety, Guam Department of Labor, and many in the faith-based community as well as with consulates located on the island.

Temporary office space was secured in the U.S. Attorney's office in Hagatna, Guam, with the Ombudsman having full access to the building once she received the appropriate security clearance. The majority of these trips have been day trips with only occasional overnight travel. So far, costs have been kept to a minimum. Once the office is fully established and operational with its own office space, it is anticipated that the Ombudsman will make weekly trips to Guam to provide assistance to aliens as she does in the CNMI at present. This includes assistance with labor abuses, immigration abuses, trafficking and other criminal matters.

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR WYDEN

WESTERN OREGON TIMBER SALES

Question 1. I appreciate the leadership that you personally have taken in advancing pilot projects on the BLM forestlands in western Oregon and am glad you recently had a chance to tour these projects. I similarly appreciate the proposed increase in the budget of $1.5 million towards western Oregon forest management programs. Following up on my question and your answer at the hearing, you highlighted the pilot projects and I appreciate that these are moving forward and five more projects are being planned. However, I continue to have concerns about the overall lack of timber volume coming from the BLM lands in western Oregon, particularly in southwest Oregon. While in 2010 the agency came close to meeting the target of 230 million board feet laid out in your 2009 announcement, it fell well short in 2011. In fact, in Fiscal Year 2011 the BLM only awarded 137 mmbf in western Oregon and 6.3 mmbf in the Medford District. While the pilot projects are moving forward, my understanding is that part of the shortfall is because other timber sale projects have been protested. As a result, they simply have not moved forward and the expected timber volume never gets to the mills that desperately need the timber. Mr. Secretary, what is the BLM doing to resolve the protests on these projects and this year's program so this timber can be made available to local mills? Is the proposed budget increase intended in any way to help with this issue and juggling the other forestry tasks the agency is undertaking, such as the new pilots and revised plans?

Answer. The BLM is working to make timber sales available and has prioritized resolving protest and appeals in the Medford district. In FY 2012, the BLM plans to offer the program target volume of 193 mmbf of timber for sale; the Roseburg target is 28 mmbf and the Medford target is 19 mmbf. The BLM also plans to reoffer additional volume from eight more contracts that were mutually cancelled. The increase in the program volume target from 190 mmbf to 193 mmbf corresponds with a budget increase of $527,000 in the O&C forest management program in the FY2012 Budget.

The proposed increase of $1.5 million towards western Oregon forest management programs in the Fiscal Year 2013 budget proposal is intended to increase western Oregon's offered volume from the Fiscal Year 2012 target of 193 MMBF, to a Fiscal Year 2013 target or 197 MMBF, or an increase of 4 MMBF.

The BLM Districts in western Oregon, and the Medford District in particular, are working diligently to resolve administrative protests. This includes exploring protest resolution through informal agreement with timber sale purchasers and conservation organizations, as well as issuing protest decisions. Protesting organizations can subsequently appeal BLM's protest decision to the Department of the Interior Board of Land Appeals (IBLA), triggering a second phase in administrative remedy and response. The BLM's Medford District has issued several protest decisions since the BLM provided a briefing for your staff on this topic in December of 2011. Some of the 2010 and 2011 protest decisions have been appealed to the IBLA, creating a respective workload. One 2010 timber sale decision was appealed to the IBLA and has subsequently been challenged in court (pending decisions in IBLA and District Court jurisdictions).

WATER RESOURCES/RESEARCH

Question 2. The U.S. Geological Survey (USGS) budget zeroes out $6.5 million in Water Resources Research Act programs. In my state, Oregon State University has fostered important water resources research and understanding over the past 50 years. It, and other land grant universities across the nation, use the funds primarily for important student research opportunities. The USGS budget justification touts the value of this research saying, "[w]ater resources research, information, and monitoring activities support the USGS Science Strategy to provide scientific information on the water availability and quality of the United States in order to inform the public and decisionmakers about the status of freshwater resources and how they are changing." I'm concerned that even though the USGS budget request is a $ 34.5 million increase over the 2012 enacted level, federal contributions to state water quality research is left by the wayside. Q: Can you explain why the Department is turning away from its partnership with the states after 27 years since the Water Resources Research Act passed? What message does this send to the state water resources research institutions and the students who are learning to tackle the many water issues we face?

Answer. The Water Resources Research Institutes (WRRIs), located at 54 land-grant universities across the Nation, use their 2:1 (non-Federal to Federal) matching grants to support over 250 research and technology transfer projects annually. These projects are developed in response to priorities set by the institutes' individual State Advisory Committees and address a wide variety of water resources issue and problems. The research projects provide support and training to over 700 students nationwide each year, contributing to the development of the next generation of water resources scientists, engineers, and technicians. The Water Institutes' program is described at http://water.usgs.gov/wrri/.

Federal funding for WRRIs is often highly leveraged by multiple sources of State and local funding. With diverse sources of funding and stakeholder involvement in WRRI decision-making, the priorities of individual Institutes are not solely driven by the Federal government. As a result, their priorities have not always been aligned with the national priorities of the USGS water programs. This is not a comment on the overall excellence or quality of the Institutes, which produce research products and students that can directly benefit the USGS mission. The USGS is currently evaluating different ways in which the work of the Institutes can become more aligned with National priorities, while retaining a local focus.

Though the USGS recognizes and appreciates the contributions of the Institutes, in a time of severe fiscal constraints, tough decisions were made in the formulation of the 2013 budget to meet the science needs of the Nation as a whole. The 2013 budget reflects efforts to balance USGS research, assessment, and monitoring activities to ensure the USGS's continued ability to address a broad array of natural resources and natural science issues that face the Nation. The budget supports a continued legacy of world-class science to support decision-making.

COUNTY PAYMENTS PROPOSAL—O&C LANDS FUNDING

Question 3. I am pleased that the President's budget includes a funding proposal to reauthorize the county payments program and that it specifically funds it as mandatory spending. But, I am again disappointed that—like in last year's proposal—the Bureau of Land Management provides no funding for its portion of this critical program and that steep cuts to the program are again being proposed. Under the recently expired county payments program, the BLM payments are a significant portion of what the O&C counties receive from the county payments program. However, in this budget request, there is no recognition that this portion of the program for the BLM's lands is BLM's responsibility. Rather, BLM's role in providing county payments to the O&C counties has been handed over to the Forest Service. I asked you about this issue last year, and raised it in subsequent discussions with the Agency, but was never able to get an explanation as to why it makes any sense for the BLM to hand over responsibility for these payments to another agency. Mr. Secretary why is the BLM handing over responsibility for providing funding to these counties to another agency? Can you explain to me what portion of the proposed county payments program funding will consist of the O&C payments, how the allocation of funding for Forest Service and BLM lands will be made and whether the Interior Department will be providing any funding for the program?

Answer. Sec. 601 of P.L. 110-343, the Secure Rural Schools and Community Self-Determination Program, authorized an extension and ramping down of payments to the counties through fiscal year 2011. The final, mandatory payments by Sec. 601 were previously authorized, and final Secure Rural Schools program payments were made in October 2011.

The Budget reflects a five-year reauthorization, starting in FY2012, of the Secure Rural Schools Act with funding through mandatory U.S. Forest Service appropriations. This includes Secure Rural Schools payments to western Oregon counties. This SRS proposal revises the allocation split between the three portions of the program from the current authority emphasizing enhancement of forest ecosystems, restoration and improvement of land health and water quality and the increase of economic activity. The FY 2013 payment is proposed for $294 million.

Upon expiration of PL 110-343, the BLM's authority to make payments for FY 2012 to the O&C grant lands and CBWR counties is limited to the Oregon and California Grant Lands Act of 1937 and the Act of May 24, 1939. For any of the 18 counties in Western Oregon choosing not to receive payments for 2012 (in 2013) under the reauthorization proposal discussed above, the payments would revert back to payments under the 1937 O&C Act and subsequent amendments. The 1937 statute authorizes payments of 50 percent of Federal receipts from activities on O&C grant lands. In the case of Coos and Douglas Counties, if they were to choose not to receive payments for 2012 (in 2013) under the proposal, the 1939 statute authorizes payments for lost tax revenue not to exceed 75 percent of the receipts from activities on Coos Bay Wagon Road grant lands. For payments for 2011 (received in 2012), this totaled approximately $40 million.

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR CANTWELL

"FUNDAMENTAL TRANSFORMATION" OF THE OIL AND GAS INDUSTRY

Mr. Secretary, in addition to calling for sorely-needed improvements in government oversight and regulation, the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling report focused a great deal on the need for a transformation within the oil and gas industry itself. The report stated:

> Government oversight must be accompanied by the oil and gas industry's internal reinvention: sweeping reforms that accomplish no less than a fundamental transformation of its safety culture.

Question 1a. What are the top three big, tangible steps the industry needs to take to show the American public that they mean business about achieving the 'sweeping reforms' the Commission is calling for?

Answer. It is in our country's interest to have a robust offshore oil and gas industry, one that carries out both safe and responsible operations on the OCS. The Department has been working hard since the Deepwater Horizon explosion and spill to bring this to fruition.

In this regard, it is important that a new culture of safety emerges throughout the industry, strong enough to overcome ingrained practices. This new safety culture should reflect the Bureau of Safety and Environmental Enforcement's credo of "Safety at all levels, at all times." Additionally, industry must establish a record of safety for offshore oil and gas operations under today's more stringent regulatory

regime by demonstrating compliance with all offshore safety rules and regulations. And finally, it is important that industry demonstrate a record of commitment to continuous improvement and innovation regarding operational and workplace safety.

Question 1b. If the oil and gas industry falls short of the fundamental transformation you are calling for today, do you believe the industry has the right to ask for the trust of the American people in the future?

Answer. It is important that industry demonstrate a commitment to this culture of safety and compliance following the Deepwater Horizon explosion and spill, and falling short of these expectations will likely jeopardize the public's trust.

Question 1c. What reform has been implemented at DOI to ensure better oversight of the industry? Please give specific examples of changes made to programs, staff changes, expertise, and permitting.

Answer. In the time since the Deepwater Horizon oil spill in the Gulf of Mexico, the Department has launched the most aggressive and comprehensive reforms to offshore oil and gas regulation and oversight in U.S. history, including:

- Implementation of strong new safety rules that raise standards for everything from drilling equipment and well design to casing and cementing; a requirement that companies establish comprehensive risk management programs; a requirement that operators demonstrate the capability to deal with a catastrophic blowout; limiting the use of categorical exclusions so that proposed lease sales and drilling projects go through rigorous environmental reviews under the National Environmental Policy Act (NEPA); and requiring companies certify that their rigs comply with safety and environmental laws and regulations;
- Dissolution of the Minerals Management Service, with the transfer of minerals revenue management to a newly-established Office of Natural Resources Revenue in the Office of the Secretary and the creation of two separate bureaus—the Bureau of Ocean Energy Management and Bureau of Safety and Environmental Enforcement—to handle the leasing and safety oversight functions of the former MMS;
- Development and implementation of regulations and guidance to operators responsive to the recommendations of the DOI Safety Oversight Board, the National Academy of Engineering, and the National Commission on the BP Deepwater Horizon Oil Spill;
- Completion of a review of ethics issues related to the Department's management of the OCS program, and creation of the Investigations and Review Unit;
- Implementation of a recruitment strategy to expand the field of inspectors and engineers in the offshore program; and
- Establishment of the Ocean Energy Safety Advisory Committee to advise the Department on issues related to offshore energy safety, including drilling and workplace safety, well intervention and containment, and oil spill response.

Within BSEE, which is tasked with providing safety and environmental oversight of offshore oil and gas operations on the OCS, we have increased the number of inspectors by 50 percent since April 2010, and the number of engineers, who also perform critical safety functions, by nearly 10 percent. With regard to permitting, BSEE has held permit processing workshops for industry, which has improved the quality and thoroughness of applications; published a permit application completeness checklist to make it clear to industry what information is required and to reduce the frequency of incomplete applications; established priorities for reviewing permit applications; and allowed authorized users of our online permit application system to track the status of their applications, answering the call for greater transparency in our permitting process. As a result of these steps, and the industry's increasing familiarity with the process, permit review times have decreased significantly in the past year.

Question 1d. What legislative action, if any, does DOI need to oversee the industry better?

Answer. In testimony before the Senate Energy and Natural Resources Committee on May 17, 2011, the Secretary announced a series of legislative principles intended provide a framework for the efficient and responsible development of our domestic resources. In the realm of enhanced oversight, these principles include:

- Codifying new safety and environmental standards for offshore oil and gas development that have been established through administrative procedures by the Bureau of Safety and Environmental Enforcement and the Bureau of Ocean Energy Management.
- Statutorily extending exploration plan approval time under the Outer Continental Shelf Lands Act to allow for appropriate environmental review.

- Formalizing existing research collaboration by authorizing an Ocean Energy Safety Institute to connect government, industry, academia, and outside experts devoted to developing cutting-edge safety, containment, and response capabilities.
- Formalizing the reorganization of the Bureau of Ocean Energy Management, Regulation and Enforcement by adopting organic legislation for: (1) the Bureau of Ocean Energy Management; (2) the Bureau of Safety and Environmental Enforcement; and (3) the Office of Natural Resource Revenue.
- Provide special hiring authorities for BOEM and BSEE that allow those bureaus to hire personnel for critical positions during times of need at competitive salaries.

In addition, the Department proposed the following legislative proposals in its FY 2013 Budget Request that will improve oversight or ensure a fair return to the public for development of their resources:

New Fee for Onshore Oil and Gas Inspections.—Through appropriations language, the Administration proposes to implement an inspection fee in 2013 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated $48.0 million in 2013, $10.0 million more than the corresponding $38.0 million reduction in requested BLM appropriations, thereby expanding the capacity of BLM's oil and gas inspection program. The fee would support Federal efforts to increase production accountability, human safety, and environmental protection.

Onshore Oil and Gas Drilling Permit Fee.—The 2013 budget proposes to continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the Interior Apppropriations Acts. A fee of $6,500 per drilling permit was authorized in 2010, and if continued, would generate an estimated $32.5 million in offsetting collections in 2013.

Repeal of Deep Gas Incentives.—The Administration proposes to repeal Section 344 of the Energy Policy Act of 2005. Section 344 mandated royalty incentives for certain "deep gas" production on the OCS. This change will help ensure that Americans receive fair value for federally owned mineral resources. Based on current oil and gas price projections, the budget does not assume savings from this change; however, the proposal could generate savings to the Treasury if future natural gas prices end up below current projections.

Fee on Non-Producing Oil and Gas Leases.—The Administration proposes to encourage energy production on lands and waters leased for development. A $4.00 per acre fee on non-producing Federal leases would provide a financial incentive for oil and gas companies to either get their leases into production or relinquish them so that the tracts can be leased to and developed by other parties. The proposed fee would apply to all new leases onshore and offshore and would be indexed annually. In October 2008, the Government Accountability Office issued a report critical of past efforts by Interior to ensure that companies diligently develop their Federal leases. Although the report focused on administrative actions that the Department could undertake, this proposal requires legislative action. This proposal is similar to other non-producing fee proposals considered by the Congress in the last several years. The fee is projected to generate revenues to the U.S. Treasury of $13.0 million in 2013 and $783.0 million over ten years.

Net Receipts Sharing for Energy Minerals.—The Administration proposes to make permanent the current arrangement for sharing the cost to administer energy and minerals receipts, beginning in 2014. Under current law, States receiving significant payments from mineral revenue development on Federal lands also share in the costs of administering the Federal mineral leases from which the revenue is generated. In 2013, this net receipts sharing deduction from mineral revenue payments to States would be implemented as an offset to the Interior Appropriations Act, consistent with identical provisions included in the Act since 2008. Permanent implementation of net receipts sharing is expected to result in savings of $44.0 million in 2014 and $449.0 million over ten years.

ARCTIC OIL SPILL RECOVERY PLANS

Mr. Secretary, the United States plans to open the North Slope to exploratory drilling during the Summer of 2012. The Coast Guard and others have testified to

Congress that we do not have the technology required to clean up oil in ice conditions.

Question 2a. Has DOI identified methods to clean up oil in ice conditions? If not, what clean up procedures have been submitted by the proposed resource users, and why does DOI think that they are or are not sufficient?

Answer. The Department is aware of a large amount of research that has been done on the cleanup of oil in ice conditions. Research has been ongoing for decades, most recently through the Joint Industry Program on Oil Spill Response for Arctic and Ice-covered Waters ("JIP Oil in Ice") launched in 2006 by the independent Scandinavian research organization SINTEF in conjunction with industry and academic partners. Field tests with oil released into icy Arctic waters were conducted in 2008 and 2009, with experiments conducted on mechanical recovery equipment, in-situ burning, dispersants, remote sensing, oil weathering, and more. These experiments showed that a number of response strategies could be employed in icy waters. In January of this year, the International Association of Oil & Gas Producers announced that it is launching a new JIP Oil in Ice program, which will consist of additional field tests of oil removal in ice conditions. A summary of the current state of knowledge in this field is available in Chapter 5 of the USGS' An Evaluation of the Science Needs to Inform Decisions on Outer Continental Shelf Energy Development in the Chukchi and Beaufort Seas, Alaska.

Question 2b. The Arctic is lacking coastal infrastructure that was essential in the Deep Water Horizon Oil Spill cleanup. For example, cleanup efforts relied on local fishing boats, docks, hotels, outfitters and other services to fuel the cleanup effort. What is the plan for the Arctic? Is there a plan? Are there response plans currently in place that are inaccurate and have unrealistic assumptions?

Answer. BSEE conducted a thorough and critical review of the oil spill response plans submitted by Shell in conjunction with its planned exploration activities in the Beaufort and Chukchi Seas during the summer of 2012. Shell was required to make clear how they would mobilize and sustain a massive response over an extended period of time. Shell plans to stage a full suite of response assets near the offshore drill site for immediate response, while also having additional equipment available for quick delivery in the event that sustained spill response is necessary.

BSEE's approval followed months of comprehensive internal, public, and interagency review, including involvement of the Interagency Working Group on Coordination of Domestic Energy Development and Permitting in Alaska, chaired by Department of the Interior Deputy Secretary David J. Hayes. More information on the federal government's preparedness and response coordination efforts is available at: http://www.bsee.gov/BSEE-Newsroom/BSEE-Fact-Sheet/Arctic-Fact-Sheet.aspx.

INDEPENDENT CERTIFICATION OF DRILLING SYSTEMS

Mr. Secretary, the U.S. Coast Guard has a fairly good model for a regulatory working relationship between vessel owners and independent classification societies like the American Bureau of Shipping (ABS). ABS and other classification societies use their technical and engineering expertise to help the government ensure that ships meet the stringent requirements to be considered safe and seaworthy.

Question 3a. What is BOEM doing to ensure that regular third-party audits occur at three-to five-year intervals and certification of drilling systems?

Answer. Safety certification of drilling systems is part of an operator's Safety and Environmental Management System (SEMS). 30 CFR 250, subpart S, defines the regulations regarding SEMS. Specifically, 30 CFR 250.1920(a) states:

> (a) You must have your SEMS program audited by either an independent third-party or your designated and qualified personnel according to the requirements of this subpart and API RP 75, Section 12 (as incorporated by reference in 30 CFR 250.198) within 2 years of the initial implementation of the SEMS program and at least once every 3 years thereafter. The audit must be a comprehensive audit of all thirteen elements of your SEMS program to evaluate compliance with the requirements of this subpart and API RP 75 to identify areas in which safety and environmental performance needs to be improved.

If non-compliance resulting from an inspection or BSEE-directed audit poses actual harm or threat to the human and marine environment, BSEE will proceed with a civil penalty review of that violation(s) subject to 30 CFR part 250, subpart N—Outer Continental Shelf Civil Penalties. Should non-compliance with subpart S display serious and pervasive safety management concerns, BSEE may restrict or revoke the operator's privilege to operate on the OCS as a designated operator or les-

see operator through probationary or disqualification actions as detailed in 30 CFR 250.135.

While BSEE currently allows the audit to be performed by an operator's designated and qualified personnel as set forth in 30 CFR 250.1926, the agency proposes to remove this option from the existing regulation. The new requirement would instruct the operator to use an approved independent third party auditor to perform the audit.

Question 3b. What effect does the current lack of independent third-party certification have on the overall safety culture?

Answer. As outlined in the response above, BSEE does not feel there is an overall lack of independent third-party certification. Subpart S requires the operator (a lessee, the owner or holder of operating rights, or the designated operator) to integrate a comprehensive SEMS program into the management of their OCS operations.

Question 3c. The American Bureau of Shipping (ABS) and other classification societies have the expertise to "class" sub-sea drilling systems, and already do so when companies opt to do this voluntarily in the U.S. Is there a possible role for classification societies to act as an independent third-party certifier as recommended in the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling report?

Answer. As BSEE continues to improve, enhance, and enforce offshore oil and gas safety requirements, it is identifying best-practices, standards, and third-party organizations which may be used where appropriate.

R.S. 2477 CLAIMS

Mr. Secretary, Revised Statute 2477 (R.S. 2477) was enacted by Congress in the 1866 Mining Law to provide "the right of way for the construction of highways across public lands, not reserved for public uses." While Congress repealed the law in 1976 as part of the Federal Land Policy and Management Act (FLPMA), existing R.S. 2477 rights were grandfathered. The state of Utah has recently filed a notice of intent to sue the DOI to gain title to over 18,000 rights of way. The vast quantity of these claims causes me to question whether all of them are valid. I understand that thousands of these claims may have never even been constructed or maintained. I urge you and the DOI to evaluate these claims carefully and vigorously defend against any invalid claims in Utah—and across the country.

Question 4a. How will DOI determine how these R.S. 2477 claims would impact existing and proposed conservation designations? How would they affect your conservation goals and achievements?

Answer. The Department is still in the early stages of this matter, and we are beginning to gather the kind of information that will inform questions such as this. In general, once a suit to quiet title on an R.S. 2477 claim is filed BLM will, among other things, carry out an analysis of the resources that could potentially be impacted by designation of such a right-of-way. If an alternative resolution cannot be found, all parties agree that adjudication of these lawsuits will be time consuming and costly. Depending on the nature and scope of the right-of-way and the designation or resources at issue, if a county successfully proves R.S. 2477 claims in or near existing and proposed conservation designations, historic sites, or other areas managed by BLM to protect sensitive resources, BLM's ability to implement protective management could be impacted.

Question 4b. How would the recognition of these claims affect DOI's ability to manage federal public lands? Would they affect the effectiveness of law enforcement or the protection of archaeological sites?

Answer. The BLM will take any RS 2477 claims traversing the public lands that are recognized by a court into account when it manages the public lands. The BLM retains the power to reasonably regulate such rights-of-way. The BLM reviews travel impacts to archeological resources on a case-by-case basis. As appropriate, the BLM protects archeological resources from damage by exercising its statutory and legal authorities, and by entering into agreements with neighboring land managers.

Question 4c. Some of the state of Utah's claims lie in BLM wilderness areas as designated in the Cedar Mountains Wilderness Act and the Washington County Wilderness Act. How will you manage congressionally designated wilderness areas in relation to R.S. 2477 claims?

Answer. The BLM will comply with Wilderness Act and Congressional direction regarding the management of designated Wilderness Areas. The BLM's ability to manage areas to preserve wilderness character could be impacted if the county and state are successful in proving R.S. 2477 claims in wilderness. Validity of an R.S. 2477 claim is ultimately left to the determination of a court of competent jurisdiction. Holders of valid R.S. 2477 rights-of-way may complete some maintenance and

improvement activities on recognized rights-of-ways after consultation with the BLM, but are not entitled to engage in new road construction without obtaining a Title V permit under the Federal Land Policy and Management Act from the BLM. The BLM will not issue such a permit in a Wilderness Area.

LAND AND WATER CONSERVATION FUND (LWCF)

Mr. Secretary, LWCF not only helps families get outdoors and lead healthier lives, it also protects watersheds and drinking water for our communities and boosts our local and state economies. Each year over 2.7 million people enjoy hunting, fishing and wildlife watching in Washington State, and according to the Outdoor Industry Foundation, the outdoor recreation economy contributes more than $11.7 billion and supports 115,000 jobs annually. Cuts to LWCF undermine the real economic asset that our federal, state and local public lands provide.

Since the program was created, LWCF has invested over $500 million in Washington State. This year, we have nationally ranked, ready-to-go LWCF projects, such as those for the Pacific Crest Trail, Nisqually National Wildlife Refuge, and Mt. Rainier National Park. Funding cuts to LWCF would mean that these and many other important recreation and conservation projects cannot be completed.

Question 5a. Do believe that LWCF should be fully funded? Could you please explain why the budget request is half of that amount?

Answer. The Administration remains committed to funding LWCF programs, which helps preserve, develop, and assure access to outdoor recreation resources; provide clean water; preserve wildlife habitat; enhance scenic vistas; protect archeological and historical sites; and maintain the pristine nature of wilderness through Federal land acquisition and grants.

Question 5b. Are you aware of any other avenues that could mitigate this insufficient funding level of LWCF? Under this budget request, how do propose to protect the jobs and economic opportunities associated with LWCF projects?

Answer. Conserving large landscapes requires collaboration among all stakeholders, including private landowners, conservation and recreation groups, and local, State, tribal, and Federal governments. In FY 2013, the budget proposes $60.0 million for grants to states, a programmatic increase of $14.9 million over the FY 2012 enacted level. This increase will provide an economic impact and support jobs in local communities across the country.

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR MURKOWSKI

OIL AND GAS

Pre-approval

Question 1. The leaked draft of BLM regulations on hydraulic fracturing refers to a new requirement for "pre-approval" of well stimulation operations. What is the technical basis on which such approval will be given or withheld by the agency?

a. Is it common for operators to make adjustments to well stimulation fluid during the process of drilling and completing a well? As a practical matter, is this something that can be done 30 days in advance with no changes?

b. Do you agree that because of the level of detail and specificity required by BLM's proposed regulations, an operator that changes its fluid formulation could be forced into a situation where it must stop and resubmit a new proposal to the agency?

Answer. Information collected by the BLM and used for pre-approval of hydraulic fracturing operations is needed for a variety of reasons so that the BLM may determine the parameters of the well stimulation operation; verify that the operator has taken the necessary precautions to prevent migration of fluids in to the usable water horizons; ensure that the facilities needed to process or contain the estimated volume of fluid will be available on location; and ensure the methods used will adequately protect public health, safety and the environment.

It is common for operators to make adjustments to well stimulation fluid during the process of drilling and completing a well, and this is not something that, as a practical matter, can be done 30 days in advance with no changes. Moreover, we do not agree that the level of detail and specificity required by BLM's proposed regulations would force an operator to stop activities and resubmit a new proposal to the agency because, within 30 days after completion of well stimulation operations, operators would submit a Subsequent Report Sundry Notice on Form 3160-5 (Sundry Notices and Report on Wells). The information included in such a report will allow BLM to:

1) Document and assure that stimulation fluids are going into the formation for which they were designed;

2) Document and assure that stimulation fluids remain confined to the petroleum-bearing rock layers;

3) Confirm that the disposal methods used are those that were approved and conform to the regulations and;

4) Obtain reasonable assurance that other resources are adequately protected.

Tribal Consultations

Question 2. Mr. Secretary, can you describe the process by which you have consulted the Tribes on these draft regulations?

a. What feedback have you received from these consultations?

Answer. Tribal consultation is a critical part of this effort, and the Department is committed to making sure tribal leaders play a significant role as we work together to develop resources on public and Indian lands in a safe and responsible way. The BLM has initiated government-to-government consultation with tribes on this proposal and has offered to hold follow-up consultation meetings with any tribe that desires to have an individual meeting. The BLM held four tribal consultation meetings, to which over 175 tribal entities were invited. These initial consultations were held in Tulsa, Oklahoma on January 10, 2012; in Billings, Montana on January 12, 2012; in Salt Lake City, Utah on January 17, 2012; and in Farmington, New Mexico on January 19, 2012. Eighty-four tribal members representing 24 tribes attended the meetings. Attending for the BLM were both senior policy makers from the Washington Office as well as the local line officers that have built relationships with the tribes in the field.In these sessions tribal representatives were given a draft of the hydraulic fracturing rule to serve as a basis for discussion and substantive dialogue about the hydraulic fracturing rulemaking process. The BLM asked the tribal leaders for their views on how a hydraulic fracturing rule proposal might affect Indian activities, practices, or beliefs if it were to be applied to particular locations on Indian and public lands. A variety of issues were discussed, including applicability of tribal laws, validating water sources, inspection and enforcement, wellbore integrity, and water management, among others.

At the request of various tribes, the BLM subsequently has met with several tribal representatives, including the United South and Eastern Tribes, the Coalition of Large Tribes, and the Mandan, Hidatsa and Arikara Nation to discuss hydraulic fracturing and the impacts it may pose to their lands. The development of this hydraulic fracturing rule will continue to include proactive Tribal consultation under the Department's newly-formalized Tribal Consultation Policy. This policy, announced on December 1, 2011, emphasizes trust, respect and shared responsibility in providing Tribal governments an expanded role in informing Federal policy that impacts Indian lands. Under this policy, consultation is an open, transparent, and deliberative process.

The agency will continue to consult with Tribal leaders throughout the rulemaking process and has offered continued government-to-government consultation on this proposal through follow-up meetings as part of the consultation process with any tribe that desires to have an individual meeting. On May 11, 2012, the BLM sent over 180 invitations for continued government-to-government consultation to exchange information on the development of the hydraulic fracturing rule. Regional meetings were held in June in Salt Lake City, Utah; Farmington, New Mexico; Tulsa, Oklahoma; and Billings, Montana. The BLM has initiated follow-up calls with many of the Tribal leaders or their representatives and will continue to keep multiple lines of communication open during the Tribal consultation process. Responses from Tribal representatives will inform the agency's actions in defining the scope of acceptable hydraulic fracturing rule options.

Info Sharing

Question 3. In the course of developing the draft BLM regulations, please describe the efforts BLM has made to consult with the state agencies that are now regulating drilling and completion activities within their borders.

a. Did any of these conversations lead you or others within the Department or BLM to determine that the state regulatory programs were insufficient in such a way that a new set of BLM regulations was required?

Answer. At the President's direction, the Secretary of Energy's Advisory Board convened a Natural Gas Subcommittee (Subcommittee) to evaluate hydraulic fracturing issues. The Subcommittee met with industry, service providers, state and Federal regulators, academics, environmental groups, and many others stake-

holders. Recommendations were issued by the subcommittee. Among other things, the report recommended that more information be provided to the public, including disclosure of the chemicals used in fracturing fluids. The Subcommittee also recommended the adoption of progressive standards for wellbore construction and testing. The report recommended that operators engaging in hydraulic fracturing prepare cement bond logs and undertake pressure testing to ensure the integrity of all casings.

The BLM recognizes the efforts of states to regulate hydraulic fracturing and is focused on coordinating closely with individual state governments to avoid duplicative regulatory requirements. The agency has a long history of working cooperatively with state regulators and the BLM often enters into memorandums of understanding or establishes working groups to coordinate state and Federal activities, such as the oil and gas working groups that currently exist in many of our oil and gas states. The BLM is applying the same approach to this effort and will work closely with individual states on the implementation of the proposed regulation. The BLM's intent is to encourage efficiency in the collection of data and the reporting of information. The BLM routinely shares information on oil and gas operations with state regulatory authorities and the BLM will continue to work with individual states to ensure that duplication of efforts is avoided to the extent possible. Some states already have in place rules and regulations that address hydraulic fracturing. The BLM found that these rules may be either more or less stringent than the provisions in the BLM regulation proposal.

Domestic Production

Question 4. During his State of the Union, the President called for an all-of-the-above energy policy. This is a phrase many of us are familiar with, having advocated for such an approach over the last several years. We understand it as the development of all energy resources, without supporting one at the expense of another. But the President's record and much of the Interior Department's budget request tell a decidedly different story.

First we saw the President sign into law a Stimulus bill whose only direct beneficiaries were renewable and transmission projects, with nuclear power, clean coal, and other promising technologies cut out. Then we saw the delay or outright cancellation of oil and gas lease sales in Utah, Alaska, and throughout the Outer Continental Shelf. Recently, you approved the withdrawal of over 1 million acres—outside the boundaries of a park—from production of high-grade uranium, which is needed to fuel clean nuclear power. And now we are confronted with a budget request that seeks to raise taxes and fees on energy sources that Americans rely upon to keep the economy growing, keep their homes heated, and keep their vehicles on the road. Those tax hikes would show up in electric bills, at gas pumps, and home heating prices for every family in the country. Needless to say, this has created some confusion for those of us trying to square the President's rhetoric with the reality of his Administration's actions. The Administration appears to be saying no to domestic energy production more than it's saying yes. So I'd ask if you can you shed some light on how these actions represent an all-of-the-above strategy?

Answer. The Obama Administration and the Department of the Interior are working to secure our energy future by ensuring that our domestic oil and gas resources are safely and responsibly developed and that the potential for clean energy development on our public lands and waters is realized. We have taken a balanced approach, and it is an approach that works. Interior is moving aggressively to put the President's energy strategy, Blueprint for a Secure Energy Future, into action and expand secure energy supplies for the Nation—a strategy that includes an all-of-the-above approach, including the responsible development of both conventional and renewable energy sources on the public lands.

To encourage energy production, the Administration is taking a series of common sense steps as part of the Blueprint, a broad effort to reduce our dependence on foreign oil by producing more oil and natural gas at home and using cleaner, alternative fuels and improving our energy efficiency. Specifically with regard to domestic hydrocarbon production, the President has made clear that he wants us to continue to produce more oil and natural gas here at home.

While production levels fluctuate from year-to-year based on market conditions and industry decisions, a recently published Energy Information Administration report confirms that this Administration has overseen an overall expansion of production on federal lands and waters as part of the nationwide rise in production levels even when taking into account the impact of the Deepwater Horizon oil spill in the Gulf of Mexico in 2010.

At the Department we are expanding development of cleaner sources of energy, including renewables like wind, solar, and geothermal, as well as natural gas on

public lands. The Administration is also working to facilitate the development of advanced coal technologies. But domestic oil and gas production remain critical to our energy supply and to reducing our dependence on foreign oil. We are also taking steps both onshore and offshore to encourage industry to develop the thousands of leases and permits it already has but that are currently sitting idle.

During calendar year 2011, the BLM held 32 onshore oil and gas lease sales, offering 1,755 parcels of land covering nearly 4.4 million acres. Nearly three-quarters (1,296) of those parcels were leased, generating about $256 million in revenue. Onshore mineral leasing revenues are estimated to be $4.4 billion in 2013. The 2011 lease sale revenues are 20 percent higher than those in calendar year 2010, following a strong year in which leasing reform helped to lower protests and increase revenue from onshore oil and gas lease sales on public lands. This strong record is expected to continue in 2012 with over 30 planned lease sales.

Following the Deepwater Horizon explosion and oil spill, the Administration has been implementing the most aggressive and comprehensive reforms to offshore oil and gas regulation in U.S. history. Production from leases on the OCS generates billions of dollars in revenue for the federal treasury and state governments while supporting thousands of jobs. In calendar year 2010, OCS leases produced 589.5 million barrels of oil and 2,300 billion cubic feet of natural gas, accounting for about 30 percent of domestic oil production and 10 percent of domestic natural gas production.

Western Gulf of Mexico Lease Sale 218, held on December 14, 2011, was the last Western Gulf sale scheduled under the current Five-Year Program, and the first sale conducted after completion of a supplemental environmental impact statement that considered the effects of the Deepwater Horizon oil spill. That sale attracted $337,688,341 in high bids on 191 tracts comprising over a million acres. The sum of all bids received was over $700 million, and the total area made available for leasing was more than 21 million acres. BOEM conducted Consolidated Central GOM Sale 216/222, the final sale in the current Program, on June 20, 2012. That sale made available 39 million acres in an area of the Gulf estimated to contain close to 31 billion barrels of oil and 134 trillion cubic feet of natural gas that are undiscovered and technically recoverable, and attracted $1,704,500,995 in high bids for tracts on the U.S. outer continental shelf offshore Louisiana, Mississippi and Alabama. A total of 56 offshore energy companies submitted 593 bids on 454 tracts covering more than 2,402,918 acres. The sum of all bids received totaled $2,602,563,726.

BOEM also recently finalized the next Five-Year Program for 2012-2017, which will be in effect later this year. The proposed Program includes substantial acreage for lease in regions with known potential for oil and gas development, making areas containing more than 75 percent of undiscovered technically recoverable oil and gas resources estimated in federal OCS available for exploration and development. It also advances an innovative, regionally-tailored approach to offshore oil and gas leasing that will take into account the particular resource potential, environmental and social concerns, and infrastructure condition of each planning area. In sum, this Proposed Program both promotes responsible and expanded OCS development and is informed by lessons learned from the Deepwater Horizon tragedy and the reforms that we have implemented to make offshore drilling safer and more environmentally responsible.

Moreover, while we continue to offer additional new acreage for oil and gas development, industry now has more leased acreage than it is putting to productive use. While the Department can, and does, offer significant acreage in its lease sales, it is industry that makes the final decision whether or not to purchase a lease on any particular tract and, subsequently, whether and when to develop the resources on such lease. The Department is also providing greater incentives for its lessees to make production from their leases a priority.

This balanced approach will secure our energy future by ensuring that our domestic oil and gas resources are safely and responsibly developed and that the potential for clean energy development on our public lands and waters is realized.

US FISH AND WILDLIFE SERVICE

Unimak Island

Question 1. Secretary Salazar, as you know, the caribou herd on Unimak Island is nearing a critically low point—subsistence users have even been banned from harvesting caribous—but USFWS and the Alaska Department of Fish and Game have been unable to reach an agreement on how to proceed with managing the herd numbers. Can you please address if and when the EIS will be revisited?

a. Currently, is it legally possible for the State ADFG to conduct any predator management on Unimak Island?

b. Can you explain what will be done by the Department of the Interior to ensure that this herd is not wiped out?

Answer. The most recent Environmental Assessment (EA) on this matter was completed in December 2011, with a decision document issued shortly thereafter that supported a "no action" alternative regarding predator management on Unimak Island. As such, the FWS has not authorized a management program to conduct predator control on Unimak Island. The analyses in the EA/FONSI pointed to effects on refuge purposes related to natural diversity, biological integrity, and the stewardship of wilderness resources. This, along with the need for more scientific information, precluded the implementation of management actions such as predator control.

Regarding herd management, caribou numbers have fluctuated widely on Unimak Island. There are likely multiple factors contributing to this, including variable habitat conditions, predation by bears and wolves, and harvest by humans. Current and expanded efforts are needed to improve the science surrounding these issues, and the FWS believes the best path forward is to carry out a joint State-FWS effort to identify those scientific needs, set biological objectives, and define management actions needed to achieve those objectives.

We have committed significant levels of staffing and funding to address the caribou decline on Unimak Island. This includes an ongoing cooperative study with the University of Alaska, Anchorage, in collaboration with the Alaska Department of Fish and Game on habitat and nutritional ecology of island caribou entitled: Habitat and Nutritional Ecology of Unimak Island Caribou: Does Habitat Play a Critical Role in Caribou Population Dynamics and Health? This study is a component part of a larger National Science Foundation study conducted on the Alaska Peninsula and southwestern Alaska investigating caribou-vegetation relationships entitled, Nutrient Cycling in Tundra Soil-Plant-Caribou System. The FWS is also sponsoring a floristic community classification focused on composition and structure. We continue to cooperate with the State on routine herd monitoring; radio-collaring of caribou, and spring calving, mid-winter total herd counts and mid-summer cow-calf and fall composition counts, and the FWS has offered the State the opportunity to transplant caribou bulls to augment the population and address the low bull to cow ratio on the island while we work to identify the cause of the overall decline. Continuing these efforts, and initiating needed studies, will allow us to make the appropriate management decisions.

The FWS believes the best approach is to work with our partners to develop a more comprehensive management plan for Unimak Island that balances and meets the requirements of relevant statutes, including the Alaska National Interest Lands Conservation Act, which directs the FWS to conserve fish and wildlife populations in their natural diversity, and to provide, in a manner consistent with this purpose, the opportunity for continued subsistence uses by rural residents; the National Wildlife Refuge System Improvement Act, which requires the FWS to maintain the biological integrity, diversity, and environmental health of each refuge; and the Wilderness Act, which requires the FWS to preserve the wilderness character of refuge lands. Development of such a plan would prompt an accompanying NEPA document, likely another EA.

Wood Bison

Question 2. As you know, the State of Alaska is currently working towards reintroducing a non-essential experimental population of Alaska Wood Bison. The herd is being housed at the Alaska Wildlife Conservation Center at a cost of over $250,000 per year. What is the current status of the Alaska Wood Bison reintroduction efforts? Can you please explain to me why the USFWS has decided that this non-essential and experimental species would need such a high threshold number before any harvest would be permitted?

Answer. The FWS has been working closely with the State to support wood bison reintroduction efforts. Last year we contributed $250,000 toward the cost of maintaining wood bison at the Alaska Conservation Center. We have jointly prepared a proposed rule that would designate a nonessential experimental population of wood bison and enable the State to be the lead agency in the reintroduction and subsequent management of wood bison in Alaska. The proposed rule is currently undergoing final review; it does not contain a specific threshold number that would need to be reached before harvest would be permitted. We have worked closely with the State agreed upon language in the rule over six months ago that would allow hunting based on sustained yield principles established by the State and the FWS.

AMERICA'S GREAT OUTDOORS AND LAND AND WATER CONSERVATION FUND

Question 1. The Land and Water Conservation Fund budget request is for a funding level of $450 million, which represents $105 million increase above the current level for DOI agencies and the Forest Service. Can you please explain to me why, with such an enormous maintenance backlog, DOI is focusing such a large amount of money on acquiring more federal land? Shouldn't these funds be used to pay down our maintenance backlog?

Answer. The Department of the Interior takes seriously our responsibilities to maintain facilities and infrastructure. The FY 2013 Budget proposes focusing funding on the most critical health and safety issues through line-item construction accounts and facility maintenance subactivities within operation accounts. Construction of new facilities has been restricted to replacement of facilities in poor condition for the fiscal year 2013. This will focus our resources on correcting the most critical repairs on our highest priority assets.

Through the America's Great Outdoors listening sessions and public input process, we learned that there is a powerful consensus across America that outdoor spaces—public and private, large and small, urban and rural—remain essential to our quality of life, our economy, and our national identity. Americans communicated clearly that they care deeply about our outdoor heritage, want to enjoy and protect it, and are willing to take collective responsibility to protect it for their children and grandchildren.

Americans support concrete investments in conservation. In November of 2010, voters across the country overwhelmingly approved a variety of measures for land conservation, generating a total of $2 billion in new land protection funds according to the Trust for Public Land. Of 36 proposals on State and local ballots for conservation funding, 30 passed—an approval rate of 83 percent. This is the highest rate during the past decade and the third highest since 1988.

Consistent with these results at the State and local levels, the feedback received during the AGO listening sessions indicated that funding LWCF program is a high priority for the American people. Respondents also suggested that LWCF funding could be more effectively used if it was strategically focused on specific project types and/or locations. With this in mind, an investment in the Crown of the Continent ecosystem was developed in the Rocky Mountain Front where Interior proposes to invest $28.6 million to protect threatened and endangered plants, fish, and wildlife; ensure terrestrial ecosystem and watershed health; ensure resiliency, connectivity, and climate change adaptation; support working farms, ranches and forests; enhance recreational access; and protect rivers and waterways. This land comes with minimal operations and maintenance costs. This proposal includes the outstanding landscapes of Glacier National Park; four units of the National Wildlife Refuge System; famous western rivers and lakes; and vast high deserts and high mountain valleys administered by the three DOI bureaus. The lands proposed for acquisition, both conservation easements and fee, will protect crucial wildlife migration corridors, endangered biological and geological systems, and special status species. Conserving these properties enhances cultural and natural landscapes while allowing for traditional working ranches and forests in many cases. Outdoor recreational opportunities will be enhanced by increasing access, maintaining the integrity of the scenic vistas and the primitive qualities of the Crown of the Continent Ecosystem. Once these lands are developed, there is no going back to how they currently exist.

Interior's 2013 request, together with the Forest Service's request, funds the LWCF at $450 million, half of the legal limit that could be appropriated for this fund. Interiors' Federal land acquisition request of $212 million includes $84 million for line-item projects resulting from a collaborative effort. The collaborative effort between the Departments of the Interior and Agriculture was in response to directives from Congress in House Report 111-180 and Conference Report 111-316. The remaining $58 million in Interior's line-item projects support bureau specific, mission related priorities. Smart investments in strategic conservation through both the interagency collaborative process and the bureau specific, mission related process will prevent further ecosystem decline or collapse, which is expected to preclude the need for future investments in restoration.

Activities funded under LWCF ensure public access to the outdoors for hunting, fishing and recreation; preserve watersheds, viewsheds, natural resources and landscapes; provide corridors for wildlife to migrate within; and protect irreplaceable cultural and historic sites for current and future generations. LWCF funds are also used to protect historical uses of working lands, such as grazing and farming.

Interior's acquisition programs work in cooperation with local communities, rely on willing sellers, and maximize opportunities for easement acquisitions. Proposed acquisition projects are developed with the support of local landowners, elected offi-

cials, and community groups. LWCF funds for Federal acquisition will support simpler, more efficient land management; create access for hunters and anglers; create long-term cost savings; address urgent threats to some of America's most special places; and support conservation priorities that are established at the State and local levels.

COASTAL IMPACT ASSISTANCE PROGRAM RESCISSION (CIAP)

The Coastal Impact Assistance Program was created by the Energy Policy Act of 2005 to provide funding to six OCS oil and gas producing states to conserve and protect the coastal environment. These states include four on the Gulf coast and Alaska and California.

The Fiscal Year 2013 budget proposes to rescind $200 million—almost 40 percent—of the remaining $550 million allocated for this program. I realize this is a large amount of unobligated funding waiting to be spent by the states, but there is a good reason for this. Just last year, your budget recommended—and Congress agreed—that the program administration should be moved from the former MMS to the Fish and Wildlife Service, who administers many similar grant programs with states. It's my understanding states had complained about the timeliness of federal approval for project plans.

Question 2a. Can you explain the Administration's thinking behind this rescission? It seems to me that you're penalizing these states because of past failures of the federal government. Of course, it did give you an extra $200 million to spend on your other priorities in the bill, so maybe I already know your answer. I worry that with flat budgets, we're using gimmicks that ultimately we have to pay for and we are also giving unrealistic expectations of inflated budget numbers for other programs.

Question 2b. How would you respond to states that have been critical of the burdensome administrative regulations that have, in their view, delayed the timely distribution of funds which has resulted in the large carryover balances?

Answer. Of the $1 billion provided during FY 2007—2010, $540 million remains available under the Coastal Impact Assistance Program (CIAP). CIAP gives states broad flexibility to use the funds, so there is little accountability for achieving specific results. The Administration plans on using this reduction in CIAP balances to fund higher priorities elsewhere.

The Department (through the former Minerals Management Service) approved State CIAP Plans for each of the six States for FY 2007—2010 funds, with the exception of Texas that has an approved Plan for 2007-08 funds, and a proposed Plan for 2009-10 funds. Additionally, there have been subsequent amendments to approved plans submitted by States, for example, Louisiana submitted a fourth revision to their plan in November 2011.

There are a number of factors that have contributed to the relatively slow obligation rates for CIAP. A primary factor is that CIAP requires a substantive public planning process that is coordinated through a designated State lead agency with a great degree of information and planning provided by local Coastal Political Subdivisions (CPS). In addition to the 6 eligible states, there are 70 CPSs, which are the County, Parish and Borough governments eligible to receive CIAP funds directly. A multi-level CIAP Plan review process at the federal level also contributed to the delayed Plan implementation and slow obligation rates. Further, the proposed projects are all located in sensitive coastal habitats that often involve a high degree of time-consuming activities, such as permitting and appraisals, prior to the full obligation of funds as part of the grant review process. The complexity of the administrative process was also a recognized factor in the slow obligations. In FY 2012, the Secretary re-delegated CIAP administration authority to the FWS under its Wildlife and Sport Fish Restoration Program, and the FWS is in the process of awarding the balance of CIAP funds, with the goal of completing all obligations by December 2013 for projects to be completed by December 31, 2016.

ALASKA SPECIFIC QUESTIONS

Alaska Water Resources

Question 1. Your budget is proposing to cut funding for hydrologic networks and analysis by the U.S. Geological Survey by $2.6 million. Back in 2008 I won passage of the Alaska Water Resources Act (S. 200) which required USGS to do what it has done in every other state, conduct a survey of aquifers in urban parts of Alaska to see how much drinking water the state has underground. The USGS has never done any of the work, even though USGS wrote a great briefing paper in 2008 supporting the approved law saying that the law was needed since "the understanding of the connectivity of small aquifers across the (Anchorage) area is poor." It is hard for me

to support an increase of $51 million for USGS nationwide, partially to fund the new WaterSMART Program, when you ignore laws and authorizations that actually are about to expire without ever having been implemented by the Department. Is there any assistance that the USGS can provide to assess potable water reserves for Fairbanks, the Mat-Su Valley, Anchorage and the Kenai Peninsula should we fund your WaterSMART initiative?

Answer. Through the Cooperative Water Program, the USGS Alaska Science Center has worked with the Alaska Department of Natural Resources (ADNR) on a groundwater assessment in the Mat-Su Valley (2009-present). A similar groundwater assessment of the Anchorage Bowl has been proposed by the Alaska Science Center to ADNR. Through USGS' WaterSMART Initiative, the USGS Groundwater Resources Program is supporting (FY11-12) an assessment of the glacial aquifer system from Maine to Alaska. In the initial phase of this work, the USGS compiled a bibliography of hydrogeology-related studies in Alaska, and performed a GIS analysis to delineate the approximate extent of glacial aquifers across the state. The USGS is evaluating this initial information, performing a gap analysis, and formulating plans for subsequent groundwater-related activities in this and other areas of the glacial aquifer system. Under the proposed FY13 budget, the WaterSMART Initiative will fund implementation of these plans by the Groundwater Resources Program.

Local Hire

Question 2. Can you please provide me with an update of the ANILCA Local Hire Program that was included in the last Interior Appropriations bill? Will this program be implemented for the summer hiring season of 2012? If not, can you explain what the holdup is and when Alaskans can expect to be able to rely on the Local Hire program?

Answer. The Department (and USDA/FS) successfully carried out a local hire program for nearly 30 years following passage of ANILCA. The program has been of great benefit in securing experienced and knowledgeable personnel for the management of our federal lands in Alaska as well as providing economic and social benefits to communities and residents located near federal lands. We believe your amendment clarifying that the Alaska local hire program was an "excepted service" overcame an OPM opinion that advised that the program ran counter to Civil Service provisions.

While re-starting the local hire program subsequent to enactment of your amendment last December has taken longer than expected, the Department has recently issued policy guidance to all bureaus and offices that provides direction for consistent application of the new statutory provisions. In the past many local hires were seasonal hires, primarily for the summer. Unfortunately, seasonal hiring for the 2012 season began early in 2012, with some employees entering on duty as early as late March and early April. While some seasonal hiring is still taking place that can benefit from the implementation of the local hire program, the benefits of the legislative change will be felt most fully in 2013. Additionally, the local hire program is also used to fill permanent positions and will be used as vacancies and positions occur in the future. The Department expects future local hires for our land managing agencies (NPS, FWS, BLM) to return at least to historic levels of several hundred people annually. The US Forest Service is also expected to hire significant numbers of people under the local hire authority.

Yukon-Charley

Question 3. Can you please provide me with an update of how law enforcement efforts are going within Yukon-Charley National Preserve, notably on the Yukon River? Has the new law that bans the National Park Service from conducting boater safety checks negatively impacted the Park's management efforts in any way?

Answer. Because the rivers remain frozen until the ice goes out in May, no boating has occurred in Yukon-Charley Rivers National Preserve since the FY 2012 appropriations language prohibiting NPS from conducting boater safety checks went into effect. In 2011, park rangers did not make boating safety contacts on the water, but did contact more than 140 visitors on land to check hunting and fishing licenses and to discuss boating safety, among other reasons. Preserve managers continue their work with the State of Alaska's safe boating program, distributing free life jackets at kiosks in Eagle and Circle.

Hunting Closures

Question 4. Recently, when the National Park Service has closed preserves in Alaska to hunting (Wolf hunting in Yukon-Charley and Lake Clark, Bear Denning in Denali and Gates of the Arctic) it has cited "Park Values" in those closures. Can you provide me with a definition of the "Park Values"?

a. What hunting closures does the National Park Service anticipate for 2012? Can you provide my staff with a list all current closures or anticipated closures for this calendar year?

Answer. The term "Park Values" is derived from NPS laws and policy. In the provision commonly known as the Redwood Amendment to the National Park System General Authorities Act, Congress directed that the protection, management, and administration of areas within the National Park System shall be conducted "in light of the high public value and integrity of the National Park System and shall not be exercised in derogation of the values and purposes for which these various areas have been established. . . .".

National Park Service Management Policies (What Constitutes Park Resources and Values—1.4.6) provides a list of park resources and values that are subject to the no-impairment standard of the National Park Service Organic Act and the General Authorities Act. This list includes, among others, "the park's scenery, natural and historical objects, and wildlife, and the processes and conditions that sustain them, including to the extent present in the park: the ecological, biological, and physical processes that created the park and continue to act upon it."

Specifically, the Alaska National Interest Lands Conservation Act states that the purpose for establishing the units is to "preserve for the benefit, use, education and inspiration of present and future generations certain lands and waters . . . that contain nationally significant natural, scenic, historic, archeological, geological, scientific, wilderness, cultural, recreational, and wildlife values. . . .".

On March 15, 2012, after the consideration of public comments, the NPS published the 2012 Compendiums for units of the national park system in Alaska. The 2012 Compendiums for Aniakchak, Katmai, and Lake Clark National Preserves include a prohibition on killing wolves under state hunting and trapping regulations within those units during the time wolves are denning and raising pups. The shortened season aligns with the federal subsistence season, but remains roughly eight months long. The NPS action protects wolves at their most vulnerable period, a time in which pelts are also of poor quality and typically not in demand. The 2012 Compendiums for Gates of the Arctic and Denali National Preserves renew the prohibition of killing bear cubs and sows at den sites and the prohibition on the use of artificial light to assist in killing black bears at den sites within those units.

Alaska NPS Town Hall Meetings

Question 5. Can you provide me with a schedule of the National Park Service Town Hall meetings that the NPS plans to hold around the State of Alaska this calendar year? I would like to commend and thank the Park Service for this outreach to Alaskans and I look forward to attending the events myself.

Answer. The NPS held town hall meetings in Fairbanks on April 17 and Palmer on May 22 and participated as a guest or as a sponsor in other public forums through the spring and summer. The NPS is planning an open house in Anchorage and an event in Juneau in the fall, along with offering input opportunities at the Alaska Federation of Natives conference in October, and other public events.

OIL AND GAS

Question 1. Interior has proposed raising onshore royalty rates from 12 and a half percent to 18 and a half percent—this is a 50 percent increase in royalty rates. To clarify, this is both for oil and natural gas, correct?

a. Last Tuesday, Bloomberg reported that "Profits for the biggest U.S. energy producers including Exxon Mobil are poised to decline the most since the financial meltdown of 2008-09 as the drilling technique known as fracking collapses natural gas prices." In other words natural gas producers have basically stopped drilling because natural gas is so cheap (around $3.00)—could a higher royalty on natural gas mean higher gas prices? Could it mean even more gas wells become uneconomical and are shut down?

—If more gas wells do become uneconomic, will you seek to make royalty relief available to any of them?

—Moving to gasoline prices, if the royalty payment is 50% higher on a barrel of oil, will there be a corresponding increase in the cost of that barrel for refiners, and could the price of gasoline and other fuels rise with this increase as well?

Answer. The Administration believes that American taxpayers should get a fair return on the development of energy resources on their public lands. Following on a 2008 Government Accountability Office (GAO) report that suggests that taxpayers could be getting a better return from federal oil and gas resources in some areas,

the Administration has been looking at ways to address this issue. When determining value and fair return, the government has multiple, diverse objectives that must be balanced, including collecting a fair return for the use of shared resources, promoting responsible resource and energy development, private investment and employment, energy security, and environmental protection, among other goals. The Department is continuing to gather and review relevant information as it determines a path forward.

Question 2. The Interior Department states that charging more money for oil and gas producers to bring these resources to market will bring the federal percentage closer in line with the percentages which some states charge for development of their lands. But I question whether this tells the whole story. More specifically, how does the federal government compare with the states in terms of legal and regulatory certainty, and in terms of the length of time it takes from lease sale to drilling?

Answer. Although we have not completed a comprehensive survey, we believe that Federal leases compare favorably to those of other jurisdictions in terms of the legal and regulatory certainty they provide leaseholders. The government has multiple, diverse objectives that must be balanced, including collecting a fair return for the use of shared resources, promoting responsible resource and energy development, private investment and employment, energy security, and environmental protection, among other goals. These factors must all be weighed when determining value and fair return.

Question 3. If the federal government wants to obtain more revenue and return to the taxpayer, will a corresponding 50 percent increase in acreage of oil and gas leases be made available?

Answer. While the Department can, and does, offer significant acreage in its lease sales, it is industry that makes the final decision whether or not to purchase a lease on any particular tract and, subsequently, whether and when to develop the resources on such lease. Currently industry has more leased acreage than it is putting to productive use.

Last year BLM held 32 onshore oil and gas lease sales, offering 1,755 parcels of land covering almost 4.4 million acres. Of those, 1,296 parcels, or nearly three-quarters of those offered, were purchased, generating about $256 million in revenue for the public. In 2010, the Department offered nearly 37 million acres on the OCS for lease, but industry leased just 2.4 million acres. And in 2011, a lease sale for the Western Gulf of Mexico made available more than 21 million acres, equal to an area the size of South Carolina, and just over 1 million acres received bids from industry.

The Department recently released a report that shows that, offshore, industry had leased nearly 36 million acres, but only about 10 million acres were active. Moreover, in the lower 48 states, an additional 20.8 million acres remain idle, and 7,000 approved but unused permits to drill on public lands continue to be held by companies.

Question 4. Will the states in which these increased federal royalties are assessed be entitled to their 48 percent revenue share under the Mineral Leasing Act?

a. Why does the Mineral Leasing Act call for onshore states to receive this share of revenue? (ANSWER: Sec. 35 of the Mineral Leasing Act reads that the revenue should be disbursed to give "priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this act, for planning, construction and maintenance of public facilities, and provision of public service."

—Are coastal states ever impacted socially or economically from the development of offshore resources? Should they be entitled to similar revenue shares as onshore states?

Answer. The Department is aware of the applicable statutory provisions and any administrative changes would comply with the applicable laws.

TAX INCREASES

Question 5. I think it would be a huge mistake to raise taxes on our nation's energy producers by $40 billion over the next ten years, as this budget proposes. I think my general concerns are well known on this, so today I want to ask a more specific question. Why has the administration continued to target natural gas producers for a tax hike? With prices at historical lows, we have seen reports that some producers are already considering shutting in their wells because they simply cannot make any money off of them. Did the administration give any consideration to the impacts that its proposed tax increases could have on natural gas production—and therefore prices, jobs, and investments—in the longer term?

Answer. As noted in response to previous questions, the Administration believes in encouraging sustainable domestic oil and gas production while ensuring a fair return to taxpayers. The President's budget includes assumptions in the Interior budget for new fees that will encourage production, proposals to eliminate tax preferences within the Treasury budget that are specific to oil and gas companies. Collectively, these proposals increase the return on Federal mineral resources. The Administration carefully considered the impacts of various revenue proposals in cooperation with the Departments of the Interior, Treasury, Energy, and others.

CHEM DISCLOSURE

Question 6. Mr. Secretary, the states with the most stringent disclosure requirements for hydraulic fracturing require that operators provide disclosure of the chemicals they used via the FracFocus website. The leaked draft BLM regulations on hydraulic fracturing that we have seen make no reference to FracFocus. Does BLM intend to create an entirely new database of fracture stimulation chemicals at taxpayer expense?

a. Who would be responsible for administering it?

b. Given that state regulators already require operators to provide information on maximum concentrations of fracking chemicals, I wonder if you could explain what added benefit your new system will provide?

c. How do you envision operators of valid leases issued by BLM establishing and assuring compliance with these draft regulations?

Answer. FracFocus is a voluntary hydraulic fracturing chemical registry website that is a joint project of the Ground Water Protection Council and the Interstate Oil and Gas Compact Commission. The site was created to provide public access to reported information on the chemicals used in hydraulic fracturing activities. BLM is working closely with the Ground Water Protection Council and the Interstate Oil and Gas Commission in an effort to integrate the disclosure of non-proprietary information called for in the proposed rule with the existing FracFocus program.As stewards of the public lands, and as the Secretary's regulator for oil and gas leases on Indian lands, the BLM has evaluated the increased use of these practices over the last decade and determined that the existing rules needed to be updated to reflect significant technological advances in hydraulic fracturing in recent years and the tremendous increase in its use. The BLM recognizes that some, but not all, states have recently taken action to address hydraulic fracturing in their own regulations. The BLM's proposed rulemaking ensures consistent protection of the important federal and Indian resource values that may be affected by the use of hydraulic fracturing. The proposed rule is also designed to complement ongoing state efforts to regulate fracturing activities by providing a consistent standard across all public and tribal lands. The BLM is actively working to minimize duplication between reporting required by state regulations and reporting required for this rule.

The proposed rule would require oil and gas operators using hydraulic fracturing techniques to identify the chemicals used in fracturing fluids by trade name, purpose, Chemical Abstracts Service Registry Number, and the percent mass of each ingredient used. This information is needed in order for the BLM to maintain a record of the stimulation operation as performed. The information would be required in a format that does not link additives to the chemical composition of fluids, which will allow operators to provide information to the public while still protecting information that may be considered proprietary. And the disclosure of the fluids used in hydraulic fracturing would only be required after the fracturing operation has taken place.

DOUBLE PERMITS

Question 7. The leaked draft of BLM regulations on hydraulic fracturing refers to a proposal for well stimulation operations that an operator must submit on a separate notice application form—a process entirely separate from the review and approval process for the application for permit to drill. To me, this seems like it could create a situation where an operator could be approved to drill, but not to complete its well—is that a fair estimation?

a. How does BLM intend to reconcile this potential permitting dilemma?

Answer. Overall, the proposed rule favors flexibility over prescriptive standards—something that became more pronounced during the drafting and development process. For example, the proposed rule would allow operators to apply for approval for well stimulation activities when they submit an application for a drilling permit for a new well, or seek approval later, through a simple sundry notice. For wells per-

mitted prior to the effective date of this section or for wells permitted after the effective date of this section, the operator would submit a sundry notice and Report on Wells for the stimulation proposal for approval before the operator begins the stimulation activity. Under the proposal, an operator must also submit a sundry notice prior to stimulation if the BLM's previous approval is more than five years old or if the operator becomes aware of significant new information about the geology, the stimulation operation or technology, or the anticipated impacts to any resource.

However, as noted in the analysis accompanying the proposal, BLM does not anticipate that the submittal of additional well stimulation-related information with APD applications will impact the timing of the approval of drilling permits. The bureau believes that the additional incremental information that would be required by this rule would be reviewed in conjunction with the APD and within the normal APD processing time frame, and anticipates that requests to conduct well stimulation activities on existing wells that have been in service more than five years will be reviewed promptly. However, as with any operational activity, there may be unforeseen circumstances that may on rare occasions delay approval of APDs.

COORDINATION

Question 8. Does BLM plan to consult with the state agencies that will also be enforcing regulations that pertain to well drilling or completion?

a. How will BLM archive the data it receives?
b. How will this data be compiled, reported and analyzed?

Answer. BLM has participated in several public meetings on this topic, including with representatives from states, and is also seeking public comment on this proposed regulation. BLM recognizes that some, but not all, states have taken action to address hydraulic fracturing in their own regulations. The BLM's proposed rulemaking ensures consistent protection of the important federal and Indian resource values that may be affected by the use of hydraulic fracturing. The proposed rule is designed to complement ongoing state efforts to regulate fracturing activities by providing a consistent standard across all public and tribal lands. The BLM is actively working to minimize duplication between reporting required by state regulations and reporting required for this rule. Regardless of any action taken by the BLM, operators still would need to comply with any state-specific hydraulic fracturing requirements in the states where they operate.

As noted in response to a previous question, the disclosure of the fluids used in hydraulic fracturing would only be required after the fracturing operation has taken place. The BLM intends to place non-proprietary information on a public web site and is working with the Ground Water Protection Council in an effort to integrate this information into the existing disclosure website known as FracFocus.org.

WATER

Question 9. Can you please describe the basis of BLM's interest in requiring operators to provide volumes of flowback fluid?

a. How do you expect this to be accomplished, and over how long a period?
b. How will this data be archived, reported and analyzed?

Answer. Estimates and information related to the handling of recovered fluids are required under the proposed regulations in order to provide BLM the information necessary to ensure that facilities needed to process or contain the estimated volume of fluid will be available on location, to help protect human health and safety, and prevent the contamination of the environment. As noted in the draft, BLM also needs to confirm that the disposal methods used are those that were approved and conform to the regulations, and such information will assist the bureau in making that determination.

PAVILLION, WYOMING STUDY

Question 10. In early December you stated that the "jury's still out" on the validity of EPA's study of potential groundwater contamination in Pavillion, Wyoming. You also stated that "it's important that the real facts finally get to the table with respect to peer review" on that study. Based on what we have all learned in the last two months about the real facts of that case and the questions that have emerged about EPA's procedures and peer review process, can you characterize your current thoughts on the Pavillion study?

a. Do you think the Administration should gather all of the necessary facts before making public conclusions about the impact of hydraulic fracturing on groundwater?

Answer. Collaboration and use of the best available science are critical in meeting the needs of area residents and resolving longstanding issues surrounding the safety of drinking water and groundwater. The Administration is committed to ensuring the peer review process is conducted with maximum transparency and the highest level of scientific integrity.

We are aware that the Environmental Protection Agency, the State of Wyoming, and the Tribes all recognize that further sampling of the deep monitoring wells is important to clarify questions about the initial monitoring results. The EPA is partnering with the State and the United States Geological Survey, in collaboration with the Tribes, to complete this sampling as soon as possible and will also collaborate with the State and other stakeholders in designing the sampling methodology, the quality assurance plan, and other features of the next phase of testing.

Question 11. Fracture Length and Height: The draft regulations that we have seen would require operators to provide BLM with "actual, estimated or calculated fracture length and fracture height". From a practical standpoint, how difficult is this for operators to do and how will the agency use this information?

a. Please describe the situations that BLM may have encountered in the past concerning the extent of subsurface fractures from well stimulation that this requirement is supposed to address.

Answer. The proposed regulation would require the operator to submit to the BLM the estimated or calculated fracture length and height anticipated as a result of the stimulation. This information will be determined as a matter of well stimulation engineering design. The operator will determine this so they can estimate appropriate fracture locations, pressures, and fluid volumes for the stimulation operation. The BLM will use this information to verify that the intended effects of the well stimulation operation will remain confined to the petroleum-bearing rock layers and will not have unintended consequences on other rock layers, such as aquifers.

While the BLM is not aware of any conclusive evidence of negative impacts to groundwater as a result of hydraulic fracturing on federal wells, we recognize the need to be diligent, and it is for this reason that the new and strengthened regulations on hydraulic fracturing on Indian and public lands are being developed. The BLM is committed to ensuring that development activities occurring on the public lands are being conducted in a safe and responsible manner that protects human health and the environment.

NEW REGULATIONS ON DRILLING

Question 12. The President has proclaimed that he wants to see more leasing. As a practical matter, how do you propose to accomplish this?

a. In the State of the Union, the President emphatically stated that he was directing your department to increase offshore leasing by 70%. Are you confident that you can accomplish that with the constraints imposed with your 5-year leasing plan?

Answer. Consistent with the President's statement, BOEM published the Proposed Five-Year Program for 2012-2017 in November 2011 and, on June 28, 2012, the Proposed Final Program. The program will make available offshore areas that contain more than 75 percent of undiscovered technically recoverable oil and gas resources that the OCS is estimated to hold. It will, as the Outer Continental Shelf Lands Act requires, represent a proper balance among the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

The Proposed Final Program is designed to promote the diligent development of the Nation's offshore oil and gas resources, which are and will remain central to the Nation's energy strategy, economy, and security. The program is in alignment with the Administration's Blueprint for a Secure Energy Future, which aims to promote the Nation's energy security and reduce oil imports by a third by 2025 through a comprehensive national energy policy that includes a focus on expanding safe and responsible domestic oil and gas production.

The Proposed Final Program is also grounded in the lessons learned from the Deepwater Horizon explosion and oil spill. Since that event, DOI has raised standards for offshore drilling safety and environmental protection in order to reduce the risk of another loss of well control in our oceans and improve our collective ability to respond to a blowout and spill. While offshore oil and gas exploration and development will never be risk-free, the risk from these activities can be minimized and operations can be conducted safely and responsibly, with appropriate measures to protect human safety and the environment.

Based on these principles, the Proposed Final Program provides for lease sales in six offshore areas where there are currently active leases and exploration and where there is known or anticipated hydrocarbon potential. This represents a regionally targeted approach that is tailored to the specific needs and environmental conditions of different areas in order to best achieve the dual goals of promoting prompt development of the Nation's oil and gas resources and ensuring that this development occurs safely and with the necessary protections for the marine, coastal and human environments. This approach accounts for the differences between different areas—including differences in current knowledge of resource potential, adequacy of infrastructure to support oil and gas activity, accommodation of regional interests and concerns, and the need for a balanced approach to our use of natural resources.

The Proposed Final Program is designed to be commensurate with the maturity of the infrastructure necessary to support offshore oil and gas activity, including infrastructure for spill containment and response. It also places an emphasis on the idea that OCS leasing should not be "one size fits all," and consideration of lease sales in the Beaufort and Chukchi Seas will also be specifically tailored to those regions. The traditional area-wide leasing model that has been used in the Western and Central Gulf of Mexico (GOM) is not appropriate for the Arctic, and BOEM is working to develop alternative leasing strategies specifically for the Arctic in order to focus potential leasing on areas that have significant resource potential while also mitigating the impact of offshore oil and gas activity on the unique Arctic environment and its subsistence resources.

While the Department can, and does, offer significant acreage in its lease sales, it is industry that makes the final decision whether or not to purchase a lease on any particular tract and, subsequently, whether and when to develop the resources on such lease. The Department recently issued an update on unused leased federal acreage and, according to the report, more than 70 percent of the tens of millions of offshore acres currently under lease are inactive, neither producing nor currently subject to approved or pending exploration or development plans.

In addition to offering significant acreage from which to lease the Department is also providing greater incentives for its lessees to make production from their leases a priority. These resources are important in creating jobs and reducing our dependence on fossil fuels and oil imports, and ensuring the diligent development of lands under lease should be a priority for Congress as well.

DOI BUDGET

Question 13. The President's proposed budget includes $32.5 million for the "processing of applications for permit to drill and related use authorizations" and $47.95 million for "conducting oil and gas inspection activities." Can you tell us how many new Federal employees your Department envisions adding to conduct these activities in a timely manner?

a. The budget also notes that this funding will be reduced by a $6,500 application fee to be charged to permit applicants. Based on the number of applications filed in previous years for drilling permits on Federal land, can you estimate for us what the anticipated total is that you expect to collect in permit application fees?

Answer. The 2013 budget proposes to expand and strengthen the BLM's oil and gas inspection capability through new fee collections from industry, similar to the fees now charged for offshore inspections. Collection of these fees is consistent with the principle that users of the public lands should pay for the costs of use authorizations and the costs associated with the oversight of authorized activities. The inspection fee schedule included in the budget is estimated to generate $48.0 million in collections, which would offset a proposed reduction of $38.0 million in BLM's appropriated funds, while providing for a net increase of $10.0 million in funds available for this management responsibility.

The increased funding is aimed at correcting deficiencies identified by the Government Accountability Office in its February 2011 report, which designated Federal management of oil and gas resources including production and revenue collection as high risk. The $10.0 million increase will help BLM achieve the high priority goal of increasing the completion of inspections of Federal and Indian high risk oil and gas cases by nine percent over 2011 levels.

The proposal includes shifting 162 FTE and $37,950,000 from Oil and Gas Mgmt requested appropriations, which will be fully offset by the collected fees. The proposal also includes collecting an additional $10 million and funding an additional 46 FTE. The proposed inspection fee will total $47,950,000 and fund a total of 208 FTE. As noted in this question, the budget request also contemplates continuation

of the fee for processing onshore drilling permits currently enabled by appropriations language in 2010. If continued, it would generate an estimated $32.5 million in offsetting collections in 2013.

Question 14. Virginia leasing: Will you reconsider leasing off the Virginia coast as the Governor, legislature and Virginia delegation has requested?

Answer. The Proposed Final Program for 2012-2017 does not include lease sales in the North-Atlantic, Mid-Atlantic, and South-Atlantic planning areas based on, and in alignment with, the principles that underlie the entire Program. Many Atlantic states expressed concerns about oil and gas development off their coasts. While an OCS development strategy announced in 2010 included the Mid-and South-Atlantic under consideration for potential inclusion, a number of specific considerations supported the decision not to schedule lease sales in these areas under this Proposed Final Program. Rather, BOEM is proceeding with a specific strategy to address these considerations and support decision-making on whether potential lease sales in the Mid-and South-Atlantic would be appropriate in the future.

First, the oil and gas resource potential in the Mid-and South-Atlantic is not well understood and surveys of these areas are incomplete and out of date. Prior to scheduling lease sales in these planning areas, it is prudent to develop information evaluating the oil and gas resource potential of these regions. BOEM is moving forward expeditiously to facilitate resource evaluation in these areas, including conducting a programmatic Environmental Impact Statement (EIS) relating to seismic surveys in the Mid-and South-Atlantic. BOEM announced in March 2012 the publication of the draft EIS and has just concluded a series of public hearings across the Mid-and South-Atlantic states.

Second, there are complex issues relating to potentially conflicting uses, including those of the Department of Defense, which should be addressed so that any potential future leasing activity in these areas is designed appropriately. Finally, while evaluation of the resource potential of the Mid-and South Atlantic regions moves forward, analysis and planning regarding the additional infrastructure necessary to support potential oil and gas activities, including spill response resources, should as well.

EPA QUESTIONS

Question 1. The hydraulic fracturing studies announced in the Administration budget involve multiple agencies addressing the same issues. What are the specific roles and responsibilities of each agency?

a. What management structure will exist?
b. What Agency will be the controlling agency?

Answer. While the Department defers to the Environmental Protection Agency for information related to that agency, the research activities that the U.S. Geological Survey will conduct will be carefully coordinated with the Department of Energy (DOE), EPA, other federal agencies, including the BLM, FWS, and NPS in the Department, tribal and state entities, academia, and non-governmental organizations. The Department, DOE, and EPA will soon release a joint Memorandum of Agreement that will guide this interagency effort. This agreement will emphasize the fundamental core competencies of each agency in synergistic ways that lead to complementary and non-duplicative work. Working collaboratively, the agencies will develop a comprehensive federal research plan to address the highest-priority challenges to safe and prudent development of unconventional natural gas resources through hydrofracturing. The agencies have already begun to work cooperatively on studies of environmental impacts through EPA case studies at prospective drill sites, in areas of potential induced seismicity, in technology enhancements, and in the development of a comprehensive plan to assess the potential effects of Marcellus Shale gas production on the environment.

Question 2. EPA is planning a study on air emissions from oil and natural gas production related to hydraulic fracturing. The Agency has proposed a new source performance standard (NSPS) for oil and natural gas production. Based on comments submitted to the docket on this proposal, it appears that EPA overestimated emissions from hydraulically fractured natural gas wells by as much as 1,400 percent. Is EPA taking steps to correct this overestimation by re-testing wells?

Answer. While this matter falls under the jurisdiction of the EPA and the Department defers to that agency for a complete response, on April 17, 2012, EPA issued cost-effective regulations to reduce harmful air pollution from the oil and natural gas industry while allowing continued, responsible growth in U.S. oil and natural gas production. The final rules include, for the first time, federal air standards for gas wells that are hydraulically fractured. These rules rely on proven cost-effective

technology and practices that industry leaders are using today at about half of the fractured natural gas wells in the United States. Extensive public comment was sought on the proposed rules, which the agency was required to review under the Clean Air Act, and a number of changes were made in response to comments received.

Question 3. In the same NSPS proposal EPA uses emissions factors for vapor from oil storage tanks that is refuted in its own docket support materials. Does the Agency have a process in place to ensure that its regulatory proposals make sense?

Answer. As indicated in the response to the previous question, while this matter falls under the jurisdiction of the EPA, and the Department defers to EPA for a complete response, extensive public comment was sought on the proposed rules, which the agency was required to review under the Clean Air Act, including two public meetings as it was developing the rules and three public hearings on the proposal. The agency received more than 156,000 comments on the proposal, and a number of changes were made in response to comments received.

Question 4. EPA has issued requirements for the reporting of Greenhouse Gas (GHG) emissions for oil and natural gas production under Subpart W. In this Subpart it creates a definition of facility that at times includes entire states, and in one case includes the area from the Rio Grande to the Mississippi River and from the Gulf of Mexico to a line running through Austin, Texas and Baton Rouge, Louisiana. EPA even acknowledges that its purpose is to require data that it would not get using any normal definition of a facility. These costs appear to be imposed solely to create an inventory. What is the Agency's justification for its actions?

Answer. While this matter falls under the jurisdiction of the EPA, and the Department defers to EPA for a complete response, this issue was addressed in EPA's responses to the comments received after publication of the proposal, which can be found at http://www.epa.gov/climatechange/emissions/downloads10/Subpart-W_RTC_part2.pdf.

Question 5. EPA announced that it plans to continue its Effluent Limitation Guideline (ELG) development for coal bed methane-produced waters. Its current efforts are based on information that appears to be fairly grossly out of date. Its economic information is based on natural gas prices three times current prices and its production information does not reflect the dramatic drop in coal bed methane production. Since CBM-produced water comes at the beginning of the production process, what benefit is it to continue this ELG action? What will it cost?

Answer. This matter falls under the jurisdiction of the EPA, and the Department defers to EPA for a complete response. The Department understands that EPA continues to evaluate significant amounts of information collected during the study of this issue, in addition to continuing to obtain additional pollutant?related data; and to meet with stakeholders to review regulatory approaches and solicit input.

Question 6. EPA announced its intent to create an ELG for shale gas extraction produced water. Its "trigger" for this announcement was the discharge of shale gas extraction produced water in Pennsylvania. Pennsylvania has prohibited the discharge of this water to surface waters. What will it cost to develop this ELG for what would seem to be a nonexistent discharge category?

Answer. This matter falls under the jurisdiction of the EPA, and the Department defers to EPA for a complete response. EPA conducts an annual review of existing industrial wastewater discharge regulations. Comments submitted to EPA in early 2010 as part of the annual review prompted EPA to carefully review wastewater discharges from shale gas extraction, which generally contain elevated salt content many times higher than that contained in sea water, conventional pollutants, organics, metals, and naturally occurring radioactive material. Additional data show that flowback waters contain concentrations of some of the fracturing fluid additives. Some shale gas wastewater is transported to public and private treatment plants, many of which are not properly equipped to treat this type of wastewater. As a result, pollutants are discharged into surface waters such as rivers, lakes or streams where they can directly impact aquatic life and drinking water sources. EPA plans to reach out to affected stakeholders and to collect information to better characterize shale gas wastewaters and the efficiency of various treatment, re?use, and disposal technologies that will reduce shale gas wastewater pollutant discharges, including those technologies currently in use in public and private treatment plants. EPA also plans to collect financial data on the shale gas industry to determine the affordability of treatment.

Question 7. States do not regulate fracturing under Underground Injection Control (UIC) programs, but EPA is stating that permits are required under the UIC program for fracturing. This calls into question whether states that have UIC primacy are meeting the requirements of the delegation process. How will EPA assure that

it can withstand challenges to the primacy delegation of the UIC program now that it has created this inherent conflict?

Answer. This matter falls under the jurisdiction of the EPA, and the Department defers to EPA for a complete response, but the Department understands that the SDWA specifically excludes hydraulic fracturing from UIC regulation under SDWA δ 1421 (d)(1), the use of diesel fuel during hydraulic fracturing is still regulated by the UIC program. Any service company that performs hydraulic fracturing using diesel fuel must receive prior authorization through the applicable UIC program. Just this month EPA published and is receiving public comments on draft Underground Injection Control (UIC) Class II permitting guidance for oil and gas hydraulic fracturing activities using diesel fuels that outlines for EPA permit writers, where EPA is the permitting authority, requirements for diesel fuels used for hydraulic fracturing wells, technical recommendations for permitting those wells, and a description of diesel fuels for EPA underground injection control permitting.

USGS

Question 1. Can you provide my staff with existing data by fiscal year showing USGS work to inventory or survey the mineral estate of US Public Lands?

Answer. The USGS does not track our assessments by fiscal year nor by land classification [public versus private]; our assessments in general take 5-10 years and, particularly oil and gas assessments, cover geologically defined areas such as petroleum basins. Below, we provide information about funding levels for the Mineral Resources and Energy Resources Program from FY2002, as well as major resource assessments for the past decade or more. An attached table (see Attachment 1) shows USGS mean estimates of undiscovered, technically recoverable oil and gas resources. The table includes different commodities on different tabs, including conventional resources and continuous (unconventional). The numbers given represent the most recent USGS assessment of each basin from 1995 through 2011.

MINERAL RESOURCE PROGRAM INFORMATION

MRP Enacted Budgets

	Research & Assessments	Minerals Information	Total $1,000s
FY02	$39,295	$16,400	$55,695
FY03	$39,490	$16,283	$55,773
FY04	$39,926	$15,884	$55,810
FY05	$38,255	$15,509	$53,764
FY06	$36,997	$15,787	$52,784
FY07	$36,028	$15,608	$51,636
FY08	$35,470	$15,360	$50,830
FY09	$36,900	$15,527	$52,427
FY10	$37,900	$15,880	$53,780
FY11	$36,800	$15,600	$52,400
FY12	$34,462	$14,769	$49,231

Listed below are selected major Mineral Resource Program bodies of work that ended in the year noted (and scheduled to end in FY12). Projects followed by an asterisk include a combination of (1) inventories of known mineral resources (e.g. FY10 REE resource inventory), (2) qualitative mineral resource assessments outlining areas permissive for undiscovered mineral resources (e.g. FY02 Humboldt River assessment), and (3) quantitative mineral resource assessments providing a probabilistic estimate of the amount of undiscovered mineral resource in a permissive area (e.g. FY07 Bay Resource Area assessment). All other projects were research efforts to help decrease uncertainty in our mineral resource and mineral environmental assessments.

Hyperlinks point to summary Fact Sheets, Circulars, project web pages with product lists, or to a representative example of one of many products that came from the effort. All listed efforts were funded from Research and Assessment dollars, and most had a lifespan of 5-10 years, though some were shorter-term efforts (e.g. the 2010 REE domestic inventory). So it is important to note that the FY funding should not be correlated with the work that ended in the corresponding FY. For example, GMRAP will end in FY12 but was funded from Research and Assessment dollars for the past 10 years.

FY02

- Rare-earth element resources: A basis for high technology *
- Aeromagnetic surveys of south-central Alaska
- Resource Potential and Geology of the Grand Mesa, Umcompahgre, and Gunnison National Forests and Vicinity, Colorado *
- Assessment of Metallic Resources in the Humboldt River Basin (BLM Humboldt Resource Area), Northern Nevada *

FY03

- Geology, geochemistry, and geophysics for mineral exploration across the central Alaska Range (Talkeetna Transect)
- Integrated geologic, geochemical, and geophysical studies of Yellowstone National Park
- Availability and environmental effects of phosphate deposits in southeastern Idaho and surrounding area
- Geochemical processes occurring in mineral deposits in the eastern US

FY04

- Investigations of earth science methods to help interpret the geologic links between mineral dusts (including asbestiform minerals) and human health problems
- Investigation of the Headwaters Province, Idaho and Montana, to provide geoscience data and interpretations to the Federal Land Management Agencies that are basic to sound policy and land-stewardship practices *
- Advanced resource assessment methods
- Research on the relationship between plate tectonics and the occurrence of a wide variety of geologic features in the northwestern U.S. and Canada
- Investigations of the geological and mineral resources of Nevada

FY05

- Geology and nonfuel mineral deposits of the United States *
- Metals in Basinal Brines and Petroleum
- Large Igneous Provinces, Alaska

FY06

- Regional fluid flow, northern Alaska
- Crustal evolution and fluid flow, northern Nevada
- Industrial mineral studies
- Complex systems modeling for mineral resources
- Hydrothermal systems in Cascade volcanoes
- Aqueous geochemistry research

FY07

- Tintina metallogenic province: Integrated studies on geologic framework, mineral resources, and environmental signatures
- Process studies of contaminants associated with mineral deposits
- Geochemical characterization of black shale (Mancos Shale)
- Integrated geologic, geochemical, and geophysical studies of Big Bend National Park, Texas
- Pathways of metal transfer from mineralized sources to bioreceptors
- Undiscovered Locatable Mineral Resources in the Bay Resource Management Plan Area, Southwestern Alaska: A Probabilistic Assessment *

FY08

- Central Colorado Assessment Project *
- Geochemical and isotope studies of the evolution of ore deposits

FY09

- Regional geologic, geochemical, geophysical, and mineral deposit data for economic development in Alaska in the 21st century
- Uncertainty and risk analysis in mineral resources

- Tracers of surficial processes affecting mineral deposits in humid environments
- Mineral Resource Assessment of Northern Nye County, Nevada *

FY10

- North American Soil Geochemical Landscapes Project
- Federal Lands in Alaska—Geologic Studies (FLAG)
- Geology, hydrothermal systems, and resources of the Cascades arcs and central California Coast Ranges
- Inventory of Rare Earth Resources of the United States *

FY11

- Mineral Resources Data System *
- Minerals at Risk and for Emerging Technologies

FY12

- Global mineral resource assessment project (GMRAP) *
- Updated National Mineral Resource Assessment—Planning Phase *
- Assessment Techniques for Concealed Mineral Resources
- Development of Mineral Environmental Assessment Methodologies
- The Integrated Methods Development Project
- Critical Zone Processes Across Landscapes

ENERGY RESOURCES PROGRAM INFORMATION

Energy Resources Program Enacted amounts for FY2002 to FY2012:

2002—$24,107,000
2003—$23,705,000
2004—$25,068,000
2005—$23,250,000
2006—$23,760,000
2007—$25,150,000
2008—$26,381,000
2009—$26,749,000
2010—$27,237,000
2011—$27,750,000
2012—$27,292,000

Listed below are major domestic Energy Resource Assessments organized by commodity. This list does not include: (1) the research leading up to and resulting from the assessment activities, which are additional publications; (2) international assessments, which are a large part of the Energy Resources Program; (3) research on environmental aspects of energy occurrence and use.

In a companion attachment is an excel spreadsheet showing USGS mean estimates of undiscovered, technically recoverable oil and gas resources. The spreadsheet includes different commodities on different tabs, including conventional resources and continuous (unconventional). The numbers given represent the most recent USGS assessment of each basin through 2011. Two additional assessments, published in 2012, have not yet been added to the table:

- Alaska North Slope shale gas and shale oil: 0—2 billion barrels of oil; 0—80 trillion cubic feet of gas
- Eagle Ford Group, U.S. Gulf Coast Region, conventional and continuous oil and gas [mean]: 994 million barrels of oil, 54 trillion cubic feet of gas, 2,028 million barrels natural gas liquids

Other major assessments of the Energy Resources Program include:

National Geothermal Assessment—2008

Assessment results indicate electric power generation potential from:

- identified geothermal systems is 9,057 Megawatts-electric (MWe), distributed over 13 states
- mean estimated power production potential from undiscovered geothermal resources is 30,033 MWe
- another estimated 517,800 MWe could be generated through implementation of technology for creating geothermal reservoirs in regions characterized by high temperature, but low permeability, rock formations.

National Coal Resource Assessments

(no numbers are given, as resources are reported out in a number of ways, and tables can be found in each of the links)

Team, USGS Fort Union Assessment, 1999 Resource Assessment of Selected Tertiary Coal Beds and Zones in the Northern Rocky Mountains and Great Plains Region by Fort Union Assessment Team: U.S. Geological Survey Professional Paper 1625-A, Version 1.2, Discs 1 and 2. [CD-ROM]. http://pubs.usgs.gov/pp/p1625a/

Group, USGS Colorado Plateau Coal Assessment, 2000, Geologic Assessment of Coal in the Colorado Plateau: Arizona, Colorado, New Mexico, and Utah, compiled by Colorado Plateau Coal Assessment Group: U.S. Geological Survey Professional Paper 1625-B, Version 1.0, Appendix. [CD-ROM]. http://pubs.usgs.gov/pp/p1625b/

Northern and Central Appalachian Basin Coal Regions Assessment Team, USGS Northern and Central Appalachian Basin Coal Regions Assessment, 2001, 2000 Resource Assessment of Selected Coal Beds and Zones in the Northern and Central Appalachian Basin Coal Regions, by Northern and Central Appalachian Basin Coal Regions Assessment Team: U.S. Geological Survey Professional Paper 1625-C. [CD-ROM]. http://pubs.usgs.gov/prof/p1625c/

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> Estimated in-place oil is about 1.5 trillion barrels, based on Fischer assay results from boreholes drilled to evaluate oil shale, making it the largest oil shale deposit in the world.

Uinta Basin

Johnson, R.C., Mercier, T.J., Brownfield, M.E., and Self, J.G., 2010, Assessment of in-place oil shale resources of the Green River Formation, Uinta Basin, Utah and Colorado: U.S. Geological Survey Fact Sheet 2010-3010, 4 p. http://pubs.usgs.gov/fs/2010/3010/

> The total in-place resource for the Uinta Basin is estimated at 1.32 trillion barrels.

Green River Basin

Johnson, R.C., Mercier, T.J., and Brownfield, M.E., 2011, Assessment of In-Place Oil Shale Resources of the Green River Formation, Greater Green River Basin in Wyoming, Colorado, and Utah: U.S. Geological Survey Fact Sheet 2011-3063, 4 p. http://pubs.usgs.gov/fs/2011/3063/

> Total in-place resources are estimated at 1.44 trillion barrels of oil.

BLM/LIVESTOCK

Question 1. Why has the BLM proposed an administrative fee on grazing which will raise the cost of grazing on BLM administered lands by 74%? Is it this Administration's intent to balance the budget on the backs of rural America and small businesses? We adamantly oppose this arbitrary fee and encourage a stop this misguided action.

Answer. The permit administration fee is proposed to recover some of the costs for processing grazing permits/leases for the permittees who are economically benefitting from use of the public lands. This is the same concept as used in the Oil and Gas program and Rights-of-Way program, where the users of the public lands pay a fee for the processing of their permits and related work. The budget includes appropriations language for a three-year pilot program, beginning in 2013, which would allow BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. During the period of the pilot, BLM would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Question 2. Why, after Congress having just last year decided to increase the range budget, would the administration propose to cut that budget by nearly $16 million? How do you propose to keep pace with permit renewals given the NEPA backlog, or deal with ever-increasing litigation costs, while cutting the range budget? Won't more missed deadlines, due to lack of resources, lead to more litigation—thereby creating a self-feeding, vicious cycle?

Answer. The FY 2013 budget requests a program decrease of $15.8 million from 2012. The BLM is using the increase over FY 2011 in FY 2012 to address numerous challenges, including completion of grazing permit renewals; monitoring of grazing allotments; and strengthening the BLM's environmental documents. The decrease will be partially offset by the proposed pilot project for an administrative processing fee of $1 per animal unit month that is estimated to generate $6.5 million in 2013, which will be returned to the BLM to use for the same purposes.In addition, section 415 in the FY 2012 Appropriations Act assists BLM in meeting several challenges with grazing activities. That section specifies that the transfer of a grazing permit, during the term of the permit, is not subject to additional NEPA if there is no change in the mandatory terms and conditions required. This provision will significantly streamline the work process on approximately 10 to 15 percent of BLM's annual permit workload, and allow BLM to process permits originally scheduled to expire. It allows the BLM more opportunity to focus on analysis of environmentally-significant permits. Focusing on the most environmentally sensitive allotments will increase attention on land health assessments and quantitative data collection; improve the usefulness of both the RMP/EIS and site-specific NEPA analyses; and result in grazing management decisions guiding land health solutions for the future. This strategy will assist in ensuring that unprocessed permits consist of the least environmentally-sensitive allotments that are more custodial in nature and/or are already meeting land health standards. Section 415 also extends, through 2013, the BLM's ability to renew expiring grazing permits without additional NEPA analysis. This provision will allow the BLM to focus on the grazing permit renewals in high-priority areas.

Question 3. Research shows that most public lands ranchers already pay more than market price for their federal permits, considering factors such as added regulatory costs, ownership of water rights, maintenance of improvements, and the difficulties of managing livestock in rough, arid rangelands. Have you analyzed how many ranching operations would go out of business in light of this 74% increase in the cost of grazing fees? Or what the cost would be to BLM if ranchers were not there to provide land management services, such as fuels reduction and fire prevention, open space, noxious weed control, and water improvements for wildlife?

Answer. As noted in response to a previous question, the permit administration fee is proposed to recover some of the costs for processing grazing permits or leases for the permittees who are economically benefitting from use of the public lands, and it is the same concept used in the Oil and Gas program and Rights-of-Way program, where the users of the public lands pay a fee for the processing of their permits and related work. The three-year pilot program proposed in the budget would allow BLM to recover some of the costs of issuing grazing permits or leases on BLM lands and, during that period, the bureau would work through the process of promulgating regulations for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Question 4. Why does the Department continually back down from gathering excess wild horses and burros and buckle to special interest groups on implementing management options to reduce wild horses on the range, while continuing to come back to Congress and ask for more funds for the program?

Answer. The BLM conducts gathers in the areas of highest priority and as compatible with funding levels and available holding space. While some gathers have been delayed due to litigation, the BLM has continued to pursue other options to reduce population growth on the range. The BLM is finalizing a wild horse and burro management strategy as part of its ongoing effort to reform the Wild Horse and Burro Program and put it on a cost-effective, sustainable track. The strategy emphasizes population control techniques, including fertility control; promotes public-private ecosanctuaries to hold excess wild horses removed from Western public rangelands; seeks to boost adoptions by making more trained wild horses available to the public; and establishes a comprehensive animal welfare program.

Question 5. Preventing the listing of the Sage Grouse under the ESA is a goal we can all rally behind. In fact, many ranchers have been making great efforts to improve the bird's habitat. Ranching and grazing is critical to Sage Grouse habitat. How will you use funds allocated in 2013 to ensure that your Sage Grouse planning efforts reward ranchers for their efforts and help them stay in business so that they may continue preserving Sage Grouse habitat?

Answer. The BLM is committed to working with public land users to discuss their concerns throughout our sage-grouse planning process. Although the BLM does not have resources to provide financial incentives to ranchers as part of our sage-grouse planning process, our efforts to improve sage grouse conservation through better planning will help to improve certainty for ranchers that they will be able to continue to graze on Federal lands in the future. The Department of Agriculture's Natural Resources Conservation Service does provide incentives for ranchers to complete habitat improvement projects on private lands through their Sage-Grouse Initiative. The U.S. Fish and Wildlife Service can also provide assurances for activities on private lands through Candidate Conservation Agreements with Assurances.

Question 6. The President has proposed millions of dollars in decreases to programs that provide economic benefit to the country, while simultaneously proposing a $70 million increase to a fund (the Land and Water Conservation Fund) to grow the federal estate. How do you juxtapose managing more land while dealing with an even smaller budget? How would you rate your ability to keep up with current land management duties, such as catastrophic wildfire control, grazing permit renewals, and wild horse management? Common sense tells us that the agency will have difficulty managing all these responsibilities on more land, with fewer dollars.

Answer. The FY 2013 budget request ensures that Departmental agencies will be able to maintain their core responsibilities on federal lands while providing for strategic increases to conserve land for current and future generations. The lands identified for acquisition in the FY 2013 budget request address the most urgent needs for recreation; species and habitat conservation; and the preservation of landscapes, and historic and cultural resources. Such acquisition may also assist the government to achieve greater efficiencies that resolve management issues. In addition, increased federal land acquisition funding would provide more opportunities for landowners, if they wish, to sell their property yet ensure that it will be protected in perpetuity rather than developed in a way that threatens resources in national parts, wildlife refuges, forests, and other public lands.

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR BARRASSO

Question 1. Soda ash is a great American export. It reduces our nation's trade deficit and creates good-paying jobs. However, it is in competition with heavily subsidized synthetic soda ash from China. In the House, you testified that you do not have the authority to extend the 2 percent royalty rate to America's soda ash producers under current law. What other steps can you take to assist America's soda ash producers?

Answer. As noted in recent testimony before the Committee, the BLM reported to Congress in fall 2011 in its report titled U.S. Department of the Interior Report to Congress: The Soda Ash Royalty Reduction Act of 2006 that the Soda Ash Royalty Reduction Act of 2006 resulted in a substantial loss of royalty revenues to the Federal Government and the states which exceeded Congressional estimates at the time of enactment. The royalty rate reduction does not appear to have contributed in a significant way to the creation of new jobs within the industry, to increased exports, or to a notable increase in capital expenditures to enhance production. In addition, the royalty rate reduction appears to have influenced a shift of production away from state leases and private lands and onto Federal leases.

Regarding global competitiveness, the report found that U.S. production has remained stable at around 11 million tons since 2002, with exports stable at around 5 million tons since 2005. U.S. exports continue to account for over 40 percent of total world exports. In contrast, China's production has doubled since 2002, from approximately 10 million to approximately 20 million tons, while Chinese exports remain far below U.S. exports. Since 2002, world-wide production has risen from 37 million tons to 48 million tons in 2010.

Finally, the report found that overall domestic employment has not increased since passage of the Act. However, it is not readily apparent from the available data whether jobs have been maintained due to the royalty rate reduction in the face of the global economic downturn. Any analysis of the number of jobs maintained during the royalty reduction period is highly uncertain; employment levels in the industry depend on a number of factors, such as soda ash market conditions and employee productivity.

Question 2. The Office of Surface Mining (OSM) is rewriting the 2008 stream buffer rule. I understand that OSM's 2008 rule took about five years to complete. I understand that this process involved two proposed rules, approximately 5,000 pages of environmental analysis, and took into account about 40,000 public comments.

a. How much is the rewrite of the 2008 rule costing taxpayers?

b. How many coal mining jobs would be impacted if the new rule were implemented today?

c. What steps are you taking to ensure that OSM complies with the National Environmental Policy Act and the Administrative Procedure Act?

d. What steps are you taking to ensure that OSM provides cooperating state agencies and the public sufficient time to comment on the new rule and participate in the rulemaking process?

Answer. OSM has been developing improvements of its regulations to more completely implement the Surface Mining Control and Reclamation Act by better protecting streams from the adverse impacts of coal mining while helping meet the nation's energy needs. Since 2009, OSM has spent about $7.7 million to develop this rulemaking, with the majority of the expenditures representing obligations for contract support to develop portions of an Environmental Impact Statement and the regulatory impact analysis. OSM is developing this rule in response to litigation as well as in consideration of the more than 50,000 comments the bureau has received from the public on the Advance Notice of Proposed Rulemaking (ANPR), stakeholder outreach meetings and public scoping meetings, and also based on OSM's statutory obligation to balance protection of the environment against production of the coal necessary to meet the Nation's energy requirements. The proposed rule and Draft EIS, when published, will contain a detailed economic analysis, including any anticipated impacts on jobs in the coal mining industry.

OSM published an ANPR on which the bureau received over 32,000 public comments, and conducted nine scoping sessions pursuant to the National Environmental Policy Act, receiving over 20,000 comments. The Proposed Rule and Draft EIS will be made available for public notice and comment in accordance with the Administrative Procedure Act, NEPA, and other applicable federal laws. Prior to publishing a Final Rule and EIS, the bureau will consider public comments received on the proposal. Fourteen state agencies, acting as cooperating agencies on the OSM's Draft EIS, reviewed and provided extensive comments on early working versions of the Draft EIS. OSM has taken those comments into consideration as it develops both its Proposed Rule and Draft EIS. When OSM publishes its Proposed Rule and makes available its Draft EIS in the Federal Register, the states, along with the public, will have the opportunity to review and provide comments on those documents in accordance with applicable laws.

Question 3. It is my understanding that OSM is rewriting the 2008 stream buffer rule to address an issue specific to the Appalachian region. However, the rule will affect every coal mine throughout the country.

a. Has OSM provided any documentation or evidence that there is a nationwide problem that requires a new rulemaking?

b. If so, when did OSM provide this documentation and will you share it with the Committee?

Answer. As noted in response to the previous question, OSM is still in the process of developing its Proposed Rule and Draft EIS. Those documents, when published and made available for public notice and comment, will provide a full explanation of the scope of the Proposed Rule, including reasons for the geographic application of various provisions of the Proposed Rule, as appropriate and in accordance with applicable law. When OSM completes its development of these documents, they will be published and made available to the public, and they will detail the basis for provisions of the proposal.

Question 4. I understand that the Department is working with other Federal agencies to expedite the permitting process for a number of large renewable energy projects.

Is the Department taking any steps to reduce the delays in the permitting process for traditional energy projects (including oil and gas and coal projects)? If so, please describe the steps your Department is taking. If not, please explain why the Department is not addressing these delays.

Answer. On April 3, 2012, Secretary Salazar unveiled new initiatives to expedite safe and responsible leasing and development of domestic energy resources on U.S. public and Indian trust lands. As part of the BLM's ongoing efforts to ensure efficient processing of oil and gas permit applications on both Tribal trust and public lands, the agency will implement new automated tracking systems that could reduce the review period for drilling permits by two-thirds. The new system will track permit applications through the entire review process and quickly flag any missing or incomplete information—greatly reducing the back-and-forth between BLM and industry applicants. The new drilling permit system will automate the process that tracks APDs, providing greater online accessibility and transparency. It will improve

communication between the BLM and industry, resulting in more consistent APD processing standards and timeframes and a significantly reduced review period. The new system will allow the public and operators to view the BLM processing status of APDs, enabling operators to more promptly address deficiencies in their applications. By upgrading and improving our oil and gas drilling permit processing systems and technologies we believe we can improve efficiencies while ensuring thorough reviews for safety and compliance.

Question 5. The BLM is proposing a 3-year pilot program to charge a $1.00 per Animal Unit Month administrative fee to assist processing of grazing permits. This proposal would represent a 75% increase for ranchers who have grazing permits. The grazing fee formula is set by law in the Public Rangelands Improvement Act of 1978, and in an Executive Order signed by President Reagan.

Under what authority are you raising by 75% the amount paid per AUM by grazing permit holders?

Answer. The BLM is not raising the current grazing fee. The goal of the administrative fee proposed in the Budget Request is to recover some of the cost of processing grazing permits or leases for the parties (permittees) who are economically benefitting from use of the public lands. This fee mirrors the concept used in the Oil and Gas and Rights-of-Way programs where the users of the public lands pay a fee for the processing of their permits and related work. The budget includes appropriations language for a three-year pilot program, beginning in 2013, which would allow BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. During the period of the pilot, BLM would work through the process of promulgating regulations through the traditional notice and public comment process for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Question 6. During the pilot period, the BLM will be working to promulgate regulations for the continuation of this $1/AUM grazing fee as a "cost recovery fee" after the pilot expires.

a. Does it cost the BLM more time and resources to process grazing permit applications, or fight anti-grazing litigation lawsuits?

b. How much does your department spend processing grazing permits? defending anti-grazing litigation?

c. If there needs to be a cost recovery fee for processing grazing applications, shouldn't the BLM also explore ways to recover cost associated with frivolous litigation?

Answer. Processing grazing permit applications costs the BLM more than addressing litigation lawsuits. The average annual cost to process grazing permit applications is approximately $35 million to $40 million. The BLM does not have detailed expenditures related to anti-grazing litigation, but the costs associated with range management-related litigation in FY 2011 were approximately $850,000, and for FY 2012 the costs to date are $456,000. These costs do not include EAJA fee payments or costs associated with work of the Department of the Interior Solicitor's Office. The Department is open to working on opportunities to address costs associated with frivolous litigation.

RESPONSES OF SECRETARY KEN SALAZAR TO QUESTIONS FROM SENATOR LEE

Question 1. Mr. Secretary, please detail your reasoning behind the proposed administrative fee on grazing on BLM-administered lands. In percentage terms, how much will this raise the cost of grazing? Please explain how you analyzed the impact that such percentage increase would have on ranchers and other small businesses that rely on BLM lands for grazing. Please include in your explanation any stakeholder input that you received from ranchers and local small businesses.

Answer. The goal of the administrative fee is to recover some of the cost of processing grazing permits or leases for the parties (permittees) who are economically benefitting from use of the public lands. This fee mirrors the concept used in the Oil and Gas and Rights-of-Way programs where the users of the public lands pay a fee for the processing of their permits and related work. The budget includes appropriations language for a three-year pilot program, beginning in 2013, which would allow BLM to recover some of the costs of issuing grazing permits/leases on BLM lands. During the period of the pilot, BLM would work through the process of promulgating regulations through the traditional notice and public comment process for the continuation of the grazing administrative fee as a cost recovery fee after the pilot expires.

Question 2. Mr. Secretary, please explain in more detail your proposal to reduce wild horse and burro populations on public lands. Please describe the various op-

tions considered and why your chosen option is the most cost-effective and efficient method.

Answer. The BLM proposed a long-term strategy in February 2011 for accelerating reforms on how wild horses and burros are managed on public lands. The bureau is working to finalize this strategy, which will guide BLM activities through FY 2014 while the National Academy of Sciences completes a two-year independent study of wild horse management practices and research needs.

The strategy will put the program on a cost-effective, sustainable track by emphasizing population control techniques, including fertility control; promoting public-private ecosanctuaries to hold excess wild horses removed from Western public rangelands; seeking to boost adoptions by making more trained wild horses available to the public; and establishing a comprehensive animal welfare program. The FY 2013 budget proposes a $2 million increase to further the research and development of fertility control techniques.

Question 3. Mr. Secretary, in 2009, Congress passed the Utah Recreational Land Exchange Act that was widely supported by the State of Utah, local governments, the environmental community and the Department of Interior. This exchange benefits the school children of Utah and it gives the BLM some of the most sensitive conservation lands in Utah—including lands within your designated "Crown Jewels". Yet, the reason this exchange has not progressed is that the BLM refuses to pay for its half of the appraisal costs for the transaction. When will the BLM pay its half of these transaction costs and carry out the will of Congress?

Answer. The BLM in Utah is working cooperatively with the State of Utah's School and Institutional Trust Lands Administration (SITLA) to move forward on the appraisal process required by Public Law 111-53. In August, 2011, the State and BLM signed the exchange agreement that documents the responsibilities of both the State and BLM to complete the exchange. Because this is a complex exchange including lands with potentially high mineral values, the process is complicated. BLM is working to prioritize its funding for high-priority land exchanges, including its commitments under P.L 111-53.

Question 4. In 2007, the BLM issued several RD&D leases, one of which is in Utah. Can you confirm for the record that the current PEIS effort will not impact these previous leases and that these leases will be considered prior existing rights?

Answer. The scope of the analysis for this PEIS does not include review of the decisions by the Secretary to issue the 2007 RD&D leases, including the lease in Utah's Uintah Basin. As noted in the PEIS, those RD&D leases are prior existing rights and are not the subject of decisions within the PEIS, with the exception that all alternatives address the subsequent availability of the lands contained in the leases should the initial leaseholder relinquish the existing leases.

ATTACHMENT 1

USGS NATIONAL ASSESSMENT OF OIL AND GAS RESOURCES UPDATE (August, 2011)											
TOTAL OIL AND GAS RESOURCES (Sum of Conventional and Continuous Resources)											
Province Number and Name		Vintage	Total Oil			Total Gas[1]			Total Natural Gas Liquids		
			(billions of barrels)			(trillions of cubic feet)			(billions of barrels)		
			F95	F05	Mean	F95	F05	Mean	F95	F05	Mean
1a	North Slope, ANWR	1998	5.72	15.95	10.36			8.60			0.32
1b	North Slope, NPRA	2010	0.07	2.70	0.90	6.75	114.36	52.84			
1c	North Slope, Central	2005	2.56	5.85	3.98	26.62	50.90	37.52	0.33	0.66	0.48
1d	North Slope, Coal-bed Gas	2006	0.00	0.00	0.00	7.07	36.08	18.06	0.01	0.09	0.04
1e	North Slope, Gas Hydrates	2008	0.00	0.00	0.00	25.23	157.83	85.43	0.00	0.00	0.00
2	Central Alaska	2004	0.00	0.59	0.17	0.00	14.63	5.46	0.00	0.35	0.01
3	Southern Alaska	2011	0.11	1.36	0.60	4.98	39.74	19.04	0.06	0.12	0.05
4	Western Oregon-Wash.	2009	0.00	0.04	0.01	0.68	4.74	2.21	0.00	0.02	0.01
5	Eastern Oregon-Wash.	2006	0.00	0.00	0.00	1.18	4.29	2.43	0.00	0.02	0.03
7	Northern Coastal	1995	0.01	0.09	0.03	0.35	2.33	1.09	0.00	0.01	0.01
8	Sonoma-Livermore	1995	0.00	0.06	0.01	0.00	0.42	0.06	0.00	0.00	0.00
9	Sacramento Basin	2007	0.00	0.00	0.00	0.14	1.07	0.53	0.05	0.77	0.32
10	San Joaquin Basin	2004	0.08	0.85	0.39	0.32	4.33	1.76	0.01	0.22	0.09
11	Central Coastal	1995	0.10	1.17	0.49	0.03	0.37	0.15	0.01	0.01	0.01
12	Santa Maria Basin	1995	0.02	0.60	0.21	0.01	0.35	0.12	0.01	0.03	0.01
13	Ventura Basin	1995	0.28	2.27	1.06	0.66	3.66	1.90	0.02	0.12	0.06
14	Los Angeles Basin	1995	0.41	1.78	0.98	0.61	3.08	1.61	0.02	0.11	0.06
17	Idaho-Snake River Downwarp	1995	0.00	0.01	0.01	0.00	0.09	0.01	0.00	0.00	0.00
18	Western Great Basin	1995	0.00	0.37	0.06	0.00	2.49	0.43	0.00	0.00	0.00
19	Eastern Great Basin	2005	0.24	3.80	1.60	0.19	4.98	1.84	0.01	0.23	0.08
20	Uinta-Piceance Basin	2002	0.02	0.10	0.06	12.22	34.42	21.41	0.02	0.08	0.04
21	Paradox Basin	1995	0.17	1.20	0.55	0.98	3.96	2.21	0.03	0.17	0.09
22	San Juan Basin	2002	0.00	0.04	0.02	41.07	61.79	50.58	0.09	0.22	0.14

23	Albuquerque-Sante Fe Rift	1995	0.00	0.15	0.05	0.00	1.29	0.36	0.00	0.06	0.02
24	Northern Arizona	1995	0.00	0.32	0.07	0.00	0.96	0.17	0.00	0.08	0.01
25	S. Ariz.-S.W. New Mexico	1995	0.00	0.06	0.02	0.01	0.53	0.20	0.01	0.05	0.02
26	South-Central New Mexico	1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Montana Thrust Belt	2002	0.02	0.24	0.11	1.15	20.88	8.64	0.03	0.60	0.24
28	Central Montana	1995	0.13	0.42	0.27	0.40	1.37	6.96	0.01	0.01	0.01
29	Southwest Montana	1995	0.00	0.13	0.03	0.12	0.76	0.40	0.01	0.01	0.01
30	Hanna, Laramie, Shirley	2005	0.03	0.19	0.09	0.07	0.67	0.30	0.00	0.03	0.01
31	Williston Basin	2008	3.13	4.69	3.84	1.59	6.79	3.71	0.09	0.37	0.20
33	Powder River Basin	2007	0.31	1.09	0.64	9.04	27.25	16.63	0.03	0.29	0.13
34	Big Horn Basin	2008	0.02	0.15	0.07	0.32	2.03	0.99	0.01	0.03	0.01
35	Wind River Basin	2005	0.01	0.09	0.04	1.00	4.53	2.39	0.01	0.05	0.02
36	Wyoming Thrust Belt	2003	0.01	0.08	0.04	0.28	1.88	0.92	0.01	0.13	0.06
37	Southwestern Wyoming	2002	0.08	0.27	0.13	53.40	127.21	84.59	1.32	4.47	2.57
38	Park Basins	1995	0.01	0.11	0.03	0.01	0.07	0.02	0.00	0.01	0.00
39	Denver Basin	2003	0.03	0.23	0.10	1.31	4.45	2.52	0.02	0.10	0.05
40	Las Animas Arch	1995	0.04	0.28	0.14	0.20	1.07	0.53	0.01	0.03	0.01
41	Raton Basin-Sierra Grande Uplift	2004	0.00	0.00	0.00	1.11	3.93	2.35	0.01	0.05	0.03
43	Palo Duro Basin	1995	0.01	0.07	0.03	0.01	0.01	0.01	0.00	0.00	0.00
44	Permian Basin	2007	0.56	2.15	1.26	14.35	63.08	40.58	0.48	1.80	1.02
45	Bend Arch-Ft. Worth Basin	2003	0.03	0.18	0.10	21.86	32.39	26.70	0.67	1.56	1.02
46	Marathon Thrust Belt	1995	0.01	0.04	0.02	0.06	0.28	0.14	0.01	0.02	0.01
47	Western Gulf	2011	1.21	5.89	3.12	106.88	478.47	261.06	1.94	13.91	6.68
50	Florida Peninsula	2001	0.04	0.85	0.35	0.00	4.28	1.66	0.00	0.02	0.01
51	Superior	1995	0.00	0.44	0.05	0.00	2.95	0.42	0.00	0.01	0.01
53	Cambridge Arch-Central Kansas	1995	0.04	0.43	0.20	0.08	1.04	0.41	0.01	0.04	0.02
55	Nemaha Uplift	1995	0.03	0.29	0.12	0.17	0.96	0.47	0.01	0.06	0.03
56	Forest City Basin	1995	0.00	0.06	0.02	0.00	1.63	0.52	0.00	0.01	0.01
58	Anadarko Basin	2011	0.21	0.93	0.50	13.45	47.86	27.46	0.17	0.78	0.41
59	Sedgwick	1995	0.02	0.12	0.07	0.14	0.51	0.32	0.01	0.03	0.02

	Basin/Salina Basin										
60	Cherokee Platform	1995	0.02	0.17	0.08	1.14	3.44	2.09	0.01	0.02	0.01
61	Southern Oklahoma	1995	0.05	0.57	0.24	0.47	1.79	1.02	0.01	0.05	0.02
62	Arkoma Basin	2010	0.00	0.00	0.00	21.45	61.21	38.02	0.04	0.39	0.16
63	Michigan Basin	2004	0.29	1.88	0.99	6.64	17.6	11.44	0.06	0.45	0.22
64	Illinois Basin	2007	0.04	0.51	0.21	1.55	9.98	4.65	0.00	0.06	0.02
65	Black Warrior Basin	2002	0.00	0.01	0.00	4.81	13.52	8.50	0.00	0.02	0.01
66	Cincinnati Arch	1995	0.01	0.04	0.02	0.01	0.04	0.02	0.00	0.01	0.01
67a	Appalachian Basin	2002	0.01	0.10	0.05	39.06	109.80	68.36	0.42	1.53	0.86
67b	Marcellus Shale	2011	0.00	0.00	0.00	42.95	144.15	84.19	1.55	6.16	3.34
68	Blue Ridge Thrust Belt	1995	0.00	0.00	0.00	0.00	0.15	0.03	0.00	0.00	0.00
69	Piedmont	1995	0.00	0.00	0.00	0.00	1.19	0.39	0.00	0.00	0.00
	TOTALS				34.59			1025.43			19.14
[1]includes non-associated and associated-dissolved gas resources											

USGS NATIONAL ASSESSMENT OF OIL AND GAS RESOURCES UPDATE (August, 2011)											
CONTINUOUS OIL AND GAS RESOURCES, INCLUSIVE OF COAL-BED GAS RESOURCES											
Province Number and Name		Vintage	Continuous Oil			Continuous Gas (incl. CBG)			Natural Gas Liquids		
			(millions of barrels)			(trillions of cubic feet)			(millions of barrels)		
			F95	F05	Mean	F95	F05	Mean	F95	F05	Mean
1d	North Slope, Coal-bed Gas	2006				7.07	36.08	18.06	11.00	95.00	40.00
2	Central Alaska	2004									
3	Southern Alaska	2011				1.84	11.32	5.31	3.00	19.00	9.00
4	Western Oregon-Wash.	2009				0.56	3.02	1.49	0.00	0.00	0.00
5	Eastern Oregon-Wash.	2006				1.18	3.44	2.12	3.12	19.79	9.20
7	Northern Coastal	1995									
8	Sonoma-Livermore	1995									
9	Sacramento Basin	2007									
10	San Joaquin Basin	2004									
11	Central Coastal	1995									
12	Santa Maria Basin	1995									
13	Ventura Basin	1995									
14	Los Angeles Basin	1995									
17	Idaho-Snake River Downwarp	1995									
18	Western Great Basin	1995									
19	Eastern Great Basin	2005									
20	Uinta-Piceance Basin	2002	24.83	56.84	38.78	12.15	33.98	21.20	18.72	66.41	37.84
21	Paradox Basin	1995	61.00	597.00	242.00	0.05	0.48	0.19			
22	San Juan Basin	2002				40.98	61.48	50.42	91.52	213.68	144.40
23	Albuquerque-Sante Fe Rift	1995									

24	Northern Arizona	1995									
25	S. Ariz.-S.W. New Mexico	1995									
26	South-Central New Mexico	1995									
27	Montana Thrust Belt	2002	12.90	50.60	27.90	0.05	0.21	0.11	2.10	11.30	5.60
28	Central Montana	2001				2.43	12.56	6.12	0.00	0.00	0.00
29	Southwest Montana	1995									
30	Hanna, Laramie, Shirley	2005	14.00	76.00	38.00	0.00	0.04	0.02	0.00	0.00	0.00
31	Williston Basin	2008	3063.00	4319.00	3645.00	1.38	4.72	2.73	73.00	260.00	148.00
33	Powder River Basin	2002	252.52	665.41	424.28	8.79	24.61	15.47	0.00	0.00	0.00
34	Big Horn Basin	2008	2.00	11.00	5.00	0.20	1.15	0.55	0.00	2.00	0.00
35	Wind River Basin	2005				0.88	3.56	1.94	3.24	26.57	11.4
36	Wyoming Thrust Belt	2003				0.15	0.70	0.36			
37	Southwestern Wyoming	2002	66.90	151.00	103.60	52.79	121.83	82.17	1275.60	4335.20	2503.90
38	Park Basins	1995									
39	Denver Basin	2003	20.73	67.35	39.83	1.29	4.14	2.41	21.32	77.98	43.90
40	Las Animas Arch	1995									
41	Raton Basin-Sierra Grande Uplift	2004				0.90	2.55	1.59			
43	Palo Duro Basin	1995									
44	Permian Basin	2007	340.00	725.00	510.00	12.93	52.97	35.39	420.00	1305.00	785.00
45	Bend Arch-Ft. Worth Basin	2003				21.71	31.52	26.23	668.85	1512.09	1049.16
46	Marathon Thrust Belt	1995									
47-49	Gulf Coast	2011	848.00	3076.00	1732.00	76.96	211.1	131.98	939.00	4182.00	2195.00
50	Florida Peninsula	2000									
51	Superior	1995									
53	Cambridge Arch-	1995									

	Central Kansas										
54	Nemaha Uplift	1995									
56	Forest City Basin	1995				0.00	1.44	0.45			
58	Anadarko Basin	2011	175.00	730.00	393.00	12.64	42.61	24.79	149.00	618.00	333.00
59	Sedgwick Basin/Salina Basin	1995									
60	Cherokee Platform	1995				1.07	3.08	1.91			
61	Southern Oklahoma	1995									
62	Arkoma Basin	2010				21.28	58.82	36.97	36.00	375.00	150.00
63	Michigan Basin	2004				5.48	9.87	7.47	0.00	0.00	0.00
64	Illinois Basin	2007				1.48	8.98	4.23	1.00	4.00	6.00
65	Black Warrior Basin	2002				4.61	10.18	7.05			
66	Cincinnati Arch	1995									
67 a	Appalachian Basin	2002				37.81	101.52	64.06	406.28	1453.75	821.64
67 b	Marcellus Shale	2011				42.95	144.15	84.12	1554.00	6162.00	3379.00
68	Blue Ridge Thrust Belt	1995									
69	Piedmont	1995									
	TOTALS				7199.39			636.91			11672.04

USGS NATIONAL ASSESSMENT OF OIL AND GAS RESOURCES UPDATE (August, 2011)											
CONVENTIONAL OIL AND GAS RESOURCES											
Province Number and Name		Vintage	Conventional Oil			Conventional Gas[1]			Natural Gas Liquids		
			(billions of barrels)			(trillions of cubic feet)			(billions of barrels)		
			F95	F05	Mean	F95	F05	Mean	F95	F05	Mean
1a	North Slope, ANWR	1998	5.72	15.95	10.36			8.60			0.32
1b	North Slope, NPRA	2010	0.07	2.70	0.90	6.75	114.36	52.84			
1c	North Slope, Central	2005	2.56	5.85	3.98	26.62	50.90	37.52	0.33	0.66	0.48
1e	North Slope, Gas Hydrates	2008	0.00	0.00	0.00	25.23	157.83	85.43	0	0	0
2	Central Alaska	2004	0.00	0.59	0.17	0.00	14.63	5.46	0.00	0.35	0.01
3	Southern Alaska	2011	0.11	1.36	0.6	3.14	28.41	13.73	0.00	0.10	0.04
4	Western Oregon-Wash.	2009	0.00	0.04	0.01	0.12	1.76	0.73	0.00	0.02	0.01
5	Eastern Oregon-Wash.	2006	0.00	0.00	0.00	0.00	0.86	0.31	0.00	0.01	0.01
7	Northern Coastal	1995	0.01	0.09	0.03	0.35	2.33	1.09	0.00	0.01	0.01
8	Sonoma-Livermore	1995	0.00	0.06	0.01	0.00	0.42	0.06	0.00	0.00	0.00
9	Sacramento Basin	2007	0.00	0.00	0.00	0.14	1.07	0.53	0.05	0.77	0.32
10	San Joaquin Basin	2004	0.08	0.85	0.39	0.32	4.33	1.76	0.01	0.22	0.09
11	Central Coastal	1995	0.10	1.17	0.49	0.03	0.37	0.15	0.01	0.01	0.01
12	Santa Maria Basin	1995	0.02	0.60	0.21	0.01	0.35	0.12	0.01	0.03	0.01
13	Ventura Basin	1995	0.28	2.27	1.06	0.66	3.66	1.90	0.02	0.12	0.06
14	Los Angeles Basin	1995	0.41	1.78	0.98	0.61	3.08	1.61	0.02	0.11	0.06
17	Idaho-Snake River Downwarp	1995	0.00	0.01	0.01	0.00	0.09	0.01	0.00	0.00	0.00
18	Western Great Basin	1995	0.00	0.37	0.06	0.00	2.49	0.43	0.00	0.00	0.00
19	Eastern Great Basin	2005	0.24	3.80	1.56	0.19	4.98	1.84	0.01	0.23	0.08
20	Uinta-Piceance Basin	2002	0.00	0.04	0.02	0.07	0.44	0.21	0.00	0.01	0.00
21	Paradox Basin	1995	0.11	0.61	0.31	0.93	3.48	2.02	0.03	0.17	0.09
22	San Juan Basin	2002	0.00	0.04	0.02	0.06	0.31	0.16	0.00	0.01	0.00
23	Albuquerque-Sante Fe Rift	1995	0.00	0.15	0.05	0.00	1.29	0.36	0.00	0.06	0.02
24	Northern Arizona	1995	0.00	0.32	0.07	0.00	0.96	0.17	0.00	0.08	0.01
25	S. Ariz.-S.W. New Mexico	1995	0.00	0.06	0.02	0.01	0.53	0.20	0.01	0.05	0.02
26	South-Central New Mexico	1995	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Montana Thrust Belt	2002	0.01	0.19	0.08	1.10	20.67	8.53	0.03	0.59	0.23
28	Central Montana	1995	0.13	0.42	0.27	0.40	1.37	0.84	0.01	0.01	0.01
29	Southwest Montana	1995	0.00	0.13	0.03	0.12	0.76	0.40	0.01	0.01	0.01
30	Hanna, Laramie,	2005	0.01	0.12	0.06	0.06	0.63	0.28	0.00	0.03	0.01

	Shirley										
31	Williston Basin	2008	0.07	0.37	0.20	0.21	2.07	0.98	0.00	0.11	0.05
33	Powder River Basin	2007	0.06	0.43	0.21	0.23	2.63	1.16	0.02	0.25	0.11
34	Big Horn Basin	2008	0.02	0.13	0.07	0.12	0.88	0.44	0.00	0.03	0.01
35	Wind River Basin	2005	0.01	0.09	0.04	0.11	0.97	0.46	0.00	0.00	0.00
36	Wyoming Thrust Belt	2003	0.01	0.08	0.04	0.13	1.17	0.56	0.01	0.13	0.06
37	Southwestern Wyoming	2002	0.01	0.07	0.03	0.61	5.38	2.42	0.02	0.17	0.07
38	Park Basins	1995	0.01	0.11	0.03	0.01	0.07	0.02	0.00	0.01	0.00
39	Denver Basin	2003	0.01	0.16	0.06	0.02	0.31	0.11	0.00	0.02	0.01
40	Las Animas Arch	1995	0.04	0.28	0.14	0.20	1.07	0.53	0.01	0.03	0.01
41	Raton Basin-Sierra Grande Uplift	2004	0.00	0.00	0.00	0.22	1.38	0.76	0.01	0.05	0.03
43	Palo Duro Basin	1995	0.01	0.07	0.03	0.01	0.01	0.01	0.00	0.00	0.00
44	Permian Basin	2007	0.21	1.42	0.75	1.42	10.11	5.2	0.01	0.49	0.24
45	Bend Arch-Ft. Worth Basin	2003	0.03	0.18	0.10	0.15	0.87	0.47	0.00	0.05	0.02
46	Marathon Thrust Belt	1995	0.01	0.04	0.02	0.06	0.28	0.14	0.01	0.02	0.01
47-49	Gulf Coast	2011	0.36	2.81	1.39	29.92	267.37	129.08	1.00	9.73	4.49
50	Florida Peninsula	2001	0.04	0.85	0.35	0.00	4.25	1.66	0.00	0.02	0.01
51	Superior	1995	0.00	0.44	0.05	0.00	2.95	0.42	0.00	0.01	0.01
53	Cambridge Arch-Central Kansas	1995	0.04	0.43	0.20	0.08	1.04	0.41	0.01	0.04	0.02
55	Nemaha Uplift	1995	0.03	0.29	0.12	0.17	0.96	0.47	0.01	0.06	0.03
56	Forest City Basin	1995	0.00	0.06	0.02	0.00	0.19	0.07	0.00	0.01	0.01
58	Anadarko Basin	2011	0.04	0.20	0.10	0.80	5.25	2.68	0.02	0.16	0.08
59	Sedgwick Basin/Salina Basin	1995	0.02	0.12	0.07	0.14	0.51	0.32	0.01	0.03	0.02
60	Cherokee Platform	1995	0.02	0.17	0.08	0.07	0.34	0.18	0.01	0.02	0.01
61	Southern Oklahoma	1995	0.05	0.57	0.24	0.47	1.79	1.02	0.01	0.05	0.02
62	Arkoma Basin	2010	0.00	0.00	0.00	0.17	2.39	1.05	0.00	0.02	0.01
63	Michigan Basin	2004	0.29	1.88	0.99	1.16	7.73	3.96	0.06	0.45	0.22
64	Illinois Basin	2007	0.04	0.51	0.21	0.07	1.00	0.42	0.00	0.05	0.02
65	Black Warrior Basin	2002	0.00	0.01	0.00	0.02	3.34	1.45	0.00	0.02	0.01
66	Cincinnati Arch	1995	0.01	0.04	0.02	0.01	0.04	0.02	0.00	0.01	0.01
67	Appalachian Basin	2002	0.01	0.10	0.05	1.26	8.28	4.31	0.01	0.08	0.04
68	Blue Ridge Thrust Belt	1995	0.00	0.00	0.00	0.00	0.15	0.03	0.00	0.00	0.00
69	Piedmont	1995	0.00	0.00	0.00	0.00	1.19	0.39	0.00	0.00	0.00
	TOTALS				27.36			388.49			7.54
[1]includes non-associated and associated-dissolved gas resources											

USGS NATIONAL ASSESSMENT OF OIL AND GAS RESOURCES UPDATE (August, 2011)					
COAL-BED GAS RESOURCES					
Province Number and Name		Vintage	Coal-bed Gas		
			(trillions of cubic feet)		
			F95	F05	Mean
1d	North Slope, Coal-bed Gas	2006	7.07	36.08	18.06
2	Central Alaska	1995			
3	Southern Alaska	2011	1.58	10.07	4.67
4	Western Oregon-Wash.	2009	1.30	3.02	1.49
5	Eastern Oregon-Wash.	2006			
7	Northern Coastal	1995			
8	Sonoma-Livermore	1995			
9	Sacramento Basin	2006			
10	San Joaquin Basin	2004			
11	Central Coastal	1995			
12	Santa Maria Basin	1995			
13	Ventura Basin	1995			
14	Los Angeles Basin	1995			
17	Idaho-Snake River Downwarp	1995			
18	Western Great Basin	1995			
19	Eastern Great Basin	2004			
20	Uinta-Piceance Basin	2002	1.16	4.07	2.31
21	Paradox Basin	1995			
22	San Juan Basin	2002	20.65	28.47	24.24
23	Albuquerque-Sante Fe Rift	1995			
24	Northern Arizona	1995			
25	S. Ariz.-S.W. New Mexico	1995			
26	South-Central New Mexico	1995			
27	Montana Thrust Belt	2002			
28	Central Montana	1995			
29	Southwest Montana	1995			
30	Hanna, Laramie, Shirley	2005			
31	Williston Basin	2008	0.37	1.70	0.88
33	Powder River Basin	2002	8.24	22.42	14.26
34	Big Horn Basin	2008	0.05	0.26	0.13
35	Wind River Basin	2005	0.10	0.47	0.25
36	Wyoming Thrust Belt	2003	0.15	0.70	0.36
37	Southwestern Wyoming	2002	0.80	3.59	1.53
38	Park Basins	1995			
39	Denver Basin	2003			
40	Las Animas Arch	1995			

41	Raton Basin-Sierra Grande Uplift	2004	0.90	2.55	1.59	
43	Palo Duro Basin	1995				
44	Permian Basin	2007				
45	Bend Arch-Ft. Worth Basin	2003				
46	Marathon Thrust Belt	1995				
47	Western Gulf	1995				
49	East Texas Basin/LA-MS Salt Basins	1995				
47-49	Gulf Coast Coalbed Gas	2007	1.66	7.92	4.06	
50	Florida Peninsula	2000				
51	Superior	1995				
53	Cambridge Arch-Central Kansas	1995				
55	Nemaha Uplift	1995				
56	Forest City Basin	1995	0.00	1.44	0.45	
58	Anadarko Basin	1995				
59	Sedgwick Basin/Salina Basin	1995				
60	Cherokee Platform	1995	1.07	3.08	1.91	
61	Southern Oklahoma	1995				
62	Arkoma Basin	2009	2.2	5.23	3.51	
63	Michigan Basin	2004				
64	Illinois Basin	2007	0.18	0.86	0.44	
65	Black Warrior Basin	2002	4.61	10.18	7.05	
66	Cincinnati Arch	1995				
67	Appalachian Basin	2002	5.68	11.98	8.40	
68	Blue Ridge Thrust Belt	1995				
69	Piedmont	1995				
	TOTAL				95.59	

USGS NATIONAL ASSESSMENT OF OIL AND GAS RESOURCES UPDATE (August, 2011)														
CONTINUOUS GAS RESOURCES														
Province Number and Name		Vintage	AU Name_ Coalbed Gas	Coalbed Gas			AU Name_ Shale Gas	Shale Gas			AU Name_ Tight Gas	Tight Gas		
				(billions of cubic feet)				(billons of cubic feet)				(billions of cubic feet)		
				F95	F05	Mean		F95	F05	Mean		F95	F05	Mean
1d	North Slope, Coal-bed Gas	2006	Nanushuk Formation	5,834.00	30,225.00	15,047.00								
			Prince Creek-Tuluvak Formation	350.00	1,436.00	778.00								
			Sagavanirktok Formation	889.00	4,416.00	2,231.00								
2	Central Alaska	2004												
3	Southern Alaska	2011	Cook Inlet Coalbed Gas	1,581.00	10,069.00	4,674.00					Tuxedni-Naknek Continuous Gas	257.00	1,254.00	637.00
4	Western Oregon-Wash.	2009	Eocene Coalbed Gas	565.00	3024.00	1,489.00								
5	Eastern Oregon-Wash.	2006									Columbia Basin Continuous Gas	1,179.00	3,436.00	2,122.00
7	Northern Coastal	1995												
8	Sonoma-Livermore	1995												
9	Sacramento Basin	2006												
10	San Joaquin Basin	2004												
11	Central Coastal	1995												

12	Santa Maria Basin	1995												
13	Ventura Basin	1995												
14	Los Angeles Basin	1995												
17	Idaho-Snake River Downwarp	1995												
18	Western Great Basin	1995												
19	Eastern Great Basin	2004												
20	Uinta-Piceance Basin	2002	Northern Coal Fairway/Drunkards Wash	451.14	1,156.05	752.33					Piceance Basin	649.30	3,296.86	1,652.90
			Central Coal Fairway/Buzzards Bench	311.61	843.54	536.73					Uinta Basin	1,781.69	4,934.43	3,110.69
			Southern Coal Fairway	78.16	255.49	152.59					Uinta-Piceance Transitional Gas	1,429.61	2,124.11	1,755.26
			Southern Coal Outcrop	0.00	30.71	10.56					Deep (>6000 ft) Coal and Sandstone	0.00	136.43	59.10
			Unita Basin Blackhawk Coalbed Gas	181.97	1,034.28	498.78					Uinta Basin Continuous Gas	4,143.18	11,915.02	7,391.36
			Mesaverde Group Coalbed Gas	138.72	749.54	367.77					Uinta Basin Transitional Gas	889.42	2,304.72	1,492.97
											Piceance Basin Continuous Gas	1,902.23	4,594.01	3,064.27
											Piceance Basin Transitional Gas	161.74	500.33	301.73
21	Paradox Basin	1995												

22	San Juan Basin	2002	Fruitland Fairway Coalbed Gas	3,081.06	5,031.14	3,981.14					Pictured Cliffs Gas	3,865.41	7,856.23	5,640.25
			Basin Fruitland Coalbed Gas	17,342.26	22,023.27	19,594.74					Lewis Gas	8,315.22	12,282.31	10,177.24
			Menefee Coalbed Gas	228.30	1,418.55	663.94					Mesaverde Central Basin	1,053.32	1,618.35	1,316.79
											Mancos Sandstone Gas	3,980.80	6,437.03	5,116.37
											Dakota-Greenhorn Gas	3,148.66	4,821.14	3,928.98
23	Albuquerque -Sante Fe Rift	1995												
24	Northern Arizona	1995												
25	S. Ariz.-S.W. New Mexico	1995												
26	South-Central New Mexico	1995												
27	Montana Thrust Belt	2002												
28	Central Montana	2001									Judith River Formation	550.00	4,250.00	1,855.00
											Eagle Sandstone-Claggart East	501.00	2,283.00	1,189.00
											Eagle Sandstone-Claggart West	473.00	2,221.00	1,145.00
											Niobrara-Carlisle	42.00	305.00	136.00
											Greenhorn -Lower Belle Fourche	166.00	1,025.00	481.00
											Greenhorn	211.00		

											-Upper Belle Fourche		1,400.00	641.00
											Bowdoin Dome	484.00	1,079.00	745.00
29	Southwest Montana	1995												
30	Hanna, Laramie, Shirley	2005												
31	Williston Basin	2008	Fort Union Coalbed Gas	368.00	1701.00	882.00								
33	Powder River Basin	2006	Wasatch Formation	1,011.94	3,257.89	1,934.09					Shallow Biogenic Gas	341.92	1,483.26	786.64
			Upper Fort Union Formation	7,232.13	18,721.10	12,132.50								
			Lower Fort Union-Lance Formation	0.00	440.90	197.90								
34	Big Horn Basin	2008	Mesaverde-Meeteetse Coalbed Gas	38.00	196.00	98.00					Cody Sandstone Gas	14.00	80.00	38.00
			Fort Union Coalbed Gas	14.00	59.00	32.00					Mesaverde Sandstone Gas	13.00	63.00	32.00
											Muddy-Frontier-Mowry Fractured Shale	119.00	743.00	348.00
35	Wind River Basin	2005	Mesaverde Coalbed Gas	45.00	205.00	107.00					Frontier-Muddly Continuous Gas	198.00	934.00	481.00
			Meeteetse Coalbed Gas	9.00	41.00	21.00					Cody Sandstone Continuous Gas	48.00	224.00	115.00
			Fort Union Coalbed Gas	49.00	228.00	118.00					Mesaverde - Meeteetse	163.00	732.00	383.00

											Lance-Fort Union Sandstone Gas	373.00	1,198.00	711.00
36	Wyoming Thrust Belt	2004	Frontier-Adaville-Evanston Coalbed	148.79	701.69	361.10								
37	Southwestern Wyoming	2002	Mesaverde Coalbed Gas 1	126.10	427.30	248.70					Hilliard-Baxter-Mancos Gas	4,895.10	22,703.40	11,753.20
			Mesaverde Coalbed Gas 2	13.70	47.30	27.30					Almond Continuous Gas	10,013.50	17,311.30	13,349.70
			Ft. Union Coalbed Gas 1	35.30	151.90	80.80					Rock Springs-Ericson Gas	8,768.90	16,320.00	12,178.00
			Lance Coalbed Gas	78.20	295.50	165.00					Mesaverde-Lance-Ft. Union Gas	8,320.10	20,695.40	13,635.20
			Ft. Union Coalbed Gas 2	513.90	1,545.40	942.50					Lewis Continuous Gas	8,764.90	19,667.40	13,535.70
			Wasatch-Green River Coalbed Gas	27.80	122.60	64.70					Lance-Ft. Union Continuous Gas	4,450.60	11,829.10	7,583.30
											Mowry Continuous Gas	6,745.90	10,614.40	8,542.80
38	Park Basins	1995												
39	Denver Basin	2003					Niobrara Chalk	337.63	2,104.85	984.08	Dakota Group Basin Center Gas	793.09	1,459.92	1,094.70
40	Las Animas Arch	1995												
41	Raton Basin-Sierra Grande Uplift	2005	Raton Coalbed Gas	316.65	1,036.25	611.26								

			Vermejo Coalbed Gas	584.10	1,510.54	979.32								
43	Palo Duro Basin	1995												
44	Permian Basin	2007					Delaware-Pecos Basins Woodford	10,249.00	21,203.00	15,105.00				
							Delaware-Pecos Basins Barnett	1,008.00	26,698.00	17,203.00				
							Midland Basin Woodword-Barnett	1,546.00	4,613.00	2,822.00				
45	Bend Arch-Ft. Worth Basin	2004					Greater Newark East Frac-Barrier Gas	13,410.69	15,978.42	14,659.13				
							Extended Continuous Barnett Shale Gas	8,305.14	15,543.04	11,569.73				
46	Marathon Thrust Belt	1995												
47 - 49	Gulf Coast	2011	Cretaceous Olmos Coalbed Gas	37.00	133.00	75.00	Haynesville Sabine Platform Shale Gas	44,268.00	80,604.00	60,734.00				
			Rio Escondido Coalbed Gas	60.00	215.00	123.00	Mid-Bossier Sabine Platform Shale Gas	2,879.00	8,240.00	5,126.00				
			Wilcox Coalbed Gas	1565.00	7570.00	3,861.00	Maverick Basin Pearsall Shale Gas	3,386.00	17,801.00	8,817.00				
							Eagle Ford Shale Gas	23,470.00	90,747.00	50,219.00				
50	Florida Peninsula	2000												
51	Superior	1995												
53	Cambridge Arch-Central Kansas	1995												

55	Nemaha Uplift	1995												
56	Forest City Basin	1995		0.00	1,400.00	450.00								
58	Anadarko Basin	2011					Woodford Shale Gas	8,806.00	25,998.00	15,973.00				
							Thirteen Finger Limestone-Atoka Shale Gas	3,040.00	12,763.00	6,850.00				
59	Sedgwick Basin/Salina Basin	1995												
60	Cherokee Platform	1995		1,070.00	3,080.00	1,910.00								
61	Southern Oklahoma	1995												
62	Arkoma Basin	2010	Arkoma Coalbed Gas	2,197.00	5,234.00	3,511.00	Woodford Shale Gas	6,065.00	17,036.00	10,678.00	Arkoma-Ouachita Foredeep Gas	3,189.00	12,233.00	6,790.00
							Chattanooga Shale Gas	800.00	2,821.00	1,617.00				
							Fayetteville_High Gamma Ray Depocenter	6,202.00	12,656.00	9,070.00				
							Fayetteville Western Arkansas Basin	2,260.00	6,865.00	4,170.00				
							Caney Shale Gas	566.00	1,971.00	1,135.00				
63	Michigan Basin	2005					Devonian Antrim Continuous Gas	5,483.97	9,869.05	7,475.02				
64	Illinois Basin	2007	Pennsylvanian Coalbed Gas	182.00	861.00	443.00	Devonian-Mississippian New Albany Shale	1,300.00	8,116.00	3,792.00				
65	Black Warrior Basin	2002	Black Warrior Basin	4,614.56	10,181.47	7,055.63								
66	Cincinnati Arch	1995												

67	Appalachian Basin	2002	Pocahontas Basin	2,929.57	4,308.64	3,577.32	Northwestern Ohio Shale	1,453.59	4,338.99	2,654.07	Clinton-Median Basin Center Gas	6,149.33	17,288.78	10,832.70
			East Dunkard (Folded)	2,748.71	7,676.78	4,823.03	Devonian Siltstone and Shale	829.34	1,894.48	1,293.61	Clinton-Medina Transitional NE Gas	573.25	3,408.33	1,618.85
							Foldbelt Marcellus (2011)	345.00	1,410.00	765.00	Clinton-Median Transitional Gas	8,986.25	15,044.10	11,770.64
							Interior Marcelllus (2011)	41,607.00	139,106.00	81,374.00	Tuscarora Basin Center Gas	949.07	5,451.60	2,619.59
							Western Margin Marcellus (2011)	1002.00	3,629.00	2,059.00	Greater Big Sandy Gas	3,877.33	9,562.42	6,322.67
											Catskill Sandstones and Siltstones	6,843.68	18,401.55	11,740.93
											Berea Sandstone	2,464.14	14,151.13	6,800.38
68	Blue Ridge Thrust Belt	1995												
69	Piedmont	1995												
	TOTAL					95609.73				336144.64				197021.91

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CONTINUOUS OIL RESOURCES									
Province Number and Name		Vintage	AU_Name	Continuous Oil			Associated Gas		
				(millions of barrels)			(billions of cubic feet)		
				F95	F05	Mean	F95	F05	Mean
1	Alaska North Slope	2006							
2	Central Alaska	2004							
3	Southern Alaska	1995							
4	Western Oregon-Wash.	2009							
5	Eastern Oregon-Wash.	2006							
7	Northern Coastal	1995							
8	Sonoma-Livermore	1995							
9	Sacramento Basin	2007							
10	San Joaquin Basin	2004							
11	Central Coastal	1995							
12	Santa Maria Basin	1995							
13	Ventura Basin	1995							
14	Los Angeles Basin	1995							
17	Idaho-Snake River Downwarp	1995							
18	Western Great Basin	1995							
19	Eastern Great Basin	2005							
20	Uinta-Piceance Basin	2002	Deep Uinta Overpressured Oil	24.83	56.84	38.78	35.72	103.29	63.99
21	Paradox Basin	1995		61.00	597.00	242.00	50.00	480.00	190.00
22	San Juan Basin	2002							
23	Albuquerque-Sante Fe Rift	1995							
24	Northern Arizona	1995							
25	S. Ariz.-S.W. New Mexico	1995							
26	South-Central New Mexico	1995							
27	Montana Thrust Belt	2002	Marias River Shale	12.90	50.60	27.90	46.80	214.30	111.40
28	Central Montana	2001							
29	Southwest Montana	1995							
30	Hanna, Laramie, Shirley	2006	Niobrara Continuous Oil	14.00	76.00	38.00	6.00	43.00	19.00
31	Williston Basin	2008	Elm Coulee-Billings Nose	374.00	450.00	410.00	118.00	332.00	208.00
			Central Basin-Poplar Dome	394.00	589.00	485.00	134.00	403.00	246.00
			Nesson-Little Knife Structural	818.00	1,007.00	909.00	260.00	738.00	461.00
			Eastern Expulsion Threshold	864.00	1,091.00	973.00	278.00	791.00	493.00

			Northwest Expulsion Threshold	613.00	1,182.00	868.00	224.00	754.00	440.00
33	Powder River Basin	2006	Mowry Continuous Oil	116.99	306.38	197.61	103.35	332.95	197.61
			Niobrara Continuous Oil	135.53	349.03	226.67	119.54	379.87	226.67
34	Big Horn Basin	2008	Mowry Fractured Shale Oil	2.00	11.00	5.00	1.00	6.00	2.00
35	Wind River Basin	2005							
36	Wyoming Thrust Belt	2003							
37	Southwestern Wyoming	2002	Niobrara Continuous Oil	66.90	151.00	103.60	34.90	99.90	62.20
38	Park Basins	1995							
39	Denver Basin	2003	Niobrara-Codell (Wattenburg Area)	16.41	55.08	32.17	157.71	564.71	321.73
			Fractured Niobrara Limestone	4.32	12.27	7.66	4.09	13.17	7.82
40	Las Animas Arch	1995							
41	Raton Basin-Sierra Grande Uplift	2004							
43	Palo Duro Basin	1995							
44	Permian Basin	2007	Spraberry Continuous Oil	340.00	725.00	510.00	127.00	453.00	258.00
45	Bend Arch-Ft. Worth Basin	2003							
46	Marathon Thrust Belt	1995							
47-49	Gulf Coast	2011	Austin Chalk/Eagle Ford	848.00	3,076.00	1,732.00	1299.00	5788.00	3026.00
50	Florida Peninsula	2000							
51	Superior	1995							
53	Cambridge Arch-Central Kansas	1995							
54	Nemaha Uplift	1995							
56	Forest City Basin	1995							
58	Anadarko Basin	2011	Woodford Shale Oil	175.00	730.00	393.00	795.00	3851.00	1963.00
59	Sedgwick Basin/Salina Basin	1995							
60	Cherokee Platform	1995							
61	Southern Oklahoma	1995							
62	Arkoma Basin	2010							
63	Michigan Basin	2004							
64	Illinois Basin	2007							
65	Black Warrior Basin	2002							
66	Cincinnati Arch	1995							
67	Appalachian Basin	2002							
68	Blue Ridge Thrust Belt	1995							
69	Piedmont	1995							
	TOTALS					7,199.39			8,297.42

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