

**DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2011**

**TUESDAY, MARCH 9, 2010**

U.S. SENATE,  
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,  
*Washington, DC.*

The subcommittee met at 9:35 a.m., in room SD-124, Dirksen Senate Office Building, Hon. Dianne Feinstein (chairman) presiding.

Present: Senators Feinstein, Leahy, Reed, Nelson, Tester, Alexander, Cochran, Bennett, and Collins.

**DEPARTMENT OF THE INTERIOR**

**OFFICE OF THE SECRETARY**

**STATEMENT OF HON. KEN SALAZAR, SECRETARY**

**ACCOMPANIED BY:**

**DAVID J. HAYES, DEPUTY SECRETARY**

**PAMELA HAZE, DEPUTY ASSISTANT SECRETARY FOR BUDGET**

**OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN**

Senator FEINSTEIN. Good morning, everyone. I would like to welcome you to the Interior, Environment, and Related Agencies Subcommittee's second budget oversight hearing.

This morning, in addition to discussing the Department's fiscal year 2011 funding request, Senator Alexander and I would like to expand this hearing and take a closer look at the issue of renewable energy development on public land. We believe this is an extremely important public policy matter with many critical questions yet to be answered. Our goal will be to ask some of those questions and, hopefully, get the kind of answers that will allow the public and the Congress to know precisely how the administration intends to move forward in this area.

We have, I think, four votes at 11 a.m., so we want to move right around. We follow the early bird rule, and time is limited to 5 minutes a Senator.

Testifying on behalf of the Department is our former colleague, our friend, Secretary Ken Salazar. Mr. Secretary, it is very nice to have you back in the Senate, and we look forward to your testimony.

Also, joining us this morning to weigh in on the renewable energy issue is David Hayes, the Department's Deputy Secretary, and

last but not least, we are joined by Pam Haze, the Deputy Assistant Secretary for Budget. We welcome all of you here.

#### CALIFORNIA WATER

Before we begin, I would like to take a moment to thank you, Mr. Secretary, for the efforts that you and your staff have made over recent weeks to supply additional water to California farmers using administrative means consistent with the biological opinions. Mike Connor, Commissioner of Reclamation; David Hayes, sitting on your right; Don Glaser and Ron Milligan in the region have done yeoman's work on this issue, and I greatly appreciate the effort that has been made. Water is one of the more painful parts of our job it seems.

#### BUDGET

Turning now to the budget, as proposed by the President, the Department's funding request for fiscal year 2011 totals \$11.1 billion for the agencies and programs under the jurisdiction of this subcommittee. While that amount is virtually unchanged from what was provided last year—so the budget is flat—there are significant funding increases that we should look at in several program areas.

An additional \$100 million is requested for land acquisition. That is 31 percent more than last year.

An additional \$35 million is requested for the climate change adaptation initiative. That is an additional 26 percent increase.

And an additional \$20 million is requested for beefed-up law enforcement in tribal areas. Most of that is new money that will allow for 81 FBI personnel.

Now, Mr. Secretary, each of these is an important priority for you—we understand that—and for the administration. And I know you will speak passionately about these programs.

My concern is that in order to pay for these, the administration is proposing cuts elsewhere that may well be untenable. And so let me spell some of that out.

The construction accounts at the National Park Service (NPS), FWS, the Bureau of Land Management (BLM), and the Bureau of Indian Affairs (BIA) would be cut \$164 million. That is a 33 percent reduction from the current level. Now, each of these agencies has separate maintenance budgets, but the construction accounts are where much of the major repair and restoration work is addressed. And that is a problem.

The administration has also proposed cutting the Department's hazardous fuels reduction account by \$44 million. That is a 21 percent reduction. Given the level of fire on public lands, particularly in the Western States, over the past several years, that is a cut that is very hard for me to understand, let alone support.

The budget proposes having the various bureaus absorb \$108 million in unfunded fixed costs. Now, these include congressionally mandated pay raises, increased employee health benefits, and increased rent and utilities. Each of these must be paid for but in this budget they are not.

So where does the NPS come up with the \$32 million it needs to cover its fixed costs? That question I hope you answer in your opening remarks. BIA would have to absorb \$19 million in fixed

costs, and that virtually wipes out the \$19 million being added for law enforcement.

The administration has also proposed cutting \$78 million across the board as a result of various management efficiencies, including \$18 million in information technology. The budget suggests consolidating e-mail systems and computer help centers as the way to make this work. Now, I support those actions, but the amount that can be cut from each agency are estimates of potential savings.

So the question is immediately raised, what happens to law enforcement in our National Parks and refuges or Indian education or the fire program if we adopt those budget cuts and then find out that the savings do not materialize? So we hope you will address those.

The Department has made great progress on several fronts over the last year or 2, and I am aware that your budget was up 14 percent last year. So maybe you can absorb some of this, but our staff has said it is going to be very difficult if not impossible.

And finally, Mr. Secretary, before turning to Senator Alexander for any comments he might care to make, I would just like to congratulate you on the tremendous job you have done in utilizing the \$3 billion provided through the stimulus, or the Recovery Act. I know that you have until September 30 to obligate all the funds, but I understand that the Department has made significant progress in awarding 3,400 Recovery Act projects. I also understand that many of these projects have come in below budget, which is very unusual around here, and because of that savings, it will enable you to undertake an additional 140 projects at our parks and wildlife refuges. So we really appreciate this. I think it shows solid management and is really impressive.

Now, I would like to turn this over to my friend and my colleague and the distinguished ranking member of this subcommittee, Senator Alexander.

Senator ALEXANDER. Thanks, Madam Chairman. It is good to see you and especially to see our friend Ken.

The Department lost one of its fine public servants in Sam Hamilton. We all regret that and admire his life and public service, 30 years with the FWS.

I appreciate the difficult financial environment.

I thank you for your work, especially with Congressman Shuler on the North Shore Road to bring that to a conclusion. That was a difficult problem that has been going on since World War II, and I think your decisions have helped bring that to a successful conclusion.

I also thank you for coming to the 75th anniversary of the Great Smoky Mountain National Park where you attracted nearly as much attention as Dolly Parton did.

Senator FEINSTEIN. Without the assets.

Senator ALEXANDER. Well, he had a hat.

Senator LEAHY. I have so many things I want to say.

Senator FEINSTEIN. Do not say them.

Senator ALEXANDER. Senator Dirksen once told Senator Baker he should try to be guilty occasionally of unexpressed thoughts.

So I think all of us will do that here.

The Land and Water Conservation Fund (LWCF), I am going to reserve my comments until the questions, but here are the areas that I will be interested in. The difference between the funding for Federal and for State-side of land and water. The State comes up pretty short.

You and I have talked about additional operations and maintenance fundings for the National Parks. Senator Feinstein just talked about that.

I continue to be concerned because the Great Smoky Mountains, because of historical circumstances, has two or three times the visitors of our other major parks, but gets about one-half the funding of similar parks.

I would like to mention Education in the Parks initiative which we worked on last year, and as Senator Feinstein said, we do not want to destroy the environment in the name of saving the environment. At least one major conservation group has talked about the renewable energy sprawl, and you have talked about treasured landscapes. We simply want to work with you to make sure there are clear policies about what is appropriate and what is not. I will be giving you a letter later today with some suggestions for what I hope could be a part of the policy that we are looking forward to receiving from you later, and I look forward to your testimony.

Thank you, Madam Chairman.

Senator FEINSTEIN. Thank you very much, Senator.

Mr. Secretary, please proceed.

#### SUMMARY STATEMENT OF HON. KEN SALAZAR

Secretary SALAZAR. Thank you very, very much, Senator Feinstein, not only for your leadership of this subcommittee, but for your leadership on so many issues. More recently I have been seeing a lot of you, as has David Hayes, with respect to California water and it is a crisis and we hope we find our way through.

Senator Alexander, thank you for your leadership, for welcoming me to the 75th anniversary of the Great Smoky Mountains, and I look forward to working with you as well on so many issues.

To all of you, the members of this subcommittee, my good friends, Senator Collins, who really was the chief sponsor of so many movements on the LWCF; to Senator Leahy, who took me into Jordan and lots of other places, and under his wing; and to Senator Cochran, who in front of this Senate introduced Sam Hamilton to be the Director of FWS; and to John Tester, the Senator from Montana, who has taken me to Glacier National Park and other places, you are a wonderful group of people. It is my honor to appear before you today.

With me today is David Hayes, who is the Deputy Secretary of the Interior and has been leading the efforts on California water, as well as on climate change and renewable energy within the Department. I think you want to hear some comments from him briefly after my opening comments.

And Pam Haze, our Deputy Assistant Secretary for Budget, who has put together this budget.

In the audience, is Steve Black, who is our counselor on energy and has worked with you on the monument issues in California, Senator Feinstein; Mike Poole, who is Deputy Director of the BLM;

Mary Catherine Ishee who is heading up our renewable energy efforts on the Atlantic offshore wind, as well as Gary Frazer from FWS.

#### DEPARTMENT OF THE INTERIOR MISSION

Let me simply start out by saying the Department of the Interior has a very important mission and it is a mission which I like to carry out every day, thinking that it is probably the most important mission of the executive agencies of the Government. That mission simply is to protect the Nation's natural resources and the Nation's natural and cultural heritage. We do that every day with all of the authorities in each of the agencies under my jurisdiction.

#### ECONOMIC IMPACTS

It is also important, when we think about Interior, to recognize there is a huge economic contribution the Department of the Interior makes to this country. Whether it is at Acadia National Park in Maine or the great wildlife refuges of Mississippi, we know there is a huge economic contribution that comes from the activities of this Department. Our economic analysis, which I had the economists in our Department complete about 1 month ago, demonstrates that we generate about 1.3 million jobs a year out in the private sector. The economic contribution that comes from visitation to our National Parks, oil and gas production, renewable energy production, and all the rest of the activities of the Department nears almost \$400 billion a year. So unlike other parts of the Government, we are significant economic generators in each of your States, and we are very proud of that.

#### BUDGET

This budget reflects tough choices in some very tough times. It is not a budget we would be presenting here if we were navigating through times where there would be the ability to access funds with your support to help us fulfill some of the greater visions that we have. So there are tough choices here. I think as both Senators Feinstein and Alexander alluded to, we had to make some tough choices as we went through the budget.

#### INFORMATION TECHNOLOGY AND TRAVEL REDUCTIONS

For example, I know the cuts you alluded to, Senator Feinstein, on travel and information technology are just real cuts. We are having our employees travel less. We are being smarter in how we travel. Information technology—instead of spending more than \$1 billion a year, which we are spending in the Department with each bureau doing its own thing, we are doing a consolidation so we can have better information technology but also doing it in a way that saves money.

For my time in the Department of the Interior over the last 14 months, I have had 5 simple priorities.

#### ENERGY AND CLIMATE CHANGE

The first is to work as part of the Obama team, working with this Congress on a new comprehensive energy program for the Na-

tion and tackling the issues of climate change which affect each and every one of your States.

On the energy front, we have moved forward with a robust conventional energy program, which has included both onshore leasing and production for oil and gas and other resources, as well as offshore. In comparison to what has happened in the previous 8 years, I think we have stayed apace with respect to the rates of leasing of the public lands for oil and gas production, including in the Outer Continental Shelf (OCS).

With respect to renewable energy, we have launched a new direction on renewable energy, and this budget proposes that we will be standing up more than 9,000 megawatts of renewable energy power just on the onshore. With respect to the offshore, in particular, we have a focus on the Atlantic because so many of the governors along the Atlantic want us to move forward with an offshore renewable energy program. We think there is great hope there, and we are very focused on making that possible.

As part of the energy future for America and a comprehensive plan, we also have tackled the realities of climate change. I know there is great debate here today and will be in the year ahead about what we do with energy and climate change, but I see it when I go to Glacier National Park. I am told by our scientists there that the glaciers will not be there by the year 2020, or in the Apostle Islands in Lake Superior where the waters are 5 degrees warmer than they were just 30 years ago, or in the Colorado River Basin, which is so water-short and our projections are that we will be having 20 percent less water there than we have had historically. Those are huge issues that we have to address.

#### TREASURED LANDSCAPES

Second, America's great outdoors. Senator Alexander, from the days of President Eisenhower and on, has carried on the baton moving forward with what we do with our great outdoors. It is important for hunters, for anglers, and working in the right way with local governments and respecting private property rights, that we move forward with an agenda on that, and the LWCF increases included in this budget are very much a part of that agenda.

#### WATER

Third, water. We have initiatives in here with respect to new water management initiatives on conservation and reuse and recycling, as well as dealing with specific water conflicts we face including the water conflict in the San Francisco Bay-Delta. Hopefully, those will help us move forward to a 21st century approach to water conservation.

#### YOUTH IN NATURAL RESOURCES

Fourth, youth. We educate millions of young people in our national parks and wildlife refuges across the country. We have about 400 million visitors throughout the Department's facilities. Many of them are young people, and we actually educate in the classroom more than 2 million young people just through the NPS alone. Through the employment side of things, we have moved forward

with a robust jobs program for young people. Our hope is that we will be able to have more than 12,000 young people working as seasonals with the Department of the Interior.

#### EMPOWERING NATIVE AMERICAN COMMUNITIES

And finally, Native Americans. We have had a long and sordid and negative history and conflict with the Native Americans of the United States, 564 tribes who have a nation-to-nation relationship with the United States and a trust responsibility with the Department of the Interior. This budget supports addressing many of the issues in Indian country, including law enforcement.

#### PREPARED STATEMENT

I would like to have David Hayes, Madam Chairman, give a quick overview of the renewable energy efforts.

[The statement follows:]

#### PREPARED STATEMENT OF HON. KEN SALAZAR

Madam Chairman and members of the subcommittee, I am pleased to be here today to present the details of the 2011 budget request for the Department of the Interior. I know that you have a particular interest in the Department's role in building a new energy future, and look forward to speaking with you about this important issue. I want to thank the Chairman, the members of this subcommittee and the Appropriations Committee for your support of our Department and ongoing reforms that are important to the stewardship of the Nation's natural and cultural resources and to fulfilling our trust responsibilities to American Indians and Alaska Natives. Your support for Interior's programs is helping us to build a strong foundation to achieve a clean energy future, tackle climate change impacts, conserve our treasured landscapes, and empower tribal communities. I look forward to working closely with you to continue to advance these priorities.

I look forward to a continued partnership with you and your staff to address another issue—California's water problems. The situation in California's Bay-Delta ecosystem is a full-blown crisis that requires all hands on deck. Although many of California's water managers served by the Federal Central Water Project anticipate receiving adequate water supplies, some managers face a fourth straight year of uncertain water supplies due to the legacy of 3 straight years of drought and the near collapse of the ecosystem, which has affected deliveries to agricultural and urban water customers south of the delta and devastated the commercial salmon fishery.

My Deputy Secretary, David Hayes, is leading Interior's implementation of the administration's Interim Federal Action Plan for the Bay-Delta ecosystem. Interior, through the Bureau of Reclamation (BOR), Fish and Wildlife Service (FWS) and U.S. Geological Survey (USGS), has a key role in this plan. In the 2011 budget before this subcommittee and your colleagues on Energy and Water Development, the Department requests \$155.2 million for studies, projects and other efforts directly in the Bay-Delta, an increase of \$50.6 million above 2010. In addition, the budget includes \$72.9 million for WaterSMART grants and studies to support water recycling and reuse projects and address water availability issues throughout the country.

#### INTRODUCTION

I am honored to serve as the 50th Secretary of the Interior and to oversee this Department and its vast domain. Our mission is as simple as it is profound. We protect America's natural resources and cultural heritage. Our land and community-based programs touch the lives of most Americans, including 1.7 million American Indians and Alaska Natives.

Interior manages 500 million acres or about 1 in every 5 acres in the United States, including 392 national park units, 551 wildlife refuges, the 27 million acre National Landscape Conservation System, and other public lands. These places are treasured landscapes. They provide us with scenic landscapes, recreational opportunities and they tell our history and our varied culture. They serve as economic engines for tourism and growth opportunities for recreation, drawing visitors and supporting jobs and businesses in surrounding communities.

The Department's public lands and 1.7 billion acres on the Outer Continental Shelf (OCS) supply nearly one-third of the Nation's domestic energy production. These resources are vital to the Nation's energy security and provide economic returns to the Nation. In addition, the mineral and timber resources that are from the public lands support industry, help to pave our roads, and build our homes.

The Department of the Interior's people, programs, and information have an impact on all Americans. Interior recently analyzed the economic impacts of its programs and activities, and estimates that the Department generates the following in economic benefits: The Department supports more than 1.3 million jobs and more than \$370 billion in economic activity. Parks, refuges, and monuments generate more than \$24 billion from recreation and tourism. Conventional and renewable energy produced on Interior lands and waters results in \$292 billion in economic benefits and the water managed by the Interior supports more than \$25 billion in agriculture.

The Department fulfills its special responsibilities to American Indians and Alaska Natives, managing one of the largest land trusts in the world including more than 55 million surface acres and 57 million acres of subsurface mineral estates held in trust for Indian tribes and individual Indians, more than \$3.6 billion of funds held in more than 2,700 trust accounts for approximately 250 Indian tribes, and more than 380,000 open Individual Indian Money accounts. The Bureau of Indian Education school system provides services to approximately 42,000 students in 23 States attending 183 elementary and secondary schools and supports 30 tribally controlled community colleges, universities, and postsecondary schools.

The Department of the Interior is truly the Department of America. We are uniquely positioned to provide enduring benefits to the American people. We will invest the resources included in the 2011 budget and make wise and prudent investments that will allow us to maximize opportunities to realize the potential of our lands and waters, resources, and people.

#### THE FIRST YEAR

In January 2010, I celebrated my first anniversary as Secretary of the Interior by recognizing the achievements of Interior's 70,000 employees, including:

- Restoring the Everglades*.—Beginning construction of the 1-mile bridge on the Tamiami Trail and breaking ground on the Picayune Strand Restoration project in the Everglades in Florida—to restore water flows and revive 55,000 acres of wetlands for wildlife habitat;
- Negotiating a Settlement of the Long-running and Highly contentious Cobell v. Salazar class-action lawsuit*.—Resolving trust accounting and management issues after 14 years;
- Advancing Renewable Energy Development*.—Establishing renewable energy coordination offices in four States and teams in six States to facilitate renewable energy production on public lands and issuing four exploratory leases for renewable wind energy production on the OCS;
- Moving forward to invest \$3 billion available from the American Reinvestment and Recovery Act in facility renovation and energy efficiencies, habitat restoration, increasing water supplies and water conservation, supporting renewable energy development, and reducing human hazards;
- Restoring confidence and accountability in our energy programs by beginning an orderly termination of the Royalty-in-Kind program and reforming the management of onshore oil and gas resources;
- Coming to the aid of drought-stricken California with emergency aid and infrastructure investments;
- Expanding Opportunities for Youth*.—Employing 8,200 young adults in 2009;
- Opening the Crown of the Statue of Liberty for Public Access*.—The Crown has been closed to the public since 9/11;
- Ending a Stalemate at the Flight 93 National Memorial*.—Completing the acquisition of land in cooperation with willing sellers and clearing the way for construction of a memorial to honor the Nation's heroes;
- Delisting the Brown Pelican*.—A case of complete recovery for a species that was first listed as endangered in 1970;
- Increasing Transparency*.—Reversing and withdrawing flawed oil and gas leases with potential impacts to national parks in Utah and oil shale research, development, and demonstration leases that may have shortchanged taxpayers; and
- Helping to negotiate a collaborative solution that would end decades of conflict and potentially allow for the restoration of the Klamath River Basin in California and Oregon.

## OVERVIEW OF THE 2011 BUDGET

Interior's 2011 budget reflects an aggressive agenda in the context of challenging fiscal times. The 2011 Interior budget request for current appropriations is \$12.2 billion, \$38.7 million or 0.3 percent below the level enacted by Congress for 2010. Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional \$5.8 billion, for budget authority totaling \$18 billion for Interior in 2011.

Within this amount, the budget proposes investments for high-priority goals and initiatives. With the 2011 budget, the Department will:

- Implement a comprehensive New Energy Frontier strategy that creates jobs, reduces the Nation's dependence on foreign oil, and reduces environmental impacts. The budget requests an increase of \$27.4 million for renewable and conventional energy programs.
- Confront the realities of climate change by launching an integrated strategy for Climate Change Adaptation. An increase of \$35.4 million is requested to implement the Department's integrated program.
- Develop a 21st century conservation agenda that protects Treasured Landscapes. The 2011 budget includes increases of \$106 million for Land and Water Conservation Fund programs and \$71.4 million for investments in major ecosystem restoration projects in the Chesapeake Bay, California's Bay Delta, the Gulf Coast of Louisiana and Mississippi, and Everglades.
- Tackle the water challenges facing the country with a new strategy to Sustain and Manage America's Resources for Tomorrow. The Department's WaterSMART sustainability agenda includes increases of \$36.4 million.
- Engage America's Youth in Natural Resources.*—The budget increases funding for youth programs by \$9.3 million.
- Honor Trust Responsibilities and Empowering Tribal Nations.*—The budget includes targeted increases for contract support and other tribal priorities.

These increases are possible within a level budget as the Department is proposing \$750 million in terminations, reductions, and management efficiencies and absorption of \$108.7 million in fixed costs.

The 2011 request includes \$11.1 billion for programs funded in the Interior, Environment and Related Agencies Appropriations Act. This is \$16.7 million, or 0.2 percent, below the level enacted for 2010. The 2011 request for the BOR and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act, is \$1.1 billion, \$22 million or 2 percent below the level enacted for 2010.

In 2011, Interior will continue an exemplary record of producing revenue for the U.S. Treasury. The estimate for revenue collections by the Department in 2011 is \$14 billion, more than offsetting the budget request for current appropriations.

## NEW ENERGY FRONTIER

The Department of the Interior oversees one-fifth of the Nation's landmass and more than 1.7 billion acres of the OCS. As the steward of the Nation's energy and mineral estate, the Department has a leadership role, promoting clean energy that can reduce climate impacts, and responsibly developing conventional energy sources to reduce reliance on foreign oil.

The New Energy Frontier initiative will create clean sources of energy using the Nation's vast domestic resources. The New Energy Frontier initiative invests \$73.3 million in renewable energy programs, an increase of \$14.2 million more than 2010. The initiative includes \$3 million for BLM to focus on the environmental elements of renewable energy projects, \$3.2 million for Materials Management Service (MMS) region-specific planning needs, \$3 million for USGS to analyze and document the effects of renewable energy on wildlife populations, \$4 million for FWS to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of projects, and \$1 million for BIA to support renewable energy development efforts on tribal lands.

The Department has a High Priority Performance Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior-managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011.

The 2011 budget continues support for the development of conventional energy, with \$460.2 million in BLM, MMS, and BIA. This is a net increase of \$13.1 million more than the 2010 level. Within this requested level, there is an increase of \$4.4 million for MMS's 2007–2012, 5-year program and \$10 million for audit costs to support the transition from Royalty-in-Kind to Royalty-in-Value. The 2011 budget increases the MMS inspection fee on OCS above-water oil and gas facilities by \$10

million. A reduction of \$13 million is proposed in the net BLM oil and gas program appropriation, which is offset by \$10 million in new inspection fees in the onshore oil and gas program; the remaining \$3 million reduction results from the completion of a legislated energy study. BIA's budget includes an increase of \$1.5 million for conventional energy leasing activities on the Fort Berthold Reservation, including support for a "one-stop-shop" to streamline development activities in the area.

#### CLIMATE CHANGE ADAPTATION

Resource managers consider climate change to be the single most challenging issue they face. In order to equip them with the tools and strategies they need, Interior's Climate Change Adaptation initiative will investigate the causes and formulate solutions to mitigate climate impacts to lands, waters, natural, and cultural resources. As the pre-eminent manager of lands and resources, Interior will leverage its experience and expertise in partnership with other governmental and nongovernmental entities. Interior's Climate Science Centers and Landscape Conservation Cooperatives will conduct and communicate research and monitoring to improve understanding and forecasting for those natural and cultural heritage resources that are most vulnerable to climate change impacts.

The Department's High Priority Performance Goal for Climate Change Adaptation is to identify areas and species most vulnerable to climate change and begin implementing comprehensive adaptation strategies by the end of 2011.

The 2011 budget includes \$171.3 million for the Climate Change Adaptation Initiative, an increase of \$35.4 million more than 2010. This includes continued investments in the USGS National Climate Change and Wildlife Science Center (\$8 million), which will serve as the nexus for 8 Climate Change Science Centers; expansion of monitoring in USGS (\$1 million) and FWS (\$8 million) that will be integrated, standardized, and accessible to Interior bureaus, partners, and the public; expansion of the USGS carbon sequestration project by \$2 million; expanded science and planning capacity in FWS (\$8.8 million) and BLM (\$2.5 million) to support additional Landscape Conservation Cooperatives; and FWS adaptive management activities with private landowners (\$2 million). Beginning with the 2011 budget, the BOR and Bureau of Indian Affairs (BIA) identify dedicated climate change funding, including an increase of \$3.5 million for Reclamation basin studies and scientific support and \$200,000 for BIA participation in an LCC.

#### WATERSMART

The 2011 budget proposes a sustainable water strategy to assist local communities to stretch water supplies and improve water management. A High Priority Performance Goal is established to enable capacity to increase water supply for agricultural, municipal, industrial, and environmental uses in the Western United States up to 350,000 acre-feet by the end of 2011 through the BOR's conservation programs including water reuse and recycling and WaterSMART (formerly challenge) grants.

The budget for the WaterSMART program—Sustain and Manage America's Resources for Tomorrow—includes \$72.9 million, an increase of \$36.4 million more than the 2010 enacted level for sustainability programs in Reclamation and USGS. Reclamation will use \$62 million, an increase of \$27.4 million, to improve water management by encouraging voluntary water banks; reduce demand; implement water conservation and water reclamation and reuse projects; and take action to improve energy efficiency and reduce environmental conflicts. The USGS will use \$10.9 million, an increase of \$9 million, for a multi-year, nationwide water availability and use assessment program.

#### YOUTH IN NATURAL RESOURCES

The future of resource conservation depends upon the next generation's understanding of the importance of natural resources and cultural treasures. The 2011 budget continues the Youth in Natural Resources initiative which signals the Secretary's emphasis on youth involvement.

The Department's High Priority Performance Goal for Youth in Natural Resources is, by the end of 2011, to increase by 50 percent from the 2009 level, the employment of youth (ages 15 to 25) in the conservation mission of the Department.

The budget includes an additional \$9.3 million for programs at the parks, refuges, and other public lands. This includes \$5.8 million for youth employment and education programs in the National Park System (NPS) and \$2 million for youth programs at national wildlife refuges. The budget also includes \$2 million for FWS and BLM to partner with the National Fish and Wildlife Foundation in public-private partnerships to engage youth through conservation projects on public and private

lands. The total for youth programs includes an elimination of a \$500,000 earmark in the FWS Migratory Bird program. In addition, NPS has committed to dedicate a total of \$6.4 million, \$2 million more than last year, of recreation fee revenue collected at parks to youth projects that benefit the visitor experience.

#### TREASURED LANDSCAPES

The 2011 budget reflects the President's agenda to protect America's treasured landscapes and demonstrates a sustained commitment to a 21st century conservation agenda. The budget will allow Interior to intensify efforts to protect treasured landscapes; to participate in major restoration efforts to restore, protect, and preserve key ecosystems; and to operate and maintain landscapes.

Interior's 2011 budget includes \$445.4 million, an increase of \$106 million for Interior Land and Water Conservation Fund programs including Federal acquisition and State grants. The budget also includes \$288.2 million, an increase of \$71.4 million targeted to key ecosystems for restoration and renewal—the Everglades, California's Bay-Delta ecosystem, the Gulf Coast of Louisiana and Mississippi, and the Chesapeake Bay.

President Obama's 2011 budget protects open spaces, forests, and wildlife habitat by funding \$619.2 million in Land and Water Conservation Fund programs in the Department of the Interior and USDA Forest Service. This is a 29 percent increase more than the 2010 enacted and a 104 percent increase more than the 2009 level. With these consecutive increases, appropriations from the Land and Water Conservation Fund are on track to reach the full funding level of \$900 million annually by 2014.

The 2011 budget also includes \$288.2 million for high-priority ecosystem restoration, an increase of \$71.4 million from the 2010 level. This includes \$148 million that is requested as part of the Interior, Environment and Related Agencies appropriation, an increase of \$25.9 million. The balance is requested in the BOR budget. These ecosystem restoration efforts build on existing programs and efforts and feature the following efforts targeted for 2011 funding increases.

The Department of the Interior, through the NPS, FWS, USGS, and the BIA, is a key player in restoring the Everglades ecosystem. In 2011, the budget includes \$74.5 million, an increase of \$6 million more than the 2010 enacted level for restoration of the Everglades. This request includes \$8 million for the Tamiami Trail 1-mile bridge, a component of the Modified Waters Delivery project that is being managed by the Corps of Engineers.

The 2011 budget includes an increase of \$50.6 million for increased efforts by the BOR, FWS, and USGS to conduct studies, projects, and other efforts in the California Bay-Delta. These activities will support the December 22, 2009, Bay-Delta Interim Action Plan, investing in short- and long-term actions for sustainable water and ecosystem restoration. This request will fund habitat restoration efforts, the development of fish screens and fish ladders, efforts to eradicate or mitigate invasive species, various water quality and quantity studies and assessments, and other efforts. This includes \$5 million for FWS and \$45.6 million in the BOR budget.

The FWS owns and manages 10 National Wildlife Refuges totaling 300,000 acres along the coast of Louisiana and Mississippi. For FWS and NPS, there is a net funding increase of \$4.8 million in 2011 to support the restoration of key fish and wildlife habitat along the Gulf Coast of Louisiana and Mississippi and enable FWS to provide its expertise to multi-agency projects in the area. This includes a reduction of \$192,000 to the NPS Gulf Coast Programs.

The Department's 2011 budget for USGS, FWS, and NPS includes \$31.6 million, an increase of \$10 million to expand the Department's efforts to conserve and restore the Chesapeake Bay's cultural and natural resources.

#### EMPOWERING TRIBAL NATIONS

The Empowering Tribal Nations initiative includes programs to advance nation-to-Nation relationships, improve Indian education for students in BIE funded schools, improve the safety of Indian communities, and reform trust land management with an ultimate goal of greater self-determination. In November 2009, the White House held a Tribal Nations Conference, which was attended by more than 400 tribal leaders. At the conference, the President pledged to strengthen Nation-to-nation relationships, improve the tribal consultation process, and empower strong and stable Indian communities.

Overall, the 2011 budget request for Indian Affairs is a reduction of \$3.6 million from the 2010 enacted amount, after excluding the \$50 million in one-time funding to forward-fund tribal colleges in 2010. Maintaining key increases for law enforcement and education programs, the 2011 budget request includes programmatic in-

creases of \$70.6 million for the Empowering Tribal Nations initiative. Specifically, the 2011 budget:

- Advances nation-to-Nation relationships and Indian self-determination by providing additional funding of \$21.5 million for contract support costs and the Indian Self-Determination Fund, \$2.9 million to assist with the unique needs of small and needy tribes, and \$2 million for social services.
- Protects Indian country by providing \$19 million to increase the number of Federal Bureau of Investigations agents that are on-the-ground and dedicated to Indian country.
- Advances Indian education with \$8.9 million to address environmental and security concerns at BIA schools and strengthen grant support funding for tribally operated BIA schools.
- Improves trust land management with increases of \$11.8 million to promote both renewable and conventional development on tribal lands, defend and assert Indian water rights, and assist tribes with dam safety.

The Department's High Priority Performance Goal for Safe Indian Communities will achieve significant reductions in criminal offenses of at least 5 percent within 24 months on targeted tribal reservations by implementing a comprehensive strategy involving community policing, tactical deployment, and critical interagency and intergovernmental partnerships.

*Settlement of the Cobell Lawsuit.*—On December 8, 2009, the parties in *Cobell v. Salazar* announced a pending settlement of the 14-year-old class-action lawsuit alleging the Federal Government's mismanagement of assets held in trust on behalf of individual Indians. Under the terms of the settlement, approximately \$1.4 billion would be distributed to the class members with each member receiving \$1,000 for their historical accounting claims and some receiving additional funds related to trust management claims. The second part of the settlement provides for a \$2 billion fund for the purchase of fractionated land interests held in trust on behalf of individual Indians. In addition, as an added inducement to facilitate the purchase of fractionated land interests, up to \$60 million of the \$2 billion for land acquisition will be contributed to an existing, nonprofit organization for the benefit of educating American Indians and Alaska Natives. On February 12, 2010, the President transmitted to Congress a package of budget amendments that includes the *Cobell* settlement. Final disposition of the settlement is pending congressional action and approval by the Court.

#### MANAGEMENT EFFECTIVENESS

This subcommittee's leadership on high-priority public lands issues has been critically important, including the Wild Horse and Burro and Wildland Fire programs as highlighted below. The subcommittee has also helped us to accelerate our efforts to protect the public and public lands from marijuana trafficking and remediate abandoned mine site hazards. The budget maintains a strong commitment to make progress on these issues, which are high priorities for the Department.

*Wild Horse and Burro Program.*—The current path of the Wild Horse and Burro program is not sustainable for the animals, the environment, or the taxpayer. On October 7, 2009, I announced a new comprehensive long-term plan to put the wild horse and burro program on a sustainable track. The plan identifies three management strategies to improve the protection and management of wild horses:

- Managing sustainable herds on western rangelands through the aggressive application of fertility control measures.
- Establishing new wild horse preserves, primarily in the Midwest and East for horses that must be removed from western rangelands.
- Providing special designations for selected treasured herds in the West.

The 2011 BLM budget includes \$75.7 million, a program increase of \$12 million, for the Wild Horse and Burro Management program. The BLM LWCF budget includes an increase of \$42.5 million to acquire land for a wild horse preserve. Initial costs for implementing the proposals would be significant as the BLM acquires preserves and works to achieve sustainable herd levels on public rangelands, but overall program costs should decline in the future. The plan will enable BLM to achieve appropriate management population levels on the range in the near future.

*Responsibly Budgeting for Wildfire.*—The budget responsibly budgets for wildfires and includes \$933.9 million for Wildland Fire Management, an increase of \$78 million. The 10-year average of suppression costs is fully funded. The budget proposes continuation of a regular suppression account and the FLAME Wildfire Suppression Reserve Fund, and includes a new Presidential Wildfire Contingency Reserve account. Regular suppression will support initial attack and predictable firefighting costs; the FLAME funds will be used in cases of severe, complex, and threatening

fires and be used as a contingency reserve. The Presidential Contingency Reserve would require the issuance of a Presidential finding when the suppression and FLAME appropriations are soon to be exhausted. There is a proposed program reduction of \$42.6 million in the hazardous fuels reduction program. Fire management resources would be used in a cost-effective manner in high priority areas, such as the Wildland Urban Interface to more effectively reduce the risk of wildfire to communities.

*Program Reductions.*—Consistent with the President’s directive to freeze spending on nonsecurity discretionary spending, we took a hard look at all of our programs across the Department. We found more than \$750 million in program reductions for ineffective or low-priority programs, including the elimination of one-time funding. Included within these reductions is \$50 million for a one-time payment to forward-fund tribal colleges. This was a one-time increase in the 2010 budget to provide funding in advance of the academic year, and the \$50 million is not needed in 2011. The budget also contains a \$163.9 million reduction, or 34 percent, for Interior construction accounts. These reductions take into consideration the \$3 billion Interior received through the American Recovery and Reinvestment Act. The 2011 budget proposes reductions of \$38.4 million to terminate the Save America’s Treasures and Preserve America programs managed by the NPS and reduces the Heritage Partnership Program grants for National Heritage Areas by 50 percent.

*Management Efficiency Savings.*—The 2011 budget assumes management efficiency savings throughout the Department totaling \$82.1 million. All bureaus and program offices, including the Working Capital Fund, assume reductions from efficiency savings that are either bureau-specific or are part of a Department-wide reform. The budget assumes \$20.1 million in bureau-specific management efficiency savings which includes \$3.4 million from property consolidation.

The Department’s 2011 budget assumes \$62 million in savings from three specific Department-wide management initiatives launched in 2010—travel, information technology consolidation, and strategic sourcing. All of these improvements were identified from the administration’s SAVE Award effort, where Federal employees across the country put forward their best ideas to improve Government operations. Each of these initiatives targets unnecessary redundancy. Implementing management policies will reinforce these initiatives to ensure efficiencies are achieved. Savings from these reforms are assumed in each bureau and program office budget request commensurate with established criteria.

#### LEGISLATIVE AND ADMINISTRATIVE PROPOSALS

The budget assumes enactment of a number of legislative proposals, including:

- Termination of mandatory payments from the General Treasury to States and tribes that have been certified as completing reclamation of abandoned coal mine sites and, consequently, no longer need funds for that purpose.
- A \$4 per acre fee on nonproducing Federal oil and gas leases on Federal lands and waters to 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 released to and developed by new parties.
- The budget proposes to make permanent the current arrangement for sharing the cost of administering energy and minerals receipts. 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 through a 2 percent deduction from their payments.
- The administration will submit legislation to repeal portions of section 365 of the Energy Policy Act. Section 365 diverted mineral leasing receipts from the 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.
- The administration will submit legislation to repeal section 224(b) of the Energy Policy Act of 2005. The repeal of section 224(b) will permanently discontinue payments to counties and restore the disposition of the geothermal revenue to the historical formula of 50 percent to the States and 50 percent to the Treasury.
- The budget proposes to repeal section 344 of the Energy Policy Act of 2005. Section 344 extended existing deep gas incentives to ensure that Americans receive fair value for federally owned mineral resources.
- The administration proposes to reauthorize FLTFA, eliminating the 2010 sunset date and allowing lands identified as suitable for disposal in recent land use plans to be sold using the FLTFA authority. FLTFA sales revenues would con-

tinue to be used to fund the acquisition of environmentally sensitive lands and the administrative costs associated with conducting sales.

- Federal Migratory Bird Hunting and Conservation Stamps, commonly known as Duck Stamps, were originally created in 1934 as the Federal licenses required for hunting migratory waterfowl. The administration proposes to increase these fees to \$25 per stamp per year, beginning in 2011. Increasing the cost of Duck Stamps will bring the estimate for the Migratory Bird Conservation Account to \$58 million.
- The Office of Insular Affairs is currently engaged with the State Department, the Defense Department, and other agencies in a review of the Compact of Free Association with the Republic of Palau. Permanent and indefinite funding for the compact expires at the end of 2010. The 2011 budget seeks to authorize permanent funding for the Compact as it strengthens the foundations for economic development by developing public infrastructure, and improving healthcare and education.

Through appropriations language, the administration proposes to implement the following changes:

- Create an inspection fee in 2011 for onshore oil and gas drilling activities that are subject to inspection by BLM. The proposed inspection fee is expected to generate an estimated \$10 million in 2011, offsetting about 25 percent of the cost of onshore inspections.
- Continue a fee for processing drilling permits through appropriations language, an approach taken by Congress in the 2009 and 2010 Appropriations Acts. A fee of \$6,500 per drilling permit was established in 2010, and if continued, would generate an estimated \$45.5 million in offsetting collections.
- Increase the inspection fees in 2011 for offshore oil and gas drilling activities that are subject to inspection by MMS. The increased fees are expected to generate an estimated \$20 million in 2011, offsetting about half of the cost of inspections.

SAM HAMILTON, DIRECTOR, FWS

Before I conclude my statement, I want to pay tribute to a great conservation leader that died last month. Sam Hamilton was a visionary and a professional whose years of service and passionate dedication to his work have left an indelible mark on the lands and wildlife we cherish. His forward-thinking approach to conservation—including his view that we must think beyond boundaries at the landscape-scale—will continue to shape our Nation's stewardship for years to come. He as a remarkable leader and a compassionate, wise, and eternally optimistic man.

When Sam became the Director of the FWS on September 1, 2009, he brought more than 30 years of experience with the Service, beginning when he was 15 years old working as a Youth Conservation Corps member on the Noxubee National Wildlife Refuge in Mississippi. Throughout his career, Sam exhibited outstanding leadership and fostered creative and innovative solutions to the challenges facing wildlife conservation. In the Southeast Region, he supported efforts leading to the establishment of a carbon sequestration program that has helped biologists to restore roughly 80,000 acres of wildlife habitat. His emphasis on partnership activities bolstered the Service's fisheries program and helped establish the Southeast Aquatic Resources Partnership to restore vital aquatic habitats across the region.

Sam provided key leadership and oversight to restoration work in the Everglades and oversaw the extensive recovery and restoration efforts following Hurricanes Katrina and Rita, which devastated coastal wetlands, wildlife refuges, and other wildlife habitat areas along the Gulf of Mexico.

Sam believed that the sustainability of the Nation's fish and wildlife resources require our cooperative efforts and he worked tirelessly toward building collaborative partnerships for conservation of resources for this and future generations. We will miss Sam.

#### CONCLUSION

Thank you for the opportunity to testify on behalf of the President's 2011 budget request for the Department of the Interior. I want to reiterate my appreciation for the long-standing support of your subcommittee and the full Appropriations Committee. We have a tremendous opportunity to improve the future for our children and grandchildren with wise investments in clean energy, addressing climate impacts, treasured landscapes, our youth, and the empowerment of tribal nations. I look forward to working with you to implement this budget. This concludes my written statement. I am happy to answer any questions that you may have.

Senator FEINSTEIN. Please proceed Mr. Hayes. Glad to have you here.

SUMMARY STATEMENT OF DAVID J. HAYES

Mr. HAYES. Thank you. Thank you, Senator. Thank you, members of the subcommittee.

I will be very brief in terms of reviewing our priorities on the renewable energy side.

As you know, this is a Presidential priority and, as the Secretary just mentioned, one of his priorities, which is to facilitate more attention on bringing more renewable energy opportunities through our public lands and our offshore resources.

The approach has been to focus on key study areas and corridors, and as Bob Abbey, our Director of BLM likes to say, do it right from the start, get the right sites that work from an environmental perspective, put our resources into streamlining those projects and implementing them.

On the solar side, we have implemented that by taking the programmatic environmental impact statement (EIS) that had been started at the end of the prior administration and bringing definition to it; finding 24 areas that looked most promising in the West, as identified by the Western Governors Association and by a process that had begun in California, and doing a deeper dive into those 24 specific areas so that we could get a better look as to which of those looked the most promising in terms of development.

We have also identified a number of fast-track projects that we are working on and working through in a coordinated fashion with other stakeholders to determine whether they are good candidates for potential stimulus funding. We have a number of those projects moving along this year.

Throughout, we are looking to complete thorough environmental analysis, take no shortcuts when it comes to the environment, including taking an eye towards species impacts, mitigation, and siting concerns. That is why, Senator Feinstein, we have worked with your office, for example, to ensure that our projects are consistent with your plans for Mohave Trails National Monument.

On the wind side, as the Secretary mentioned, we have taken a special focus on offshore wind off the Atlantic. The Secretary recently met with the governors of the Eastern States and has set up a special process with them. Each of the governors is identifying a resource person to work with our team and develop a strategy moving ahead on the east coast. A tremendous opportunity there, as Senator Collins well knows, in part because of the magnitude of the resource and how close it is to those load centers.

On transmission, this is a key issue to unlock some of the renewables. If we cannot get the renewables, for example, in Montana and much of the Intermountain West to those large load centers, then we will not have that development. Steve Black and the Secretary have been working on a project with other Federal agencies. We have an Memorandum of Understanding and we are working very closely with the Department of Energy (DOE), Federal Energy Regulatory Commission (FERC), the Secretary of Agriculture, and others to coordinate our planning. We have a series of fast-track

projects. We are bringing the Federal Government together to help make the projects that make sense go forward.

Let me also mention, finally, we are looking for developing tribal opportunities in the renewable energy area as well. There are 77 tribal reservations that have commercially viable wind resources. We want to help tribes develop those resources and bring them to market.

#### PREPARED STATEMENT

Finally, geothermal and hydro are also areas of attention by the Department. We are looking for the broadest sweep possible of development on the renewable side that makes sense, and we appreciate the support of this subcommittee both in terms of providing the funds needed to make sure we do this in a smart and environmentally responsible way.

Thank you, Senator.

[The statement follows:]

#### PREPARED STATEMENT OF DAVID J. HAYES

Madam Chairman and members of the subcommittee I am pleased to have the opportunity to testify on behalf of the Department's Renewable Energy program. This is an exciting and unprecedented direction for the Department and we are moving rapidly to remove the barriers to renewable energy development in the United States—responsibly in a manner that protects the environment.

#### CLEAN ENERGY FUTURE

During the first year of his administration, President Obama has led the United States toward a clean energy future. A primary reason for delivering this change is that the United States cannot afford to fall behind in the energy technologies that will shape this century. We spend hundreds of billions of dollars each year on imported oil—our oil dependence poses risks to our national security.

Renewable energy development is one of President Obama's highest priorities, and the United States has come far in developing renewable resources this past year under the President's leadership. New jobs are being created and many more are coming in the clean energy sector. America's abundant natural resources can help us rise to meet the challenges we face.

The great promise of solar energy and other renewable resources has led us at the Department of the Interior to change how we do business. For the first time, environmentally responsible renewable energy development is a priority at this department. Until now, our deserts, plains, forests, and oceans have been largely unexplored for their vast clean energy potential.

#### OPPORTUNITIES

The possibilities are immense, and the opportunities are great. The Department oversees 20 percent of the Nation's lands and 1.7 billion offshore acres. The Department of Energy's National Renewable Energy Laboratory estimates the wind potential off the East Coast of the United States in the Atlantic Ocean to be more than 1,000 gigawatts, greater than our entire national electricity demand. Turbines are already springing up to capture the energy of the wind that blows across the Great Plains. We have huge solar potential in the deserts of the Southwest containing an estimated 2,300 gigawatts of energy capacity, not far from the great cities of Los Angeles, Las Vegas, and Phoenix. Geothermal energy opportunities are bubbling up across the country. We have great opportunities to increase hydropower production through improvements in efficiency, by adding power generation units to existing facilities, and through pumped storage.

During the past year, we offered new areas for oil and gas development, but instituted reforms to ensure we are offering leases in the right places and in the right way. Importantly, and relevant to today's hearing, we have also opened the new renewable energy frontier—not just for solar power, but also for wind, geothermal, and hydropower—on America's lands and waters that will help power our clean energy economy.

We have opened Renewable Energy Coordination Offices in California, Nevada, Wyoming, and Arizona and established teams in six other States—Colorado, Idaho, Montana, New Mexico, Oregon/Washington, and Utah—that are charged with expediting the required reviews of solar, wind, geothermal, and biomass projects and supporting the prompt permitting of appropriate transmission-related projects on our public lands.

We worked with the Federal Energy Regulatory Commission to develop and enter into a memorandum of understanding that resolved jurisdictional concerns that had resulted in the delay of renewable energy projects on the Outer Continental Shelf (OCS). We have also put in place long-awaited offshore renewable energy rules, creating the first-ever framework for offshore renewable energy development, which we expect to result in the development of significant offshore wind energy potential. We subsequently awarded four exploratory leases for wind energy production on the OCS offshore of New Jersey and Delaware.

The Secretary recently announced that the Minerals Management Service (MMS) will establish an Atlantic renewable energy regional office—this will be the first Federal office specifically supporting renewable energy development on the OCS. Two weeks ago the Secretary met with the governors of 11 Atlantic Coast States that are considering the development of offshore wind energy projects to explore how to support and coordinate the development of this new industry. All agreed that the United States cannot be left behind and that cooperative planning is needed to move forward. The Secretary established a consortium of Federal agencies and Atlantic States to pro-actively determine the best sites for renewable energy development rather than let the applications drive the process. As the Department explores the potential for renewable energy in offshore areas, wind energy production in the Atlantic offers great promise. This collaboration will allow us to move smartly to identify the areas most suitable for development and streamline the permitting process.

As we open this new energy frontier, new development and new technology deployment on public lands will help solve key challenges in reliability, storage, and transmission of renewable energy and ultimately could mean lower costs to the private market in meeting energy demands.

We cannot afford to fall behind in the development of solar energy technologies. Over the past year, as we have worked to make the President's vision a reality, there has been much discussion in the media about the development of these technologies in other nations. We have heard that China is now the world leader in the manufacture of solar panels and wind turbines, and it has targeted the development of renewable and low-carbon energy as a priority. A number of European countries, including Spain and Germany, have developed aggressive policies that have led to expanded development of renewable, specifically solar, energy.

The Department's vast land ownership and the breadth of our management responsibilities over those lands puts us in a unique and important role with regard to the domestic development and transmission of solar energy. The possibility of capturing the Sun's abundant energy and making it usable as a clean, nonpolluting source of power; the potential of American ingenuity to drive more efficient applications; and the promise of additional jobs for the new energy economy are ensuring that we at the Department are moving quickly to responsibly develop this tremendous energy potential on our public lands.

Renewable energy was the subject of Secretary Salazar's first Secretarial Order, issued in March 2009. That order made facilitating the production, development, and delivery of renewable energy, including solar energy, on public lands and the OCS top priorities at the Department. The Secretary has pledged that these goals will be accomplished in a manner that does not ignore, but protects our signature landscapes, natural resources, wildlife, and cultural resources.

#### MOVING FORWARD

Over the past year we have worked diligently to prioritize the development of renewable energy on our public lands and our offshore waters. Last June, Secretary Salazar and Senate Majority Leader Harry Reid announced the identification of 1,000 square miles, 24 tracts of Bureau of Land Management (BLM)-administered land, in the West as Solar Energy Study Areas. We are fully evaluating these areas for their suitability from an environmental and resource perspective and for the large-scale production of electricity from solar energy.

Along with the Department of Energy, we are preparing a Solar Energy Development Programmatic Environmental Impact Statement, due for public release in late 2010. This EIS will be a landscape-scale plan for siting solar energy projects on our public lands in the Southwest that have been identified as having the best potential

for utility-scale solar energy development. The BLM has identified approximately 23 million acres with solar energy potential, including the 24 Solar Energy Study Areas, which are being reviewed as part of this process to evaluate the environmental suitability of solar energy development across the West. The Solar Energy Study Areas alone have the technical potential to generate nearly 100,000 megawatts of solar electricity, enough to power millions of American homes. The public comment period on these solar study areas closed in September 2009, and we are evaluating the comments we received.

We believe that landscape-scale planning and zoning for solar projects on our public lands will provide a more efficient process for permitting and siting of this type of development.

To further our goals, we have announced 34 “fast track” renewable energy projects. Fast-track projects are those where the companies involved have made sufficient progress in the environmental review and permitting process and they could potentially be cleared for approval by December 2010, thus making them eligible for economic stimulus funding under the American Recovery and Reinvestment Act of 2009.

Fourteen of the 34 fast-tracked projects are solar energy projects. These include several different types of concentrated solar thermal technologies—like solar engine, parabolic trough, and power tower—and photovoltaic cells, and are located in Arizona, California, and Nevada. All are currently undergoing detailed environmental impact reviews, and if ultimately approved, some 5,000–6,000 megawatts of new capacity could be permitted for construction by the end of this year. Moreover, our analysis indicates that tens of thousands of jobs could be created in the development of these projects alone.

In this same vein, last fall Secretary Salazar and California Governor Schwarzenegger announced a memorandum of understanding between the State and the Department that will expedite the process of siting, reviewing, approving, and permitting renewable energy projects on Department-managed lands in California.

We must also recognize that the development of transmission capacity for this new energy production is a crucial element. Developing solar and other renewable energy resources, which are often located in remote areas, will require new transmission capacity to bring this clean energy to the population centers where it is needed. The Department has already identified and designated more than 5,000 miles of transmission corridors on the lands it manages to facilitate the siting and permitting of transmission lines in the right ways and in the right places, and we are processing more than 30 applications for major transmission corridor rights-of-way on the lands we manage, with 7 applications in Idaho, California, and Nevada that could add more than 1,000 miles of new transmission, on the “fast track” to potential permitting this year.

This administration is working smartly to cut through bureaucratic barriers. In October 2009, the administration announced that 9 Federal agencies, including Interior, had signed a memorandum of understanding designed to expedite the siting and permitting of electric transmission projects on Federal lands. This agreement commits the participating agencies to close coordination and a number of procedures to improve the Federal process under existing authorities, including establishing a single point of contact for all required Federal authorizations.

#### BUDGET

The 2011 budget supports our efforts to create clean sources of energy using the Nation’s vast domestic resources. The New Energy Frontier initiative invests \$73.3 million in renewable energy programs, an increase of \$14.2 million more than 2010. The initiative includes \$3 million for BLM to focus on the environmental elements of renewable energy projects, \$3.2 million for MMS region-specific planning needs, \$3 million for U.S. Geological Survey to analyze and document the effects of renewable energy on wildlife populations, \$4 million for U.S. Fish and Wildlife Service to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of projects, and \$1 million for Bureau of Indian Affairs to support renewable energy development efforts on tribal lands.

The Department has a High Priority Performance Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior-managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011.

The Department is redoubling efforts to evaluate existing applications for renewable energy projects. The BLM is currently processing approximately:

- 130 applications for utility-scale solar projects that involve approximately 77,000 megawatts and 1.2 million acres of public land;

- 22 geothermal development plans that total 761 MW;
- 249 applications for wind energy applications—207 for testing; and
- 42 applications for wind energy projects that involve 5,861 MW.

## CONCLUSION

Thank you for the opportunity to testify on behalf of the Department's Renewable Energy program and thank you for your leadership to advance responsible renewable energy development. This is a breakthrough time for the Nation's energy future. We will continue to work with you to ensure a balance between meeting the Nation's energy needs and careful stewardship of our natural and cultural resources, in partnership with local communities across the country. This concludes my written statement. I am pleased to answer any questions you may have.

## ENERGY

Senator FEINSTEIN. Thank you very much. Appreciate that.

Mr. Secretary, because of the time and we have these votes, I am going to take my budget questions and send them to you and would appreciate a response in writing and go right to the energy questions, of which there are many, but I will do just one or two with my time.

## ENERGY DEVELOPMENT IN CALIFORNIA DESERTS

More than 100 developments—energy—have been proposed for California's deserts, and less than 5 have even begun the formal National Environmental Policy Act (NEPA) permitting process. So here is the question. How many pending applications to develop the California desert stand before BLM today? How many have begun the formal NEPA review? And how many do you expect BLM to complete reviewing by the end of this year?

Secretary SALAZAR. Senator Feinstein, total solar projects in the California desert are 52. Under formal NEPA review at this time, there are nine. We expect to be able to have nine of those approved by the end of the year.

Senator FEINSTEIN. Okay, good.

How many of the solar development proposals in fast-track permitting would be halted by the legislation I have submitted, the Mohave Trails National Monument, and other provisions of the Desert Protection Act which I authored in the 1990s? And how many acres of the solar study zones overlap the proposed monument?

Secretary SALAZAR. Senator Feinstein, let me just say we have been working closely with you to avoid conflicts between the siting of these solar facilities and the areas that need protection, and I think our staffs have essentially come up with agreement on the boundaries so we can avoid conflicts to the maximum extent. There may be some projects that are affected, but I think at the end of the day, we have come to understand your legislation is exactly what our approach is, that there are right places for there to be development, and there are places where we ought not to have development. I think in working closely with you and the stakeholders in southern California, we have achieved that balance under your legislation.

I will say this. Overall, our goal is by the end of this year, 2010, December 1, because of the economic recovery program efforts, we want to have permitted approximately 5,000 megawatts of renew-

able energy power across the western landscape, and much of that is in California, Nevada, and Arizona.

Senator FEINSTEIN. Thank you. My understanding—because we have worked together, I wanted to get you on the record—is that there are zero projects affected by fast-track permitting that would be halted, and in terms of acres of the solar study zones overlapping the monument, there are zero acres there as well.

Secretary SALAZAR. David, will you confirm that fact?

Mr. HAYES. That is correct, Senator.

Senator FEINSTEIN. Thank you very much.

#### SOLAR DEVELOPMENT PERMITTING

Solar development permitting requires completion of spring biological surveys. As spring approaches, will BLM require all developers proposing development on public land to either complete necessary spring biological studies or give up their applications? The question is why or why not?

Secretary SALAZAR. It is the first time, Senator Feinstein, that somebody raises the question with such specificity, but only the chairman of this subcommittee would do that in terms of the spring efforts that have to be done.

We are working very hard with the applicants of these projects and with our sister Federal agencies to make sure the EIS process is followed. We are tracking each of the projects within the 34 listed projects for fast-track possibility, and we want to make sure we are not doing anything that is in conflict with environmental legal requirements. If the work has to be done in the spring, I am certain that is what is being done.

Senator FEINSTEIN. Yes. Because we believe there is a provision that the work has to be done, and what you are telling me is that will then be the requirement. Is that right?

Secretary SALAZAR. If that is the requirement of the law, that is what we shall do.

Senator FEINSTEIN. Okay.

#### ENERGY DEVELOPMENT IMPACTS

What are the criteria that the BLM will use with regard to endangered species impacts, viewshed impacts, water use impacts, cultural impacts, and other impacts on the public land?

Secretary SALAZAR. What we have tried to do is to minimize those impacts, and so as David Hayes testified, our approach has been to be smart from the start and to be proactive in planning. I think in the past, before this administration, essentially what would happen is that applications would be taken in and they would be processed without a sense of where it was appropriate to do the development. Through our efforts, including the programmatic EIS with respect to solar, the one with respect to wind, and the other environmental planning efforts that we have underway, we want to essentially zone out those areas where we think we have the greatest promise for renewable energy development. When we look at the Western States, the programmatic EIS is covering about 23 million acres of land. As we go through that effort and as we burrow down even further, we hopefully will be able to isolate those areas where there is conflict so we can have more of

a green light with respect to those areas that are appropriate for renewable energy development, as we have with your monument legislation.

Senator FEINSTEIN. Thank you very much. Your work is very much appreciated. Thank you.

Senator Alexander.

Senator ALEXANDER. Thank you, Madam Chairman.

#### RENEWABLE ENERGY

Mr. Secretary, you mentioned 5,000 megawatts of energy. You mean 5,000 megawatts of capacity or actual production?

Secretary SALAZAR. It is 5,000 megawatts of permitted energy projects.

Senator ALEXANDER. Well, but if it is a solar or wind project, they only operate about a one-third of the time. So it would probably be more accurate to say if it is 5,000 megawatts of capacity, it would be 1,500, 1,700, or 1,800 megawatts of actual production, or about the equivalent of 2 nuclear reactors.

Secretary SALAZAR. What we are talking about is the total that would be developed from any of these energy projects. So, Senator Alexander, my understanding has always been if we are developing a 350 megawatt solar power project in the deserts of the Southwest, that it will produce 350 megawatts. And so, yes, when there are clouds that come over, you do not have the sun, you are not going to have that kind of power being produced. What is expected—with each of these applications—is that is the total quantum they would produce on an annual basis.

Senator ALEXANDER. The point I am leading to is that we often talk with renewable energy about 1,000 megawatts of electricity for wind and solar when only a one-third of that is actually produced by comparison with a coal plant or a gas plant or a nuclear powerplant where the electricity is produced 90 percent of the time.

So as an example, based on my computation—and I would like to discuss wind in the same way that Senator Feinstein discussed solar—in order to produce 20 percent of our electricity from wind turbines, it would take 186,000 wind turbines, which would cover an area the size of West Virginia, but it would only take 100 reactors covering 100 square miles, which is the reason why some conservation groups are becoming concerned about the so-called renewable energy sprawl.

I am happy, A, that you are focusing on treasured landscapes and, B, that the President—over the last 6 weeks—has begun to take significant steps to encourage nuclear power because it has less impact on the landscape. The scale of it is so small.

#### SITING

In the case of the wind turbines, as Mr. Hayes mentioned, if we had 186,000 wind turbines, we would need about 19,000 miles of transmission lines, whereas if we had 100 new reactors, we would need almost no new transmission lines because they could go over existing lines.

So my questions would be, as I understand today's policy, we do not site new energy projects in National Parks or refuges. Is that correct?

Secretary SALAZAR. That is correct.

Senator ALEXANDER. And would that also be true with new renewable energy projects?

Secretary SALAZAR. Senator Alexander, there are renewable energy projects that we do have on wildlife refuges or National Parks. They are the kinds of small solar or even small wind projects that essentially produce electricity for those refuges. We do not have commercial scale kinds of facilities.

But if I may take your question because I think this is the broader question. What are you planning to do with renewable energy and how does that tie into the whole energy plan of the administration? The President has been clear from day one that a comprehensive energy plan needs to have a very broad portfolio. Yes, he has taken a strong position with respect to nuclear. We will have an oil and gas component, as we have executed that program in the last year. But renewable energy and clean energy is very much a part of that energy future.

Senator ALEXANDER. I do not want to be rude, but I only have a minute left.

Secretary SALAZAR. Your point on intermittency with respect to wind and to solar is part of what we have to do as we create a Smart Grid system to make sure we address that issue.

#### RENEWABLE ENERGY

Senator ALEXANDER. My concern is especially with the ridges of the Eastern United States, as you know, because we have talked about it because they are the only place, except for the coastlines, where wind works well. And in the Southeastern United States, it barely works at all. We have spent more than a century and billions of dollars of public and private money protecting these landscapes and these areas.

For example, the Appalachian Trail runs 2,178 miles from Georgia to Maine, and were we to run a row of 50-story wind turbines adjacent to the trail, it would only equal the power produced by four nuclear reactors and we would still need the reactors for when the wind does not blow.

So my question would be, are you considering in the East, as a part of your treasured landscape, finding ways to protect the Appalachian Trail specifically and its viewscapes from large 50-story wind turbines and leaving the production of carbon-free electricity to other forms of electricity that might not interfere with that viewscapes?

Secretary SALAZAR. Our own view, Senator Alexander, is there are appropriate places for siting the wind-energy potential and places that we ought to protect. I know, for example, that you will not see wind turbines in the viewsheds of the Great Smoky Mountains National Park or the ridge lines that I know you have protected.

It is a very legitimate question. As we stand up renewable energy, whether it is wind or solar, do you want it to be everywhere? The answer to that is no. There are places where it ought not to be, and that is why smart from the start is really the way to go with respect to renewable energy.

Senator ALEXANDER. Madam Chairman, I have a letter to the Secretary which I will give to him and I will submit my other questions in writing. Thank you.

Senator FEINSTEIN. Thank you very much, Senator.

Senator TESTER.

Senator TESTER. Well, thank you, Madam Chair.

And I want to thank the Secretary for being here today. It is always good to see you and, David Hayes and Pamela Haze, thank you for being here too and the rest of your team, Mr. Secretary. I very much appreciated the opportunity to visit.

First of all, I need to ask how many folks do you have in the Department of the Interior. How many folks work there?

Secretary SALAZAR. Approximately 70,000.

#### MONUMENT MEMO

Senator TESTER. Seventy thousand. There has been concern in Montana about a leaked memo by one of those 70,000 people on national monuments. Being from the West yourself, you probably understand those concerns. In fact, I am sure you do.

So I guess my first question is, are there any plans to designate national monuments in Montana by the Department?

Secretary SALAZAR. The answer to that is there are no plans that we have to move forward. There have been no directions from the White House that we move forward with the monument designation. It obviously is a Presidential exercise of authority.

What there have been conversations about, Senator Tester, are the same kinds of conversations I have had with many of you on this subcommittee over the last year, and that is in 2010, it is about 102 years after President Roosevelt called the leaders of America together to essentially launch the conservation agenda, which has made America very unique. That is the kind of conversation and dialogue we hope to be able to have with people across the country, including the people of Montana, and we will do that with you and with State and local and private landowners in your State.

Senator TESTER. We will appreciate it.

Just to follow up, so that if there is any sort of activity like that going on, public input on the ground would be sought out by your Department.

Secretary SALAZAR. Absolutely.

Senator TESTER. Okay.

#### MISSOURI RIVER BREAKS

Another issue similar. There has also been talk about possible land agreements along the Missouri River breaks. Some folks are fired up about the Department coming in and actively planning to pursue purchase along the Missouri River in the breaks region. Do you know, is this something that is real or is it something that is not real? Does the Department plan on buying land in the breaks?

Secretary SALAZAR. I am not aware that there is any such plan, Senator Tester. The fact again here is that the best way these things work is exactly the kind of effort many members of this subcommittee were involved in, and that was the passage of the Public Lands Management Act of 2009. For me, that was the first chapter of the America great outdoors agenda. All the pieces that were in-

cluded in that legislation, which included some 2 million acres of wilderness, 1,200 miles of wild and scenic rivers, National Park improvements, and a whole host of other things, it was members of this subcommittee that were driving that legislation based on what the local community wanted. That is what we intend to do.

#### ABANDONED MINES

Senator TESTER. Moving over to abandon mines, the AML was zeroed this year, as it was in last year's budget. There are many in Montana, as there are in California and throughout the West. In Montana, we have a law that requires Surface Mining Control and Reclamation Act funds to be used for cleanup. We cannot use it for funding education or prisons or anything like that. If it comes in from the Federal Government, it has to be used for mine cleanup.

Could you give me any sort of perspective on how we could get this money reinstated and if you think it would be a wise thing to be reinstated if the States were required to use it for mine cleanup?

Secretary SALAZAR. This is one of those tough choices kinds of questions because we are in the process of deficit reduction and trying to keep our budget controlled. We looked at the coal mine dollars that were coming back, and saw that those monies were supposed to be going for coal mine reclamation. We know what happens is it ends up shorting States like Montana and others who are using that money for reclamation of abandoned mines. It is a huge issue in this subcommittee, including Senator Feinstein, who have taken a huge lead role in addressing the problem that we have with tens of thousands of abandoned mines in the West.

So at the end of the day, it is an appropriation issue. We did our best in the administration to try to come up with a way of moving forward. So let me just leave it at that.

Senator TESTER. Okay.

#### RENEWABLE ENERGY PILOT OFFICES

David Hayes talked about renewable energy, and I appreciate your perspective on that. Over the last year, pilot offices have been opened up in Wyoming, Arizona, California, and Nevada for renewable energy projects to help streamline those projects to get through the redtape, so to speak. I think there is a tremendous amount of opportunity, and I think your Department and your leadership by Secretary Salazar has been critically important.

Is there a plan to expand and have more pilot offices other than just those four States? And the reason I ask is because Montana has incredible wind opportunities, not just on the ridges, but also on the flats that blows well. Is there any opportunity to help? Because I think those pilot offices are critically important if we are going to get—when you talk about transmission, generation—and you can defer to Mr. Hayes, if you want, Mr. Secretary.

Secretary SALAZAR. Mr. Hayes.

Mr. HAYES. Senator, we actually have a special team dedicated to Western States. We are using the four offices as satellites, but there are teams in important Western States working closely.

We are very aware of the special opportunities in your State and we will work with the existing offices. I am sure we would be delighted to open up additional offices as well, but we are finding these offices are working well in the States where they do not physically reside, as well as the ones where they do.

Senator TESTER. We will work you. I would just say that I think that we have tremendous opportunity, as the Secretary has pointed out, and I do not want to see that opportunity go by the wayside. Thank you.

Thank you, Madam Chair.

Senator FEINSTEIN. Thank you.

Senator Collins.

Senator COLLINS. Thank you. Thank you, Madam Chairman.

I think all of us are going to brag to you about the strength of our wind resources in our States, whether it is Montana or Maine. But, Mr. Secretary, Deputy Secretary Hayes, as you know, my State of Maine has some of the strongest offshore wind resources in the Nation, as well as the scientific and manufacturing capacity to lead the Nation in developing new composite materials for deep water offshore wind turbines. And I would say to my dear friend from Tennessee that an advantage of offshore wind is you do not have the aesthetic issues that you do with onshore wind. In addition, deep water offshore wind is much stronger and more persistent than some of the onshore wind sites. So in Maine, we are very excited about the possibility of leading not only the Nation but the world in the development of deep water offshore wind.

#### FEDERAL PERMITTING

But to realize that vision, we need improvements in the Federal permitting process. The offshore wind industry, a coalition of offshore wind groups, just recently issued a white paper in which they estimate that the process that the Minerals Management Service (MMS) uses would take some 7½ years for a qualified offshore wind developer who submits an initial application today to secure the regulatory approvals needed to start construction. I am told that this is more than three times the period that is required to permit a typical gas turbine plant, and it is longer than the anticipated timeline to grant a permit to a new nuclear plant.

I am very concerned about that long delay because we see China leaping ahead in the development of alternative energy. We see England taking a lead in permitting offshore wind. I do not want our country to lose the edge in the development of alternative energy, particularly offshore wind, because our permitting process is so slow and cumbersome.

So I would ask both of you whether you are looking at the industry's suggestions for reducing that long permitting process. For example, it is my understanding that MMS currently requires two EIS, one for getting the lease for the area and a second to begin construction. Is the Department looking at ways to shorten that permitting process, Mr. Secretary?

Secretary SALAZAR. Senator Collins, the answer to that is absolutely yes, and it is absolutely unacceptable that any Government process like this should take 3 to 9 years. In the onshore area, for

example, we are fast-tracking projects where we will have permits by December of this year.

Three things just briefly on Atlantic offshore wind.

One is we are working with the Governors of the Atlantic States to develop a consortium to develop offshore wind all along the Atlantic.

Two, there are huge opportunities with respect to transmission in the Atlantic that essentially would allow for the flowering of the offshore wind in the Atlantic, and we are very hopeful we can move forward with that.

Three, I have charged a group of people, led by David Hayes and Steve Black, to come up with recommendations on how we can redo the process with respect to permitting in the offshore wind.

To the extent we require legislative assistance, we will be back to the Congress to get that assistance, but in the meantime, I believe there are ways in which we can shorten that process by borrowing some of the same processes we are using on the onshore.

Senator COLLINS. Thank you.

I also hope that as MMS looks at leasing opportunities on the OCS for renewable resources, that you will revise the draft regulations which do not include the Gulf of Maine at this time. We obviously need to protect sensitive fishing grounds, but that is a very large area. And I have submitted formal comments on those issues, and I hope you will revise the list of potential areas to include the area off the coast of Maine for renewable energy. I hope to see that in the final version.

Madam Chairman, I know my time has expired. I will submit the rest of my questions for the record.

Mr. Secretary, let me just end by thanking you for coming to Acadia National Park last summer for that wonderful visit. I want to join Senator Feinstein in applauding your use of Recovery Act monies, including the most recent \$4.7 million for the Schoodic Environmental Research Center, which you toured this summer. So thank you.

Senator FEINSTEIN. Thank you very much, Senator Collins.

Senator Leahy.

Senator LEAHY. Thank you.

Mr. Secretary, it is always good to see you. You are dear friend and it is nice to see Mr. Hayes and Ms. Haze here with you.

Senator LEAHY. You can note for the record those last names are spelled differently.

And you are always welcome to come visit Vermont if you would like to.

Secretary SALAZAR. I will be there.

Senator LEAHY. Thank you, and I will welcome you there.

#### FULL FUNDING FOR LWCF

I am glad to see in the budget request that you put us on track to fully fund the LWCF by 2014. These are very needed funds for national parks and refuges. They protect endangered species habitat. They promote outdoor recreation. What it does is preserve land for our children and our grandchildren. If you make a mistake and preserve too much, you can always sell it back, but you do not get to get it if it is not preserved in the first place. It has been in the

budget for far too long. So I am glad to see your efforts to put it back into full funding.

#### WHITE-NOSE BAT SYNDROME

Let me talk to you about an issue that involves me and unfortunately is about to involve Tennessee and many other States. Our last few winters have been very serious but not for the obvious reasons. We have experienced a die-off in our bat population of historic proportions. Adrienne is putting up a map over there showing the spread of white-nose syndrome of bats. It was first discovered in our bat population in 2007. It has now spread infected every hibernacula in my State. Populations have been completely wiped out. It has caused the steepest decline in North American wildlife in the past century and has killed more than 1 million bats in the last 4 years.

Why should you think this is important? Well, of course, any farmer will tell you how extremely important bats are because they eat crop pests, and if you lose all these bats, it is going to have very damaging, probably irrevocable effect on our agriculture. Last year it spread 450 miles in a single winter. It is now documented in 10 States. Biologists feel it soon will reach the largest colonies of endangered Indiana gray and Virginia big-eared bats. It was confirmed, as I mentioned, in a Tennessee cave just last month. These stories are horrendous. I have photographs which I will leave for you and your staff of just how horrible it is.

A significant investment is required to work on this. We are going to have just a huge, probably hundreds of millions of dollars worth of damage in crops and in human health if we do not stop this. It is so interrelated.

Where we on this issue, Mr. Secretary?

Secretary SALAZAR. Senator Leahy, thank you for your leadership on the LWCF and on Vermont issues. I will want to visit one of the wildlife refuges in Vermont here this year and hopefully I can do it with you when you are available.

With respect to the bat issue, it is something which has been raised to us. It is something we are very aware of. FWS and the United States Geological Survey (USGS), along with the NPS, are allocating in this budget \$2 million to continue to do research and to understand what is happening with the bat issue. It has become a much more high-level issue in the last year because we understand the statistics, including the morbidity rates that you have been talking about. We will look at it and try to do as much as we can.

Senator LEAHY. I would urge accelerating whatever you are doing because it is basically an epidemic. People do not think of bats until they start realizing just how much it does in the balance of nature. Again, agricultural areas are just going to be devastated, but obviously you are going to find human populations are affected because of the huge increase in flying pests and the chance for more cases of West Nile virus.

#### LAKE MEMPHREMAGOG

Also, I will take a moment to talk about the opportunity for the Department to conserve more than 400 acres of ecologically signifi-

cant lakefront property on the border between Vermont and Quebec, Canada on Lake Memphremagog. Nevermind the spelling. We will get that to you. This land was bequeathed to the Federal Government at no cost—it is 400 acres—provided only the ownership transfers prior to September of this year. Otherwise, it is going to be given to a secondary beneficiary and likely to be subdivided and so forth.

Now, you and the Northeast Regional Director, Marvin Moriarty, all the FWS staff have been working hard to do this. But the clock is ticking. We have 6 months. I mean, it is free land, one of the most beautiful areas between the United States and Canada from a very generous donor. Will you kindly nudge everybody to keep this moving? My office will help anyway we can because once that deadline comes, this is gone.

Secretary SALAZAR. Senator Leahy, we are days away from completing the process and days away from the decision. We will get it done.

Senator LEAHY. Thank you very much.

Madam Chair, thank you very much. Did we pass out this map?

Senator FEINSTEIN. It went down this way.

Senator LEAHY. Oh, good.

Senator FEINSTEIN. I know Senator Reed is very interested in bats and he would like to see that.

Senator LEAHY. Listen, we can joke about it.

Senator FEINSTEIN. I am not joking.

Senator LEAHY. Nor am I, this thing is devastating. It is going to destroy agriculture in some part of this country—I mean, we are going to see our apple orchards disappear. We are going to see a lot of our grain crops disappear. It is just unbelievable how white nose syndrome has spread so rapidly.

Senator FEINSTEIN. Thank you very much for your advocacy, Senator.

Next is Senator Cochran.

Senator COCHRAN. There is no relationship between the bat out of hell and your role in Batman. Was there?

Senator LEAHY. No. I was a good guy.

Senator COCHRAN. Mr. Secretary, thank you very much for your cooperation and attention to the interests of the members of the subcommittee. We especially appreciate your visit to Mississippi. I remember going with you to the Vicksburg National Military Park and visiting the old courthouse there, historic assets, resources that make our State, and I am sure every State in the Union is proud of heritage and history, to keep these sites accessible to visitors so they may continue to enjoy the natural beauty, as well as historical points of interest around our great country.

#### NATCHEZ TRACE PARKWAY

The Natchez Trace Parkway is a very important artery for visitors coming to our State. They go from the northeast corner down to the Natchez area on the Mississippi River. We hope we can continue to support that, the maintenance of it, and make sure it is a place that is attractive to the visiting public. Your assistance in that regard continues to be appreciated.

## SAM HAMILTON

I was glad you mentioned Sam Hamilton. We regret his passing, our wonderful friend and a great contributor to our appreciation of natural resources and protecting our ecosystems in our State and throughout the country. His sudden death was a great shock to us all. We are going to suggest that the North Mississippi National Wildlife Refuge complex be named in his honor. We hope that you can support that as well.

## COASTAL RESTORATION

Hurricane Katrina devastated the Gulf Coast, and we have been working and I know you have too in coastal restoration. Thank you for your leadership, and we hope that this budget request will contain support for that important work to replenish barrier islands to keep a good working relationship going between the NPS and the Corps of Engineers, which is essential to expeditiously completing that important project.

So I look forward to your testimony. Thank you very much for being here to help us understand your request.

Secretary SALAZAR. Thank you very much, Senator Cochran.

I think Mississippi does demonstrate how this Department really is the Department of the Americas. When we think about the great wildlife values and national park facilities that we have in your State, it is something that makes us very proud.

We thank you for honoring Sam Hamilton both in life and now and look forward to working with you in terms of how we honor a man who understood that the matter of conservation was not a Republican or a Democrat or any other kind of affiliation. It was a matter of doing it right and working with local communities in the creation of Landscape Conservation Cooperatives. Much of what you see in this budget with respect to Landscape Conservation Cooperatives and climate change essentially was the brain child of Sam Hamilton.

Thank you very much, Senator Cochran.

Senator FEINSTEIN. Thank you very much, Senator Cochran.

Senator Reed.

Senator REED. Thank you very much, Madam Chairman.

And thank you, Mr. Secretary, for your leadership in the Department.

## ATLANTIC WIND ENERGY POTENTIAL

I want to associate myself with the remarks of Senator Collins about the potential for wind in the Atlantic. We are in Rhode Island at the stage of trying to get some projects off the ground, and you have been very, very helpful. You recently convened all the governors to talk about how the States can cooperate with your agency.

We, in Rhode Island, have been working with a joint Federal/State task force to do a request for interest (RFI) for a Federal lease, and we have had conflicting advice from MMS. And we have been forced to revise this document twice. At the same time, the State of Massachusetts has been promulgating their request without coordination with Rhode Island.

I know there has been some, because of your work, better collaboration between the States, but it does raise several questions. One is how is MMS working to minimize these conflicts between the States of sharing information and also of insisting that there be thorough analysis of the topography and the subsurface elements.

Secretary SALAZAR. Senator Reed, you raise a very important question, and I agree with the inference that we could, in fact, do much better. I would just say that it is important to note the historical context of this, that before I became Secretary of the Interior, there were no rules and really no program for offshore wind. David Hayes led the effort with Jon Wellinghoff from FERC to address the bureaucratic logjam that essentially allowed us to move forward with the framework. The framework is still a work in progress. It is not perfect, and that is why we have charged MMS—and I am personally involved in this—to work with the States to come up with a template on how we are going to move forward.

In the context of all the things I work on, standing up the renewable offshore wind capacity off the Atlantic is close to the very top of the priorities, and we will not leave any stone unturned to make sure that we do it better. We already have the working group with the States to try to figure out how we can minimize those conflicts.

Senator REED. I thank you for that, Mr. Secretary. One of the aspects of Rhode Island that we feel gives us a good foundation to begin this process is for the last several years, going back 2 or more years, we have conducted a special area management plan study. We have basically looked very closely at the subsurface geological characteristics. We have integrated with fishing grounds, et cetera. I think we might be as far ahead as anyone.

I think that factor is not being considered enough by MMS in terms of what they are doing. For example, I do not think our sister States, Massachusetts and others, are that far ahead yet. They still are sort of submitting their RFIs and going ahead. So I think, again, in this process of trying to rationalize what is being done, credit for recognition of the scientific basis of these proposals should be much greater. And I think you agree.

Secretary SALAZAR. I agree.

Senator REED. Thank you.

#### ATLANTIC RENEWABLE OFFICE

Let me also say you have indicated that you are going to create an Atlantic office for renewable energy. Do you have any idea where that is going to be?

Secretary SALAZAR. It is going to be in one of the Atlantic States.

Senator REED. So it is from Caribou, Maine to Key West, Florida. We have narrowed it down?

Secretary SALAZAR. Yes. Actually, Senator Reed, there are a number of criteria that we are looking at. The bottom line is the principle that will drive us in the decision to locate this office will be how we make it the most effective office, and that means having an office that can essentially communicate with all of the different stakeholders along the Atlantic States. We are close to that decision. Stay tuned for lots of announcements we will be making with respect to offshore wind in the months ahead.

Senator REED. Yes. Given the interest, obviously, of not just Senator Collins, but I think many members of the subcommittee, I think we would all like a fair opportunity to advance our recommendations. And I know you will make the decision and you will make it based upon what you believe is the best and most effective means to carry out your policy. But there is a great deal of interest not in my home State alone but up and down the coast in terms of getting this. I think part of it is because of what we have talked about previously, this sense that it is difficult to coordinate with MMS, that it is a voice at the end of a phone that sometimes is not the same voice, all these things.

So the location of this facility will signal but also that I presume will be the place where we will all have to go and coordinate. It will be sort of the direct service. Is that your concept, sort of one-stop shopping?

Secretary SALAZAR. It is and it is to provide a focal point for the coordination of these issues on the Atlantic offshore wind, many of which you have raised as problems that we currently are facing. We are moving forward with the hiring. We really should not be moving forward with the hiring until you know where the location of the office is going to be.

Senator REED. Well, I am simply defending Senator Collins' rights. That is all I am doing.

Secretary SALAZAR. We are on the case.

Senator REED. Thank you.

Senator FEINSTEIN. Thank you, Senator Reed.

Senator Bennett.

Senator BENNETT. Thank you very much, Madam Chairman.

Mr. Secretary, last week we had a discussion about the monuments and the Antiquities Act, and I am delighted to have Senator Tester join with me. And I appreciate your answer to him being the same one that you gave to me.

#### OIL AND GAS

I want to turn now to another issue that I am sure will not come as a surprise, and that is oil and gas. The primary issues that we are faced with right now in the country are jobs and the deficit. Those are the two things I hear the most about when I am out campaigning. Where are the jobs? What are you doing to get us those jobs? And gee, we hate all this Government spending. We hate the size of the deficit.

I think the two are interrelated with respect to oil and gas. Maybe some do not understand it, but the revenues that come from oil and natural gas, next to the income tax, are the largest source of revenue in the Federal Government. The program pays for itself many times over. The study I have seen says that the onshore oil and gas program generates \$46 for every \$1 spent on the program and \$123 when you factor in income and other taxes, income paid by people who are working in the industry by the companies, et cetera. It is pretty tough to come up with any example of a Federal program that can produce \$146 return on every \$1 spent. And of course, there are jobs.

## APPLICATIONS FOR PERMITS TO DRILL FEES

Now, your budget proposes a significant increase in the application for a permit to drill fee, a new nonproducing lease fee, a new inspection fee, a rulemaking for onshore royalty rate increase, and new taxes on the oil and gas industry.

Now, I am a businessman and when we have a problem with a product, you do not raise prices on it in an effort to have it move more. And we have something here that we want to continue, and yet with all of these increased fees and increased prices, I think there is going to be an impact both on the jobs and on the amount of money that the Federal Government receives because we have already seen in my home State with the reaction to what has been done in the areas that we have talked to Mr. Hayes about companies saying, well, we are just not going to fool with dealing with the Federal Government. We are going to take our rigs and we are going to go someplace else, and they move from Utah to Oklahoma or Texas or some other places.

And now you are saying, well, if you do stay on Federal lands, we are going to charge you significantly more by virtue of this. And we have a tremendous unemployment problem and jobs in Uintah County and Duchesne County as this industry dries up.

My question is, has there been any analysis, economic, statistical analysis, of what will happen to revenue reductions both in State and Federal treasuries, because the State gets a lot of revenue from this, as a result of this increase in fees?

Secretary SALAZAR. I appreciate the questions you asked last week on monuments and the question you asked today on oil and gas. Our job, as I see it as the Secretary of the Interior, is to make sure taxpayers are getting their fair return. When you look at the statistics relative to the number of acreage that has been leased on the onshore, as well as on the offshore, in the last year, it is apace with what was done in the previous 8 years.

When you look at the fees we are collecting, those fees I believe are fees that are affordable by the oil and gas industry. The economic downturn we have seen with respect to oil and gas has been driven simply because of the lower cost of natural gas, not because of the fees. The \$6,500 permit application, APD fee, that we charge that was in last year's budget and it is in this year's budget again. It is a tough budget and we are trying to make tough choices.

As we look at these things, it is important we are doing it from a rational, economic point of view. I had the BLM and economists in the Department of the Interior look at ways in which we are making sure we are getting a fair return for the taxpayers. For example, the 12.5 percent royalty that is paid onshore by an oil and gas producer has been the same royalty that has been in place since 1920 when the 1920 Mineral Leasing Act was passed. It was then called the King's share. It still could be called the King's share today. You compare that to what is being paid to the States, whether it is Texas, somewhere in the range of 20 percent, or South Dakota, there is room for economic analysis to make sure we are getting it right here, and that is what we are trying to do.

Senator BENNETT. Let me just quickly, Madam Chairman, take the Texas example. If you make an application in Texas to drill on

State land, the application is approved in about 19 or 20 days. People who have been trying to get leases done in Utah have filed resource management plans that have taken 7 years to come to fruition, going back to what Senator Collins had to say about her circumstances, and then as we know, some of those after 7 years have been turned down by you when you became and now you have put in additional delays.

I think they would be happy to pay a 20 percent royalty if they could get on the ground within 19 days. It is the combination of the increased fees for which they get no services. If you get something for what you pay, they are willing to pay. But I do not think it is really a fair comparison between what is happening in the States that use their money to facilitate this, create the jobs, and get the revenue, then Federal Government that, at least in my State keeps delaying, delaying, and delaying, and now increases the cost.

I would appreciate it if you would do a careful analysis of the impact of this on jobs, as well as the overall impact on revenue because it is one thing to say we are increasing the percentage, but a higher percentage of nothing produces a whole lot less revenue than a lower percentage of something that is moving forward. And I have the fear that this is what is happening, at least in my State with respect to oil and gas.

Thank you, Madam Chairman.

Secretary SALAZAR. If I may, Madam Chairman, just a quick response, Senator Bennett. I very much look forward to working with you and others on the ground to get it right. I think what we have seen is that in the prior administration, the last year, 49 percent of the oil and gas leases were protested, and so when we have 7-year delays it is because of litigation that ensues because it is not being done right.

Senator BENNETT. The 7 years to produce the RMP had nothing to do with the environmental suits.

Secretary SALAZAR. Going back to the principle that Director Abbey and I are driving here is we want to get it smart from the start, and I think by knowing where oil and gas production is going to take place is something that we ought to be able to do to provide more certainty to the oil and gas producers. That is part of what we are trying to do with the rules and the outreach that Director Abbey and Assistant Secretary Lewis are doing, including going back to Utah and having additional conversations with organizations like IPAMS and others about how we can get it right.

Senator BENNETT. Thank you.

Senator FEINSTEIN. Thank you very much, Senator.

Senator NELSON.

Senator NELSON. Thank you, Madam Chair.

First of all, Secretary Salazar, it is good to see you. I appreciate your being here today. It is always good to have you back on the Hill among your friends, and we appreciate your good work. Working with you in the Senate was a pleasure, and it is becoming a pleasure working with you in your new role.

## RED WILLOW CREEK DAM

I want to take just a moment to note a Bureau of Reclamation (BOR) issue. I know we do not fund the bureau in this subcommittee, but it is an issue I want to mention briefly while I have the chance because just yesterday I sent a letter to the BOR Commissioner, Michael Connor, regarding in my home area the Red Willow County dam. This is located on Red Willow Creek, approximately 11 miles northwest of my hometown of McCook, Nebraska.

Unfortunately, during an inspection last fall, multiple cracks were discovered throughout the 126-foot earth fill embankment which impounds up to 85,000 acre-feet of water to form Hugh Butler Lake. And in response, the bureau has had to lower the lake to levels last seen during the drought of 2002 in order to relieve stress on the dam. This means that up to 5,000 acres of cropland in the Frenchman Cambridge Irrigation District will have no available irrigation water in either 2010 or 2011, and it will inevitably lead to financial difficulties for area farmers and communities.

I know that you know as well as anyone the problems water shortages cause Western State growers. I know the bureau is doing what it can and what it has to. And I wanted to take the opportunity and say I want to be a partner should there be a role for Congress to play to help the bureau execute a plan to repair this dam as quickly as possible and mitigate the need for such low water levels behind the dam and to extend an offer to be of any assistance that I possibly can in the process of fixing this. I know you might have some degree of influence there, and to the extent that you find that I can, I would appreciate being let know. I am sure Mr. Connor will, but I would like to have your attention to it as well.

Secretary SALAZAR. Thank you very much, Senator Nelson. Let me say I have not been to McCook, but I enjoyed our trip together to Scottsbluff earlier this year and seeing some of our wildlife refuges and USGS facilities in that area.

Senator NELSON. Well, if you liked Scottsbluff, you will love McCook.

Secretary SALAZAR. We will come by.

Let me just say we are aware of the issue. We are evaluating it. These are cracks in the dam, so we have public safety issues that need to be addressed, and our hope is that we will have the repairs underway with the right funding by 2011. There may be ways in which we can expedite that, and I will ask the Deputy Secretary, David Hayes he and Mike Connor are outstanding working on these issues to see whether there is a way in which maybe it could be expedited because I recognize that if we are looking at repairs in the year 2011, we basically have gone by two irrigation seasons. I know how important that is.

Senator NELSON. We lose two seasons.

Secretary SALAZAR. Let us see whether there is a way of expediting it, but right now it is on schedule for studies and then repairs for 2011.

Senator NELSON. Well, thank you. I know you will. I appreciate it.

And as you said, last fall we had the opportunity to be in Scottsbluff, you and Secretary Vilsack, to meet with a number of our farmers, ranchers, community leaders, and researchers from the University of Nebraska as part of the administration's tour. I truly appreciated that opportunity that we all had to discuss the vital issue of how communities, States, and the Federal Government can work together to help strengthen rural America.

#### UNIVERSITY OF NEBRASKA AND USGS COLLABORATION

Part of that visit, the university had engaged with USGS in a workshop on water resources and challenges in the area, especially in the Sandhills in the northern, central, and western parts of Nebraska, which are so important to our State and the West. And I hope that the collaboration between the USGS and the university is progressing. If you would, perhaps you would not be able today to do it, but if you could, please, and if not, maybe have somebody get back to us on what are the next steps to make certain that that relationship, that partnership continues in the fine tradition that it has started.

Secretary SALAZAR. We are going fast forward with that, and I think that is another great example of how you can take part of an ecosystem, as you have done there in Nebraska through the University of Nebraska and USGS, and you look at the water issues. You look at the land issues and you respect private property rights. You respect water rights. At the same time, you move forward with a coherent plan, as the University of Nebraska and USGS are doing on the Platte. And so we are full partners and we are fully engaged and we want to make it an example for what happens all around the country.

Senator NELSON. Thank you.

Madam Chairman, I would have been here earlier except that I was on the floor, but you pointed out that I arrived just in time for my cameo appearance. I appreciate very much the opportunity, and thank you, Mr. Secretary.

Senator FEINSTEIN. Thank you very much, Senator Nelson.

We have some time yet, and I have two questions I would like to ask, but I also want you to know that Senator Alexander suggested that we have a second hearing really just devoted to energy. So we will be doing that, obviously, that which is in our jurisdiction. So I want to alert you that we will be doing that.

#### PERMITTING ON PRIVATE LAND

But I want to bring to your attention an issue and that is permitting on private land. As you will recall, the conference report of last year's bill had a statement to the effect that "the conferees believe that renewable energy developers should have less difficulty permitting their projects on disturbed private lands than on pristine public lands in order to facilitate greater species protection and stewardship of public resources and public lands." That is a direct quote from the conference report.

Now, this problem has not gone away. FWS has stated that permitting a project on private land will take up to 9 years. In contrast, you are pushing, as I understand it, the permitting of public

land projects down to 18 months, which is great. It is a more reasonable time table.

Now, we are told by developers that this has gotten so severe that developers are searching for ways to avoid FWS. Developers tell my staff they scour a private land development site for an isolated desert wetland just so they can have the Army Corps of Engineers be their lead Federal agency. When developers hope to find a wetland on their development site, I think that is a sign that the permitting process is broken.

Now, my staff has received an update from FWS. Bottom line, the service is making some progress, but really they are not focused on private lands. So I have a series of questions in this area.

To bring logic to permitting private land projects, the Mohave needs a desert conservation plan, and California and FWS are drafting such a plan. The goal is to get it done by 2012, but few seem to believe that is possible. In fact, the plan is already months behind schedule.

This subcommittee recommended the service consider creating a cooperative agreement with California under section 6 of the Endangered Species Act (ESA) to speed this process up. Can you assure me that this option will be given serious consideration immediately?

Secretary SALAZAR. The answer is yes, and I will have David amplify on the response.

Senator FEINSTEIN. Excellent.

Mr. HAYES. Senator, I wanted to thank you and your staff for your leadership on this very important point in this very important area. I think, with your help, we are prioritizing the importance of bringing habitat conservation planning on the ground in California so that private projects can move forward. The key is to have a global approach to deal with the desert tortoise habitat issues and that, of course, is what both section 6 and section 10 of the ESA are designed to do.

I recall being with you, Senator, 8 years ago at Fort Irwin looking at desert tortoises to help the Army expand their facility there. We know that with smart conservation approaches we can solve these problems and we are committed to do it.

Let me also say the legislation you have introduced has some very good features in this regard, and we look forward to working with you on that.

Senator FEINSTEIN. Good. Thank you very much.

#### SOLAR DEVELOPMENT

I understand that BLM plans to complete a full NEPA EIS on each zone, but that solar development proposed in the zones will also go through a project-specific full environmental impact report. So a project in the zones would have to complete two full EISs while projects in less ideal locations outside the zones would need only one EIS.

Now, we believe you could prevent this by assuring that the first EIS is sufficient to meet the project level permitting needs. Is this possible and can you make sure that the first EIS is sufficient so that a second EIS is not necessary?

Secretary SALAZAR. The answer is we will expedite the process. Actually it is the first EIS that will help us make sure that it is expedited. David, the Deputy Secretary, will amplify.

Senator FEINSTEIN. Is that a yes?

Secretary SALAZAR. Yes.

Mr. HAYES. Senator, we did a midcourse correction on the programmatic EIS that had begun before we came to office. It was at such a high level that we thought it probably would not help at all in terms of individual projects. What we have done is now focused on these 24 areas. We are bringing more specific levels of review there so that individual projects can tier off of that programmatic EIS. We are hopeful the NEPA that will be needed for individual projects will be far less, often environmental assessments, because of the work that has been done on those specific areas. That is the whole intent, is to facilitate individual projects not having to go through the entire process again.

Senator FEINSTEIN. Well, I think this is really critical because it drives people crazy and it is totally unnecessary and it is very costly. So I really appreciate that answer, and I thank you for making that change. I think that should be welcome news to everybody.

Secretary SALAZAR. Senator, if I may just add a supplemental footnote to that. Our efforts with respect to renewables have been to try to streamline the processes. This is a new world we are operating in, and I am the first to admit we may not have it perfect but we are trying to avoid the kind of duplication or waste of investment on the part of the development of renewable energy. We are open to improving our processes, but we are committed to making sure that we stand up renewable energy on the onshore and the offshore.

#### SOLAR STUDIES

Senator FEINSTEIN. Just one quick other thing. You have proposed four solar studies in California covering more than 330,000 acres, but none of the four areas are in the West Mohave Desert, which many biologists point to as an area of less pristine desert than the East Mohave. So my question is, would you consider establishing more solar study areas in the West Mohave?

Secretary SALAZAR. David, go ahead.

Mr. HAYES. The issue there, Senator, is that there is not as much public land on the west side of the Mohave.

Senator FEINSTEIN. Which is what we want to do. I want to protect land—see, I view the fact that the reason the Federal Government has land is to conserve it—

Mr. HAYES. Right.

Senator FEINSTEIN [continuing]. And to protect it, and that there is a reason why that land is public land. And now, there is a lot—and we have all seen it—of private land that is eminently suitable for this.

Mr. HAYES. Let me just say this fits right into your previous question, Senator, which is will we help private developers on private land develop their projects. The answer is yes. In the West Mohave, there is much more private land ownership. Just what we were talking about before, working through section 6 and section 10 of the ESA, we will help facilitate those projects as well. This

initiative the Secretary is talking about is we are interested in standing up renewable energy wherever it makes sense, including on private lands, most certainly.

Senator FEINSTEIN. Good. I appreciate that and I thank you both very much.

Senator Cochran. No comments?

Senator COCHRAN. I have nothing further, Madam Chairman.

Senator FEINSTEIN. All right.

Senator Nelson.

Senator NELSON. Nothing, thank you.

Senator FEINSTEIN. Well, we are in time for the vote, and let me thank both of you. For me, it really is very fine what you are doing. You are listening. You are taking in arguments. You are evaluating them. And I think we are beginning to make progress in this arena. It is unprecedented. When I look back just a year at the pile-up of projects and people just went in and took land or wanted to submit for land in huge projects, projects the size of which had never been done anywhere in the world, and now we are down to things that I think are practical and doable on land which is possible for this kind of development. So I really want to thank you both for your leadership, and we will continue.

#### ADDITIONAL COMMITTEE QUESTIONS

We will submit questions in writing. The record will remain open for 2 days to do that. So thank you very, very much.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

#### QUESTIONS SUBMITTED BY SENATOR DIANNE FEINSTEIN

##### RENEWABLE ENERGY PROJECTS

*Question.* We have worked together for more than a year to make sure we move forward with renewable energy development in a way that protects the most pristine parts of the California desert. As part of that effort, I have proposed the Mojave Trails National Monument, and I have endorsed your effort to establish solar study zones and to “fast track” permitting of proposed development in locations where projects avoid opposition and delay. How many of the solar development proposals in “fast track permitting” would be halted by the proposed Mojave Trails National Monument or other provisions in California Desert Protection Act of 2010, and how many acres of the solar study zones overlap the proposed Monument?

*Answer.* There are no “fast track” projects or solar study zones (Solar Energy Study Areas (SESAs)) within the boundary of the proposed Mojave Trails National Monument.

*Question.* In the California Desert Protection Act of 2010, I propose that the Bureau of Land Management (BLM) require each developer to complete (1) necessary biological field studies; (2) cultural field studies; (3) plans for water; and (4) plans to connect to the grid. I proposed that BLM should reject applications of developers who are not making progress in these areas and focus resources on the proposals that are making serious progress, so that the best sites cannot be held as assets by speculative companies. As we discussed at the hearing, Solar development permitting requires completion of spring biological surveys. Will BLM require all developers proposing solar development of public land to either complete necessary biological studies this spring or give up their applications? Why or why not?

*Answer.* The BLM’s existing regulations provide the authority to deny right-of-way applications when the proposed use is inconsistent with the BLM’s existing Resource Management Plan, or when the BLM determines the application is deficient. The BLM is requiring that applicants submit a plan of development that includes the following information necessary to perfect their solar energy right-of-way applications: necessary biological field studies; cultural field studies; plans for water use

and conservation; plans to connect to the transmission grid; and other proposed design and development information. If applicants fail to meet these requirements, their applications will be rejected.

*Question.* You have proposed SESAs across the West, including four in California covering more than 330,000 acres. I have a few questions about these areas.

On much of the land in California's SESAs, developers had already submitted right of way applications to develop solar projects on the land before BLM designated them as study areas. Do you intend to prioritize review of these pending applications ahead of proposed solar development on BLM lands outside the study areas? How do you intend to offer lands within these SESAs for development? Do you intend to offer lands within these areas through a competitive process?

*Answer.* Of the 330,000 acres of BLM-administered public land within California's SESAs, approximately 154,000 acres are under application for wind or solar development, of which nearly 87,000 acres are being analyzed as BLM "fast track" projects. SESAs were identified as areas expected to have fewer resource conflicts.

*Question.* If you subject these lands to competitive bidding, how do you intend to avoid a bidding situation that increases the cost of renewable energy for California's consumers?

*Answer.* As stated previously, no decisions have been made on how to offer lands for solar energy development within SESAs, including whether to offer the lands through a competitive process. The Department's goal is to develop a process that is environmentally sound, scientifically grounded, and cost effective.

*Question.* I understand that BLM plans to complete a full National Environmental Policy Act (NEPA) Environmental Impact Statement (EIS) on each SESA, and I greatly appreciate your assurance during the hearing that you will do everything possible to prevent projects proposed within the areas from having to go through a second, project-specific full EIS. However, I do not understand how your department intends to execute this plan without completing comprehensive spring biological studies as part of the first, programmatic EIS (PEIS). Please explain what steps you are taking to assure that the first EIS will be comprehensive enough to assure that projects will be able to "tier" off it, completing project level Environmental Assessments (EAs) that require less review and less delay.

*Answer.* The Department is committed to conducting a robust solar PEIS. We are taking the following steps to reduce the need for subsequent consultation and clearances for future projects: conducting Endangered Species Act (ESA) listed species effects analysis for each of the SESAs; identifying potential conservation measures at both the PEIS and SESA levels; and utilizing desert tortoise surveys and population estimates provided by the U.S. Fish and Wildlife Service (FWS). Site-specific work, such as biological surveys, may still be necessary prior to development within a solar energy zone to ensure that only the most current data are used for decision-making. Our plan is to allow the project-level environmental analysis to tier to the PEIS to the greatest extent possible.

*Question.* During the hearing, you stated that BLM does not control enough land in the West Mojave to justify a SESA. However, according to BLM's West Mojave Plan released in 2006, the "West Mojave Desert area encompassing 9.3 million acres in Inyo, Kern, Los Angeles, and San Bernardino counties: 3.3 million acres of public lands administered by BLM, 3 million acres of private lands, 102,000 acres administered by the State of California, and the balance of military lands administered by the Department of Defense." It surprises me that the Department of the Interior does not view any of the 3.3 million BLM acres as appropriate for analysis as a solar energy study area, even though this area of the desert is generally considered less pristine than the East Mojave, and Federal lands in the West Mojave are still in a checker board pattern with private land. Will you ask BLM to analyze the 3.3 million acres it controls in the West Mojave in order to determine whether a SESA would be appropriate in this area and report back to the subcommittee within a reasonable time period?

*Answer.* Recently, the BLM began actively working with California Department of Fish and Game and other wildlife groups to identify suitable SESAs in the West Mojave Desert that would have minimal impact on the Mojave ground squirrel. Of the 3.3 million acres of BLM land in the West Mojave, approximately 70 percent is committed to special uses including wilderness, wilderness study areas, desert wildlife management areas, the Marines' Twenty Nine Palms Expansion, off-highway vehicle open areas, habitat management areas, and other conservation areas. The remaining 30 percent is mostly noncontiguous BLM lands mixed with private, State, and other ownerships which is why close coordination and collaboration with others in the area is critical.

*Question.* BLM has "fast tracked" permitting of 10 solar projects in California in order to help these projects qualify for the "Treasury Grants program," establishing

in section 1603 of the American Recovery and Reinvestment Act, that expires at the end of 2010. Is it your understanding that many solar projects in California will not be built unless they are able to claim the treasury grants program? Do you agree that extending this program, as I have proposed in the Renewable Energy Incentive Act, would allow far more solar projects to be financially viable?

Answer. The Department defers to the Department of the Treasury regarding these incentives.

*Question.* BLM is currently permitting solar and wind projects on BLM land under the Federal Land Policy and Management Act (FLPMA). Under the statute, what criteria must BLM use to determine whether or not to grant a right of way use to a private entity? On what substantive grounds can BLM turn down an application if it has been properly submitted? What standard of review determines whether or not an applicant will be granted a right of way use authorization?

Answer. The BLM processes wind and solar right-of-way applications consistent with the requirements of title V of FLPMA and its implementing regulations (43 CFR 2800). Under FLPMA, before the BLM approves any right-of-way, it must find the use to be consistent with the Resource Management Plan for the area, and must comply with the NEPA and other Federal laws. In addition, before processing a right-of-way application, the BLM requires the applicant to provide cost recovery funds, submit a detailed plan of development sufficient to initiate NEPA review and analysis, and provide timely responses to any requests for additional information. Failure to comply with any of these requirements could be grounds for the BLM to reject an application. Also, during the NEPA review, environmental consequences may be identified of such significance that the application can be denied because it is not in the public interest and would cause unnecessary or undue degradation of the lands.

*Question.* BLM has established very important Renewable Energy Permitting Coordination Offices (RECO). Senator Tester and I introduced legislation proposing these offices in 2008, and I have supported them ever since. While these offices are improving the consistency of permitting within each State, there is still no single solar permitting guidance to assure that projects in all States are evaluated under the same set of criteria. Do you believe BLM should develop a guidance or manual that would set clear rules for permitting renewable energy nationwide?

Answer. The BLM issued a solar energy policy in April 2007 to provide guidance in the processing of solar energy right-of-way applications. The BLM is currently preparing additional guidance regarding solar energy rent, bonding, due diligence, best management practices, and length or term of solar energy right-of-way authorizations. Solar energy applications and authorizations also must comply with the requirements of the BLM right-of-way regulations and existing right-of-way policy guidance.

#### PERMITTING ON PRIVATE LAND

*Question.* FWS has completed a draft section 4(d) rule, which would standardize permitting requirements for desert tortoise. Will you pledge to complete this rule within 1 year?

Answer. FWS is in the process of drafting a proposed 4(d) rule under the ESA for desert tortoise that would streamline ESA compliance for certain renewable energy projects on non-Federal lands in the desert region of southern California. The FWS plans to publish the proposed rule in February 2011 for public comment. The rule is subject to NEPA, which requires us to write either an Environmental Assessment or an EIS for the final rule. Public input is required under NEPA, and FWS estimates that the final rule and NEPA decision documents could, depending on concerns raised by the public, be completed by December 2012.

*Question.* FWS believes they cannot complete a template "habitat conservation plan" that solar developers could use to speed up private lands permitting until it completes the 4(d) rule. Please explain why a simple template cannot be provided immediately.

Answer. The conservation standards that will be developed as part of the 4(d) rule discussed above would be used for a template habitat conservation plan for solar projects in the same region. We believe that the 4(d) rule should be developed first, and depending on the need, we would then decide whether a template habitat conservation plan would provide an additional benefit to streamline ESA compliance. Currently, we are involved in developing best management practices and the Desert Renewable Energy Conservation Plan that would streamline permitting processes on both Federal and non-Federal lands. These efforts, along with fulfilling the Department of the Interior's obligations under the Memorandum of Understanding

(MOU) between Secretary Salazar and the Governor of California to streamline permitting of renewable energy on public lands, are our top priority.

*Question.* FWS is apparently working to complete a MOU with other desert management agencies in order to establish a habitat mitigation bank similar to the bank I proposed in the California Desert Protection Act of 2010. Such a bank could speed up private project permitting, administratively. Will you pledge to get this bank running by the end of the year?

*Answer.* FWS, along with BLM, California Department of Fish and Game and the California Energy Commission, comprise the Renewable Energy Action Team (REAT) in California. The REAT agencies recently signed an MOU with the National Fish and Wildlife Foundation (NFWF) to manage a mitigation account available for renewable energy projects in the desert region of southern California that occur on both public and private lands. This account is already available to project applicants. This account is not a habitat mitigation bank. It's a streamlining mechanism to achieve described mitigation actions for biological resources required under Federal and California State laws. Use of the NFWF account does not provide a section 7 nexus under the Federal Endangered Species Act. Use of the habitat mitigation bank as described in the proposed California Desert Protection Act of 2010 would provide a section 7 nexus under the Federal Endangered Species Act.

*Question.* I appreciated you and David Hayes pledging to make solar development on private lands a Department priority. As you know, FWS has never retracted its statement that projects on private lands could take 9 years to permit. Are you willing to revise FWS's estimate that these projects may take 9 years to permit? If so, how many years do you believe it would take to obtain a permit from FWS to develop a utility-scale solar project on private lands, if the project had endangered species impacts comparable to projects on public lands that BLM is currently reviewing on a "fast track" schedule?

*Answer.* The 9-year estimate for completion of Habitat Conservation Plans (HCPs) likely originated from a 2008 presentation given to energy developers describing the HCP process. In that presentation, the FWS explained that in the past, some HCPs have been completed in 1–2 years, whereas others have taken from 6–9 years. The FWS also emphasized that it was developing streamlining mechanisms to ensure HCPs would be processed as rapidly as possible. The length of time is dependent on the size of the project and the complexity of all impacts considered under the NEPA process that must take place when developing an HCP.

*Question.* In order to facilitate renewable energy permitting, you have proposed to increase resources for BLM much more rapidly than you have proposed to increase resources for FWS. Please explain whether you believe this budget request is consistent with the pledge you made during the hearing to make permitting projects on private lands a priority.

*Answer.* The 2011 budget request reflects an increased priority on permitting for renewable energy development on both Federal and non-Federal land, and funding increases will benefit both.

*Question.* In your testimony, you announced a goal of permitting 9,000 megawatts of new solar, wind and geothermal electricity generation on Federal land by the end of 2011. If you did that all with solar power, it would require approximately 58,000 acres of development. Such development would require only approximately 20 percent of the acreage placed into BLM's solar study zones in California, and demonstrates that there is plenty of opportunity to develop solar power while protecting the most pristine portions of California's desert. What is your target number of megawatts that you would like FWS to permit on disturbed private land by the end of 2011?

*Answer.* FWS does not establish a target for megawatts permitted, but will continue to respond to all permit requests it receives with respect to renewable energy. There is no threshold at which FWS will cease responding to requests for consultation or assistance with HCP development of renewable energy projects.

*Question.* Developers proposing solar development on private land may be able to avoid massive delays in FWS permitting by applying for a Federal loan guarantee from the Department of Energy (DOE). Under this scenario, FWS would be the consulting agency to DOE, which would be the lead Federal agency under NEPA. However, DOE would then have to evaluate the full environmental impacts of the solar project, for which BLM has built up the greatest amount of knowledge and expertise. Do BLM's RECOs stand ready to assist the DOE and FWS in completing NEPA review of private lands projects as expeditiously as fast track BLM projects on public lands?

*Answer.* The BLM RECOs do not currently have the authority or staff to assist DOE and the FWS in the NEPA review of solar energy development projects on private land. Any proposed expansion of the responsibilities of the RECOs to cover

projects on private lands would have a significant and negative impact on the ability of the BLM to respond to renewable energy or related transmission projects on the BLM-administered public lands.

#### CATEGORICAL EXCLUSIONS

*Question.* BLM has required California's renewable developers to make large deposits of funds in a cost recovery account and prepare extensive EAs in order to set up meteorological measurement devices. Some companies have been waiting years for permission to study the weather. That is both out of balance with the limited, temporary environmental impact of meteorological measurement devices, and in apparent conflict with national BLM policy to use categorical exclusions in these cases.

In response to my recent letter on this matter, you stated that "the BLM will make diligent use of CXs for applications and project areas in accordance with applicable law, regulation, and BLM policy." However, you did not clarify whether BLM would begin using CXs in California, where the backlog of proposed projects is the longest. Does BLM plan to use categorical exclusions more frequently and whenever appropriate in California, so that developers can rapidly determine which proposed development sites are viable and which should be abandoned?

*Answer.* The BLM will continue to use categorical exclusions where appropriate. The BLM determines whether to use a categorical exclusion on a project-specific basis by determining the scope of a project and its potential impacts.

#### MILITARY LAND

*Question.* Many of the best lands for renewable energy development in California lie on military bases, and in the California Desert Protection Act of 2010, I proposed requiring the military to complete an EIS with regard to its renewable energy development program. I also secured funding in the fiscal year 2010 budget for a study of the potential for renewable energy development on California military lands. My staff arranged a series of meetings between your Department and the Defense Department in 2009 in order to assure that conflicts over jurisdiction between your two Departments would not serve as a barrier to utility-scale renewable energy development on military bases. Please provide an update on the status of your conversations with the Department of Defense on this matter. Please explain by when you intend to have a clear agreement or formal understanding established between the two departments regarding all potential conflicts that could slow renewable energy development on military bases.

*Answer.* The Department believes there are benefits to the development of renewable energy projects on military lands that do not conflict with the military mission for those lands. In addition, the idea of siting renewable energy projects on military bases which are already off-limits to the public is gaining ground with many stakeholders and the public. For military installations located on BLM-withdrawn lands, the development of renewable energy projects must be consistent with the terms of the withdrawal.

Renewable energy development on withdrawn military lands in the California Desert is a significant policy issue currently being coordinated between the Department of the Interior and the Department of Defense. The two Departments are committed to resolving this issue as quickly as possible so the public and the industry have a clear articulation of Federal policy concerning renewable energy development on withdrawn military lands.

#### TRANSMISSION

*Question.* The Tehachapi Renewable Transmission Project (TRTP), if completed, will include 250 miles of new and upgraded high-voltage transmission lines capable of delivering 4,500 megawatts of renewable power from wind farms and other sources in the best wind resource area in California to the people of greater Los Angeles.

In these difficult economic times, I believe it is vitally important that we make permitting major infrastructure projects like this transmission line a national priority. While the State of California has already approved this project, literally billions of dollars of private capital investment and thousands of construction jobs await final decisions by Federal agencies, including FWS and the U.S. Forest Service (USFS). Can you assure me that FWS has provided adequate staff to work with the Angeles National Forest on the Endangered Species Act review? Can you explain the degree to which the two agencies consolidate workload and facilities? Will FWS set and meet aggressive schedules for completing their work?

*Answer.* Since consultation was initiated on December 21, 2009, FWS has been actively working on the consultation for the TRTP, committing substantial staff

time from two field offices and the regional office. The FWS is committed to completing this consultation as rapidly as possible. The FWS works closely with the Angeles National Forest and has co-located staff at the USFS office. The FWS evaluates opportunities to improve collaboration and increase efficiencies with USFS and other Federal agencies as needed.

#### HYDRO POWER

*Question.* The Kaweah Hydroelectric Project, part of which is in Sequoia and Kings Canyon National Park, is the subject of ongoing negotiations between the utility owner and the Park regarding a fair fee to the park in order to keep operating the facility.

Two years ago, I wrote to you asking that you review the park's position, which struck me as incredibly unjust to California ratepayers. Also, the fiscal year 2010 Interior, Environment, and Related Agencies appropriations bill included language directing the Department to continue negotiations to reach a cost-effective agreement. However, I do not believe talks have occurred. I therefore would appreciate the answers to the following questions:

- What is the park's current proposal on the annual fee to be charged, and on what basis has the Park Service determined that the proposed fee is fair?
- By when will the Department of the Interior complete these negotiations?
- Will you assure me that the Park Service will demand a fee that is fair to California ratepayers?

*Answer.* The Department shares your desire to reach an equitable resolution on this issue. We continue to work on a solution and believe we will be able to provide a response outlining the resolution to this issue shortly.

*Question.* Mr. Secretary, four of my Senate colleagues and I sent you a letter on September 15, 2009 expressing our opposition to the taking of off-reservation lands into trust for gaming purposes. Our letter encouraged you to use your evaluation of the Interior Department's policies on Indian gaming to maintain key components of the Department's January 3, 2008 guidance on taking off-reservation lands into trust for gaming purposes and to increase scrutiny of proposals to take off-reservation land into trust for gaming purposes.

Additionally, it is my view that initial reservations and restored lands should be subject to a similar high level of scrutiny when evaluating modern and historical connections to land acquisitions. This includes meaningful opportunities for local jurisdictions to register their views with the Department.

In my home State, voters approved a ballot initiative approving tribal gaming with the understanding it would be done on tribal lands. However, several questionable proposals for restored lands would bring casinos into urban, highly populated areas and along with them, the problems of increased traffic, noise, environmental impacts, and crime.

*Question.* What is the status of your evaluation of the Department's policies on Indian gaming?

*Answer.* The Department continuously evaluates its Indian gaming policies to ensure that they are consistent with the Indian Gaming Regulatory Act (IGRA), its own published regulations, applicable case law, and its continuing trust obligation to Indian tribes. We are currently reviewing policy in this area to determine what changes, if any, are needed.

*Question.* What solutions are you considering to balance the economic development goals of Indian tribes with the impacts of casinos on air quality, noise levels, community planning, and the environment?

*Answer.* The Department believes Congress struck the proper balance between tribal and State interests when it passed the IGRA in 1988. Within the scope of the IGRA and the Department's trust acquisition authority, the Department has promulgated regulations to ensure the views and concerns of local communities are properly considered. Additionally, the National Environmental Policy Act of 1969 and the Department's regulations at 25 CFR part 292 ensure Indian gaming proposals are subject to rigorous environmental review. The Department will continue to evaluate its policies to ensure they are consistent with the IGRA, NEPA, the Department's own published regulations, applicable case law, and our continuing trust obligation to Indian tribes.

*Question.* Are current regulations and guidelines sufficient to address the trend of off-reservation gaming proposals?

*Answer.* There have been numerous tribal proposals to develop off-reservation gaming facilities since the IGRA's enactment in 1988. Out of these proposals, only a relatively small number have been approved. While the Department believes current regulations allow it to address State and local concerns regarding the trend of

off-reservation gaming proposals, it will continue to evaluate its policies to adhere to both the Federal trust obligation to tribes and the balance Congress struck when it enacted the IGRA.

*Question.* Are current regulations and guidelines sufficient to address restored lands applications for land that might be used for gaming?

*Answer.* While the Department believes current regulations allow it to address State and local concerns regarding restored lands applications, it will continue to evaluate its policies to adhere to both the Federal trust obligation to tribes and the balance Congress struck when it enacted the IGRA.

*Question.* Is additional legislation necessary to clarify congressional intent with regard to limits on off-reservation gaming?

*Answer.* As referenced above, the Department believes Congress struck the proper balance between competing interests when it enacted the IGRA, and that Congress carefully considered the implications of the exceptions to the prohibition on gaming on lands acquired after October 17, 1988. Therefore, the Department does not believe additional legislation is necessary.

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QUESTIONS SUBMITTED BY SENATOR ROBERT C. BYRD

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT (OSMRE)

*Question.* I am deeply troubled by two spending reductions proposed within your Department.

Within the Abandoned Mine Reclamation Fund for the OSMRE, the President's budget proposes to reduce discretionary funds by \$4.5 million for State emergency reclamation grants and federally managed emergency projects. As you know, this program has cost an average of \$20 million per year for the past 10 years. This is a dangerous reduction given that these monies are used to fund immediate actions to protect health and safety and human life from an emergency situation resulting from the adverse effects of coal mining. This cut is completely contrary to the ideals of protecting the families adversely affected by the mining in their communities.

Within the "Regulation and Technology" account for the Office of Surface Mining Reclamation and Enforcement, the President's budget proposes an \$11 million reduction in funding for State grants to regulate and enforce the permitting process for surface mining. This is a reversal from last year, when the President sought to increase funding for surface mining enforcement. The administration proposes to reduce this funding pursuant to its commitment to the G-20 nations to reduce subsidies for fossil fuels. The President's budget encourages States to raise user fees on coal producers to offset the loss of Federal funding for mining regulation.

In this fiscal and political environment, Appalachian States are unlikely to be able to muster the support to raise fees on coal producers, which will result in those States having fewer dollars to enforce land and water protection laws.

Taken together, these are impractical and dangerous spending cuts that will impede efforts to ensure that surface mining is conducted within the parameters of the law and that past mining practices do not continue to haunt the citizens of mining communities.

*Question.* How can the Federal Government meet its responsibility to enforce environmental protection laws if the President's budget does not provide adequate resources?

*Answer.* The proposal is consistent with the administration's commitment to reduce Federal subsidies to fossil-fuel industries. While other energy industries must pay user fees to reimburse the Federal Government for regulatory costs, coal fees are very low. The budget reduces State grants in order to encourage States to increase their cost recovery from the coal industry.

In addition, the 2006 Surface Mining Reclamation and Control Act amendments extended the authority for fee collection through September 30, 2021, and changed the way that State and tribal reclamation grants are funded, beginning in fiscal year 2008. State and tribal grants are now mandatory and are derived from current AML fee collections and the general fund of the U.S. Treasury. The amendments dramatically increased funding from \$132 million in fiscal year 2007 to \$369.1 million in fiscal year 2010. Because the States and tribes now receive increased mandatory AML grants, they have adequate resources to address emergency AML issues. The OSMRE will continue to work with the States to ensure a smooth transition.

*Question.* How can the Federal Government ensure better enforcement if it does not provide monies to the States to implement the Federal mandates?

*Answer.* The fiscal year 2011 budget decreased State and tribal grants by 15 percent of what was requested, or about 7.5 percent of total State regulatory costs. The

budget does not propose to shift the burden of the cost to the States. Rather, it encourages the States to increase fees paid by the industry that receives the benefit of the services States provide. The OSM is willing to work with the States to assist in fee recovery. Therefore, we believe this is an equitable proposal.

*Question.* In recent years, the Charleston field office (CHFO) of OSMRE has issued a number of oversight reports on blackwater spills; flyrock incidents (causes of the incidents, as well as the processes for reporting and investigation); slurry impoundments breakthrough potential; and surface water runoff analysis (i.e., whether rain on certain types of surface mines and valley fills exacerbates flooding). Please describe (a) the actions taken by the relevant stakeholders following those reports, and (b) your current assessment of the adequacy of those actions in addressing these problems over the long term.

*Answer.* Oversight studies and reports are not limited to findings of compliance. Rather, the reports often include suggested discretionary actions aimed at improving the program beyond what is required. The following provides examples of oversight studies that are used to ensure a State Regulatory Authority's compliance with its approved surface coal mining program and create positive change.

—*Blackwater Spills.*—This oversight report, completed in October 2009, was a follow-up to a 2004 report on the same subject. Despite the State's compliance with its approved program and various programmatic improvements made after the 2004 report, the 2009 report noted that blackwater spills were still occurring at the same rate as the earlier 2004 study and that these occurrences are still mostly related to human error—as opposed to any design flaw or operational issue. Therefore, the joint OSMRE and State team recommended increased use of increased fines, permit suspensions, and consideration of criminal penalties.

—*Actions by Stakeholders.*—Since completion of the study, the West Virginia Department of Environmental Protection (WVDEP) reviewed more recent spill data and reported that it is experiencing a decrease in the number of spills over the rates noted in the 2004 and 2009 reports.

—*Assessment of Adequacy of State Actions.*—The OSM finds the State activities specific to this report on blackwater spills is adequate, but still believes the State could be more aggressive in the timely pursuit of patterns of violation related to permit suspension. The OSM is continuing to review State activities related to pattern of violations as requested by interested citizens on other types of violations.

—*Fly Rock Incidents.*—This topical study was conducted with the assistance of the WVDEP's Office of Explosives and Blasting (OEB) and was completed in March 2009. The study found the OEB (created in 1999) did a thorough job in review of blasting incidents. However, the reviewers noted the OEB was not always notified of all flyrock incidents by inspectors from the State's Division of Mining and Regulation. The reviewers also expressed concern with the number of vacancies within OEB.

—*Stakeholder Actions.*—The WVDEP agreed the OEB should always be involved in any flyrock violation. The WVDEP implemented new operating procedures that increased the involvement of OEB in flyrock investigations. The WVDEP also agreed to the imposition of additional remedial measures following a flyrock incident.

—*Assessment of Adequacy of State Action.*—The OSM found the action taken to be adequate. The OSM is currently reviewing the WVDEP regulatory program staffing levels as an independent oversight evaluation.

—*Slurry Impoundment Basin Breakthrough Potential.*—The OSM's CHFO conducted two studies in 2006 and 2008, reviewing 10 coal mine waste impoundments. These studies evaluated the adequacy of the State's review to determine the potential for impounded slurry to breakthrough into underground mine workings. In 2009, the CHFO initiated a broader study involving 15 impoundments.

—*Stakeholder Actions.*—The WVDEP resolved the site specific issues from the previous evaluations and is fully engaged in the ongoing oversight evaluation. Citizens have requested the OSM investigate specific dams and impoundments and those investigations are ongoing.

—*Assessment of Adequacy of State Actions.*—State actions to date have been adequate for site specific cases but the OSM cannot reach conclusions about the overall adequacy of program activity until the current study is finalized.

—*Surface Water Runoff Analysis.*—The State regulations refer to this assessment as a "Storm Water Runoff Analysis", or SWROA. The SWROA is an analysis of the projected runoff from a permitted area using hydrologic modeling of a rainfall event on representative mine site conditions before and during mining

and after reclamation. The March 2009 oversight report reviewed the effectiveness of implementing the SWROA requirements.

—*Actions by Stakeholders.*—Since the report, the WVDEP has conducted staff training to address identified issues. The WVDEP also plans to host an industry SWROA workshop to clarify SWROA requirements. The WVDEP has also agreed to monitor violations on a yearly basis to determine if there is a trend in offsite impacts that are related to excessive peak discharges. This information would be used to determine if further regulatory changes may be warranted.

—*Assessment of Adequacy of State Actions.*—The OSMRE agreed with the actions listed above and is monitoring WVDEP's progress in developing further training parameters and hosting a workshop for industry.

U.S. GEOLOGICAL SURVEY (USGS)

*Question.* Reports issued by the USGS and the Bureau of Mines over the past two decades have raised serious questions about the exhaustion of economically recoverable coal reserves in Central Appalachia. How can the USGS more effectively use its own resources, and also partner with other Federal and State agencies that possess the relevant analytical capacities, in order to publish analyses of the amount of coal that the Northern and Central Appalachian Basin coal regions could produce under a range of assumptions about demand and production costs? What plans does the agency have to accomplish these objectives? If it has none, please explain why.

*Answer.* Estimates of that portion of the in-place coal resources that are currently economically recoverable (the reserve base) are very important for understanding how coal can contribute to the Nation's energy mix and future. The USGS has recently refined its coal assessment methodology to take advantage of improvements in computer hardware as well as in geologic and mining model software. As a result, the scope of USGS coal resource assessment capabilities (including those of technically and economically recoverable resources) has grown in size from a few small areas to whole coal fields or basins. Thus, the current generation of USGS U.S. coal assessments is not only an enhancement of what is calculated (in-place resources, but also technically and economically recoverable resources), but will also produce a systematic determination of the coal reserve base on a regional basis in all the major coal provinces in the Nation.

The correlation of each individual coal bed of economic importance is necessary for the determination of the economically recoverable coal resources. Although this approach is time consuming, correlation of individual beds is essential to build integrated, multiple-bed geologic computer models that can then be analyzed by mining economic software to better estimate economically recoverable coal resources. Regional estimates of economically recoverable coal resources will provide energy planners a much more meaningful appraisal of the amount of coal that is currently and realistically recoverable in the foreseeable future.

The first U.S. coal basin to be evaluated in this current assessment program is the Powder River Basin (PRB) in Wyoming and Montana. The PRB is the largest coal basin in the United States in terms of mined tonnage, supplying more than 40 percent of the total coal produced in the United States. The Gillette coal field alone accounts for more than 90 percent of the PRB coal production. Furthermore, there are extensive Federal lands within the PRB. USGS has published a new coal assessment of the Gillette coal field (<http://pubs.usgs.gov/of/2008/1202/>) calculating the in-place resources as well as those that are technically and economically recoverable. This work continues on the whole of the PRB. Once the PRB is completed, regional scale coal assessments will continue on all significant coal beds in all major U.S. coal basins.

Currently, the State geological surveys of West Virginia, Kentucky, and Virginia are working on re-correlating their States' coal beds. Once this work is completed, we will work with these State surveys, using their revised data sets to determine the technically and economically viable coal resources using the USGS methodology used in the other States. USGS currently funds a portion of this State work through our National Coal Resources Data System State Cooperative Program.

This USGS methodology does not include a range of assumptions about demand and production costs, as that is beyond the scope of USGS purview or ability, especially from supply and demand perspectives. We have worked with other agencies, such as BLM and the Energy Information Administration, to share with them what we are doing, so as to make our data and results useable for a variety of purposes, including various scenarios or forecasting analyses.

*Question.* When will the USGS be releasing more detailed assessments of the Appalachian coal-producing regions (e.g., including mapping (GIS) and other data re-

garding stripping ratios, drill holes, surface areas with previous coal mining, etc.)? Please describe the programs through which the USGS or other Federal agencies can provide additional money to State geological surveys, in order to enhance and expedite the development of these studies?

Answer. Current USGS work in coal assessments is focused in the PRB of Wyoming and Montana, as the largest coal producing basin in the United States. Current cooperative efforts with the State geological surveys in the Appalachian Basin focus on supporting their efforts to re-correlate their States' coal beds to provide a foundation for resource estimation. The USGS National Coal Resources Data System State Cooperative Program has continuously supported State geological surveys in coal-related work since 1975, with West Virginia being 1 of the 3 initial States funded that year. In fiscal years 2005–2009, the USGS provided financial assistance for compiling data to assist in the estimation of coal resources in the Appalachian Basin to Alabama, Kentucky, Ohio, Pennsylvania, Tennessee, West Virginia, and Virginia. Funds were used to encode hardcopy data to digital format, for geologists' time to correlate the newly digitized coal information, to support the collection of GIS information (mined areas, etc), and to create GIS coal bed maps (e.g., coal structure, isopach). The USGS will continue to provide funding to these States contingent upon funding availability through the appropriation process. Data such as stripping ratios, drill holes, footprints of available mine maps, and related data will be made available as part of these efforts.

#### ECONOMIC DIVERSIFICATION

*Question.* In June 2009, the administration released a Memorandum of Understanding (MOU) entitled "Implementing the Interagency Action Plan on Appalachian Surface Coal Mining."

The MOU noted that "Federal agencies will work . . . to help diversify and strengthen the Appalachian regional economy and promote the health and welfare of Appalachian communities. This interagency effort will have a special focus on stimulating clean enterprise and green jobs development . . ."

*Question.* What new programs or initiatives is the Department proposing to advance economic diversification in Appalachia?

Answer. The Federal Government has made a commitment to move America toward a 21st century clean energy economy based on the recognition that a sustainable economy and environment must work hand in hand. Under the MOU, we are working in coordination with appropriate State, regional, and local entities, and other Federal agencies to help diversify and strengthen the Appalachian regional economy and promote the health and welfare of its communities. This interagency effort will focus on stimulating clean enterprise and green jobs development, encouraging better coordination among existing Federal efforts, and supporting innovative new ideas.

*Question.* What new resources is the Department requesting to advance economic diversification in Appalachia?

Answer. The Department is not requesting any new resources; rather, it is applying continuing programs to support this effort. Two ongoing programs that contribute to this initiative sponsored by OSMRE are the Appalachian Regional Reforestation Initiative (ARRI) and the Office of Surface Mining/Volunteers in Service to America (OSM/VISTA).

The ARRI is a cooperative effort between the Office of Surface Mining and the States of the Appalachian region to encourage restoration of high-quality eastern hardwood forests on active and reclaimed coal mine sites. Successful re-establishment of the hardwood forests that once dominated these lands will provide a renewable, sustainable multi-use resource that will create economic opportunities while restoring a healthy ecosystem. Thriving forests provide local jobs for an existing and growing timber industry, provide habitat for wildlife, and support a variety of recreation activities important to local human communities.

The OSM teams with AmeriCorps' VISTA program—concerned with poverty, and coal country watershed groups—working in more than 30 towns across the eight States of Appalachia to deal with environmental degradation. Through this partnership the Team targets problems associated with the legacy of pre-regulatory coal mining in Appalachian Watersheds. The OSM/VISTA Team places, trains, and supports college-educated OSM/VISTA volunteers who live and work throughout coal country to promote social and environmental change at the grassroots level.

## QUESTIONS SUBMITTED BY SENATOR JON TESTER

## TREASURED LANDSCAPES AND THE CROWN

*Question.* What criteria did you use to decide what would be your Treasured Landscapes? Why are all the projects coastal/water based? Mr. Secretary, when you visited Montana last summer, we talked about the importance of the Crown of the Continent Ecosystem; I am wondering why you excluded it? Are there plans to include it in future Great Outdoors America Projects or Treasured Landscape Projects?

*Answer.* In developing the 2011 budget request, the Department looked across the Nation for geographic areas that faced significant and increasing challenges to protecting and restoring natural and cultural resource values. The Department looked for areas where Interior bureaus were already active, but could benefit from a more coordinated focus with other Interior bureaus, and other Federal and non-Federal partners. And the Department looked for areas where targeted investments could achieve real results.

The five ecosystems included as part of the Secretary's Treasured Landscapes agenda met each of these criteria. These ecosystems will remain priorities for restoration and renewal through coordinated and targeted investments. The Department will continue to look for opportunities to leverage existing Federal conservation efforts for additional ecosystem restoration. As the Department's Climate Science Centers and the Landscape Conservation Cooperatives become operational they will be relied on to help prioritize and coordinate Federal and non-Federal efforts for ecosystem restoration nationwide, including those like the Crown of the Continent Ecosystem. The Great Outdoors America listening sessions are collecting input for opportunities including the Crown of the Continent.

## YELLOWTAIL DAM

*Question.* Secretary Salazar, a long-standing conflict has surround the Bureau of Reclamation's (BOR) management of the Yellowtail Dam and maintaining water for the boat launch at Horseshoe Bend, behind the dam at the expense of a trout fishery below.

Last year my college, Senator Max Baucus, initiated an Inspector General (IG) investigation as to the handling of flows of water into this reservoir. First, I understand this IG report is not happening. Why not?

*Answer.* BOR's headquarters was contacted by the Office of the Inspector General (OIG) and information was submitted. We have not received any correspondence or requests from the OIG since that time.

*Question.* Will you start the investigation?

*Answer.* In addition to supplying the information to the OIG, BOR formed the Bighorn River System Issues Group in March 2007, as a means to collaboratively identify and investigate ways to optimize the benefits provided by the Yellowtail Unit. BOR conducts monthly outreach conference calls with interested parties to disseminate up-to-date operations information and to provide a mechanism for stakeholder input and feedback.

*Question.* Understanding this issue spans the boundary of two States, what cooperative management plans are you undertaking to make sure that in low water years Montana and Wyoming share the burden of lower water, not one side disproportionately?

*Answer.* BOR manages the water; the National Park Service manages the Bighorn Canyon National Recreation Area. BOR engages stakeholders and customers in reservoir operations-related issues through the Bighorn River Basin Issues Group through monthly (or more frequent) reservoir operations updates. Individuals from both Montana and Wyoming are represented on the Issues Group.

*Question.* Why are the three dams in that drainage managed independently?

*Answer.* The three dams are operated in a coordinated manner. Boysen and Buffalo Bill are under the jurisdiction of the Wyoming Area Office located in Mills, Wyoming. Yellowtail Dam is under the jurisdiction of the Montana area office located in Billings, Montana. Both offices operate under the guidance and purview of the Great Plains regional office, also located in Billings, Montana.

*Question.* Would you consider returning them to coordinated management to address the issues in Bighorn Drainage?

*Answer.* The operation and management of the dams is presently coordinated between the Wyoming area office and the Montana area office. These offices are responsible for operating the dams to provide benefits consistent with congressional authorizations, water supply contracts with customers, and State-based water law in Wyoming and Montana.

## RENEWABLE ENERGY

*Question.* Over the last year you have open up renewable energy pilot offices in Wyoming, Arizona, California, and Nevada. I championed the work of renewable energy coordination offices (RECOs) in the 2009 energy bill and fully support the idea.

Do you plan to expand these offices beyond those four States? When do you plan on locating an office in Montana, where we have excellent renewable resources?

*Answer.* The Department has established the Bureau of Land Management (BLM) RECOs in Arizona, California, Nevada, and Wyoming to support those States with the largest number of renewable energy applications for public lands. Funding has been provided to other States, including Montana, for additional renewable energy support staff. The BLM office in Montana has received funding for five additional renewable energy support positions. However, due to the limited workload to date and the number of pending applications, only two positions have been filled. The BLM will respond to any future needs as they are identified.

*Question.* Mr. Secretary, you have made renewable energy and transmission development a priority in your office, increasing funding to \$73.3 million, an increase of \$14.2 million.

What are you doing in Montana to realize these goals?

*Answer.* The BLM has provided additional funding to Montana to support renewable energy support staff and to respond to any renewable energy and transmission development projects in Montana. The workload in Montana has not materialized as anticipated; however, the BLM is prepared to respond as needed. There are several proposed transmission projects that are currently being reviewed and the BLM has placed a priority on the processing of these applications. In addition, the BLM is currently preparing guidance to implement an Interagency Transmission Siting Memorandum of understanding (MOU) that was signed by the Secretary in October 2009. This guidance provides procedures for improving the coordination in permitting of electric transmission facilities on Federal lands. Transmission projects in Montana will be processed consistent with the provisions of the Interagency MOU and the BLM implementation guidance.

## FISH AND WILDLIFE SERVICE (FWS)

*Question.* Recently I learned the number of people working on FWS staff in the State of Montana and region 6 is almost half of other regions, like Oregon and Washington. To address this low level of staff funding, it has come to my attention that FWS is considering closing the Billings field office, which houses the wildlife biologist for eastern Montana. Montana's expanding energy renewable frontier and increasing investment in domestic fossil fuel production often require environmental consultations from the FWS to swiftly complete the planning of projects. This especially true after Friday, March 5, when the Sage Grouse was listed as "warranted but precluded," adding it as another species whose progress must be watched.

Mr. Secretary, what is the formula for calculating how much each State receives for staff?

*Answer.* Staffing for the Ecological Services (ES) offices is funded from the habitat conservation and endangered species programs. The allocation formula for the endangered species subactivities was developed in fiscal year 2000. According to this method, each region receives funding based on weighted complexity factors for candidate and proposed species occurring in each region. For example, aquatic species and wide-ranging species are considered more complex than terrestrial species with smaller home ranges. As part of the end of year reporting, Regions are asked to review the species weights and provide the Washington office with any changes that are necessary, along with documentation as to why the change is required.

Base funding is disbursed to the ES field offices from an allocation methodology that is consistent across all field stations, based on FTEs at each field station. Increases and decreases are based on workload and priority issues.

*Question.* Are you planning to close the Billings office?

*Answer.* FWS's Billings, Montana ES field office staff has been reduced over the years to two staff members, an administrative staff person and a biologist. FWS is terminating the current General Services Administration (GSA) lease for the Billings Montana ES suboffice. The remaining biologist position will still be located in Billings in GSA space that fits the needs of a one-person office. The administrative assistant position will be moved to the Montana ES field office in Helena.

*Question.* How do you plan to make sure that Montana has adequate staff to assure that there are not delays in analyzing energy and development projects?

*Answer.* FWS's Federal activities review and section 7 consultation programs do their best to address all project proposals provided for consultation, informal or formal, in a timely manner. Workload distribution across field offices is managed by

the field supervisor in coordination with their regional office. These field supervisors will ensure workload is managed to avoid delays.

COOPERATIVE WATERSHED MANAGEMENT ACT/WOLF KILL BILL

*Question.* Mr. Secretary. I included two provisions in the last omnibus public lands bill, which passed last January: The Cooperative Watershed Management Act and the Livestock Loss Mitigation Act. Both of these provisions were directed to have their rules written and funding project within a year. But to my knowledge neither of these programs have finished rule making and your budget this year does not fund them in fiscal year 2011.

Can you assure me that you will prioritize finishing the rules on these important programs as quickly as possible?

*Answer.* The Department is currently collecting comments from States and will complete this phase by the end of May. As emphasized in the Cooperative Watershed Management Act, States play an important role in supporting watershed groups and there are as many approaches to watershed management as there are States. These comments will help the Department shape both the application development and program implementation. In February 2010, I issued an order directing the Department to implement the new WaterSMART program. The Cooperative Watershed Management Program is an important component of this new initiative. The act created a new tool for Interior to work at the watershed level where restoration and management decisions need to be made. The program framework should be in place this summer.

*Question.* How about prioritizing their funding next year?

*Answer.* I have asked bureaus to work together to identify seed money for this program. Once the program framework is in place, we will identify pilot areas where we can test the new program and make needed adjustments. At that time we will be able to make a better decision on the level of funding that would be necessary to implement the program and consider its inclusion in future budgets.

*Question.* In the interim, the livestock loss mitigation program was funded in fiscal year 2010. The goal of the program is to reduce and compensate for predation by reintroduced wolves.

Can you assure me that the funds you distribute this year for this program will focus on preventing and compensating predation, specifically to States that have predation data?

*Answer.* Yes, the funds will be focused on prevention and compensation of predation by wolves.

LAND AND WATER CONSERVATION FUND (LWCF)

*Question.* I'm pleased that you are a supporter of the LWCF, which has protected important places like Red Rock Lakes National Wildlife Refuge and the Blackfoot River Watershed in Montana, among other areas across the country important for conservation, historic preservation, and public recreation. I was pleased to see almost \$25 million proposed for deserving projects in Montana this fiscal year, which can help protect Montana's outstanding wildlife habitat and recreational opportunities in places like the Rocky Mountain Front. According to a recent Federal study, more than 291,000 anglers in Montana spend more than \$226 million annually, nearly 200,000 hunters in Montana spend more than \$310 million annually, and more than 750,000 wildlife watchers in Montana spend more than \$376 million annually. We need to ensure these economic activities are maintained while also improving public access and enjoyment for other Montanans.

Mr. Secretary, what can the Department do to ensure greater support for funding the LWCF?

*Answer.* The Department of the Interior supports fully funding the LWCF and is on target to reach the full annual funding level of \$900 million by 2014 with the Department of Agriculture. Interior's 2011 budget request reflects our commitment with a request of \$445.4 million, an increase of \$135 million above the 2010 enacted funding level. The total request for LWCF, including USDA, is \$619.2 million. In addition, Interior will receive another \$740,000 in mandatory appropriations through the Gulf of Mexico Energy Security Act for the NPS State LWCF activities in 2011.

RURAL WATER

*Question.* In September, Commissioner Connor testified that BOR has a backlog of more than \$2 billion in authorized rural water projects. As you know, several of us are working to authorize more projects. As you also know, these projects don't get cheaper with time. How do plan to address the backlog?

Answer. The first priority for funding rural water projects is the required O&M component, which is \$15.5 million [BOR-wide] for fiscal year 2011. For the construction component, BOR allocated funding based on objective criteria that gave priority to projects that serve on reservation needs; and percent of project complete.

*Question.* How do you plan to address the projects that you will inherit soon?

Answer. Using the criteria above, BOR will continue to budget for construction of ongoing authorized rural water projects within budget targets.

*Question.* The fiscal year 2011 budget justifications for DOI include budget requests of \$27.5 million for tribal trust accounting at DOI's Office of Historic Trust Accounting, a portion of \$13.5 million for the DOI Office of Trust Records to index inactive records sent to the American Indian Records Repository, and a portion of \$67.9 million at the Office of the Solicitor for its Indian Trust Litigation Office. How much in appropriations is the Department seeking for fiscal year 2011 specifically relating to the pending tribal trust cases?

Answer. The Department's budget request includes \$27.5 million in OST's budget for tribal historical accounting and another \$4 million to be transferred from OST's Records budget to the Solicitor's Office for litigation support. This provides \$31.5 million for tribal historical accounting and related litigation support. Funding for trust records is not separated between IIM and tribal activities.

*Question.* Have you committed senior-level officials to working on the tribal trust cases now that there has been a settlement agreement in the *Cobell* case? Also, how long do the Departments foresee that litigation of these cases will go on, and how much more appropriations do the Departments anticipate, before we can start to see settlements for these cases?

Answer. It is the administration's goal to resolve as many of the tribal lawsuits as possible, and senior-level officials are committed to resolving these cases. Direct, informal negotiations between the parties generally are facilitated by temporary joint stays of litigation agreed to by the courts. In some instances, settlement negotiations are facilitated by a third-party neutral evaluator or settlement judge. For example, Alternative Dispute Resolution (ADR) Judge(s) from the Court of Federal Claims are working with Government and tribal representatives to reach negotiated settlements in several cases. Of the 95 tribal trust cases currently pending at the trial level, approximately 70 cases have been temporarily stayed so that the parties can pursue informal settlement discussions or formal ADR processes. Several cases are now in advanced phases of resolution where the parties are either considering specific settlement stipulation language and figures, or are on track to exchange settlement figures in the near future.

Last fall, legal counsel acting on behalf of approximately 80 of the 114 American Indian and Alaska Native tribes that are litigating proposed a meeting to discuss possible settlement of tribal trust accounting and mismanagement claims against the United States. In April, senior officials from the Departments of Justice, the Interior, and the Treasury held an initial meeting with the designated representatives for this group to discuss the process for achieving global resolution of the cases without protracted litigation. The parties expect to reconvene before the end of June. Separately, senior officials from Interior and Justice have engaged with counsel for 16 other litigating tribes seeking global resolution for that group of cases. Notwithstanding such global settlement efforts, the Department must continue necessary efforts to marshal information on trust funds and trust resources for the active pending cases.

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#### QUESTIONS SUBMITTED BY SENATOR LAMAR ALEXANDER

##### LAND AND WATER CONSERVATION FUND (LWCF)

*Question.* The administration's fiscal year 2010 budget includes \$569 million for the Federal portion of the LWCF, a 37 percent increase, while the stateside grant program was increased from \$40 million to \$50 million. The administration has pledged to fund the LWCF programs at the fully authorized level of \$900 million by 2014.

I'm very supportive of the Federal side of LWCF, but as a former Governor, I can't overstate how important the stateside grant program is for recreation, habitat and open spaces. Plus, that funding is matched dollar-for-dollar by grant recipients.

The Great Outdoors America Report, produced by the top conservation minds and organizations in the country, called for permanent, dedicated funding for LWCF, with a share guaranteed to the States and urban areas.

With the stateside backlog of \$27 billion, shouldn't more funds be put into the stateside portion of the program rather than continuing such a heavy emphasis on the Federal side where the bulk of the funds have been going for years?

Has the Department considered additional dedicated funding sources for LWCF, through new lease royalties or user fees?

Answer. The Department is appreciative of the benefits gained by the States from the State grants program within the LWCF. The 2011 budget increased funding for LWCF State grants by \$10 million, an increase of 25 percent over the 2010 level. However, in these tough economic times, several States may not be able to take advantage of this program as it requires matching grants. In addition, several States are struggling to operate and maintain the parks that they already have. We will evaluate the balance of funds in the State grants and Federal parts of the account for fiscal year 2012 formulation.

The 2011 budget includes a relatively new funding source for LWCF State grants. The revenues authorized by the Gulf of Mexico Energy Security Act will provide \$740,000 for LWCF programs in 2011. There are no additional new revenue streams for LWCF proposed for 2011.

#### CENTENNIAL INITIATIVE FOR THE NATIONAL PARK SERVICE (NPS)

*Question.* Our National Parks across the country face serious operational and maintenance backlog issues. For the last 2 years, \$100 million plus inflationary costs has been added to the parks operations and maintenance account. This was added to address some of the maintenance backlog issues and to hire additional rangers, interpreters, and law enforcement personnel to enhance the visitor experience as the NPS moves toward its 100th anniversary.

The National Parks Second Century Commission report, which was co-chaired by Howard Baker, strongly encouraged the administration and Congress to continue the Centennial Initiative until 2016, which would eliminate the unfunded operations backlog of the NPS.

Why is this funding not included in the 2011 budget request?

Answer. The National Parks Second Century Commission outlines a vision for the National Parks that can be applied to all public lands. As custodians of our Nation's natural, cultural and historic resources, we have a duty to protect all of the places that Americans love, and to help all Americans connect with their land and heritage. That includes the 392 units of the national parks system, 551 national wildlife refuges managed by the U.S. Fish and Wildlife Service (FWS), and the 27 million acre National Landscape Conservation System in the Bureau of Land Management (BLM).

One of the goals of the administration is to protect these treasured landscapes by implementing wise stewardship, science based decisions, and forward-looking policies that help protect the Nation's land, water, and wildlife for future generations. The Treasured Landscapes Initiative in the 2011 budget supports operations on public lands that enhance the visitor experience, promotes ecosystem restoration, supports species recovery and protects habitat, and facilitates cultural resource preservation and conservation.

The 2011 Treasured Landscape Initiative request shows our commitment to preserving the national parks and preparing for the 100th anniversary of the NPS in 2016. The NPS budget request includes \$2.3 billion for park operations including \$51 million in additional funding requested as part of the Treasured Landscapes Initiative. The increases will be applied to targeted operational needs at 127 parks and to invigorate capacities in history, scientific research, and community assistance in accord with the recommendations of the National Parks Second Century Commission.

The Treasured Landscape Initiative also provides an additional \$80 million for FWS science inventory and monitoring, \$1.3 million targeted to new wilderness areas designated by the Omnibus Public Land Management Act of 2009, and \$414,000 for high-priority operating needs in the BLM National Monuments and National Conservation Areas.

#### FUNDING FOR GREAT SMOKY MOUNTAINS NATIONAL PARK

*Question.* Not funding the Centennial Initiative further sets back our country's most visited park, the Great Smoky Mountains. I see that its budget is only \$59,000 higher than last year which won't even keep pace with inflation and pay costs for park employees.

The Great Smoky Mountains National Park, which has two or three times the visitors of some of our other popular parks, gets about half the funding of similar parks because of circumstances of history.

How can this be changed so that the Smokies receives a fair amount?

Answer. The 2011 Treasured Landscape Initiative request shows our commitment to preparing the parks for the 100th anniversary of the NPS in 2016. The NPS budget request includes \$2.3 billion for park operations including \$51 million in additional funding requested as part of the Treasured Landscapes Initiative. The increases will be applied to targeted operational needs at 127 parks and to invigorate capacities in history, scientific research, and community assistance.

The 2011 budget includes increases for highest-priority needs based on an evaluation of many factors. Proposals submitted by park units throughout the Nation are evaluated on a competitive basis. The fiscal year 2011 budget request includes an increase of \$238,000 for Great Smoky Mountains National Park. The additional funding will be used to conduct additional back country patrols, improve the safety of visitors, and protect resources from threats such as ginseng poaching. In fiscal year 2010, Great Smoky Mountains National Park received a base budget increase of \$498,000.

#### SITING OF RENEWABLE PROJECTS ON FEDERAL LANDS

*Question.* I'm extremely concerned with what is being called renewable energy sprawl by at least one conservation group. We all want clean energy, but not at the expense of our landscapes and open spaces. I think Chairman Feinstein and I share concerns about the destruction of our landscapes, whether by traditional oil and gas extraction, renewable energy and transmission lines, along with the associated infrastructure required for energy projects. We've spent billions of dollars and over a century acquiring and protecting our public lands, and we should give the same scrutiny to renewable energy projects as we have to other traditional forms of energy leases in our Nation's history. With regards to wind energy specifically, companies in the Eastern United States want to site these wind projects on mountain ridge tops where the wind is the strongest, but the impact to scenic landscapes would be greatest. What we need is a national policy to protect our landscapes—coordinated with other agencies.

I am also concerned about parity in our energy policy. Oil and gas leases will be required to pay royalties somewhere between 12 percent and 18 percent for energy production. I understand BLM and MMS will charge a much lower rate for renewable projects on Federal lands and offshore.

How would you address criticism that you are raising royalties on oil and gas production when we have such a heavy reliance on foreign oil, while you are charging such a lower rate for use of the public lands for renewable energy production?

Answer. As with other BLM and MMS energy permitting activities, the proposal to implement a rulemaking to raise onshore oil and gas royalty rates is guided by the administration's belief that American taxpayers should get a fair return on the development of energy resources on their public lands. A standard approach for determining what constitutes a fair return is to look at what other resource owners in similar positions charge for the sale or use of these resources. A comparison of prevailing oil and gas royalty rates in the United States indicates that the Federal Government is currently not receiving a fair return. The base royalty rate for oil and natural gas produced on Federal onshore lands has been set at 12.5 percent since 1920. By contrast the current average State royalty rate is 16.67 percent, and the royalty rate in Texas is 22.5 percent.

Similarly, the Department intends to periodically assess the royalties and fees that are charged for renewable energy projects on Federal lands to ensure that they are in line with the amounts received by other landowners who permit their lands to be used for these projects. However, there are a number of reasons why what is considered a fair return may be lower for renewable energy projects than for oil and gas. One is that we are dealing with a nascent industry. Another is that the product being sold is not the same. For oil and gas, companies are paying a royalty (a percentage of the value of the resource) to permanently remove that resource from the Federal estate. For renewable resources like wind and solar energy, no Federal resource is being removed from the land. Instead, we charge rental fees based on the tenant's occupancy of a particular site.

Beyond this guiding principle of receiving a fair return, the Obama administration shares your concern over the United States' heavy reliance on foreign oil. However, the administration recognizes that the country cannot solve this imbalance, which threatens both our energy security and our national security, by simply increasing domestic oil and gas production. From an energy supply standpoint, we are not capable of meeting the country's growing demand and appetite for energy through domestic conventional energy resources. For this reason, the administration is aggressively pursuing a comprehensive energy policy that promotes renewable and alter-

native energy development, encourages energy conservation, and continues to support environmentally sound development of fossil fuels in the right places. To advance this important national goal of reducing our dependence on imported energy, the administration and Congress have worked together to put in place incentives to promote and support the nascent renewable energy industry. It could be counter-productive if we were to simply offset those incentives with unjustifiably high fees for developing renewable energy projects on Federal lands.

I also share your concern about protecting our public lands as we pursue renewable energy development. Under my direction, BLM is focused on developing renewable energy in a manner that protects the signature landscapes, wildlife habitats, and cultural resources of the public lands. As I have stated on numerous occasions, we want to implement the New Energy Frontier "right from the start." This is being accomplished by conducting studies and analyses in advance to identify the most appropriate areas for siting renewable energy projects and transmission infrastructure, areas where conflicts with other resource values are avoided or minimized.

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QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

*Question.* Europe built its first offshore wind farm in 1991. With the current 7.5 years Minerals Management Service (MMS) permitting process, it is unlikely that new utility-scale offshore wind projects will be operating in the Federal waters until the end of the decade. By that time, Europe will have hundreds of utility-scale offshore wind farms with a production capacity of 40 to 55 gigawatts (GW), and a total investment in excess of \$150 billion. The United Kingdom alone will be producing a quarter of its electricity from offshore wind by 2020, representing an investment of \$120 billion and creating up to 70,000 jobs. Here in the United States, we can't even get demonstration projects in the water in a timely manner to get the data needed for eventually building utility-scale projects.

In my State of Maine, we have a 60-day permitting period for new technology research, development, and demonstration projects where new offshore wind turbine designs can be placed in the water for a limited period for performance testing and environmental assessment work. Will you consider developing such a 60-day permitting period and guidelines for full-scale new turbine research, development, and testing projects in Federal waters? Will you provide funding opportunities for the required environmental monitoring efforts so that monitoring protocols can be developed for these new technologies?

*Answer.* The Secretary is committed to the expeditious and responsible development of clean renewable energy in the Atlantic Outer Continental Shelf. The MMS regulations incorporate Federal environmental and consultation requirements (including consultation with States), and also reflect time needed by developers to generate site data and submit project plans. Certain timeframes are therefore built in, such as conducting environmental reviews under the National Environmental Policy Act (NEPA) or complying with the Endangered Species Act or the Coastal Zone Management Act.

However, the overall time the renewable energy permitting process could take will be influenced heavily by other factors, such as whether there is competitive interest in the area, what kind of resource assessment the developer needs in order to secure financing, the kind of technology the developer intends to use, and the level of consultation required with States, tribes, and other Federal agencies. As a general rule, the more prepared the developer is when it submits its application and the more multiple-use and environmental review issues that have been addressed in advance, the faster the process will move.

The process can potentially take many years if a developer chooses to obtain a lease before beginning site work, and then takes several years to develop site data (the regulations allow a developer up to 5 years) before designing and submitting final construction plans. These multiple approval steps may also necessitate additional NEPA analysis and State and Federal consultations. However, barring any serious multiple-use conflicts, the approval process may take as little as 3 years if a developer is able to come fully prepared with completed site data and construction plans, and does not face competition from other interested developers.

MMS is actively working with States and other Federal agencies to generate critical environmental data to help expedite Federal environmental reviews, and to address multiple use and other issues in advance of the leasing process. We are closely examining our regulations and the permitting process to look for ways to improve efficiency while still meeting all legal requirements, and maintaining robust and responsible environmental and safety standards.

While Federal statutes will not allow for us to approve research, pilot, or demonstration projects in a 60-day timeframe, MMS provides a separate course of action for noncommercial technology testing and data collection leases that moves quickly. Indeed, under this procedure, the Department has already issued four leases for data gathering in support of future commercial offshore-wind projects. In addition, the MMS regulations allow the Director to issue leases to a Federal agency or a State for renewable energy research activities in areas where there is no competitive leasing interest.

Regarding funding for environmental monitoring efforts, the MMS has issued a solicitation that includes developing environmental monitoring protocols for offshore renewable energy technologies. Currently, proposals are being reviewed and we intend to have this work begin in the near future. We appreciate your interest in expediting the responsible, environmentally sound development of the Nation's promising offshore wind energy.

*Question.* Last summer we enjoyed a wonderful visit to Acadia National Park, a jewel of Maine's coast. Thank you for the American Recovery and Reinvestment Act money (\$4.7 million) you announced last week to help rehabilitate the Schoodic Environmental Research Center, a former Navy base that now offers innovative educational programs that combine natural science research with field-based education.

As you saw during your visit, Acadia is unique among National Parks in that it still contains many privately owned land parcels within the park's official boundaries. Looking forward at the fiscal year 2011 budget, Acadia has the opportunity to purchase a key 39-acre parcel near Lower Hadlock Pond. The land is appraised at \$3 million and your budget request includes \$1.7 million in LWCF money to help acquire it. I understand it is a tough budget year, but I hope we can work together to get the park the full amount it needs to acquire this piece of land.

*Answer.* In formulating the budget request for Federal land acquisition within the National Park System, the National Park Service applies criteria to rank and prioritize land acquisition at the park, regional, and national level. To leverage projects and resources and achieve maximum conservation benefits, projects were evaluated Department-wide. The projects included in the fiscal year 2011 budget request reflect the Department's and NPS's highest land acquisition priorities. The fiscal year 2011 budget request includes \$1,764,432 to acquire a 22.9-acre tract at Acadia National Park. The tract, which borders Round Pond and is in a very secluded section of Mount Desert Island, was determined to be the highest acquisition priority at the park. The second-highest acquisition priority at the park, and the subject of your inquiry, is the 39-acre tract valued at \$3,000,000 located at Lower Hadlock Pond. This tract will be evaluated for potential acquisition in future budgets.

#### SUBCOMMITTEE RECESS

Senator FEINSTEIN. The hearing is recessed.

[Whereupon, at 11:03 a.m., Wednesday, March 10, the subcommittee was recessed, to reconvene subject to the call of the Chair.]