# DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2009

**TUESDAY, APRIL 15, 2008**

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

The subcommittee met at 10:07 a.m., in room SD–124, Dirksen Senate Office Building, Hon. Dianne Feinstein (chairman) presiding.

Present: Senators Feinstein, Dorgan, Nelson, Allard, Craig, Stevens, Cochran, and Alexander.

## DEPARTMENT OF THE INTERIOR

### OFFICE OF THE SECRETARY

**STATEMENT OF HON. DIRK KEMPTHORNE, SECRETARY**

**ACCOMPANIED BY:**
**JAMES CASON, ASSOCIATE DEPUTY SECRETARY**
**PAM HAZE, DIRECTOR, OFFICE OF BUDGET**

OPENING STATEMENT OF SENATOR DIANNE FEINSTEIN

Senator FEINSTEIN. The meeting will come to order. This is the Interior Subcommittee on Appropriations, and we are having a hearing this morning on the Interior Department's budget.

The distinguished Secretary of the Interior has joined us, and I understand he has to be at the White House in the late morning and must be out of here by 11:30. So for all members' advisement, please know that and we will try to move along as rapidly as possible. Question rounds will be 5 minutes and we will use the early bird rule.

Testifying is the Secretary of Interior. Joining him is Jim Cason, the Department's Associate Deputy Secretary, and Pam Haze, the Director of the Office of Budget. We would like to welcome all three of them.

Mr. Secretary, with the change of administration set for next year, this will most likely be your last appearance before this subcommittee, and I want you to know—and I think I speak for all my colleagues when I say that we deeply appreciate the degree of dedication you have brought to your job. I have had the privilege of working with you, as had Senator Craig, as a Member of this body. I do not think Senator Alexander or Allard did.

Senator ALLARD. I did.

Senator FEINSTEIN. You did? Well, let me speak for Senator Allard then, as well.

Your collegiality is always very much appreciated.

Secretary KEMPTHORNE. Thank you very much.

Senator FEINSTEIN. You have brought a very distinct level of cooperation to us and our staff. We think you exemplify public service and we sincerely wish you the very best in all of your endeavors.

Secretary KEMPTHORNE. Thank you.

Senator FEINSTEIN. Turning now to your budget, though, this is a horse of another color. I want to thank you for retaining some of the programmatic increases the Congress provided in the 2008 bill. The extra funding for park operations, for refuge operations, for maintenance of refuges, and for law enforcement on Indian lands are all critically important to us, and we think they will make a real difference in the field.

But despite those successes, this proposal leaves us in a very difficult position, and I think the best I can offer is please work with us as we work on this budget.

2009 BUDGET REQUEST

All in all, the Department's 2009 request is a reduction of $189 million, or just 2 percent from the current level. The real cut, however, we find is much larger when you factor in the $165 million in fixed cost increases that have to be covered and the additional $45 million needed to meet the 10-year average for fire suppression. Taking these costs into account, the request more realistically represents a reduction of nearly $400 million, or 4 percent below the 2008 level.

Now, to be fair, there are two sizeable increases: the $160 million for park operations and an additional $45 million for fire suppression. But those increases are offset by hefty cuts. Consider construction at parks, refuges, and Indian schools cut $99 million, or 21 percent; land acquisition at parks and refuges cut $51 million, or almost 60 percent; Bureau of Indian Affairs overall cut $100 million, down 4 percent; and Payments in Lieu of Taxes, fondly known around here as PILT, cut $34 million, or 15 percent; State and local historic preservation projects cut $25 million, or 19 percent; and State land acquisition grants cut $25 million. That is 100 percent.

As we look at these cuts, it is clear to me that the budget is the product of some rather arbitrary decisionmaking at the Office of Management and Budget. Given the size of the backlog maintenance problem, for example, there is simply no way to justify a 21 percent reduction in the construction programs, nor can a $100 million cut at the Bureau of Indian Affairs be explained away as good public policy. BIA may be a lot of things, but overfunded it is not. So I suspect that as we begin drafting this appropriations bill, members of the subcommittee will largely be in agreement that many of the proposed reductions are untenable and need to be fixed.

Before turning to our distinguished ranking member for any opening comments, I want to thank you for your leading role in negotiating the San Joaquin River Restoration Settlement Agreement and the implementing legislation as well. I am one that believes that a negotiated settlement is much better than a judge becoming

master of this river, and I want you to know how much I appreciate your help in the outcome. I think it is going to be marked up in the Energy Committee in May or June of this year. So I am very pleased about that.

I would now like to turn to my distinguished ranking member, Senator Allard, for any comments you may care to make.

OPENING STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Well, thank you, Madam Chairman, and I would like to just reiterate your comments at the first of your opening statement about what a pleasure it has been to work with Secretary Kempthorne both as a colleague, as well as head of the Department of the Interior.

I want to thank you, Madam Chairman, for calling this hearing today.

I appreciate, Secretary Kempthorne, you joining us this morning to testify on the fiscal year 2009 budget for the Department of the Interior. Again, I know this will be your last year, most likely, at the helm of that Department, and you probably will not miss us much, but we will definitely miss you at Interior.

I think I speak for all of us in saying that we, again, appreciate your leadership. It is not an easy job. It is a controversial job. You have handled the challenges exceptionally well despite those challenges.

Your Department administers 507 million acres, or roughly one-fifth of the land area of the United States. The most beautiful public lands you manage are in my State of Colorado. For example, Rocky Mountain and Mesa Verde National Parks rival anyplace in North America for their majestic scenery, as well as their cultural importance.

Your Department also controls some of the most economically important public lands in Colorado, in particular, the oil and gas resources of the Roan Plateau which are under the jurisdiction of the Bureau of Land Management. There is vigorous debate among the people of Colorado about how best to manage the resources of the Roan. I think most people want responsible development of this area, but at the same time, they want it done in an environmentally sound way. I share this view and hope to discuss the development of the Roan Plateau with you further today and hopefully get a commitment from you to work together with me and others in delegation to address this issue that is so critical to my State.

The chairman went through most of the budget numbers, so I will just mention a few that are of particular interest to me. The total request of the Department is $9.8 billion for the programs under this subcommittee's jurisdiction, which is $199 million less, or 2 percent below the fiscal year 2008 enacted level. But most of the proposed cuts have come from the land acquisition and construction programs of the Department.

NATIONAL PARKS CENTENNIAL

Similar to last year, the most significant increase in the Interior budget by far is $160 million for the National Park Service as part of the Centennial Initiative. There is also legislation pending before

the Energy and Natural Resources Committee that would provide an additional $100 million annually in mandatory spending on a matching basis for the Centennial Challenge Fund.

Since the authorizers had yet to act on this proposal in fiscal year 2008, this subcommittee provided $25 million in matching funds to kick off the centennial matching funds initiative last year, and I understand that you will be announcing the recipients of those matching funds later this month.

While I support providing these matching funds, it is my hope that we will not do that again this year. But do not get me wrong. I am a strong advocate of our national parks. However, in my view this subcommittee does not have the resources to fund the centennial matching fund initiative that is appropriately before the authorizing committee. If we continue to go down this path by funding what is intended to be a mandatory program each year out of our limited discretionary dollars, my fear is that in lean budgetary times, the centennial matching program may well come at the expense of the basic operations of our national parks.

I will be interested in hearing today about your efforts to work with the authorizing committee to pass the centennial matching fund legislative initiative.

PAYMENTS IN LIEU OF TAXES

There are a couple of cuts in your budget that I find especially disappointing. First, once again, I see that PILT has been reduced dramatically by $34 million. This is absolutely critical to many of our rural communities in the West that are dominated by Federal lands, as you are well aware of, I am sure, Mr. Secretary.

NAVAL OIL SHALE RESERVES

Second, I cannot support the budget proposal to cancel $24.7 million of balances in the Naval Oil Shale Reserve site restoration fund account. You have been working with me on certifying this site so that the cleanup can commence, and I appreciate that. But if the Department had not taken so long to reach the point of certifying the site, then half of the money that is going into the fund from oil and gas production, which currently is about $2 million per month, would be going to the State of Colorado pursuant to the Mineral Leasing Act. It is my intention to work with the chairman to see that all these funds do not simply go to the Treasury, but that Colorado receives its rightful share of these royalties that were derived from oil and gas development in my State.

That concludes my opening statement, and once again, I appreciate the Secretary appearing before the subcommittee today and I look forward to asking him some questions this morning.

Senator FEINSTEIN. Thank you very much, Senator. I appreciate your testimony.

It would be my intent to proceed directly to the Secretary because of his time constraints, unless members really want to speak. Is that agreeable with everyone?

Senator ALLARD. Certainly.

Senator FEINSTEIN. Thank you very much.

Mr. Secretary, we will turn it over to you.

SUMMARY STATEMENT OF HON. DIRK KEMPTHORNE

Secretary KEMPTHORNE. Madam Chairman, thanks very much and thank you for the very kind remarks which you made at the beginning of your statement. Senator Allard, thank you as well.

Senator Allard, you said that I may not miss you. I would say that I know that I will miss all of you because when I made the conscious decision to leave the U.S. Senate to run for Governor, I left behind tremendous friendships, and this position has allowed me to reconnect and to work with you again. Madam Chairman, our friendship began when you were mayor of San Francisco and I was mayor of Boise and then to have had the great pleasure and honor of serving with Senator Allard, with Senator Cochran, Senator Craig, who is one of the great men of Idaho. Then, to have the friendship of Senator Alexander and Senator Nelson where we established that when we both walked the paths as Governor, you know about collegiality. I think that Senator/Governor Alexander and Senator/Governor Nelson would say that there is not quite the same collegiality between a Governor and his or her legislature.

So I do enjoy this camaraderie.

I want to thank you for your strong bipartisan support that this committee provided in enacting our budget request with fixed costs and our 2008 budget initiatives. I appreciate your leadership.

In 2008, we charted a course of excellence for our national parks. We broadened our planning horizons to achieve Healthy Lands, while securing energy for the Nation, and we put the needs of Indian country center stage.

2009 BUDGET

In 2009, we build on these commitments, but more challenges confront us, challenges that will require our action. We are proposing four new initiatives in 2009 to address water crises, manage our oceans, reverse the dramatic decline in wild birds, and protect our borders. Our 2009 budget also retains many of the increases that you provided in key areas, such as refuges.

Our 2009 budget is $10.7 billion and it benefits every American each day in some way. This budget slightly exceeds our 2008 request. You will see that our budget includes strategic reductions primarily in construction, land acquisition, and for congressional earmarks. For programs under the purview of this subcommittee, the $9.8 billion budget is $199 million, or 2 percent, below the 2008 enacted budget.

OPERATING BUDGETS

Despite this overall decrease, we propose operating increases of 4 percent over 2008 for our land management bureaus. Strong funding of base operations supports ongoing programs in conservation, recreation, and resource management on public lands. This budget will allow them to continue to serve America in continued and new ways through 2008 and through 2009.

NATIONAL PARKS CENTENNIAL

Last year we announced our National Parks Centennial initiative. We held listening sessions across the country. We asked

Americans to tell us their vision for our parks. The public spoke and we listened. We are adding 3,000 seasonal park rangers this year to enrich visitor experiences. Our 2009 request for park operations is historic. We are requesting an increase of $161 million, or 8 percent. Together with 2008 funding, the 2-year increases total $283 million, or 14 percent. With these increases, the total park operating budget is $2.1 billion.

Our initiative also proposes the National Parks Centennial Challenge, which would provide up to $100 million in mandatory funding to match philanthropic contributions to enhance our national parks in time for the 100th anniversary of the park system in 2016. I am particularly appreciative, Chairman Feinstein, that you and Senator Allard provided the first segment of funding for the National Parks Centennial Challenge matching projects. It is greatly appreciated by many.

We are preparing to announce the projects that will be done with the $25 million appropriated in 2008. We have received 321 written letters of commitment from Americans across the country pledging $301 million of their money for centennial projects. Once Congress approves the Centennial Challenge matching fund legislation, those pledges and the matching Federal funds will be available to benefit parks all around the country.

HEALTHY LANDS INITIATIVE

Interior's responsibilities extend beyond parks to 258 million acres of public lands in the West, lands key to communities and economies of the West. In some of these areas, world-class wildlife habitat sits on top of world-class energy reserves. We must maintain healthy lands, sustain wildlife, and secure energy for this Nation. Our Healthy Lands Initiative launched in 2008 provides that holistic framework. It allows us to maintain wildlife corridors while providing continued access to significant energy resources. Our 2009 budget proposes a $14 million, or a 200 percent, increase over the 2008 funding level.

INDIAN INITIATIVES

Last year we also launched two initiatives in Indian country: one to battle the drug scourge from the drug cartels invading reservations; and the other to bring hope to Indian youth by improving their schools. Both of these initiatives received overwhelming support by this Congress.

SAFE INDIAN COMMUNITIES INITIATIVE

Under the Safe Indian Communities Initiative, we proposed an additional $16 million last year to battle the scourge of methamphetamine that threatens an entire generation of Native Americans. Congress supported our proposal and added an additional $8 million to this initiative. The bipartisan message is clear. We must get drug dealers off reservations and behind bars.

In 2009, we sustain the full $24 million in funding increases provided in 2008, and we propose to add $3 million more for the initiative, for a total of $27 million.

IMPROVING INDIAN EDUCATION

In 2008 under the Improving Indian Education initiative, we proposed increases of $15 million to help Native American children reach their potential. Congress endorsed our vision for Indian education, funding our request and investing another $9 million, bringing our initiative total to $24 million in 2008.

In 2009, we uphold our promise to Indian children. We sustain the 2008 funding and provide another $2 million, investing a total of over $25 million. The issues of safety and education go beyond the budget. They are at the very heart of the future of Indian country. We must act now to ensure that the dreams of today's youth will become the realities of tomorrow.

WATER FOR AMERICA INITIATIVE

As I mentioned earlier, we also have four new initiatives in our budget, initiatives that address some of the most critical issues facing this Nation. Last year the National Science and Technology Council reported that "abundant supplies of clean, fresh water can no longer be taken for granted." Water scarcity is not just a problem of the West. It is a problem of this Nation. America increasingly faces water scarcities, particularly in areas of rapid population growth. We are seeing prolonged droughts and water conflicts in areas such as the Southeast where people are used to having unlimited water.

We are proposing a Water for America Initiative to ensure that communities have reliable water supplies in this 21st century. Under this initiative, we will partner with States to conduct the first water census for this Nation in 30 years. The initiative includes $8 million for the U.S. Geological Survey.

OCEANS AND COASTAL FRONTIERS INITIATIVE

Our second new initiative advances our knowledge of our oceans and protects spectacular ocean ecosystems. Under our oceans initiative, we are proposing an additional $8 million to support the President's Ocean Action Plan. Our ocean initiative will broaden our knowledge, and we will undertake extensive mapping of our extended outer continental shelf. Coastlines are littered with marine debris ranging from soda cans and small plastic objects to derelict fishing gear and abandoned vessels. We are losing coastal wetlands that protect us from major storms, purify water, and serve as nurseries for marine fisheries. Through our oceans initiative, we will join with partners worldwide to embark on a global marine debris and coral reef campaign.

BIRDS FOREVER INITIATIVE

Together we have another task before us, reversing the decline in bird populations across America. Our initiative addresses the sharp decline of many populations of wild birds. On average, populations of common birds have plummeted 70 percent since 1967. We add $9 million in 2009 for our Birds Forever initiative to help us reverse these trends. Our budget sustains $36 million in refuge increases funded in the 2008 budget. We will improve over 200,000

acres of vital stopover habitat for migratory birds, the equivalent of over 150,000 football fields.

DUCK STAMP

We are also proposing the first increase in the sale price of the Duck Stamp in over 15 years. This increase will result in protections of an additional 17,000 acres of habitat.

SAFE BORDERLANDS INITIATIVE

Our final new initiative addresses another issue in the Nation's headlines, an initiative that I raised with you last year and I have witnessed firsthand, and that is border security. The Department of the Interior manages public lands along more than 40 percent of our southwestern border with Mexico. Our employees, residents, and visitors face daily dangers. In many locations, families can no longer live or recreate without fear of coming across drug smugglers. As urban borders become more secure, illegal activity is shifting to remote areas. Drug cartels run violent drug smuggling operations across the border, as evidenced by the nearly 3,000 pounds of cocaine and 740,000 pounds of marijuana seized in 2007.

We are proposing an $8 million increase in the 2009 budget to aggressively confront this problem. Combined with increased funding in 2008, we will place additional officers along the border.

ENERGY SECURITY

Another critical issue facing this Nation is energy security. With the price of oil rising ever higher, it is imperative that we continue to offer access to our energy resources. Our new 5-year plan for offshore energy development provides access to an additional 48 million offshore acres. The Minerals Management Service will invest over $8 million in preparations for new leasing activity as identified in the 5-year plan. Our recent lease sales in the Chukchi Sea and in the Gulf of Mexico generated $5.5 billion in bonus bids, historically high levels for lease sales. We will also help broaden the Nation's energy mix by providing opportunities to implement renewable energy on public lands and offshore.

PREPARED STATEMENT

So, Madam Chairman, it is a budget we place before you. I look forward to working with you for your good thoughts and ideas as we achieve some very fine things together. Thank you.

Senator FEINSTEIN. Thank you very much, Mr. Secretary.

[The statement follows:]

PREPARED STATEMENT OF HON. DIRK KEMPTHORNE

Madam Chairman and members of this subcommittee, I appreciate the opportunity to present our 2009 budget priorities and to update you on our progress in implementing our 2008 programs. I thank this subcommittee for your support of our 2008 budget request. Support by the chairman and members of this subcommittee for the Parks Centennial, Healthy Lands, Safe Indian Communities, and Indian Education initiatives resulted in significant funding to advance our goals. I look forward to continuing our collaborative relationship as we pursue these priorities and address emerging challenges of water scarcity, ocean management, declining bird populations, and borderland security.

## INTRODUCTION

The Department of the Interior's mission is complex and multifaceted. Our programs and mission stretch from the North Pole to the South Pole and across 12 time zones, from the Caribbean to the Pacific Rim. Our extensive mandate rivals any government agency in its breadth and diversity—and its importance to the everyday lives of Americans. In a recent poll of Federal agencies, the Department of the Interior received the highest rating for its public service.

Nearly every American lives within a 1-hour drive of lands or waters managed by the Interior Department. With 165,000 facilities at 2,400 locations, Interior is second only to the Department of Defense in managed assets. The Department's law enforcement agents, over 4,000, comprise the third largest civilian law enforcement presence in the Federal Government.

Approximately 31 million people in the West rely on drinking water provided through water systems managed by the Department. Interior irrigation systems deliver water to farmers who generate over half of the Nation's produce.

The lands and waters we manage generate one-third of the Nation's domestic energy production. Managing these areas, Interior generates $18 billion annually in revenues that exceeds Interior's $10.7 billion appropriated budget.

Interior fulfills special responsibilities to Native Americans as the manager of one of the largest land trusts in the world—over 10 million acres owned by individual Indians and 46 million acres held in trust for Indian Tribes. In addition to lands managed in trust, the Department manages over $3.3 billion of funds held in over 1,800 trust accounts for approximately 250 Indian Tribes and over 370,000 open Individual Indian Money accounts. Interior also operates one of only two school systems in the Federal government, the Bureau of Indian Education school system. The Department of Defense operates the other. A total of $65.5 billion in revenues from offshore and onshore mineral leases collected from 2001 to 2007 provided resources for Tribes, States infrastructure and other Federal programs.

## OVERVIEW OF THE 2009 BUDGET

The 2009 budget request for current appropriations is $10.7 billion, $388.5 million or 3.5 percent below the level enacted by Congress for 2008, excluding fire supplemental funding, but $59.0 million above the amount requested in the 2008 President's budget.

Permanent funding that becomes available as a result of existing legislation without further action by the Congress will provide an additional $6.0 billion, for a total 2009 Interior budget of $16.7 billion. Including permanent funding and excluding 2008 fire supplemental funding, the 2009 budget for Interior is $83 million above 2008 amounts.

The 2009 request includes $9.8 billion for programs funded by this subcommittee. Excluding fire supplemental funding, this is a decrease of $198.9 million, or 2 percent, below the level enacted for 2008. The 2009 budget sustains and enhances funding for parks and public land health, the safety of Indian communities, and Indian education. The 2009 budget funds these initiatives and addresses other nationally significant issues within a budget that maintains the President's commitment to fiscal restraint.

We focus funding on these priorities while proposing reductions in construction and land acquisition, as well as programs that are duplicative or receive funding from alternative sources. We also propose to cancel some unobligated balances.

## THE CHALLENGES AHEAD

Interior's responsibilities are expanding as the Nation looks to its public lands for energy, water, wildlife protection, and recreation. Since 2001, the Nation has created 13 new parks and 15 wildlife refuges. Population has grown dramatically near once-rural or remote public lands, increasing access to public lands and complicating land management. In the last 10 years, 60 percent of the new houses built in America were located in the wildland-urban interface. Changing land conditions, including the effects of a changing climate, have heightened threats from fire and other natural hazards, complicating land management.

The Department is improving program efficiency, setting priorities, and leveraging Federal funds through partnerships and cooperative conservation to meet these challenges. Interior's accomplishments have been many and varied, with noteworthy advances in management excellence.

Interior has made progress on all dimensions of the President's management agenda—a result achieved despite decades-long challenges in Indian trust management, a highly decentralized organization structure, and a highly dispersed work-

force. In 2001, Interior had 17 material weaknesses reported in the annual financial and performance audit. With the annual audit just completed for 2007, we have eliminated all material weaknesses. Despite these successes, as public lands become increasingly important to the economy, national security, and the public, continued success will require a strategic focus of resources to address emerging challenges, achieve key priorities, and maintain current levels of success.

INTERIOR'S ACCOMPLISHMENTS

The Department's accomplishments exemplify Interior's core values: Stewardship for America with Integrity and Excellence. Our achievements, in combination with an outstanding workforce, create a strong foundation for continued stewardship of the Nation's resources. Since 2001, the Department has:

—Restored or enhanced more than 5 million acres and 5,000 stream and shoreline miles through cooperative conservation.
—Restored, improved, and protected wetlands to help achieve the President's goal to protect, enhance, and restore 3 million acres by 2009.
—Improved park facilities for visitors by undertaking over 6,600 projects at national parks and earning a 96 percent satisfaction rate from park visitors.
—Reduced risks to communities from the threat of catastrophic fire, conducting over 8 million acres of fuels treatments on Interior lands through the Healthy Forests Initiative.
—Enhanced energy security by more than doubling the processing of applications for permits to drill and increased the production of renewable energy with new wind, solar, and geothermal projects.
—Awarded $9.8 million to 140 Preserve America projects involving public-private partnerships that serve as nationwide models for heritage tourism, historic preservation, education, and other Federal programs.
—Leveraged a four-to-one investment through a water conservation challenge grant program, generating more than $96 million for 122 water delivery system improvements and conserving over 400,000 acre-feet of water to help meet the water needs of people across the West.
—Completed planned lease sales and generated a new 5-year plan for 2007–2012 that opens up an additional 48 million acres to leasing and has the potential to produce 10 billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough to heat 47 million homes for 40 years. The October 2007 Central Gulf of Mexico OCS lease sale generated $2.9 billion, $1.6 billion more than originally estimated.
—Removed the American bald eagle from the endangered species list and put in place a set of management guidelines to secure the future of our Nation's symbol.
—Advanced protection of the Papahänaumokuäkea Marine National Monument in Hawaii, the largest marine protected area in the world, with the publication of regulations codifying management measures.
—Hosted over 464 million visitors to parks, refuges, public lands, and Bureau of Reclamation sites and increased the number of fishing programs on refuges by 24 and the number of hunting programs on refuges by 34.
—Established a new Recreation Reservation Service, a unified pass to public lands, and clarified entrance and recreation fees, in coordination with other agencies.
—Distributed over $79 million to individual Indian money account holders whose whereabouts were previously unknown and archived 400 million pages of trust documents in a state-of-the-art facility.

Our 2009 budget continues investments the Congress provided in 2008 for our top priorities. We continue our Centennial Initiative with record funding levels for park operations. We propose to augment funding for our landscape-scale Healthy Lands Initiative to protect wildlife and assure access to energy resources on public lands. We propose to sustain funding increases in 2008 to combat the methamphetamine scourge in Indian country and improve education programs for students in Indian schools.

Fulfilling the President's commitment to cooperative conservation, since 2001, the Department has provided $2.5 billion in conservation grants to achieve on-the-ground protection, restoration, and enhancement of lands and waters with partners. This commitment continues with $321.7 million requested for cooperative conservation in 2009 for challenge cost share and partnership programs that leverage Federal funding, typically more than doubling the Federal investments with matching funds.

We also propose four new initiatives. We request $21.3 million for a Water for America initiative that will enhance knowledge of water resources and improve the capacity of water managers to avert crises caused by water supply issues and better manage water resources to assist in endangered species recovery. We will advance efforts to improve the status of birds, including migratory birds, and avert further declines in bird populations with an increase of $9.0 million for a Birds Forever initiative. The budget continues the $35.9 million refuge funding increase provided by the Congress in 2008, which will restore 200,000 acres of bird habitat. The 2009 budget seeks an increase of $7.9 million to collect data that is needed to define U.S. jurisdiction of the extended continental shelf under the Law of the Sea, protect wildlife and habitat in ocean environments from marine debris, and conduct high priority research to support coastal restoration. Lastly, the 2009 budget includes $8.2 million to increase the protection of employees, visitors, lands and resources that are increasingly at risk from illegal activities at parks, refuges, public lands, and Indian lands along the border with Mexico.

THE NATIONAL PARKS CENTENNIAL

Last May, we responded to the President's charge to prepare for the National Park Service's 100th anniversary. Our report to the President on the National Parks Centennial initiative encompassed the ideas and input from 40 listening sessions and 6,000 public comments. The report frames the 10-year effort to strengthen visitor services and other programs in parks in time for the National Parks Centennial. On August 23, 2007, we announced more than 200 centennial proposals eligible as potential partnership projects in national parks as part of the National Parks Centennial Challenge.

The 2008 President's budget set forth the initial investments to achieve the goals of the Centennial initiative, with $100.0 million in operating funds for the Parks Centennial initiative to fund new levels of excellence in parks. The President's proposal received broad bipartisan support in Congress. With the 2008 funding, our parks will hire 3,000 seasonal national park rangers, guides and maintenance workers; repair buildings; enroll more children in Junior Ranger and Web Ranger programs at the parks; and expand the use of volunteers in parks.

The administration also introduced Centennial Challenge Fund legislation that would authorize the use of $100.0 million per year of Federal mandatory funding to match $100 million or more in philanthropic donations to the National Park Service. Both the House and Senate introduced bills based on the administration's legislative proposal. While the Congress continues to work on passage of the bill, the 2008 appropriation included $24.6 million in discretionary funding to begin the Centennial Challenge and match private philanthropic contribution for signature projects. I appreciate the strong support of this Committee for these matching funds.

In 2009, our budget continues the President's commitment to the parks with a historic $2.1 billion budget request for the Operation of National Parks. This increase of $160.9 million, or 8 percent above the 2008 enacted level would provide the largest budget ever for park operations. Cumulatively over 2 years, park operations increase by 15 percent. This funding will allow the parks to preserve our Nation's natural and cultural heritage, improve the condition of parks and park facilities, and prepare a new generation of leaders to guide NPS into the 21st century. The budget also supports the President's proposed Centennial Challenge matching fund of up to $100.0 million annually.

The 2009 budget will continue to build park operational capacity, including increases for core operations, facility management, U.S. Park Police operations, and youth partnership programs. The increase will improve the health of natural and cultural resources and continue to bring park assets into good condition using a predictive maintenance cycle. We will also develop a 21st century workforce with enhanced organizational capacity and employee development through a professional development program, performance management tools, and an expanded safety program. I am committed to addressing management issues raised in a recent report of our Inspector General on the U.S. Park Police.

Complementing park operations, the 2009 budget includes a combined $25.0 million for Preserve America and Save America's Treasures. Launched in 2003 by the President and First Lady, the Preserve America initiative encourages States and local communities to partner with the Federal Government to preserve the multi-textured fabric of America's story. The administration has submitted legislation to the Congress to permanently authorize the Preserve America and Save America's Treasures programs. To date, 585 communities in all 50 States and the U.S. Virgin Islands have been designated as Preserve America communities.

Through $9.8 million appropriated to the National Park Service through 2007, the program has supported 140 projects in communities throughout America. The 2008 appropriation will support an additional 95 projects. The 2009 budget request includes $10.0 million for Preserve America grants, an increase of $2.6 million over the 2008 enacted level. The budget also provides $15.0 million for Save America's Treasures grants, $4.0 million more for competitive grants than what was appropriated in 2008.

HEALTHY LANDS INITIATIVE

In 2007, the Department initiated the Healthy Lands Initiative—a major, long-term effort to improve the health of public and private lands in the West. Through the Healthy Lands Initiative, Interior agencies are working with State and local governments, private landowners and other interested groups to conserve and restore vital habitat. This Initiative will preserve our public lands for recreation, hunting and fishing, and for their significant habitat for species, while helping to secure energy for this Nation. The Healthy Lands Initiative takes, for the first time, a landscape-scale approach to restoration and land-use planning. The Initiative considers the health of the land from ridge-top to ridge-top instead of acre by acre.

Using $3.0 million in 2007 as a model for our Healthy Lands Initiative, BLM funded improvements to 72,000 acres of BLM land. The investments improved wildlife habitat conditions on 45,896 acres of shrubs, grass and woodland; reduced woody fuels and improved the composition of herbaceous vegetation on 18,377 acres outside the wildland urban interface and 4,986 acres within the interface; and improved 580 acres of wetlands. BLM leverage this funding with partner investments to treat additional acres within the same critical watersheds on non-BLM lands.

With Congress's support for the initiative, in 2008 we will be expanding these efforts to $7.9 million and improving the health of Western landscapes impacted by drought, wildfire, weed invasions, and stresses associated with population growth and increased development and use of the public lands. The Healthy Lands Initiative will restore and maintain habitat for many species such as the sage grouse, a species almost entirely dependent on sagebrush ecosystems. Some 72 percent of sage grouse habitat is under Federal management. The current range of the greater sage grouse has declined an estimated 45 percent from the historically occupied range, prompting recent petitions to list the species under the Endangered Species Act. The Initiative will also focus on protecting wildlife corridors as we take a holistic perspective in our land use planning process for energy development and recreation.

The 2009 budget provides $21.9 million for the Healthy Lands Initiative, an increase of $14.0 million over the 2008 enacted level, including an increase of $10.0 million that BLM will deploy to accelerate and increase efforts at the original six geographic focus areas; expand one of the focus areas; and add a seventh focus area in California. The Initiative includes increases of $3.5 million for USGS and $492,000 for FWS to provide critical scientific support and complement BLM's on-the-ground conservation and restoration efforts.

SAFE INDIAN COMMUNITIES

In 2008, Interior proposed the Safe Indian Communities initiative to help Indian Country resist organized crime and foreign drug cartels. These cartels have taken advantage of the widely dispersed law enforcement presence on tribal lands to produce and distribute drugs, resulting in a violent crime rate in some communities that is 10 to 20 times the national average.

The 2008 enacted appropriation provided increases totaling $23.6 million for the Safe Indian Communities initiative to increase our capacity to combat this growing epidemic. In 2009, we sustain this funding and request an additional $2.9 million, for a total Safe Indian Communities initiative of $26.6 million. With a cumulative investment of $50.2 million over 2 years, Interior will assist Tribes to suppress the production and distribution of methamphetamine by organized crime and drug cartels, address related effects including drug abuse, child neglect and abuse, and increase staffing at detention centers.

In 2009, Interior will provide: (1) additional officers for law enforcement; (2) specialized drug training for existing officers; (3) public awareness campaigns for the Indian public; (4) additional resources to protect tribal lands located on the United States border; and (5) additional social workers. Combined, the 2008 and 2009 funding increases will put 193 additional law enforcement agents on the ground in targeted communities in Indian Country and invest in more training for the current force to more effectively combat the problem. The BIA will also expand the use of a mobile meth lab to train tribal police and others about methamphetamine labs, environmental and personal safety hazards, and interdiction and investigation strat-

egies. Funding will target communities based on a needs analysis that looks at the violent crime rate, service population, and current staffing levels.

IMPROVING INDIAN EDUCATION

In 2008, Interior proposed the $15.0 million Improving Indian Education initiative to enhance student performance in Bureau of Indian Education schools. As one of just two Federal school systems, the BIE system of 184 schools should be a model of excellence and achievement of the goals of the No Child Left Behind Act. Student performance, however, has lagged. In 2006, just 30 percent of Indian schools were achieving their annual progress goals. Through this initiative, the Department is implementing a set of education program enhancements to increase the number of schools reaching adequate yearly progress goals to 33 percent by 2009. Though we still have much work to do, our assessment for 2007 shows 31 percent of schools now achieving Annual Yearly Progress.

The 2008 appropriation provided an increase of $24.1 million over the 2007 level for programs to improve student achievement. Our 2009 budget continues the increased funding Congress provided for these programs and adds another $1.4 million over 2008 for certain activities for a total of $25.5 million. This request includes $5.2 million for Education Program Enhancements to restructure schools under the No Child Left Behind Act and for reading programs, tutoring, mentoring, and intensive math and science initiatives. In 2008, Congress provided $12.1 million for these enhancements. With the 2008 boost in funding and the continued $5.2 million in 2009, BIE will focus on improved student achievement. The budget also includes a $6.3 million increase in funds allocated to all schools to improve per student funding. Funding allocated by formula is the primary source of funding for BIE's 170 elementary and secondary schools and 14 dormitories. This funding directly supports all schools for core costs of operating education programs such as salaries for teachers, aides, administrators, and support staff; supplies; and classroom materials.

The 2009 budget increases funding for four new initiatives: Water for America, Birds Forever, Ocean and Coastal Frontiers, and Safe Borderlands.

WATER FOR AMERICA

In 2007, the National Science and Technology Council reported that "abundant supplies of clean, fresh water can no longer be taken for granted." The Council of State Governments echoed this concern, concluding that "water, which used to be considered a ubiquitous resource, is now scarce in some parts of the country and not just in the West. The water wars have spread to the Midwest, East, and South, as well."

Competition for water is increasing because of rapid population growth and growing environmental and energy needs. These water needs are escalating at a time of chronic drought and changes in water availability resulting from a changing climate.

In 2009, our budget includes a Water for America initiative to help communities secure reliable water supplies through information, technologies, and partnerships. This collaborative effort, which involves the Bureau of Reclamation and the U.S. Geological Survey, will help address the water needs of the Nation.

Knowing how much water is available—and how much we consume—lies at the foundation of good water management. Yet this Nation has not completed a water census in over three decades. Our Water for America initiative will fill this void. The U.S. Geological Survey request of $8.2 million will fund the first water census in 30 years. USGS will begin a nationwide assessment of water availability, water quality, and human and environmental water use. The census, planned for completion by 2019, will generate information to assist others in managing water in a context of competing demands. The census will provide a national groundwater information system, new technology that integrates surface and groundwater information, and better measurements that result in better management of water resources.

In addition to the census, through our Water for America initiative, we will modernize the Nation's 7,000 streamgages. In the first phase of modernization, USGS will upgrade 350 streamgages and reinstate 50 streamgages that were shut down previously.

BIRDS FOREVER

In June 2007, the National Audubon Society issued a report, Common Birds in Decline, based on analysis of the Society's Christmas bird counts and breeding bird surveys performed by the U.S. Geological Survey. The report indicated significant

declines occurring in 20 common species. On average, populations of common birds have plummeted 70 percent since 1967.

As manager of one-fifth of the Nation's lands, Interior, working with a Nation of citizen stewards, can help reverse these declines. Since 2004, Interior has improved the status of five migratory bird species. Current efforts focus on ensuring that more than 62 percent of the Nation's migratory bird species thrive at sustainable levels.

On October 20, 2007, the President announced a new effort to conserve migratory birds. This effort included cooperative conservation with Mexico to protect birds that know no border, expanded migratory bird joint ventures, and production of a State of the Birds report. The Department's Birds Forever initiative builds upon the President's initiative.

Madam Chairman, we appreciate your strong support for the Nation's National Wildlife Refuges. Our budget sustains the FWS refuge budget increase of $35.9 million provided by Congress in 2008. Conserving migratory birds is a primary goal of the Refuge System and the increased funding in 2008 will support migratory bird conservation and habitat protection. More than 200,000 acres of habitat will be improved, some of which will directly benefit migratory birds.

Our 2009 budget also proposes to improve the status of wild birds, including migratory birds, and avert further declines in populations with $9.0 million in increased funding for FWS joint venture partnerships, inventory and monitoring, and habitat restoration programs and the U.S. Geological Survey's strategic habitat conservation and monitoring efforts such as the breeding bird survey. These funds, together with refuge increases, will help reverse the decline in bird populations by focusing on species of greatest concern and leveraging Federal investments through partnerships.

The initiative targets 36 species that are part of the FWS Focal Species Strategy. By emphasizing these priority species, benefits will accrue to other species as well because they often have similar conservation needs and utilize the same habitats. Employing this strategy, FWS and USGS will improve understanding of these species, restore habitat, and monitor species status and trends. Through collaborative projects with States and others, these efforts will lead to improved protection of habitats that are important to these bird species. Interior will complete action plans for 30 focal species and coordinate them with State Wildlife Action Plans.

Interior collaborative efforts with nonprofit organizations, State, and Federal programs through Joint Ventures will set conservation priorities and increase investments through extensive leveraging. Interior will focus on Joint Ventures along the coasts and central flyways including the Atlantic Coast, Texas and Gulf Coast, and Prairie Potholes and Playas. Working in coordination with these programs through the Birds initiative, States will be able to leverage their funds against Federal grant program dollars to target multi-state bird conservation priorities. The Fish and Wildlife Service has signed Urban Bird Treaties with cities such as New Orleans and Houston to preserve bird habitat in urban environments. With five treaties in place, FWS will sign up more cities and promote partnerships that will conserve parks and tree islands for bird habitat and engage the citizens in conservation activities.

OCEAN AND COASTAL FRONTIERS

Healthy and productive oceans, coasts, and Great Lakes waters are vital to America's prosperity and well-being. The President's U.S. Ocean Action Plan sets forth a pioneering vision for ocean management premised on regional partnerships, State leadership, and Federal coordination.

Interior has extensive ocean and coastal responsibilities, managing 35,000 miles of coastline, 177 island and coastal refuges, 74 park units comprising 34 million acres, 92 million acres of coral reef ecosystems that include 3.5 million acres of coral reefs, and 1.8 billion underwater acres of Outer Continental Shelf lands. Interior also assists the U.S. Territories and Freely Associated States in the management of 3.6 million square miles of oceans in the U.S. Territories and Freely Associated States. The Department also conducts the science needed to guide better decision-making in managing these resources.

The 2009 budget request includes $7.9 million to support the Department's diverse ocean, coastal, and Great Lakes program activities and to implement the highest priorities of the U.S. Ocean Action Plan. Included is an increase of $4.0 million for mapping the extended continental shelf to assure that the United States defines the boundaries for these areas potentially rich in energy and mineral resources.

Our budget also funds partnerships to reverse the trend of marine debris accumulating in waters and coasts of Midway Atoll National Wildlife Refuge and conserve coral reefs and improve ocean science at the Palmyra Atoll National Wildlife Refuge.

Marine debris kills marine life, interferes with navigation safety, negatively impacts shipping and coastal industries, and poses a threat to human health.

SAFE BORDERLANDS INITIATIVE

The Department's land management bureaus manage lands along 793 miles, or 41 percent, of the southwest border. This includes seven national wildlife refuges, six national parks, lands managed by the Bureau of Reclamation along 12 miles of the border, and public lands managed by the Bureau of Land Management along 191 miles of the border. In addition, five Indian reservations are on the international boundary with Mexico.

These remote, once pristine landscapes are home to many unique plants and wildlife, some of which are endangered species. However, the situation along our international border with Mexico has changed. In some locations, our employees, residents, or visitors are facing significant risks from illegal activities and portions of the public lands are closed to visitors. Employees who live on site and residents of Indian communities contend with the potential threat of vandalism, theft, and confrontation with illegal activities. Wildlife populations and their habitats and cultural resources are affected and damaged by these activities.

Increased border enforcement in urban areas has resulted in a shift in the flow of illegal drugs and unauthorized people to rural areas and the lands managed by the Interior Department. The number of illegal entrants crossing public lands has increased 11-fold since 2001. Narcotic traffickers, smugglers, and other criminals, who operate extensively near the border, impact public lands and resources.

There has been loss to human life. National Park Service Ranger Kris Eggle was shot and killed in 2002 at Organ Pipe Cactus National Monument by a drug runner. At San Bernardino National Wildlife Refuge, drug smugglers threatened an officer and his family at his home if he didn't return a load of marijuana seized earlier in the day. These are not isolated incidents. Interior employees are concerned that they are under constant surveillance by drug smugglers who establish observation posts on our lands and are equipped with assault weapons, encrypted radios, night vision optics, and other sophisticated equipment. Employees cannot go to some areas of some of the parks, refuges, and other public lands without an escort. The impacts to lands and resources are extensive, including abandoned vehicles and personal property, roads and trails through sensitive areas, and elevated threats to at-risk species.

The Department is requesting an $8.2 million increase for our Safe Borderlands initiative to enhance safety of public land visitors, residents, and employees and reduce the impacts affecting Interior-managed lands along the southwest border. The Safe Borderlands initiative targets resources toward multiple bureaus and high-priority areas. The Department will coordinate border efforts among the land management bureaus and the Bureau of Indian Affairs, deploying additional law enforcement personnel into five high-priority areas with the highest safety risks. We propose to focus on Interior borderland responsibilities, including public lands management and visitor and employee safety.

We also propose to mitigate environmental damage along the southwest border. Trails and illegal roads made by smugglers are destroying cactus and other sensitive vegetation impacting the ecological health of many of the national parks, wildlife refuges, national monuments and conservation areas Interior manages. Projects include repairing and maintaining roads and trails on BLM lands; improving signage for visitors; assisting with environmental compliance for border infrastructure projects; removing tons of abandoned personal property such as vehicles from bureau and tribal lands; and closing abandoned mine lands on BLM lands in New Mexico and California where illegal aliens hide.

SUPPORTING THE DEPARTMENT'S MISSION

The 2009 budget aligns resources to achieve these and other high-priority goals guided by the Department's integrated strategic plan. The Department's strategic plan links the Department's diverse activities into four common mission areas: Resource Protection, Resource Use, Recreation, and Serving Communities. A fifth area, Management Excellence, provides the framework for improved business practices, processes, and tools and a highly skilled and trained workforce.

Key to attaining these strategic goals is our 2009 request for fixed costs. Pay and benefits for the Department's 70,000 employees are a significant cost component of Interior's core programs, comprising 51 percent of operating budgets. The proportion of Interior's budget committed to personnel costs places it among the top three Federal agencies. This workforce composition largely reflects the need to maintain staff

at the geographically dispersed locations that serve the public including 391 parks, 548 refuges, and 71 fish hatcheries.

Interior's programs by their very nature require staff. Interior continues to utilize the services of over 200,000 volunteers and extensive seasonal employees. However, the workforce capacity of the Department's programs is an essential ingredient for the uninterrupted delivery of programs and services to the American public.

The 2009 budget includes $142.5 million to keep apace with most increased costs in pay and benefits and other fixed costs. The pay and benefits component is $128.6 million, including a 3.5 percent 2008 pay raise, a 2.9 percent 2009 pay raise, and a 3.0 percent increase in health benefits. A total of $22.5 million in pay and health benefits costs is absorbed. There is a reduction of $16.9 million for one less pay day in 2009. The request fully funds nondiscretionary bills from others, including space rental costs and associated security charges; workers compensation and unemployment compensation; and centralized administrative and business systems, services, and programs financed through the Working Capital Fund.

OTHER BUDGET PRIORITIES

In addition to the initiatives already highlighted, the 2009 budget includes funding for programs key to achieving the Department's goals and objectives.

*Cooperative Conservation Programs*.—Through partnerships, Interior works with landowners and others to achieve conservation goals across the Nation that benefit America's national parks, wildlife refuges, and other public lands. The 2009 budget includes $321.7 million for the Department's cooperative conservation programs, $10.4 million more than the 2008 enacted level. These programs leverage Federal funding, typically providing a non-Federal match of 50 percent or more. They provide a foundation for cooperative conservation to protect endangered and at-risk species; engage local communities, organizations, and citizens in conservation; foster innovation; and achieve conservation goals while maintaining working landscapes.

Challenge cost share programs in FWS, NPS and the Bureau of Land Management are funded at $18.1 million. These cost share programs provide resources to land managers to work with adjacent communities, landowners, and other citizens to achieve common goals through conservation and restoration of wetlands, uplands, riparian areas and other projects.

The 2009 cooperative conservation budget incorporates the Department's $21.9 million Healthy Lands initiative. Building on the $7.9 million enacted in 2008 for Healthy Lands, the 2009 budget increases resources for this multi-agency initiative to enlist States, local and tribal governments, industry and non-government entities to restore habitat on a landscape scale.

The 2009 budget for FWS cooperative conservation programs proposes $14.9 million for the Migratory Bird Joint Ventures program, including an increase of $4.0 million to focus on improving the status of focal species of birds as part of the Migratory Bird initiative. The 2009 budget also includes $13.2 million for the Coastal program, $48.0 million for the Partners for Fish and Wildlife program, $4.9 million for the Fish Passage program, and $5.2 million for the National Fish Habitat Action Plan.

The 2009 request for cooperative conservation programs includes $195.9 million for FWS grant programs, an increase of $1.9 million. This includes $42.6 million for the North American Wetlands Conservation Fund, an increase of $666,000 above the 2008 enacted level. The 2009 budget for the Cooperative Endangered Species Conservation Fund is $75.5 million (including $80.0 million in new budget authority reduced by a cancellation of $4.5 million in unobligated balances). This request is an increase of $1.7 million above the 2008 level. The 2009 budget includes $4.0 million for the Neotropical Migratory Bird program, a reduction of $470,000 from the 2008 level, and $73.8 million for the State and Tribal Wildlife Grant program, sustaining the 2008 funding level.

*Enhancing Energy Security*.—The Interior Department helps to meet the Nation's energy needs and ensure energy security. Roughly one-third of the energy produced in the United States each year comes from Federal lands and waters managed by Interior. Interior's 2009 budget enhances energy security with a program that seeks to increase production while achieving important environmental protections, attaining energy conservation goals, and expanding the use of new technologies and renewable energy sources. The 2009 budget provides $528.1 million for energy-related programs, an increase of $15.1 million over the 2008 enacted level.

The BLM will continue to support implementation of Section 349 of the Energy Policy Act to address the environmental risks posed by legacy orphaned wells. The 2009 request includes an increase of $11.2 million for the remediation of the Atigaru

site on the Alaska North Slope. In addition, BLM will increase its capacity for conducting oil and gas inspections in 2009.

In 2009, as in 2008, legislation is proposed to repeal the permit processing fund and the prohibition on charging cost recovery fees for processing applications for permits to drill. Estimated cost recovery collections for Applications for Permit to Drill are $34.0 million in 2009, an increase of $13 million from the 2008 proposed level. The 2009 budget relies on permanent legislation to allow cost recovery for APDs, rather than the $4,000 APD fee included in the 2008 Consolidated Appropriations Act.

In 2009, MMS will apply $8.5 million to increase environmental studies, resource assessments, and leasing consultations in areas of new leasing activity in Alaska and the Gulf of Mexico as identified in the 2007–2012 Five Year Plan. These lease sales could produce as much as 10 billion barrels of oil and 45 trillion cubic feet of natural gas over the next 40 years, enough energy to heat 47 million homes for 40 years. With an additional $1.0 million, MMS will implement its alternative energy responsibilities by funding environmental work and permitting for offshore alternative energy projects. This increase builds on the increased funding level provided in 2008 for alternative energy and provides a total funding level of $6.6 million.

The MMS will also use a $1.1 million increase to improve its information technology system to keep pace with industry's use of geoscientific analysis of resources and ensure that lease bids meet their fair market value; provide $2.0 million for improvements to mineral revenue compliance operations; and apply $1.7 million to implementing automated interest billing, allowing MMS to streamline and expedite interest invoicing, enhance internal controls, reduce manual intervention, allow the closure of audit cases sooner, and redirect staffing to other high-priority projects.

*Climate Change*.—With lands that range from the Arctic to the Everglades, Interior's managers are observing the sometimes dramatic effects of a changing climate, including melting permafrost and melting glaciers, apparent long-term changes in precipitation patterns, dust storms, and sea level rise. In this dynamic context, Interior managers need the information, tools and resources to understand on-the-ground landscape changes and develop strategies to adapt to these changes. As one of the largest land managers in the world, Interior is positioned to pioneer adaptive management approaches to address the effects of climate change.

Interior's science agency, the U.S. Geological Survey, has been an active participant in the Federal Global Climate Change Science project. In 2008, the Congress provided an increase of $7.4 million to expand high-priority research and establish a National Global Warming and Wildlife Science Center.

Work has begun to examine the most pressing issues faced by land managers, including the impacts of melting permafrost on energy and other infrastructure, modeling of watersheds to better manage timing and delivery of water by taking into account changing precipitation patterns, and investigation of the potential for geologic formations to sequester carbon. Interior has also undertaken habitat restoration to promote carbon sequestration and has pioneered use of alternative energy and energy conservation in its facilities and transportation systems. Approximately 18 percent of Interior's facility electricity comes from alternative energy technologies, a ratio six times greater than required for the Nation in the Energy Policy Act.

The 2009 budget for the U.S. Geological Survey continues its climate change program of $31.4 million, sustaining $5.0 million of the increases enacted in 2008 by the Congress. The 2009 budget will focus on priority climate change needs to fill critical information gaps. The 2009 budget and the Department's climate change management priorities will benefit from the results of the Secretary's Task Force on Climate Change. The three subcommittees that comprise the task force will guide Interior's comprehensive approach to the study and modeling of the impacts of climate change on lands, waters, and wildlife, as well as guide adaptive management programs for the Department's land managers.

*Indian Trust*.—From 1996 through 2008, the Department will have invested $4.4 billion in the management, reform, and improvement of Indian trust programs. These investments have allowed Interior to better meet fiduciary trust responsibilities, provide greater accountability at every level, and operate with staff trained in the principles of fiduciary trust management. The 2009 budget proposes $482.3 million for Indian trust programs. This amount includes a net program increase of $2.9 million over the 2008 enacted budget. The 2009 Unified Trust Budget reflects savings from the completion of certain trust reform tasks as well as new investments in probate services.

The 2009 budget of $482.3 million for Indian trust programs includes $181.6 million in the Office of the Special Trustee and $300.7 million in the Bureau of Indian

Affairs. The budget for Office of the Special Trustee includes $125.2 million for operation of trust programs, an increase of $1.2 million above the 2008 level. The 2009 budget proposal includes $56.4 million to support the Office of Historical Trust Accounting. The Office of Historical Trust Accounting, which is included in the Unified Trust Budget, plans, organizes, directs, and executes the historical accounting of 365,000 Individual Indian Money and Tribal Trust accounts. The OHTA expects to allocate approximately $40 million to historical accounting for individual Indian accounts, with the balance used for tribal trust accounting.

The remainder of the funding supports work on tribal trust cases, for a total of $16.4 million. At present, there are 102 tribal trust lawsuits, including a class action case seeking certification of a class of over 250 Tribes. The workload associated with these cases includes tribal reconciliation reports, document production, data validation, litigation support, analyses of mismanagement claims, historical accountings, and settlement negotiations.

The 2009 BIA budget provides $300.7 million to meet the requirements outlined in the Fiduciary Trust model and continue trust reform initiatives, including a funding increase of $10.6 million that will address a number of priority activities including the probate backlog.

The 2009 budget also includes an increase $2.6 million for BIA and OST to meet the ongoing demand for probate services, while continuing to reduce the excess probate caseload. This funding increase will also support the Office of Hearings and Appeals and their role in resolving probate cases.

The 2009 budget reduces funding by $9.8 million and eliminates the Indian Land Consolidation program. Although the program is terminated in 2009 the Department will explore other options for addressing the critical issue of fractionation.

*Financial and Business Management System.*—The Financial and Business Management System, an enterprise-level, integrated, administrative management system, is replacing the Interior Department's existing legacy systems. When fully implemented, the project will support the business requirements of all Interior bureaus and offices including core accounting, acquisition, personal property and fleet, travel, real property, financial assistance, budget formulation, and enterprise management information.

In 2006, the Minerals Management Service and the Office of Surface Mining were successfully migrated to the Financial and Business Management System. These bureaus are now conducting financial and accounting operations on this new system. In 2007, the acquisition module was deployed to MMS and OSM. In 2008, the Department anticipates that it will deploy core financial, acquisition, property, and grants components of FBMS to BLM. The 2009 budget request of $73.4 million includes an increase of $33.3 million for additional deployments that will eventually allow the Department to retire duplicative legacy systems currently in operation, including 27 acquisition systems, 16 finance systems, 43 vendor databases, and 107 property management systems.

*Payments in Lieu of Taxes.*—PILT payments are made to local governments in lieu of tax payments on Federal lands within their boundaries and to supplement other Federal land receipts shared with local governments. The 2009 budget proposes $195.0 million for these payments, an increase of $5.0 million over the 2008 President's budget, reflecting an adjustment to keep abreast of inflationary cost increases.

## LEGISLATIVE PROPOSALS

The 2009 budget is accompanied by legislative proposals that will affect receipt or spending levels in 2009 or in future years. These proposals will be transmitted to the Congress for consideration by authorizing committees.

Many of these legislative changes were presented in the 2008 President's budget, including proposals for: full payment of bonuses on all new coal leases at the time of lease sale, modification of the Federal Land Transaction Facilitation Act, net receipts sharing for energy minerals, discontinuation of the mandatory appropriation from the BLM Range Improvement Fund, reallocation of the repayment of capital costs for the Pick-Sloan Missouri Basin program, and authorization for the San Joaquin River Restoration settlement.

The budget also assumes the enactment of legislative proposals to repeal provisions of the Energy Policy Act related to permit processing, geothermal revenues and geothermal payments to counties, and ultra-deepwater research. The budget assumes enactment of legislation that would open the 1002 area of the Arctic National Wildlife Refuge to exploration with lease sales to begin in 2010, generating estimated bonus bids of $7 billion in 2010 and future streams of revenue from royalty collection once production commences.

The 2009 budget assumes enactment of legislation to provide a new, dedicated source of funding for the Centennial Challenge providing up to $100.0 million per year for 10 years of mandatory funding to match contributions for projects and programs that will fulfill the commitment to prepare parks for their next century.

The 2009 budget also assumes enactment of legislation to authorize an increase in the price of the Federal duck stamp. The price of the stamp has remained at $15.00 since 1991. At the same time, the price of land has increased significantly in the past 17 years. The Duck Stamp fee increases will generate more revenues to support the acquisition of fee title and easement areas that would provide 17,000 additional acres of important breeding, migration resting, and wintering areas for birds.

The 2009 budget proposes to cancel $5.0 million from multiple accounts, as the balances have remained unused for some time. The budget proposes to cancel $24.7 million of balances in the Naval Oil Shale Reserve Account that are excess to the estimated remediation costs and to cancel $4.5 million in the Cooperative Endangered Species Fund for uncommitted funding that was recovered from funds surplus to project needs.

The 2009 budget proposes $34.0 million in increased cost recovery fees for the Bureau of Land Management oil and gas program and estimates an increase of $11.0 million in offsetting collections from rental receipts and cost recovery fees by the Minerals Management Service's OCS program.

CONCLUSION

Our 2009 budget will—in its entirety—make a dramatic difference for the American people. We will continue efforts to improve our national parks, protect our wildlife and its habitat, and make investments in Indian Country for safe communities and Indian education. In addition, we will help communities address water supply needs, conserve wild birds and ocean resources, improve the safety of public lands along the border for employees and visitors, and continue to address other ongoing mission priorities. We look forward to working with the Subcommittee on these challenges this year. Just as we did in 2008, I feel confident that we can collaboratively craft a 2009 budget for this Department that will address all of the priorities I've discussed. This concludes my overview of the 2009 budget proposal for the Department of the Interior and my written statement. I will be happy to answer any questions that you may have.

Senator FEINSTEIN. Let me see. The order will be after my questions, Senator Allard. Then it will alternate. Senator Nelson, Senator Craig, Senator Alexander, and Senator Cochran.

RURAL FIRE ASSISTANCE

I think one of the things that I find really objectionable in the budget is the zeroing out of the $6 million for the wildland fire grants. When I left the office, Mr. Secretary, CNN was on my television, and it said a wide swath of the United States is under threat of catastrophic fire. I think to cut these grants right now is really a mistake.

My understanding is you are taking that money and you are putting it in the Healthy Lands initiative. You are proposing a Birds Forever by taking money away from initiatives to protect native fish, and we have just had the entire salmon run collapse in Oregon and California.

So why are you singled out for the elimination of rural fire assistance grants?

Secretary KEMPTHORNE. Madam Chairman, it is a very fair question. We do have a very close cooperative working relationship with the U.S. Forest Service where they provide many of the same programs. We do retain grants that help us with the training. We utilize funds from the preparedness budget to do so.

You are right about the devastation of these fires. You experienced them firsthand when I called you in October and we talked

about the Santa Ana winds that were whipping up, and where we were able to anticipate that, pre-deploy our assets, rolling stock, aircraft, and personnel and were able to make the best of a very bad situation.

We do use it for the Healthy Forest initiative because if we can continue to thin these forests, if we can remove the fuel load, that is going to save not only acreage but lives and certainly lives of the fire fighters.

Senator FEINSTEIN. Yes, but for me it is a catch 22. I want the Healthy Lands money, but I also want the wildland fire protection money. So if you take one from the other, you essentially diminish both. At least, that is my view on it. So I just want you to know up front that is a real problem for me.

ABANDONED MINES

Another problem in California is we have roughly 47,000 abandoned mines, and 13,000 are on lands managed by the BLM. Thousands have safety or water quality hazards. Last month I introduced a bill, the Abandoned Mine Reclamation Act. It created an abandoned mine cleanup fund, but unlike the House bill, it has three sources of revenue for that cleanup. I added $1.9 million in the 2008 bill to help BLM and the National Park Service identify and remediate hazardous abandoned mines in California. Your budget request removes this funding.

My first question is, does your Department have a prioritized list of abandoned mine sites on public lands?

Secretary KEMPTHORNE. This is a critical issue for us. I will get back to you if, in fact, there is a prioritization of mines. The categorizing and the inventorying of abandoned mines has been occurring by the BLM and by the National Park Service.

Senator FEINSTEIN. Well, I would like to ask you to do a prioritized list, and I would like you to share it with this committee. I mean, I think we are entitled to know where abandoned mines on public lands create real hazards for people who use those public lands.

Secretary KEMPTHORNE. Yes. Madam Chairman, the National Park Service—I believe it was five abandoned mines they addressed based on funds that you provided in the current budget last year.

Senator FEINSTEIN. Right. But you removed the funding.

Secretary KEMPTHORNE. Yes.

Senator FEINSTEIN. Why is that?

Secretary KEMPTHORNE. In most cases, Madam Chairman, where there were additions by Congress, we had to remove those earmarks.

Senator FEINSTEIN. Why?

Secretary KEMPTHORNE. To remain within the budget that was given as the guidance by the administration.

Senator FEINSTEIN. Well, you know, I feel if the administration is not going to regard our concerns of priorities, I do not know why we should observe theirs. I mean, the fact of the matter is we have got 13,000 abandoned mines on Interior properties in California, and people use those lands and we need to do something about it. So I am really concerned about that, and you will be hearing more.

U.S. PARK POLICE

Let me go to the Park Police. The IG's report stated, "Park Police have failed to adequately perform either mission, either protecting the national monuments or functioning as an urban police department." So this has resulted in deficient security at national icons and monuments.

My understanding is you do have money in the budget for that, for additional police officers. Your current staffing is 590. You request an additional $4.7 million so you can increase staffing by 36. How many of those 36 will be sworn officers, and how many are administrative?

Secretary KEMPTHORNE. I believe, Madam Chairman, that those officers will be sworn officers.

Senator FEINSTEIN. So all 36 of your new people will be sworn officers.

Secretary KEMPTHORNE. Yes. I will tell you that it will take a little bit of time to achieve this. We are adding 12 new officers this month. We are then putting 15 more in the Federal Law Enforcement Training Center. The goal is that by the end of 2009, we will have 630 sworn officers. Our objective is to reach 639 sworn officers, which we believe can be accomplished at the beginning of 2010.

SALMON

Senator FEINSTEIN. All right. If I can quickly, I would like to go to the Pacific Fisheries Council recommendation for a complete closure of the Oregon and California salmon fishery for the first time in 150 years. News articles suggest that part of the problem may be deteriorating ocean conditions caused by climate change.

What is your finding? What is the cause of this?

Secretary KEMPTHORNE. Well, Madam Chairman, we have been working with NOAA and the National Marine Fisheries Service, which has jurisdiction for this. There has been an identification at this point that conditions in the sea which provide the food source for the salmon are one of the key factors. There is continuing discussion as to what may be the reason for all of that, but it is the jurisdiction of the National Marine Fisheries Service. We will continue to work with them.

Senator FEINSTEIN. I would hope you would. I would hope you would take a major role. I mean, fishing on our coasts is an important industry. It is estimated that this disaster is $150 million. People lose their homes. They lose their boats. They lose everything because they cannot make payments. They have no job. So I would just like to request that Interior play a role in really delving into this and coming up with some solutions——

Secretary KEMPTHORNE. Yes.

Senator FEINSTEIN [continuing]. Or I think we are in deep trouble with respect to fish.

Secretary KEMPTHORNE. It is very serious, and I am very familiar with it, as Senator Craig would be as well from the State of Idaho, because we too have the salmon fish runs. It is an issue that we have been working on for some years.

U.S. PARK POLICE

Madam Chairman, perhaps before we leave this hearing, I could address a little further about the Park Police.

Senator FEINSTEIN. Certainly. My time is expired. Let me turn to the others and then on the second round, if it is agreeable with you, we will go to the Park Police first up.

Secretary KEMPTHORNE. That would be great. I appreciate it.

Senator FEINSTEIN. Senator Allard.

NAVAL OIL SHALE

Senator ALLARD. Thank you, Madam Chairman. Mr. Secretary, I would like to go first to the Naval Oil Shale question.

Secretary KEMPTHORNE. Yes.

Senator ALLARD. In the President's budget, you requested a proposal to cancel $24.7 million of balances in the oil shale reserve. Now, this is money over and above what it would take to clean up the Anvil Point area and cleanup costs in that particular area. I oppose it. In my view, those funds are—at least the half that represents the royalties that would be paid under the Mineral Leasing Act belongs to the State of Colorado. This has been provided for in legislation that was passed by the Congress.

The Naval Oil Shale restoration account fund is growing at the rate of $2 million per month, and royalties are not being paid to the State only because the Department of the Interior has dragged their feet in the certification of those funds to clean up the site. I believe that everyone now acknowledges that there are more than enough funds in the account to do the cleanup.

I would like to have you tell me when you would expect to be able to certify this site so that Colorado can start collecting its fair share of royalties being generated at the Naval Oil Shale Reserve, which we also share with the Federal Government, by the way.

Secretary KEMPTHORNE. Senator Allard, I appreciate working with you on this issue. As you know, there was a key point in January this year when the State of Colorado agreed with the cleanup proposal by the Federal Government, by the Bureau of Land Management. I sent you and Senator Salazar and Governor Ritter letters on this. It allows us to now move forward.

We anticipate that by June of this year, we can have a contract let that would then allow us to go forward with the actual cleanup. We believe that in this fund will be sufficient monies to cover that cleanup.

I must say specifically to the $24 million that you are referencing, the Solicitor's interpretation of the law passed by Congress does not provide for that to be distributed to the State of Colorado because it is to begin distribution of funds to Colorado once certification begins on prospective collection of monies. That is the determination of what the law currently reads.

Senator ALLARD. Well, we have had some discussion on their interpretation on certification, and we will probably continue to have that discussion. I think if you look at the intent, I think the intent of the legislation is pretty clear. I frankly feel that their interpretation does not match with the rest of the language.

I guess I still need an answer. You have let the contract—you are letting out in June.

Secretary KEMPTHORNE. Yes.

Senator ALLARD. So then does this immediately lead to certification once that contract is let? When does certification occur after the contract is let?

Secretary KEMPTHORNE. There would be additional elements, details that would have to be worked out, but we are going to move expeditiously so that we can achieve that certification.

Senator ALLARD. So you cannot give us a time specifically when you think they would. So you are saying that letting the contract is the first step. There are several steps after that, and we do not know what is going to happen on those steps. That is my concern.

Secretary KEMPTHORNE. Right. Senator, I would say letting the contract is probably not the first step. The identification of the game plan of how to clean this up, and then to have the State of Colorado agree in January with that proposed cleanup was a huge step. I believe we can now move expeditiously and get you to the point that you have certification.

Senator ALLARD. Well, we will continue to push you on that particular issue, Mr. Secretary. I will continue to make a nuisance of myself I guess.

Secretary KEMPTHORNE. Well, it is no nuisance because I can understand where you would be coming from.

Senator ALLARD. Well, thank you.

As you know, there is a planned lease sale by BLM on the Naval Oil Shale Reserve this summer that could bring in as much as $1 billion in bonus bids. If certification has not happened by that point, the State of Colorado, in effect, will lose $500 million, and this is simply not acceptable. I just want to have your assurances from the Department that you will continue to work on this issue so that we can get this resolved prior to the lease sale.

Secretary KEMPTHORNE. Senator, you have my assurance.

Senator ALLARD. There is a good bit of urgency here.

Secretary KEMPTHORNE. I fully respect that and understand it.

Senator ALLARD. Thank you.

APPLICATIONS FOR PERMITS TO DRILL

On the backlog of applications for permits to drill, I have been hearing from many energy companies throughout the interior of the West that it is taking longer and longer to get their applications for permits to drill approved by the BLM. This is particularly frustrating to me. I do not like increasing fees particularly, but we increased fees, allowed that to $4,000 last year, and we have put this in place. Now with the increase in fees, they are complaining that they are getting slower and slower service and things are being dragged out, which I think the anticipation was that if you increased the fees, there would be more employees and there would be a quicker processing of their permits.

What are you doing to address this backlog that is happening?

Secretary KEMPTHORNE. Senator, your characterization of dragging their feet I would not concur with. BLM is doing everything that it possibly can. I will give you a sense. Over the last 7 years, BLM has processed over 47,000 APD's and approved over 39,000

APD's. APD's processed have increased from a low of 2,300 in 1999 to an all-time high in 2007 of nearly 9,000. It is a sheer number of APD's that we are dealing with as opposed to just a static line that remains flat. It is the increased APD's, but we are doing all that we possibly can.

The 2009 budget seeks cost recovery of a higher fee. Funding will be retained by BLM for these APD's.

Senator ALLARD. I see. Okay.

Now, how many people are you anticipating that you are going to be needing to handle the workload that you have now?

Secretary KEMPTHORNE. I do not believe, sir, that we are adding any personnel.

Senator ALLARD. Do you need to?

Secretary KEMPTHORNE. We will examine that again, but at this point we are not requesting that.

Senator ALLARD. So how can we speed up the process if we are not hiring more people? What is being done by the Department to have that happen?

Secretary KEMPTHORNE. It would be possible to make modifications in the information that is provided and look at what the long-term plan would be. We can evaluate information on the employees at BLM.

Senator ALLARD. I would assume that you have some offices that are facing a greater workload on applications than other offices.

Secretary KEMPTHORNE. We are.

Senator ALLARD. So it is a difference in having personnel on hand to process in those cases, is it not? So for those offices that are being pushed so hard because of oil and gas, just changing the processing and everything else does not seem to help them. How do you help them out?

Secretary KEMPTHORNE. Well, we will examine that, but again, at this point from BLM, I have no request for additional personnel.

Senator ALLARD. Well, we would like to talk to you about that so we fully understand how these applications are being processed.

My time is expired. Thank you, Madam Chairman.

Senator FEINSTEIN. Thank you, Senator.

Senator Nelson.

Senator BEN NELSON. Thank you, Madam Chair.

Mr. Secretary, it is good to see you. I would like to have you confirm that in your position, you get to hunt and fish anywhere in the country on company time.

Secretary KEMPTHORNE. As long as I buy a license.

Senator BEN NELSON. As long as you buy a license. All right.

PLATTE RIVER RECOVERY PROGRAM

Last fall, the Senate passed what is called the Consolidated Natural Resources Act, which contained the Platte recovery implementation program. I am hopeful that the House is going to be able to pass it soon and that the President will sign the bill so that we can begin to move forward with this program. If it gets signed into law soon, it authorizes over $157 million for the Department to carry out its provisions, whereas I believe in the Department's budget, there were only about $11 million provided.

So my question is, in terms of priority, if this bill is signed into law, will the Department be able to aggressively pursue the content of the legislation on behalf of this recovery of a very important and vital river in our country, the Platte River?

Secretary KEMPTHORNE. Yes. Senator, that is our full intent. We have been very supportive of the agreement that had been reached.

Senator BEN NELSON. Including the invasive species, as well as water flow issues and hydrologic issues as well?

Secretary KEMPTHORNE. Yes.

Senator BEN NELSON. The entire picture of the recovery that we would like to see. We hope that that is a high priority within the Department.

Secretary KEMPTHORNE. Yes. Senator, again, when you speak of invasive species, that is critical. The proliferation of these species and then the loss of habitat, the loss of the native plants, native aquaculture.

Senator BEN NELSON. The consumption of water that the invasive species involve as well.

Secretary KEMPTHORNE. Correct.

Senator BEN NELSON. Okay. Well, we will be watching. It may not all happen under your watch because of the time frame, but we certainly hope it gets started under your watch.

SPECIES CONSERVATION ON PRIVATE LANDS

Last year, regarding the species conservation on private lands, the landowner incentive program was eliminated. The focus of that program was to help landowners become involved in species conservation on their lands, and while eliminated, the committee did direct the Department to work with the States to develop a new grant program as part of State and tribal wildlife grants that would direct funding to species conservation projects on these private lands.

Now, the Fish and Wildlife Service requested flat funding in their fiscal year 2009 budget for State and tribal wildlife grants. Obviously, that concerns me that while we directed the Department to move on these private conservation matters, Fish and Wildlife seems to have taken a different approach or at least have not provided funding that would satisfy, in my opinion, that they take this seriously or that it is a priority for them.

Secretary KEMPTHORNE. Senator, it is taken seriously because it is a good program. In the Department's budget, we have a variety of grants which we believe through other programs, we can still provide the objectives of the program. It is just a different set of funding sources.

Senator BEN NELSON. Well, but is it a bigger pie or is it just the same pie that is going to be cut into smaller pieces now?

Secretary KEMPTHORNE. I would say that it is at the same level. We have been able to at least hold the same level in a time of budget constraint, but without loss.

Senator BEN NELSON. What assurances can we have that we will see the money directed to the States and to the tribal lands or whether the grant requests that are put in will truly have that high priority that this committee has given them?

Secretary KEMPTHORNE. Well, Senator, I would be happy to work with you on determining how you would like to have that communique.

Senator BEN NELSON. Because you can say that the money is available. Then, of course, the other priorities will prevail. Unless this is given a high priority, we cannot be sure that there will be that priority by the bureaucracy.

Secretary KEMPTHORNE. Senator, I understand what you are saying. Just to affirm, it is a good program. It is achieving some very fine results. These are competitive grants among the States, but the funds are there. I would be happy, again, Senator, with your experience as Governor, to work with you on this.

Senator BEN NELSON. Well, with our experience as Governor, we understand the bureaucracy. The we be's. We be here when you come. We be here when you go.

That is what we want to overcome and make sure that this does have that high priority.

Secretary KEMPTHORNE. Right.

Senator BEN NELSON. Thank you, Mr. Secretary.

Secretary KEMPTHORNE. Thank you, Senator.

Senator FEINSTEIN. Very good, Senator. Thank you very much.

Senator Craig.

Senator CRAIG. In fact, Madam Chair, I would suggest that oftentimes the Senate says that of administrations. We be here when you come. We be here when you go.

INITIATIVES

Let me approach it from a slightly different angle because I love the artistry of your words, Mr. Secretary. Here with your budget you call these initiatives. In fact, you speak of four new initiatives, and you fund them from what were once Senate earmarks. Might we call those administrative earmarks, those new initiatives?

I think, Madam Chair, we ought to turn our phrase a bit and suggest that we have a variety of initiatives. In fact, many of us who lecture on this issue might suggest that we only gave you the authority to be here and present a budget less than 40 years ago, and constitutionally that responsibility rests solely with the Congress and not with the executive branch of Government.

So we do appreciate your initiatives and the artistry of your words, but we have noted that you have funded them by defunding Senate initiatives. Now, that is simply rhetoric, Mr. Secretary. I want to be kind to you for the balance of my time, but I was sitting here listening to the artistry of those marvelous words and not in any way questioning the validity of the concepts and the programs as it relates to oceans, as it relates to birds, certainly as it relates to the kinds of initiatives you have launched in Indian country. This committee has not disagreed with any of them.

So may I suggest, Madam Chair, that there is so much to do and so little money? What we have is, on the other hand, the taking from the other hand. That in itself is a bit of a frustration.

Secretary KEMPTHORNE. May I respond?

Senator CRAIG. Well, okay.

Senator FEINSTEIN. Before you do, Mr. Secretary, do you see the sensitivity of this?

Secretary KEMPTHORNE. Of course.

Senator FEINSTEIN. We feel we are equals in the budget.

Senator CRAIG. Oh, no, that is not true constitutionally, Madam Chair. Uphold your responsibility.

Senator FEINSTEIN. So it is very difficult when this kind of thing happens.

Secretary KEMPTHORNE. You can, I hope, appreciate that I used to sit up there and I remember asking an administration about the budget, so I understand where you come from.

EARMARKS

On the part of earmarks, this process is as you described it to be. We do not have the opportunity to add earmarks after the process. Many of the earmarks that you have provided—for example, on the initiatives of 2008, you plused-up Indian country. The administration retained those and is now recommending additions to that. With regard to the parks, the $25 million, that was tremendous. The refuges which, Madam Chairman, you referenced. We have retained those because it was a committee process, and it was building upon a budget which the administration had proposed to you. I do not believe that we are taking from your earmarks and simply putting on it the name "administration earmarks." These are initiatives that we are placing properly before the committee for your deliberation and your good counsel.

Senator CRAIG. Well, I appreciate that. I think our frustration remains when you propose, as you do, in your budget four new initiatives in a relatively flat or declining budget. That money has to come from somewhere.

PREPAREDNESS

Now, for example, in the area that the chairman has already approached, I would guess that you and the Department of Agriculture, the Forest Service and BLM, did not sit down and do this with your fire money because if you had, you would have both recognized substantial cuts in both Departments as it relates to preparedness.

You were out, as was I, and traveled over one of the largest fires in the grasslands of southwestern Idaho this last summer. Following that, I spent a good deal of time with all of the parties involved. There is no question in my mind and in the locals' and the State's mind that had we prepared a little better, had local people been a little more involved, had the teams been in place a little more, that that fire might not have been as bad as it was. Nearly a quarter of the land burned in the country last year. A near unprecedented fire season happened in our State of Idaho. So preparedness is critical.

The Forest Service has slashed its budget. You have cut yours substantially. You are the two primary fire agencies of our Federal Government. We have that cooperative tool in Idaho known as the National Interagency Fire Center, and yet, I am not quite sure I can go back to Idaho not yet knowing what the fire year will be—we do not yet—and suggest that we are going to be better off this year than we were last year.

Take us through that scenario a little bit, if you would, Mr. Secretary.

Secretary KEMPTHORNE. Sure. Our strategy is to attack fires. We have a 97 percent success rate of attacking fires so that they do not get out of hand and become the enormous fires that begin to go.

We are entering a new phase of fire behavior, much of it because of the 10 years of drought, and the bug infestation. The fuel load is there. As you know, Senator, it is not unusual during the summer that you may get 2,000 lightening strikes in a day, and to have as many resources as we have, but there are some fires that are going to get away.

I would also point out that part of the budget is based upon the 10-year average of the fire costs. Because of the nature of the fires that are getting so much larger, that 10 years still keeps some of the low numbers included. A 5-year view would be a different number.

Senator CRAIG. I was just going to say you ought to average on 5 years now versus 10 because——

Secretary KEMPTHORNE. It would be a different number.

Senator CRAIG [continuing]. The landscape has changed dramatically.

SALMON

My time is up. Madam Chair, let me make another comment as it relates to salmon and your concern and expression.

I will get you the address of probably one of the leading fish scientists in the University of British Columbia's Marine Biology Center who a decade ago said quite simply at a time when Idaho and Oregon and Washington were embattled over salmon on the Snake and Columbia system. He said it quite simply. Because of the change of temperatures and ocean waters and, therefore, the biota and the food sources for fish, no matter how many young fish you send us, meaning the ocean, it will not send them back because the habitat has changed dramatically in the oceans.

The problem is the take has not, and you have to couple it. We are spending as much as $300 to $400 a fish on the Snake and the Columbia system by ratepayers paying their power bills so that the fish industry can continue to fish. There is a subsidy. You are just not putting it in your budget. It is in the ratepayers' base of the public power systems of those States.

Now, that is a reality that nobody wants to deal with because we are so frantically trying to save these fish, and yet we must. I suspect the science is now going to suggest that our oceans simply cannot sustain those populations if the take continues to be as large.

I will come back for a second round. Thank you.

Senator FEINSTEIN. Thank you very much, Senator.

Senator Alexander, you are up.

Senator ALEXANDER. Thank you, Madam Chairman.

STEWARDSHIP

Mr. Secretary, you have had a very effective stewardship. I compliment you on it. I especially want to give you credit for the con-

ceptual design of—I will give the President the credit for the proposal, but the Centennial Challenge. It is a brilliant idea. We welcome you as you are coming back to the Great Smokey Mountains area on April 28 to the Governor's Sustainable Tourism Conference for Gateway Communities. I think it is your third visit to the Great Smokeys in a relatively short period of time.

Secretary KEMPTHORNE. Yes, sir.

Senator ALEXANDER. We appreciate a westerner recognizing the importance of eastern national parks.

I have two areas I would like to discuss briefly.

LAND AND WATER CONSERVATION FUND

Twenty years ago, I was chairman of President Reagan's Commission on Americans Outdoors. One of our recommendations was that we use money from offshore drilling to fully fund the Land and Water Conservation Fund. We have never done that.

I notice in your testimony that you talk about MMS doing studies in Alaska and the Gulf of Mexico that might produce 10 billion barrels of oil, 45 trillion cubic feet of natural gas. Even if you take the Alaska part out, that is a lot. It provides, it seems to me, an opportunity here because 2 years ago, thanks to Senator Domenici's leadership, when we approved a new lease for Lease 181 in the Gulf of Mexico, we created the conservation royalty really for the first time to give funding to the Land and Water Conservation Fund from offshore drilling. Fifty percent went to the Feds; 37.5 to the States; 12.5 percent to the Land and Water Conservation Fund.

My goal is that we get the Land and Water Conservation Fund up to $450 million Federal, $450 million State. There is a lot, particularly in the East, city parks, open space, greenways, communities that could use that.

My question to you is would it be possible that a part of the planning by the Department of the Interior could identify those areas where the so-called Domenici one-eighth, the 12.5 percent, of the proposed new drilling for oil and gas in the Gulf of Mexico especially, or anywhere else, could go to fully fund the Land and Water Conservation Fund?

Secretary KEMPTHORNE. Senator Alexander, in fiscal year 2009, the stateside Land and Water Conservation Fund will begin to receive revenue from that source.

Senator ALEXANDER. From Lease 181?

Secretary KEMPTHORNE. Correct. It is a little over $6 million. That will continue to grow now because of this new formula that has been put in place. It does give us for the first time, as you have stated, an identified source of funds for the Land and Water Conservation Fund.

Senator ALEXANDER. Well, I would hope that in your planning, you could include this concept, and I would say to the chairman of the subcommittee that as we look ahead at the Land and Water Conservation Fund, here may be a source of royalties for it. In a way, we have the worst of both worlds because some of the environmentalists do not like any drilling, and some of the western Senators do not like any more Federal land. But in the East, we have a need for that. Perhaps we can resolve that.

Secretary KEMPTHORNE. Senator, to highlight what you are saying, I think it makes a great deal of logical sense that when you extract a natural resource, that a portion of the benefit of that is reinvested back into nature.

Senator ALEXANDER. That was the concept really 40 years ago when the Land and Water Conservation Fund was created, that there would be an environmental burden and an environmental benefit.

GREAT SMOKEY MOUNTAINS NATIONAL PARK

Now, my last question would be about base funding for the Great Smokey Mountains National Park, which you have been very attentive to, and we appreciate it very much. Take four of our major parks that we all admire: the Smokeys, Grand Canyon, Yellowstone, and Yosemite. The Smokeys has twice as many visitors as Grand Canyon, three times as many as Yellowstone, about three times as many as Yosemite. It has about the same number of trails and roads as Yellowstone and Yosemite and more than the Grand Canyon. Yet, when we add all the dollars together, fees and Federal funding, we spend three times as much on Yellowstone, two times as much on Yosemite, one and a half times as much on Grand Canyon as we do on the Great Smokeys.

Senator FEINSTEIN. Be careful, Senator. Be careful where you are going.

Senator ALEXANDER. I know.

If the Senator from California were—she is an eminently fair person. She would want all these four grand parks to have—it is hard for me to understand how there could be three times as much spending on one of these parks.

Now, one part of the answer is the fees that the other three parks have. The Smokeys, of course, were given to the Federal Government by the States and the people under the express agreement there would not be an entrance fee. That was the deal in the 1930's. But even when you take the fee out, Grand Canyon, Yellowstone, and Yosemite have more of a base operation than the Smokeys.

I am aware of the increase this year. We are very grateful for that. I have talked with Ms. Bomar about that. I would urge you to continue to look as an element of fairness. I do not want to hurt the other three parks, but the most visited national park by far in America is the Great Smokeys. For us to be spending three times as much and two times as much and one and a half times as much on other grand parks as we do on the Smokeys does not seem right to me or the people in Tennessee and North Carolina that I represent.

Secretary KEMPTHORNE. Senator, you represent an absolutely beautiful part of the country. The Great Smokeys, I believe, has the highest visitorship of any of our national parks.

Senator ALEXANDER. Twice as much.

Secretary KEMPTHORNE. In the base budget for the Great Smokey Mountains, other than the Grand Tetons, it actually gets more than Grand Canyon, Yellowstone, and Yosemite, slightly more than Yosemite. These are the 2009 increases.

Senator ALEXANDER. Well, that might be increase. Madam Chairman, I know my time is up, but my information is—you can correct me—in fiscal year 2008, the Smokeys get $18.6 million; Grand Canyon, $21 million; Yellowstone, $33 million; Yosemite, $27 million, and that is before any of the fees.

Secretary KEMPTHORNE. Right. Being cognizant of that, that is why in the 2009 base we propose beginning to raise funds to the Great Smokeys.

Senator ALEXANDER. I thank you, and I hope that interest continues.

Secretary KEMPTHORNE. Thank you.

Senator ALEXANDER. Thank you, Madam Chairman.

Senator FEINSTEIN. Thank you, Senator. We will have more to comment on that later.

Senator Cochran.

Senator COCHRAN. Madam Chairman, thank you.

HURRICANE KATRINA BARRIER ISLAND REBUILDING

Mr. Secretary, Hurricane Katrina dealt a very serious blow to the State of Mississippi and other gulf coast States. Since that hurricane hit, we have seen no construction undertaken to replace structures, shaded areas in the Mississippi coastal area on the barrier islands and on previously very popular sites for sunbathing, fishing, and just access to the beautiful outdoors in that gulf coast area.

It is my hope that someone can be designated by the Department to get with Governor Haley Barbour and try to map out a plan for restoration and repair and rebuilding an appropriate number of facilities that would restore that area to its previous popular vacation, boating, and fishing area. I do not have a specific suggestion, a dollar amount of money, but there is no request for funding in this budget from the Department, and I would hope we would look at it and see what you think would be a fair amount to designate for that purpose.

Secretary KEMPTHORNE. Senator Cochran, I appreciate that you have identified that. I have had conversations with Governor Barbour. One of the things, too, that we are working with the U.S. Geological Survey on is to get what had been the footprint of the barrier islands in 1917, which is our baseline, because there has been a dramatic, as you know, loss of much of those barrier islands. That would be part of this whole restructuring.

Senator COCHRAN. Well, I appreciate the fact that you are aware of the challenge we face there, and we look forward to working with you. We will be glad to help, through the appropriations process, provide the funds that we agree ought to be spent there.

HERITAGE AREAS

One other issue I wanted to raise was the National Park Service's National Heritage Program. This is a program to identify areas where Federal funds could be used to protect, restore, enhance the appreciation within the National Park Service of sites that are important to preserve and protect for the benefit of future generations. I had introduced legislation specifically creating two heritage areas in our part of the country, but there is nobody at

the Department we have been able to talk with or find to be interested in working with us.

I would like to ask you to see if there could be some administrative staff of the Department designated or given the responsibility of helping us with this program, at least discussing what we could use and what would be consistent with the administration's policy on the National Heritage Area program.

We had hoped that we would have more money. Instead of more, we are getting a decrease of $8 million from last year's enacted level, and that is a problem as far as we are concerned. We do not think we are going to see any progress at all made if we do not appropriate some money.

Secretary KEMPTHORNE. Senator Cochran, as you stated, the administration's process, is to do an analysis, a survey, and a study. We would be happy to work with you on that.

Senator COCHRAN. Thank you very much.

Secretary KEMPTHORNE. Yes.

Senator COCHRAN. Thanks, Madam Chairman.

Senator FEINSTEIN. Thank you very much, Senator Cochran.

Senator Stevens.

Senator STEVENS. Thank you, Madam Chairman.

Good morning, Mr. Secretary.

Secretary KEMPTHORNE. Good morning.

MARINE MAMMALS

Senator STEVENS. I am a little disturbed about the reduction in funding for the marine mammals program off our coast. For instance, there is a reduction in the monitoring of walrus along the Chukchi Sea coast. Yet, we have an enormous proposal out there to start producing oil and gas, which we support. But I do not know why we would reduce, actually eliminate, funding for the Pacific walrus.

Can you tell us why that happened?

Secretary KEMPTHORNE. Senator, there is a reduction in the Fish and Wildlife, but the Minerals Management Service continues a study and then NOAA is also doing a study on the mammals in that area.

Senator STEVENS. All right. Well, I will check with NOAA then to make sure that is the case.

REVENUE SHARING

I am concerned that as we go forward now with the Chukchi Sea development, that Alaska has not received the same type of revenue sharing as other coastal States have. We have provided revenue sharing for Florida even for Lease Sale 181 that is 140–150 miles off their shore. We have got revenue sharing for Louisiana and Texas, and Alaska has two-thirds of the outer continental shelf of the United States and no development primarily because there continues to be opposition since there is no funding that would come to the State from development off our shores.

Can the Department change its position on revenue sharing? It seems to me if we had revenue sharing, we would have a greater support base from Alaskans for development off our shores.

Secretary KEMPTHORNE. Senator Stevens, I think it is a sound concept, which you have identified. With the revenue sharing that currently takes place in the Gulf Coast, I think that continues to incentivize the States. As you know, in the 5-year plan, we have now included the State of Virginia. I think absent revenue sharing, I do not know that Virginia will pursue offshore development, but with revenue sharing, I think it does provide a great incentive. I think it also, as Senator Alexander has pointed out, is an opportunity for funds that can be directed toward the Land and Water Conservation Fund.

Senator STEVENS. We would be pleased to have some direction over the funds, and I personally would like to see part of it directed—the State's share of revenue sharing be directed to indigenous people along the coast who face the greatest risk and really need funds. If you are not going to manage the walrus and keep track of the walrus, they would. They certainly would keep track of all the mammals since they depend on them so heavily.

But I would hope that you speak up as a member of the cabinet for revenue sharing for the State of Alaska. I do not think you are going to have oil and gas development off our shores until we get it. Frankly, there are so many people up there opposed to oil and gas development, with the risks involved and based upon their memories of the Exxon Valdez spill, that it is just a built-in situation. Why go forward and have a risk unless there are some funds that are built up to help offset that risk?

Secretary KEMPTHORNE. I appreciate your point.

ENERGY COSTS

Senator STEVENS. I do not know how much time I have got, but I am really worried about the basic problem of keeping up with the increased cost of energy in our State. You know, we pay really substantially more than the rest of the United States for oil and gas and yet we produce substantial amounts of oil and gas. I really wonder somehow if there is not some way we can make the country understand and maybe some of the people at this table understand that the problem we have in the country, as we continue to import so much oil—and now I understand we are going to start importing natural gas. They told me last week 40 percent of our natural gas will come to us from offshore by 2013. Now, that is an enormous cost. At $100 a barrel, the 7 million barrels a day, day in and day out, sending money out of the country. That is what is causing the price of gasoline to go up. There is no investment in the United States in domestic resources.

I see the President has an item in the budget for proceeding with ANWR. I really do not see much of a drive from the administration to fulfill that item in the budget. How are we going to get the support we need for development of alternative and renewable resources unless we have a cash flow from our own resources? Why has there not been more talk from the administration about this?

Secretary KEMPTHORNE. About ANWR in specific?

Senator STEVENS. Well, about the concept of domestic production.

Secretary KEMPTHORNE. Senator, I believe that in a variety of forums, it is discussed. I know that I discuss it. I know that Sec-

retary Bodman, the Secretary of Energy, discusses it, and I know that it is discussed often at the White House.

Senator STEVENS. It is headlines today that Russia's production is declining and they are going to face a financial crisis because of it. Well, ours is gone and we face a financial crisis. I do not think anyone has connected our financial crisis here at home to the fact we are sending so much money out of the country to buy oil and gas we could produce.

ALASKA FUNDING

I see my time is over. I do not want to speak beyond the time. I have questions here concerning the allocations to our State from the various functions here. From national parks, we have 51 million of the 78 million acres. Yet we get 2.4 percent of the budget. We have 76 million acres or 85 percent of the wildlife refuge lands. We get 8 percent of the budget. In terms of wildlife refuge lands, the overall concepts of the Federal lands, we have more than half of the Federal lands in every category and we have more than two-thirds of every category that are reserved Federal lands. Yet, we get less than 10 percent of the money in every category.

Why is that? Why do you allocate the budget based on population instead of acreage?

Secretary KEMPTHORNE. Well, I understand from your perspective why you would be concerned about that.

Senator STEVENS. My perspective. It is the people of the United States that go see those lands. They cannot get into them. There are no roads. There is no access. You have to fly into most of these places with a twin engine float plane. Do you know how many commercial twin engine float planes are left in my State? Three. There is no access. With the increased cost of flying, it is going to disappear entirely. I do not understand it. I think you have got to find a way to start working out ground access to all of this land that has been reserved for the public, but the public cannot get there.

You are a great friend. I hate to speak that way to you.

Secretary KEMPTHORNE. That is all right. I have gotten used to it.

Senator FEINSTEIN. I did before.

Senator STEVENS. Well, I do speak that way, but I do not lose friendships, I hope.

Thank you.

REVENUES

Secretary KEMPTHORNE. Senator, if I could just respond to that. When you consider the last sale that we had—and I believe it was Sale 206 in the gulf coast last month—it brought in record bonus bids, the highest ever in United States history. The Chukchi Sea, which we went forward with, which OMB had scored at $68 million, we actually brought in $2.66 billion. The 205 back down in the gulf coast, we brought in over $9 billion in the last 6 months, moving us toward further energy development.

The concerns which Senator Allard has raised about the Roan, but we believe that there are tremendous oil resources there.

In the State of New Mexico, we believe that there—excuse me, North Dakota. We believe that there are tremendous resources.

Part of it is we are being criticized by the pace by which we are proceeding with this, but we are using technology that has been learned from offshore oil and gas drilling. Now, onshore what traditionally used to be 10 acres for a wellhead, we are now down to a footprint of half an acre. We have learned from Alaska the use of ice roads so that in the spring, when the ice disappears, there is no footprint on the land in getting out to those wellheads. We are now doing the same thing with wooden pallets as roads onshore and then removing those wooden pallets once the construction is done. There has been no disturbance. We really are, I believe, moving as aggressively as we can on oil and gas development because of both our national security, our energy security, and our economic security.

Senator STEVENS. Well, our State alone can produce more oil than Iraq, and we spent a hell of a lot of money to protect the oil in Iraq, but none to make our oil available from Alaska.

Senator FEINSTEIN. Thank you very much, Senator. Senator Dorgan.

Senator DORGAN. Mr. Secretary, thank you very much for being here.

Secretary KEMPTHORNE. Thank you.

BAKKEN SHALE

Senator DORGAN. Last Thursday, we announced the USGS assessment of 3.6 billion barrels of recoverable oil in the Bakken shale formation. Some of us have worked to open up Lease 181. We got less of that opened up than we should. The greatest resource in the outer continental shelf is in the Gulf of Mexico first, California second, and Alaska third. We do need to do more production, and I have legislation to open up more of Lease 181.

But, Mr. Secretary, let me ask you. You and I talked some a while ago. I am going to ask you about some Indian issues.

DETENTION CENTERS

There is an Indian jails report that you paid for by Shubnum Consulting. It is done, and I cannot get it. I called you about it, and the BIA says it is not available. We had testimony in the Congress last year, almost a year ago now, saying that it was going to be available in a matter of a month or 2. Then they said Christmas. Yet, the taxpayers have paid for that. If it is available, I want to see it. Have you been able to check on that and tell me why we are not able to access it?

Secretary KEMPTHORNE. Yes. Senator Dorgan, as late as yesterday, I have checked on this. The report, while it is bound, and it looks like it is a final report—there are still questions that are now being answered and added to this report.

Also, it is a snapshot of the situation, but it does not have an implementation plan. It does not have what is the next step. What should we be doing in 2009, 2010, and 2011? That is what they are working now to identify. What does this mean, and therefore, what can we bring to Congress and say, here is the game plan.

Senator DORGAN. But, Mr. Secretary, I think the Indian jails are in desperate condition, and I think this report probably is going to

upset somebody. But if there is not a follow-on plan with it, why was that not part of the consulting contract?

Whatever the consulting contract is and has been paid for, why not share it with this committee, with the Indian Affairs Committee? I mean, we are in the process of trying to evaluate what kind of resources we should allocate to Indian jails. Yet, I am told by the head of the BIA and you and others, well, this is kind of done, but for whatever reasons, we cannot see it. We paid for it. I would like to see it, Mr. Secretary.

Secretary KEMPTHORNE. Yes.

Senator DORGAN. I would like to see it soon.

Secretary KEMPTHORNE. Senator, again, I will send a team up here.

Senator DORGAN. Just send the report up. I forget what Senator Stevens said. You are a great friend of mine. But you know, you sent people up before. I do not want people. I want the report. We paid for the report, and you have it. The BIA and the Department of the Interior, I think, should give it to us. So I will wait by the mailbox for the next several days.

Senator FEINSTEIN. Bring your lunch.

Senator DORGAN. We are great friends. I think he is going to send it this week.

UNITED TRIBES TECHNICAL COLLEGE

Mr. Secretary, let me ask you a question about what is judged to be one of the finest Indian schools in the country. The United Tribes Technical College serves Indians from about 34 States, and it has been authorized by the Congress. It has always been funded up until this administration took office, and then it fell out of the budget. I remain disappointed by that again this year. I mean, it is zero funding for that college. It is judged to be one of the really terrific Indian colleges in the country.

I know you cannot do much about that. This goes to OMB, and they do their grading or whatever they do with budgets. Then they send it up to the White House, and then it gets some cosmetics and is sent down here. Everybody says how beautiful it is, at least to those that sent it.

But I really think that zeroing out funding for the United Tribes Technical College makes very little sense. I mean, I feel the same way about the Johnson-O'Malley program, which is so important to Indian children across the country. So I understand that you have to come up here.

The last time we had a fellow named Mike Parker come up to the Hill, and in a fit of uncommon candor, when asked by Senator Bond in another appropriations subcommittee, do you not think these programs are underfunded, the former Congressman Mike Parker said, yes, I do. I think that they are underfunded. The next morning he was fired. So I understand the answer you must give me at this point.

But I do not want the moment to pass without telling you that we will almost certainly fund this tribal college. We are going to try to do everything we can to improve the situation of the tribal jails and other things. But I do regret that somehow in this budget process the priorities get somewhat skewed with those issues.

Secretary KEMPTHORNE. Yes. If I may, Senator Dorgan. You have been a champion for Indian country. I acknowledge that. You are a pleasure to work with.

You and Senator McCain, a little over a year ago, when I met with you, asked if we would come forward with an administration number to try to settle the *Cobell* case. As you know, that was difficult, but we, at least for the first time ever, came forward with a number, which was $7 billion, in response to you.

You mentioned the Johnson-O'Malley. There is also the tribal technical colleges program. There is the housing program. Johnson-O'Malley—we believe there is a funding source in the Department of Education that will cover that.

We believe that on the housing, it would help 200 families, but that there is a program in HUD identified that would help them. We have made a real effort with regard to the classrooms of the schools, and that is why that plus-up, which you made, we have retained and added to that. It is $27 million to help in the classroom so that these kids are ready for higher education.

The methamphetamine. Indian leaders say this is the second smallpox epidemic to hit Indian country, and so that is why we have made it a priority.

We truly are addressing, with limited resources, but Indian country is critical. Of our four initiatives in 2008, two of them were for Indian country because I too believe in our role to help the Indians.

Senator DORGAN. Madam Chairman, in just 30 seconds, let me just say this, however, about the United Tribes Technical College. It is a great disappointment to see, once again, zero funding for it because it is judged to be a remarkable and an effective institution that all of us should celebrate. All of us ought to say this is a great place. They are graduating and giving opportunities to so many young men and women. So my hope is this is the last year where we will have this complaint, and this wonderful school will receive the funding Congress has always insisted upon providing this school.

I have overstayed my welcome here.

2009 BUDGET

Senator FEINSTEIN. No, you have not. Thank you. I think members of this committee agree with you. I think this is an unacceptable budget. I think it is going to receive change, and I think that we are going to work our will on this budget. So thank you.

I just want to take this opportunity, because I know you have to leave. We will try to get as many people in as we possibly can. I think most people do not realize that now in the end of 2008, 72 percent of the monies spent went for entitlements and interest on the debt. Seventy-two percent. Twenty percent went for defense, and everything else was 18 percent of the money that was spent.

Now, in many respects, Mr. Secretary, you have the crown jewels of this country, the beauty of our parks, our wilderness, all of the things that people love to go to, care about that makes this country particularly great. My feeling is that people do want to spend the money that is necessary to protect those things.

But we have to come to grips clearly. I hear candidates saying, oh, you know, I will cut all discretionary spending. Well, only 18

percent of what is spent is discretionary. Defense really is not. Ergo, you can cut 18 percent of everything and not solve the budget problem that this Nation faces. So we have got to come to grips with it.

A quick question, if I might.

Secretary KEMPTHORNE. Madam Chairman, for those who wish to remain, I am happy to respond to your questions.

Senator FEINSTEIN. We can take some additional time?

Secretary KEMPTHORNE. Absolutely.

Senator FEINSTEIN. All right. Excellent.

MMS INFORMATION TECHNOLOGY INCREASE

Oil and gas royalties. In the 2008 appropriation, we provided $2.3 million for systems improvements, and that is the recommendations of Kerrey-Garn, the Mineral Revenue Committee. Your 2009 request includes increases of $3.7 million to continue these ongoing enhancements and develop a risk-based automated compliance tool for use.

My question to you is, does this $3.7 million complete it? Will it be functioning? Because $6 million seems to me is an awful lot of money to spend for this.

Secretary KEMPTHORNE. Madam Chairman, can I get back to you with a response on that?

Senator FEINSTEIN. Sure. Would you please do it before we do the budget, though?

[The information follows:]

MINERALS MANAGEMENT SERVICE—MINERALS REVENUE MANAGEMENT

The Department's fiscal year 2008 and 2009 requests for MRM encompassed not only a risk-based compliance tool, but three additional system components and 8 additional FTE as summarized in the table and the bullets below.

| Fiscal year | Initiative | FTE request | FTE amount | System amount | Total request |
|---|---|---|---|---|---|
| 2008 | Adjustment Line Monitoring | 4 | $520,000 | $420,000 | $940,000 |
| 2008 | Interactive Payment Reconciliation and Billing | ..... | ..... | 1,450,000 | 1,450,000 |
| 2009 | Implement OIG Compliance and Audit Recommendations including a risk-based compliance tool | 4 | 480,000 | 1,520,000 | 2,000,000 |
| 2009 | Improve Automated Interest Billing to Companies | ..... | ..... | 1,700,000 | 1,700,000 |
| | 2008–2009 Total | 8 | 1,000,000 | 5,090,000 | 6,090,000 |

In relation to the requested ongoing enhancements, the Minerals Revenue Management Support System (MRMSS) was designed and implemented between 1998 and 2001; therefore some of its design elements and underlying technology are approaching a decade old. Spending $5 million over a 2-year period on system enhancements to a major integrated financial system is not out of line with government and industry benchmarks.

The enhancement initiatives requested for 2008 and 2009 address three areas of system improvement:

1. Technology enhancements that were not yet mature or economically feasible in the late 1990's.

—*Interactive Payment Reconciliation and Billing Initiative*.—These system improvements will automate MMS's interface with its customer base on numerous activities, and enhance online reporting and verification capabilities, as well as enforcement efforts. The funding will address an area of concern in the Bureau's financial audit, as well as provide a strong return on investment.

—*Improved Automated Interest Billing to Companies Initiative*.—This initiative continues MRM's commitment begun in 2007 and 2008 to improve the timeli-

ness and efficiency of the interest assessment to payors by implementing system enhancements to the MRMSS interest module.

2. Implementation of new legislation that was not an initial priority in the design of the new system in the late 1990's.

—*Adjustment Line Monitoring Initiative*.—The requested systems improvements and staff to perform this function are required to ensure company adjustments are made only within allowable time frames.

3. Address new mission requirements and recommendations.

—*Implement OIG Compliance and Audit Recommendations Initiative*.—This proposal ensures MRM's ability to address recommendations by the OIG in its December 2006 report regarding MRM's Compliance Review activities. The requested funding will allow MMS to increase the audit staff by 4 FTE, to expand company and property compliance coverage, and to develop and implement a risk-based automated compliance tool for use in targeting audit and compliance resources.

MMS expects that the funding requested for these improvements will be sufficient to ensure full functionality and complete these initiatives.

ROYALTY POLICY REPORT

Secretary KEMPTHORNE. Yes. May I add? You mentioned the Garn-Kerrey report. They made 110 recommendations to us, and 19 have been implemented. We are now moving on a large number of others. Twenty-two of those 110 mirrored what the Inspector General had recommended. I think out of all of that, there will be three that we will have to come and ask for legislative help, but we are moving because it was a very fine report by former members of this institution and other talented people who work with them. I think it really has helped us.

Senator FEINSTEIN. Thank you.

POLAR BEARS

One other quick question. Is the polar bear on its way to a finding of endangerment?

Secretary KEMPTHORNE. I cannot answer that. I will tell you that we are proceeding with a decision on the issue of the polar bear. I will tell you, Madam Chairman, that January 2007 the Fish and Wildlife Service issued a proposed listing with regard to the polar bear. I asked the U.S. Geological Survey then to take a significant portion of that and examine the science. They came back with nine different reports, all peer-reviewed. We knew then, upon receipt of this new science and data by USGS, that it was going to cause us to have to take additional time. We knew that at that point.

We also felt it was incumbent upon us, based on this data from USGS, to now reopen the public comments and even to extend that. We have 670,000 comments that we have received. It is a tremendously critical, important issue. I want to ensure that we do it properly with the right science and the right legal input.

Senator FEINSTEIN. So what you are saying is the decision will likely be made by the next administration.

Secretary KEMPTHORNE. No.

Senator FEINSTEIN. No, you are not.

Secretary KEMPTHORNE. No.

Senator FEINSTEIN. So the decision will be made this year.

Secretary KEMPTHORNE. Yes.

Senator FEINSTEIN. Thank you very much.

Secretary KEMPTHORNE. Absolutely.

Senator FEINSTEIN. Thank you.

Senator Allard.

Senator ALLARD. Thank you, Madam Chairman. Just a couple things I want to follow up on.

CANYON OF THE ANCIENTS

Also in the Canyon of the Ancients down in southwestern Colorado, there is a draft resource management plan that was kicked out. It is a national monument. There is a resource management plan that has been kicked out. It seemed to deemphasize the importance of oil and gas development on the management plan. There are a lot of cultural resources down there, and I support that. But my impression is with the current technology we have and everything, that we can accommodate both without injuring the other.

The question I have is, does the BLM have an obligation to ensure that oil and gas exploration can coexist with culturally rich areas?

Secretary KEMPTHORNE. Senator, I do not believe that they are by their very nature mutually exclusive. They have to be done with all sensitivity. We have to find the balance so that we do not overlook our responsibility with regard to the cultural and historic values.

Senator ALLARD. That is a very sensitive area on the cultural.

Secretary KEMPTHORNE. Yes. It has to be done carefully, but our attitude is to find the means that you can do it. That is why, as I have said earlier, you have world-class habitat sitting right above world-class energy resources. They are not mutually exclusive, but you have to do it holistically. You have to find the sensitive balance to this.

ROAN PLATEAU

Senator ALLARD. I would like to go back to the Roan Plateau again. These are parochial issues. We have a lot of oil and gas development in Colorado, as you are aware, because we have huge reserves there.

There is an estimate of about 8.9 trillion cubic feet of natural gas within the area known as the Roan Plateau, and obviously, with that much reserve, it would play a vital role in our country's energy security and being less dependent on foreign oil.

Now, it is my understanding that the resource management plan for this area, which was released by the BLM in 2006, is the most restrictive in the agency's history. I appreciate what your Department, specifically Steven Allred, has done in working with the Governor of Colorado and other existing parties on this management plan.

Now, two of the most unusual parts of the plan is the surface occupancy restrictions and the unitized operator approach. Now, under the BLM plan, the surface occupancy on top of the plateau would be limited to 1 percent at any one time.

Secretary KEMPTHORNE. Correct.

Senator ALLARD. Which means that about 350 acres can be disturbed, and before you can disturb any more, you have to reclaim all that, which seems reasonable to me.

Now, it is my understanding the Governor's primary outstanding concern is the request for phased leasing rather than selling all the leases at once as the Department plans to do.

Can you tell me why the Department decided against the approach of phased leasing?

Secretary KEMPTHORNE. Senator, the thoughts of the BLM are that the phased leasing would lead to a greater disturbance on the surface. Again, the objective is to keep the disturbance to a minimum.

Senator ALLARD. Can you tell me whether you feel this would have any effect on the length of the process to develop the Roan management plateau plan and what kind of time line you might have on that in your plans?

Secretary KEMPTHORNE. On a time line, really, I would rather get back to you with a very accurate, detailed response on that.

[The information follows:]

BUREAU OF LAND MANAGEMENT—ROAN PLATEAU

The Department does not recommend phased leasing to develop the Roan Plateau. Under the BLM's plan for phased development all leaseholders participate in a single federal unit and there are strong incentives for minimizing disturbance and reclaiming lands more quickly and efficiently. The sooner one phase is developed and reclaimed, for instance, the sooner the next phase can begin. All leaseholders have a financial stake in this profit-sharing Federal unit. Under the phased leasing approach, the financial incentive to ensure timely development—and especially reclamation—is not nearly as strong. Because each lease is issued competitively, the lessee may not be a part of the profits in the next "phase." The phased leasing approach provides no incentive in this instance for minimizing disturbance or hastening reclamation efforts. Phased leasing and reclamation standards would significantly extend the timeframe for leasing the Roan Plateau.

Senator ALLARD. Well, that is fine. You have worked a lot with local governments and local governments have been having their input in there. The State has had input working with the BLM, and we all appreciate the fact that everybody has worked together on that.

COLORADO OIL AND GAS RULES

Now, there has been some discussion about the new draft rules regulating oil and gas development in Colorado which has been proposed by the Oil and Gas Conservation Commission. Have you had a chance to review the proposed rules? If you have, can you share with the subcommittee some of the rules and how they would affect your Federal activities?

Secretary KEMPTHORNE. What I would ask you is if I could have Steve Allred provide an evaluation of that.

Senator ALLARD. Okay, very good. We will have some questions on that when you get a chance to follow up on it.

Senator FEINSTEIN. Thank you. Excuse me, Senator.

Senator ALLARD. Go ahead. My time is expired.

Senator FEINSTEIN. If you have another question, go ahead.

NATIONAL PARKS CENTENNIAL

Senator ALLARD. Just one thing briefly, if I might. We provided you with $25 million in the matching grant funds for the centennial initiative.

Secretary KEMPTHORNE. Yes.

Senator ALLARD. You will be announcing those awards shortly. However, the legislation you sent up last year to the authorizing committee, which would set up the annual $100 million mandatory matching grant fund for the centennial, has not been acted upon.

Can you tell us where this legislation stands?

Secretary KEMPTHORNE. Yes. We now have legislation that has been introduced both in the House and in the Senate. In the House, the issue thus far has been the offset. There seems to be bipartisan agreement on the concept, but it is what is the offset for the $100 million mandatory spending each year leading up to 2016. There have been five different proposals that have been placed on the table. For a variety of reasons, there has not been consensus on any of the five.

Senator ALLARD. You are continuing to pursue this vigorously with the authorizing committee?

Secretary KEMPTHORNE. Yes, we are.

Senator ALLARD. Because it is important because if we have a limited amount of resources here and then they need to pick up their burden on this.

Secretary KEMPTHORNE. I agree. We are very actively working with both Members in the Senate and in the House and also actively having discussions with OMB.

Senator ALLARD. Oh, good.

Thank you, Madam Chairman.

Senator FEINSTEIN. Thank you very much.

Senator Craig, you have another question?

SAFE BORDERLANDS INITIATIVE

Senator CRAIG. One last question, Madam Chair, because I know the Secretary, from his very first days in office, expressed frustration. It is a commonality that you and I share and have worked very closely on, Madam Chair, as it relates to providing a legal foreign national workforce for our country. In fact, the chairman and I are now engaged in trying to save American agriculture's workforce that is dramatically diminishing, in part because of our successes along the border and effective enforcement.

You have added to your budget about $8.2 million for 2009 as it relates to the DOI's management of the 793 miles of southern border. Would you visit us with that issue a little bit about the safe borderlands initiative that you are working on and where we are with that?

Secretary KEMPTHORNE. Yes, thank you.

With regard to the border security, as the country has become more successful and effective at closing illegal crossings of drugs and individuals at the urban centers, it has caused them to go to the remote areas, and that is where our properties come into play. We work closely with the Department of Homeland Security. There are significant areas along the border that are not safe for American families to visit, to spend an overnight camping opportunity because of the drug smuggling that is taking place by the national drug cartels. So as the efforts continue that include personnel, that include radio interoperability, and that include the fencing, it will help us to then have a safe border that meets the responsibility and the goals of this country.

Senator CRAIG. Well, I thank you for that.

Madam Chair, I had the Mexican Government in last week to talk about the joint initiative between the United States and Mexico in relation to drug apprehension. The Ambassador made the most stark statement that sticks in my mind. They apprehended a fellow who was a major sourcer of the input of meth, the product coming out of China, interestingly enough, coming through a major port in California and then moving through to Mexico to be processed. They discovered in one room in this apprehension $210 million in $100 bills that this one man had stacked up in a room. In fact, it was a room, they said, about the size of my office at the time and it was stacked about 5 feet deep. That was sourced out of China through a California port into Mexico to be processed and back into the United States. I know our Presidents are working on that initiative now.

Senator FEINSTEIN. If you would excuse me just for a moment because I did this precursor chemical bill, and I have got to take a look at exactly what that is because those precursors, even in transit should not be coming in.

Senator CRAIG. You are right. They should not be and there is every effort to stop it. But that was a pretty stark reality of the phenomenal organizational effort and the money involved in this.

We have got Organ Pipe I think is one of the areas that you talked about where it is no longer safe for the citizen to be even out on our national lands. So I appreciate the effort underway here by BLM and the Park Service as a part of the total.

Senator FEINSTEIN. This was a congressional add that we added.

Senator CRAIG. Yes, that is right.

Senator FEINSTEIN. This was an earmark.

Senator CRAIG. It is now an initiative. It is a good idea.

Secretary KEMPTHORNE. I love your initiatives.

U.S. PARK POLICE

Senator FEINSTEIN. In any event, you wanted to speak about the Park Police.

Secretary KEMPTHORNE. I would like to, Madam Chairman, just very briefly. This is an organization that goes back to 1791. The officers, the men and women, that proudly carry the badge of the U.S. Park Police are not properly reflected in some of these items that have been brought to our attention, management issues. It is management issues. It is not the officers. With regard to the issue of qualifications of weapons, the safety equipment such as their Kevlar vests, we now are correcting that, and we put an urgency on that.

Senator FEINSTEIN. San Francisco and——

Secretary KEMPTHORNE. Absolutely.

Also, though, Madam Chairman, I would just say that when you add all of the law enforcement that we have within the Department of the Interior, we are the third largest law enforcement entity in the Federal Government. I am using the information from the Inspector General to go across the entire Department with regard to qualifications, safety equipment, interoperability of equipment.

I will have a meeting this month with my assistant secretaries, the bureau directors and the chiefs of our respective law enforce-

ment entities so that they know this is a priority. It is not lip service. These officers deserve our full support and backing.

Senator FEINSTEIN. We certainly will support them any way we can.

Let me make one other point about drug money in your budget.

Secretary KEMPTHORNE. Yes.

MARIJUANA IN PARKS

Senator FEINSTEIN. You know, I met with DEA, FBI, everybody that was working on marijuana in the parks. I think we put what? $18 million. Oh, we did it in the Forest Service.

Secretary KEMPTHORNE. Yes.

Senator FEINSTEIN. But Interior is also part of that.

It is really very important that these surges continue and that you clean out the parks because California parks are riddled with marijuana growth, and it is run directly by Mexican cartels and foreign nationals. They carry weapons and it is very problematic. I will not get into your weapons policy, but as you know, I really worry about people walking into these parks with weapons and you have got cartels with weapons and what might happen. So you need to help clear the parks out.

Secretary KEMPTHORNE. I agree with you, Madam Chairman. As you have identified, we have used the surge of BLM, National Park Service, BIA, and Fish and Wildlife Service in a concerted effort going into these areas. We have been successful. We appreciate your help on that.

You are correct. Those that are tending these gardens have been told that they are to defend those gardens with their life. It is all being driven by the national drug cartels. Some of those individuals, it is our understanding, that are tending those gardens are themselves——

Senator FEINSTEIN. It is more than gardens. Gardens means small. These sometimes are huge.

Secretary KEMPTHORNE. Plats.

Senator FEINSTEIN. Yes, with millions of plants.

Secretary KEMPTHORNE. But under threat that if they do not defend it with their life, members of their family, their children, will be executed back in Mexico. We are dealing with ruthless, ruthless thugs that are peddling this poison.

That is why both in the Indian initiative, Safe Indian Communities, the Border Patrol—you mentioned Senator Craig Organ Pipe. We estimate that $1 million a day of illegal drugs are going through that national park. That is where Chris Eggle, one of our law enforcement rangers, was shot down and killed in 2005. We cannot send our staff to carry out normal functions in these refuges, parks, and Bureau of Land Management and reservations without two armed officers with them. That is how tough this area is.

Senator FEINSTEIN. Well, I tell you, we will put in what you need.

Secretary KEMPTHORNE. That is greatly appreciated.

Senator FEINSTEIN. So, I mean, forget OMB. I mean, we are not going to see our parks get loaded with drugs. That is just the way

it is going to be. If they want to come up and arm wrestle us, so be it.

ADDITIONAL COMMITTEE QUESTIONS

We will leave the record open for questions from other committee members.

[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 BEN NELSON

*Question.* Last year, unfortunately the Landowner Incentive Program was eliminated. As you know the focus of this program was to help landowners become involved in species conservation on their lands. While eliminated, the committee did direct the Department to work with the States to develop a new grant program as part of State and Tribal Wildlife Grants that would direct funding to species conservation projects on private lands.

Excerpt from the fiscal year 2008 Interior Appropriations report 110–91 as adopted by the Senate Appropriations Committee and carried as part of the fiscal year 2008 Consolidated Appropriations Act:

In fiscal year 2008, the Committee accepted the Department's decision to discontinue the private stewardship and landowner incentive grants programs but recognizes the need for species conservation efforts on private lands to continue. The Committee urges the Service to work with the States to develop a new subset of funding under the State and tribal wildlife grant program that can direct grants toward species conservation projects on private lands. The Committee is receptive to ideas from the Service and the States on how best to accomplish the goal of continued Federal support for conservation on private lands within the framework of the State and tribal wildlife grant program

*Question.* What has the Fish and Wildlife Service thus far accomplished with respect to creating this new subset of funding for directed grants toward species conservation projects on private lands?

Answer. The Service is currently working with States to review draft criteria for a competitive program developed as a subset of funding under the State and Tribal Wildlife Grants program. The grants will be awarded to the highest ranking cooperative conservation projects that are in State Wildlife Conservation Plans. Priority will be given to cooperative conservation projects with an emphasis on performance and outcomes. At this time, one of several proposed ranking criteria is directed at species conservation projects on private lands.

*Question.* The Fish and Wildlife Service requested $74 million in their fiscal year 2009 budget request for State and Tribal Wildlife Grants. Of that amount, how much is going to be used for this new subset of grant funding for species conservation projects on private lands?

Answer. Presently, there is no subset of State and Tribal Wildlife Grant funding being directed exclusively towards species conservation projects on private lands. However, such projects could be eligible for the State apportioned funding and possibly some of the competitive funding if identified as a strategy in the State's Wildlife Action Plan.

*Question.* When do you anticipate this new grant program being implemented?

Answer. The Service anticipates that the competitive program of the State and Tribal Wildlife Grant program, authorized in fiscal year 2008, will be implemented by no later than September 30, 2008.

---

QUESTIONS SUBMITED BY SENATOR WAYNE ALLARD

NATIONAL PARK SERVICE/PARK POLICE

*Question.* Recently, the Department's Inspector General (IG) did a report on the U.S. Park Police and found many disturbing problems. He found low morale, many key positions at headquarters are vacant, and the number of officers is at a 20 year low when the force is charged with many additional anti-terrorism responsibilities in the aftermath of September 11th.

Can you update us on what you are doing in response to the IG's report?

Answer. The Secretary of the Interior established a Management Oversight Team (MOT) to address the recommendations contained in the IG's report. The members of the MOT include Associate Deputy Secretary James Cason; Assistant Secretary for Fish, Wildlife and Parks, Lyle Laverty; and National Park Service Director Mary Bomar. These individuals are being assisted by Deputy Assistant Secretary for Law Enforcement, Security and Emergency Management, Larry Parkinson; Principal Deputy Assistant Secretary for Fish, Wildlife and Parks, David Verhey; and National Park Service Deputy Director, Dan Wenk. The MOT established a Command Management Team (CMT) to take responsibility for the daily operations of the United States Park Police and to finalize and implement an Action Plan to address 19 of the 20 recommendations contained in the report. The MOT is responsible for addressing the 20th recommendation.

*Question.* The CMT, led by Salvatore R. Lauro in the position of Acting Assistant Chief of Police, has been in place since March 3, 2008. The CMT has been aggressively addressing the OIG recommendations, with priority being given to matters affecting officer safety, icon protection and staffing. The MOT meets weekly with the CMT to review progress and provide guidance. The MOT also provides the Secretary of the Interior with regular project updates.

Can you assure the public that the many icons the Department is responsible for like the Statue of Liberty, Ellis Island, and the Washington Monument are adequately protected?

Answer. In the aftermath of 9/11, as a result of increased emphasis on homeland security and icon protection, the U.S. Park Police (USPP) has reallocated its resources from some of its more routine and patrol enforcement activities to icon protection. The USPP have also employed a number of efforts to protect the icons while ensuring these national treasures remain open and accessible to the public, including utilizing USPP officers and security personnel to provide 360 degree coverage on a 24-hour basis at the Statue of Liberty and the three National Mall icons; constructed physical security barriers to prevent vehicle-borne threats; using Closed Circuit Television cameras to monitor activities within and around the Statue of Liberty and the three National Mall icons on a 24-hour basis; employing magnetometer and x-ray machines to screen visitors entering the Washington Monument; partnering with public and private research entities to test and evaluate emerging security technologies at the Statue of Liberty, where three screening facilities are utilized to screen all persons and packages traveling to Liberty Island and/or entering the Statue; employing USPP explosives detection canines to screen ferry boats transporting visitors, staff, and supplies to the Statue; maintaining a 150-yard maritime restricted security zone around the Statue (efforts are currently underway with the U.S. Coast Guard to expand this security zone in the waters between Liberty and Ellis Islands to further divert vessel traffic away from the Statue); and, assigning USPP officers or commissioned NPS rangers to the Washington Field Office FBI—Joint Terrorism Task Force (JTTF), the Washington Field Office FBI—Fairfax County Regional Intelligence Center, the Department of Homeland Security Operations Center, the New York Office FBI—JTTF, and the NYPD Counterterrorism Unit.

*Question.* I see that your budget proposes a $7.6 million increase for the Park Police, will part of this be used to recruit new officers?

Answer. In addition to the fixed costs request of $1,909,000 and $1,000,000 for Inaugural related activities the budget proposal for the USPP includes funding of $4.8 million to increase the number of sworn officers. Anticipating average attrition, this reoccurring funding will allow us to recruit, hire, train and equip a total of 630 officers by the end of 2009.

*Question.* What do you believe is the necessary number of officers? When will you reach that level, and what will it cost?

Answer. In December 2004, the Department completed a comprehensive review of the mission, priorities, and responsibilities of the Park Police. This effort was coordinated with the National Academy of Public Administration (NAPA), which undertook two major reviews of the Park Police. Using a methodology developed by NAPA, the Department assessed and prioritized each function performed by the Park Police—including monument security and all local law enforcement responsibilities—and concluded that a targeted staff of 639 sworn law enforcement officers was appropriate.

If the $4.8 million increase requested in the 2009 President's Budget is appropriated, we anticipate approaching the 639 officers during fiscal year 2010.

KERR MC GEE CASE/DEEPWATER OFFSHORE LEASES

*Question.* We held a hearing earlier this year with the Assistant Secretary for Lands and Minerals, Steve Allred, about several issues relating to the Outer Continental Shelf (OCS) leasing program. I wonder if you might update us on a few things we discussed then. For example, last October, in the *Kerr-McGee* litigation, the district court held that price thresholds are not permitted in any leases under the Deepwater Royalty Relief Act.

Can you tell us the status of this litigation?

Answer. On December 21, 2007, the Department of Justice filed a timely notice of appeal with the Federal District Court to protect the interests of the United States in the *Kerr-McGee* litigation.

*Question.* Given the *Kerr McGee* case, is there anything that the Department is doing or that it can do to encourage more companies to come to the table and pay royalties on the 1998–1999 leases that were issued by the Minerals Management Service without price thresholds?

Answer. We remain open to discussing resolution of this issue with the companies that hold Deep Water Royalty Relief Act leases from sales held in 1998 and 1999. We do not believe that any additional lessees will agree to price thresholds until they see the outcome of the *Kerr-McGee* case.

*Question.* What is happening with respect to royalty collection from companies holding leases from 1996, 1997, and 2000? Have any of them indicated that they will not continue to pay?

Answer. In a March 10, 2008 "Dear Reporter" letter to industry, MMS issued guidance regarding companies royalty payments in light of the October 30, 2007, decision of the United States District Court for the Western District of Louisiana in *Kerr-McGee Oil & Gas Corp.* v. *Allred*. Because the *Kerr-McGee* decision may be the subject of additional litigation, we advised all affected payors and lessees to make no adjustments regarding their prior or ongoing royalty payments until there is a final, non-appealable judgment entered in the case.

*Question.* As you know, there have been legislative efforts to force the oil companies with these leases to renegotiate their contracts. You have had several recent sales in the Gulf of Mexico and in Alaska that have generated close to $3 billion each in bonus bids—would forcing companies to renegotiate jeopardize these revenues because the leasing program might be enjoined altogether?

Answer. The most prominent effort to force companies to negotiate royalty payments involves barring companies that refuse to come to terms from participating in future lease sales. It certainly seems likely that these companies would sue the government to determine if this is a legal remedy or not. It is not unreasonable to expect that it could take several years to resolve this issue. If such a suit were to delay leasing for 3 years we estimate that the government would lose approximately $13 billion over a 10-year time period.

*Question.* If the *Kerr-McGee* case is upheld on appeal, what is the potential loss to the Treasury?

Answer. If *Kerr-McGee* is successful in their lawsuit, we estimate that the total royalties at stake could range from about $23 billion to $32 billion. Our original estimate, reported by GAO, was $60 billion. Since that time we have updated that work and have reported the updated estimates to Congress in 2007 in two installments.

The first installment applied only to those DWRRA leases sold in 1998 and 1999, and was reported in June 2007. This work indicates that the future royalty potential, as of January 1, 2007, from the 1998–1999 DWRRA leases ranges from $5.3 billion to $7.8 billion.

The second installment, reported in February 2008, applied only to those DWRRA leases sold in 1996, 1997, and 2000. This work indicates that the future royalty potential, as of October 1, 2007, from the 1996, 1997, and 2000 DWRRA leases ranges from $15.7 billion to $21.2 billion.

Looking backward, as of the end of fiscal year 2007, we estimate that $1.37 billion would have been paid on DWRRA leases issued in 1998 and 1999 had price thresholds been in place. In addition, over $1.1 billion in royalties have already been paid on DWRRA leases issued in 1996, 1997, and 2000.

*Question.* Do you have any recommendations for what Congress should do if the government loses the case on appeal?

Answer. The legislation to address this situation that was passed by the House had a high potential for causing litigation by modifying existing contracts. We believe that efforts to recoup these moneys should not jeopardize our nation's energy security or the future revenues from upcoming OCS sales.

Applying fixes that could result in litigation could easily cost the United States billions over the next decade and result in reduced annual production levels. We

still remain committed to the sanctity of our contracts; companies need to know that the United States negotiates in good faith. We are also still committed to working with Congress to try to resolve this issue as long as any effort to recoup royalties is fully thought through and protects the integrity of the government and energy security for the American people.

ADMINISTRATIVE FEES ON ONSHORE LEASES

*Question.* The fiscal year 2008 Interior bill authorized the Bureau of Land Management to charge a fee this year of $4,000 on Applications for Permits to Drill. It is my understanding that the Administration is proposing an amendment to the Energy Policy Act of 2005 that would authorize the Department to issue a rule making these fees permanent and also to raise them. This concerns me if it creates a disincentive for increased domestic production and does not take into account differences in the costs of production in different States.

In Colorado, the costs of production are very high. Will this rule take into account the differences among the States in terms of the cost of production when setting fees?

Answer. At this time, we do not anticipate the rule taking into account the differences among the States in terms of the cost of production when setting the fee. The proposal is for a cost recovery fee that takes into account the BLM's cost to process an application for permit to drill (APD). If it is determined that the costs for processing an APD vary from State to State, then the final cost recovery fee may, likewise, vary from State to State. The proposed interim fee represents a very small fraction of the development and production costs for any new well.

*Question.* Won't charging higher fees upfront to process these applications hurt smaller producers?

Answer. No. The proposed fee represents a very small fraction of the development and production costs for any new well, so the effect of the fee on small producers should be negligible. The fee may cause all operators to be more prudent when applying for drilling permits, so that they only apply for permits for those wells that they actually intend to drill.

*Question.* How long will it take the BLM to issue this rulemaking?

Answer. At the latest, we expect to release the final rulemaking by the end of calendar year 2009. To avert any shortfall in funding for APD processing, in the event that the cost recovery rulemaking has not been implemented for all of fiscal year 2009, the legislation submitted by the Administration will impose, by statute, an interim fee of $4,150, to ensure the estimated $34.0 million in fees are collected.

*Question.* How much in fees does the agency plan to collect if it is implemented?

Answer. As noted in the preceding response, we estimate that we will collect $34 million in fiscal year 2009, either solely through cost recoveries, or through some combination of cost recoveries and a statutory interim processing fee.

BLM/NATIONAL LANDSCAPE CONSERVATION SYSTEM

*Question.* One of your predecessors, Secretary Babbitt, created the so called National Landscape Conservation System (NLCS) out of many of the most significant BLM lands, including the Grand Staircase-Escalante National Monument and the Headwaters Preserve. There are currently legislative efforts in the house to codify this NLCS system.

Can you tell me what your position is on these legislative efforts?

Answer. The administration supports the House and Senate bills that codify the NLCS.

*Question.* Could activities that are currently allowed on these lands like grazing be curtailed if this system is codified into law?

Answer. No. Both the House and Senate bills propose to establish in statute the current administrative structure of the NLCS—the bill would not alter the management of individual units. There is a multiple-use component to the NLCS, and the proposed codification will not change this. Existing management policies and restrictions would remain in effect.

WILDLAND FIRE OUTLOOK FOR THIS YEAR

*Question.* We recently had the Chief of the Forest Service here and I asked this question and I think it's relevant for you as well. I know that trying to predict the severity of the upcoming fire season at this point in the year is difficult at best. However, we are marking up a supplemental appropriations bill later this month.

With that in mind, can you give us some sense of how severe you expect this fire season to be based on what you know now?

Answer. The Wildland Fire Outlook for the period June 2008 through September 2008 reveals that significant fire potential is forecast to persist or increase in portions of California, the Southwest, Western Great Basin, Rocky Mountain and Northern Rockies. Significant fire potential will decrease across Florida, eastern New Mexico, western Texas, Alaska, and southeastern portions of the Rocky Mountain Area. The primary factors influencing this outlook are:

—Even with a rather wet period during the latter half of May, most of the West has been drier than normal this spring.

—Drought conditions continue over portions of the West and Southeast. However, improvement is expected in the Southeast and to a lesser degree over Texas and New Mexico.

—Abundant fine fuels across portions of the Southwest, southern California deserts and Front Range of the Rockies may lead to an above normal fire season in these areas.

—Fire potential should begin to wane over the Southwest and Florida in July due to the onset of the Southwest monsoon and increasing humidity and showers in the Southeast.

Would additional funds on the supplemental be helpful to the Department?

Answer. It is still too early in the fire season to tell whether or not additional suppression funds will be needed. In addition, DOI and FS are actively implementing cost containment measures to help constrain suppression spending. Even if fire conditions are extreme, funds will be available for ongoing suppression operations, as DOI has unobligated funds in its non-fire accounts that are available under current law if wildfire activity is unexpectedly high and suppression funds become exhausted.

FISH AND WILDLIFE/ESA POLAR BEAR LISTING

*Question.* The current focal point of the global warming debate is the polar bear. The environmental community is using the Endangered Species Act to make the bear the face of global warming. I understand that the January 9th deadline came and went without any decision on the listing of the Polar Bear, and that subsequently a law suit was filed in Federal court to force a decision.

Would you please explain where the Department is in this process of listing the polar bear and why this particular listing decision may require more time than others that you deal with?

Answer. On January 9, 2007, (72 FR 1064) the Fish and Wildlife Service proposed to list the polar bear as threatened, citing loss of habitat resulting from receding sea ice. In September 2007, USGS scientists supplied new research to the Service, updating population information on the Southern Bering Sea polar bear population. USGS also provided additional data on arctic climate, sea ice trends and effects to polar bear populations throughout the species' range.

As a result of the new USGS research findings, the Service reopened and later extended a second comment period to allow the public time to review and respond to the USGS findings. The Department asked for additional time to complete its listing decision on the polar bear in order to examine the thousands of comments on the new research findings submitted in September 2007 by USGS. As a result of this review, the decision to list the bear as threatened was made on May 14, 2008.

*Question.* I know you may not be able to comment on this, but it seems to me that the Endangered Species Act (ESA) is not designed to handle situations like we have with the polar bear. From what I understand, any decline in the bear's population is because of the loss of ocean ice pack. There is nothing that the ESA can provide in the form of a remedy to resolve that, unless we are going to expand ESA to be used for regulating all carbon emissions in the economy. This is not, in my view, what the law was intended for, nor is it a sound basis for doing so. All the factors that would go into such a far reaching regulatory scheme have simply not been debated by the Congress.

Answer. On May 14, 2008 Secretary of the Interior Dirk Kempthorne made the decision to list the polar bear as a threatened species under the Endangered Species Act (ESA). The listing is based on the best available science, which shows that loss of sea ice threatens and will likely continue to threaten polar bear habitat. This loss of habitat puts polar bears at risk of becoming endangered in the foreseeable future, the standard established by the ESA for designating a threatened species.

The listing will be accompanied by administrative guidance and a rule that defines the scope of impact the decision will have. While the legal standards under the ESA do not provide discretion not to list for economic or other social considerations, the listing will not stop global climate change or prevent sea ice from melting. A real solution to climate change requires action by all the world's major econo-

mies. The ESA was never intended to regulate global climate change. The ESA is not the right tool to set U.S. climate policy.

NATIONAL WILDLIFE REFUGE SYSTEM/IMPACTS ON COLORADO REFUGES

*Question.* The total fiscal year 2009 budget request for the National Wildlife Refuge System is $434.1 million, a $5.3 million decrease from the fiscal year 2008 enacted level. The budget request proposes significant program decreases from the fiscal year 2008 enacted level in Wildlife and Habitat Management (−$930,000), Visitor Services (−$1.7 million), and Refuge Maintenance (−$2.4 million).

With such a large cut to maintenance, will the agency be able to keep up with regular cyclical maintenance on schedule? Will we see an increased backlog of deferred maintenance projects?

Answer. The President's budget request for the National Wildlife Refuge System is essentially level funded with the 2008 appropriated level when 1.56 percent across-the-board reduction in section 437 of the Consolidated Appropriations Act is included. The President's request of $136.2 million for refuge maintenance prioritizes funding for the most critical health and safety maintenance needs. This represents the highest budget request in the history of the Refuge System and the Service believes that the request supports its priority maintenance needs. The request provides funding for 280 deferred maintenance projects identified in the Service Asset Maintenance Management System (SAMMS).

The Refuge System maintains an inventory of deferred maintenance and capital improvement projects and maintains a deferred maintenance five year plan to guide the allocation of funding. New projects are added to the SAMMS each year and others are removed as they are addressed. The Service uses the Facility Condition Index (FCI), a measure of the ratio of the repair costs to the replacement costs for each asset, as one factor in the prioritization of the use of maintenance funding. In addition, an Asset Priority Index (API) is utilized to indicate the relative importance of an asset to accomplishment of the Refuge System's mission. The Refuge System continues to prioritize these maintenance needs through improved data that underlies development of five-year budget plans. The Service's five-year deferred maintenance plan for the National Wildlife Refuge System for fiscal years 2009–2013 contains 1,882 projects for an estimated total of $211.2 million.

*Question.* I am specifically concerned that this proposed funding decrease for the National Wildlife Refuge System will not provide sufficient funding for the Rocky Flats, Rocky Mountain Arsenal, and Baca wildlife refuges in my home State of Colorado to remain fully staffed and operational in fiscal year 2009. Would you please provide me the specific funding breakdown for these three refuges in the fiscal year 2009 request compared to the fiscal year 2008 enacted level?

Answer. These three refuges are funded as complexes, funding for the two complexes is:

[In thousands of dollars]

| | Fiscal year | |
|---|---|---|
| | 2008 | 2009 |
| Rocky Mt. Arsenal NWR, Rocky Flats NWR, Two Ponds NWR | 1,657 | 1,657 |
| Alamosa NWR, Monte Vista NWR, Baca NWR | 1,265 | 1,265 |

*Question.* I understand that the Rocky Mountain Arsenal National Wildlife Refuge clean-up and remediation is on target for completion by 2011. As the remediation process comes to an end, the Fish and Wildlife Service must begin the process of standing-up the refuge. Is the necessary funding in place for this transition and for the Refuge Visitor Center that the regional office is in the process of designing?

Answer. An initial 4,930 acres of lands of the Rocky Mountain Arsenal were officially transferred to the FWS in 2004; in 2006 an additional 7,266 acres were transferred to the FWS. Upon completion of cleanup in 2011, roughly 3,000 additional acres will be transferred to the refuge.

The Refuge Visitor Center is in the planning and design phase. The Service has $4,690,100 from the proceeds of the sale of some of the Arsenal land, pursuant to the Rocky Mountain Arsenal National Wildlife Refuge Act of 1992. These funds are set aside for the visitor center. The Service will use $150,000 of these funds this year for a conceptual plan for the center. Currently, the majority of refuge operations funding is provided through reimbursable agreements with the U.S. Army, Shell Oil Company, and Environmental Protection Agency. These agreements will expire when cleanup is complete in 2011. The fiscal year 2009 President's budget provides sufficient funds for operation.

*Question.* The Department of Interior directed that bison be reintroduced to the Rocky Mountain Arsenal National Wildlife Refuge in March 2007; however, no additional funding or facilities were provided to the refuge for the herd (21 to date) at that time. Does the fiscal year 2009 budget request include the resources necessary to properly maintain the bison on this refuge?

Answer. Yes, the 2009 budget provides sufficient funding, $56,000, for managing the bison herd.

SAFE BORDERLANDS

*Question.* The Refuge Law Enforcement budget request includes a $1 million increase to provide six Refuge Law Enforcement Officers along the southwest border for increased security in relation to illegal border crossings and other illegal activities on refuges. Recently, Department of Homeland Security (DHS) Secretary Chertoff invoked his authority under the REAL ID Act of 2005 to waive Federal law in order to build the southwest border fence through the Lower Rio Grand National Wildlife Refuge in Texas.

I know you have visited the southern border many times; how does the Department of Interior address border enforcement, illegal immigration and wildlife issues on the public lands it manages along the southwest border?

Answer. The Department's land management bureaus manage 793 miles, or 41 percent of the Southwest border. These lands include seven national wildlife refuges, six national parks, 12 miles managed by the Bureau of Reclamation, and 191 miles of public lands managed by the Bureau of Land Management. In addition, five Indian Reservations span the international boundary with Mexico.

The impacts of illegal border crossings on Interior and tribal lands are startling. As an Administration, we have taken aggressive steps to add resources to reduce the flow of illegal drugs and aliens across the border into the United States. Our initial focus to control traffic through urban ports of entry has resulted in substantially improved control in those areas. However, it has also resulted in a migration of illegal traffic to more rural, less populated areas along the border. As a result, Interior's 793 miles of border are being impacted to a greater degree.

The Safe Borderlands Initiative provides a holistic approach to the growing problems caused by the increasing illegal border crossings, with resources targeted to multiple bureaus and high-priority areas. We propose to coordinate border efforts among the Department's land management bureaus, the Bureau of Indian Affairs, and the Office of Law Enforcement, Security, and Emergency Management. The initiative was developed through a collaborative process that involved representatives from each of the bureaus. The additional law enforcement officers will protect employee housing areas, recreational areas, and other high-use sites in an integrated fashion. The initiative includes $5.2 million for the National Park Service; $1.0 million for the Bureau of Land Management; $1.0 million for the Fish and Wildlife Service; and $1.0 million for the Bureau of Indian Affairs.

A significant component of the initiative is a $2.0 million increase allocated between the Bureau of Land Management and the National Park Service to mitigate environmental damage on lands near the southwest border. Trails and illegal roads made by smugglers are destroying cactus and other sensitive vegetation, impacting the ecologic health of many of the national parks, wildlife refuges, national monuments and conservation areas Interior manages. This causes a disruption of wildlife and their habitats and the destruction of cultural and historic resources. Projects will protect and restore habitat for species, as well as improve safety by closing some abandoned mines on BLM lands.

*Question.* Does the Department of Interior (DOI) have sufficient law enforcement presence for adequate coordination with the Department of Homeland Security (DHS)?

Answer. The Safe Borderlands Initiative includes an additional $5.8 million to improve safety, which includes providing 52 additional law enforcement personnel on public lands along the border. These officers, in addition to 11 new officers funded with a $3.2 million investment in 2008, will patrol campgrounds, recreational areas, and other lands where smuggling activities threaten visitors. They will also deter illegal activity in employee housing areas and provide security for employees conducting field work, such as biologists conducting wildlife surveys and monitoring activities. Additionally, they will educate visitors and employees on border security risks and safety measures and coordinate with partner agencies to enhance Interior's efforts. The funding for the Bureau of Indian Affairs will support additional law enforcement officers to address illegal smuggling of drugs and immigrants on reservations on or near the Mexican border. These efforts will assist law enforcement agencies who have jurisdiction at the international borders.

*Question.* What type of working relationship does DOI have with DHS?

Answer. Through the Safe Borderlands Initiative, Interior proposes to enhance coordination with DHS by placing an Interior employee in DHS offices funded by DHS to represent Interior issues as DHS implements its Secure Borders initiative. Already, the Interior Department has signed an agreement with DHS to secure cooperating agency status in environmental reviews. Additionally, the Department will enhance coordination with the Department of Justice on drug smuggling and cross-border interdiction efforts through a Memorandum of Understanding with the Drug Enforcement Agency.

FWS LAW ENFORCEMENT/IMPORT AND EXPORT OF THREATENED SPECIES

*Question.* The total fiscal year 2009 budget request for Law Enforcement is $57.4 million, a $3.3 million decrease from the fiscal year 2008 enacted level. This request eliminates $3 million in unrequested funding, better known as Congressionally directed funding.

The Fish and Wildlife Service's Law Enforcement office is charged with protecting plants and animals native to the United States that have been listed as endangered or threatened from illegal trade or any harmful activity that threatens the species or its habitat; enforcing wildlife trade laws on companies that import and/or export wildlife to ensure safety, fairness and efficiency in the legal wildlife trade; and to combat illegal trafficking in wildlife that is not only a threat to the survival of numerous species, but may also be a catalyst for other illegal smuggling activities.

*Question.* Can law enforcement officials maintain a level of inspections and investigations necessary to accomplish these numerous and varied tasks with the limited resources provided in the budget?

Answer. The President's budget provides sufficient funding for Service Law Enforcement investigations and inspections focused, among the numerous and varied tasks, on activities to address issues of the greatest conservation concern, including protecting Federal trust species.

*Question.* What percentage of inspections of imports and exports does this budget request support on an annual basis?

Answer. The Service's target physical inspection rate for shipments is 25 percent; document inspections (examining declarations, shipping invoices, airway bills, bills of lading, permits, licenses, etc) are conducted for shipments not subject to physical inspection.

Our target physical inspection rate reflects both workload realities (i.e., the size of our wildlife inspector workforce; our shipment-to-inspector ratio, which stood at approximately 1,615 shipments per inspector in fiscal year 2007; and the time required to conduct physical inspections) and the need to balance inspector effort between compliance inspections of declared shipments (which help facilitate legal wildlife trade) and proactive efforts to intercept smuggled wildlife (which target global wildlife trafficking). Higher physical inspection rates would not necessarily translate into larger numbers of seizures since the majority of declared imports/exports are in compliance with Federal wildlife laws and violations can often be detected based on document inspections.

Declared shipments are selected for physical inspection based on Service enforcement priorities (which are designed to ensure that we make the most effective use possible of our staff resources) and the assessment of such risk factors as violation history of the importer or exporter; known or suspected trafficking in the past involving the particular species or commodity; and past problems with shipments from the same country of origin or re-export.

*Question.* How many investigations lead to criminal convictions each year? Would increased funding lead to additional convictions?

Answer. Service special agents and wildlife inspectors worked on 12,755 cases in fiscal year 2007; most investigations undertaken by the Service eventually result in some type of legal action, including civil, or administrative penalties, or criminal convictions. We believe this has a deterrent effect on illegal conduct. Increased funding would not necessarily lead to additional convictions as there are many factors outside of the Service's control that contribute to convictions.

*Question.* What initiatives has law enforcement undertaken to dissuade people from engaging in illegal activities pertaining to wildlife trafficking or other activities harmful to species and habitats?

Do you have the resources necessary to be proactive in preventing illegal activities?

Answer. In addition to investigative and enforcement activity, Service Law Enforcement continues to support "Suitcase for Survival"—a recently revamped public education initiative to teach the public about the threat of illegal wildlife trade.

Service officers conduct training programs for importers/exporters, brokers and other groups and staff public outreach displays at events across the country (including Earth Day celebrations and sportsmen's shows) to promote compliance with wildlife laws. Service brochures such as "Buyer Beware" target international travelers. Current and requested budgets provide adequate funding to support such initiatives.

FWS/UPPER COLORADO RIVER ENDANGERED FISH RECOVERY PROGRAM AND SAN JUAN RIVER BASIN RECOVERY IMPLEMENTATION PROGRAM

*Question.* Partners of the Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program, including the States of Colorado, Wyoming, Utah, Arizona, and New Mexico, have been working cooperatively to recover endangered Colorado River fish species and improve water quality, while striving to meet the growing energy and water needs of the Intermountain West. The fiscal year 2009 budget request includes $697,000 for the Upper Colorado and $200,000 for the San Juan recovery programs, which is greatly appreciated.

Public Law 106–392 requires the Secretary to submit recommendations to Congress regarding the continued use of power revenues to support the Upper Colorado River Endangered Fish Recovery and San Juan River Basin Recovery Implementation programs. It is my understanding that continued use of power revenues is supported by the programs' participants, including the power customers.

What is your position regarding use of power revenues?

Answer. The Upper Colorado River Endangered Fish Recovery Program and the San Juan River Basin Recovery Implementation Program have made progress toward achievement of their objectives since 2000 , in part through the use of power revenues pursuant to Public Law 106–392. The Department will be able to determine its position on the use of power revenues after the completion and release of the report required under Public Law 106–392.

*Question.* When may we expect to see your recommendations and report?

Answer. The report is currently being reviewed and should be available for release in the near future.

These programs have greatly streamlined and reduced the cost of the administration of the Endangered Species Act for the government and the regulated community, while full compliance is achieved. Small water users achieve compliance without having to hire lawyers, biologists and engineers.

*Question.* How is the Department using this experience to improve administration of the Endangered Species Act nationwide?

Answer. The Department believes that cooperative solutions are the best way to implement the Endangered Species Act. We are continuing to foster partnerships between Federal and non-Federal entities to help protect endangered species.

U.S. GEOLOGICAL SURVEY/WATER FOR AMERICA INITIATIVE

The USGS budget request includes an increase of $9.5 million for the Water for America Initiative, for a total of $29.8 million in fiscal year 2009. This is in addition to the $31.4 million provided within the Bureau of Reclamation's budget request. For the first time in over 30 years, the Department proposes to initiate a Water Census in order to collect information about our Nation's water resources and track changes in our water availability, water quality, and water use by 2019.

The budget request indicates that you intend to track changes through 2019. Will the requested funding in fiscal year 2009 support these activities over the next 10 years, or will there be annual funding requests for each of the subsequent fiscal years through 2019? If so, what level of funding is anticipated for each fiscal year?

Answer. The estimate for completion of the Water Census in 2019 assumes that base funding will remain constant over the next 10 years. This projected timeframe is a preliminary estimate, and will depend on funding priorities within the Department.

*Question.* In most of the West water is considered property, the ownership of which is passionately guarded. In fact, there is an old saying that "whiskey is for drinking and water is for fighting!" Do you anticipate that this Census could have any effect on water rights in States where such rights exist? Will the Department work with States to ensure that all parties are comfortable with what the Federal Government is doing?

Answer. Authority to manage water resources is largely delegated to States, Tribes, and municipalities. The water census will not change this. To effectively address water-supply challenges, Federal, State, local, and Tribal governments must collaborate to find out how much water we have, expand, conserve, and protect sup-

plies to meet increasing demands, and plan for the Nation's water future. The Department will continue to work through existing partnerships that include 1,400 State and local water agencies, State geological surveys, State Water Resources Research Institutes, the U.S. Army Corps of Engineers, the National Oceanic and Atmospheric Administration, and the National Science Foundation.

*Question.* Do you see the Water Census becoming a cyclical event like that conducted by the Bureau of the Census at the Department of Commerce every 10 years? Would a 10 year cycle be often enough in order to maintain an accurate analysis of our Nation's water resources, or would it need to occur more frequently?

Answer. A cyclical water census is a promising idea, but to date there has not been a detailed analysis on the appropriate timing for such an approach. The Department's current priority is to conduct a Census over the next 10 years that will provide crucial baseline information on the nation's water resources.

*Question.* Who are the intended end-users of the information collected? How will the information be used? How will it be useful to the average citizen in his or her daily life?

Answer. The intended users include water managers at the local level, water districts and utilities, State and local governments, Tribes and water users such as fishers and farmers and other irrigators. A census will provide information on the current status of water in aquifers and reservoirs, rivers, lakes, groundwater and surface water, water quality and water use. The information will be used to provide objective methods to quantify environmental flows needed for aquatic life; improve the ability to predict the impact of regional water development on the flow, temperature, and chemical quality of rivers; and improve our understanding of the effects of climate variability and potential changes on water resources.

BIRDS FOREVER INITIATIVE

*Question.* The USGS budget request includes an increase of $1 million for the Birds Forever Initiative, for a total of $1.25 million in fiscal year 2009. This is in addition to the $8.1 million increase included in the U.S. Fish and Wildlife Service's budget request. The USGS will use this increased funding to expand its monitoring and surveillance of migratory birds through the Breeding Bird Survey. Given that some of our most common bird species have declined by as much as 70 percent in the last 40 years, this seems like a critical activity.

Is the Birds Forever Initiative a one-time increase, a permanent increase to the program base, or an ongoing, multi-year program that will require continued funding for a number of years until reaching the "end" of the initiative?

Answer. The Birds Forever Initiative in the USGS and Fish and Wildlife Service will improve understanding of 36 focal species, restore habitat, and monitor species status and trends. Many factors will influence funding decisions in the future for this initiative such as accomplishment of the initiative goals and future National, Department, Service, and program goals and priorities.

*Question.* One of the proposed objectives of the initiative is to expand the geographic scope of the Breeding Bird Survey into Mexico, since birds don't recognize borders and can't be stopped by the wall we are building along the Southwest Border. What is required in terms of an agreement with Mexico to conduct this work south of the border?

Answer. The Migratory Bird Treaty Act provides the authority for the U.S. Geological Survey and U.S. Fish and Wildlife Service to work cooperatively with the Mexican government on migratory bird surveys. Existing agreements are sufficient to allow this work.

*Question.* Since funding for the Birds Forever Initiative is included in the Fish and Wildlife Service's budget request as well, are the activities within each agency so linked that one increase is dependent upon the other?

Answer. The Birds Forever Initiative was developed as cross bureau, cross program initiative involving the U.S. Geological Survey and the Fish and Wildlife Service. The most effective and efficient means of accomplishing the initiatives goal is through linked efforts and is how we have designed the initiative.

HEALTHY LANDS INITIATIVE

*Question.* The USGS budget request includes an increase of $3.5 million for the Healthy Lands Initiative, for a total of $5 million in fiscal year 2009. This is in addition to the $2 million requested through the U.S. Fish and Wildlife Service and the $14.9 million requested through the Bureau of Land Management, for a total Department-wide program funding level of $21.9 million. This is a $14 million increase over the fiscal year 2008 enacted level.

The budget request defines the Healthy Lands Initiative as a "long-term science-based effort". For the purposes of this initiative, how have you defined "long-term"? Is there a projected end to this program?

Answer. There is no projected end to this program, as the challenges to maintain and enhance land health will continue into the future. The partnership among USGS, BLM, FWS, and others is a long-term science-based effort to assess and enhance aquatic and terrestrial habitats at a landscape scale to maintain and improve habitat to prevent species from being listed so that we can continue to provide access to the public lands for multiple uses, including responsible energy development. Tools and technologies developed in this effort will be transferable to other areas in the Nation for many years where there are similar issues of energy development and impacts to wildlife habitat. Results of these effort and completion of ecological assessment in future years will provide the information and knowledge for decision-makers to build and implement adaptive management solutions to ensure the long-term viability of wildlife and habitats in these areas.

*Question.* What type of data and information has been gathered to date that will be beneficial to future energy development?

Answer. Healthy Lands Initiative activities focus on projects that focus on land resource rehabilitation, protection, and management for multiple land uses. Some project planning actions in the USGS to date include highly detailed mapping and assessment of the sagebrush habitat; evaluation of the cumulative effects of development; identification of key drivers of landscape change, including effects of climate change; identification of the most effective and needed restoration, reclamation, and mitigation activities; and detailed species habitat needs assessments and monitoring studies. The USGS will assemble all available data and information into a clearinghouse that will be accessible by all the Federal, State, and local partners in this activity.

*Question.* How will this initiative reduce resource conflicts between the environmental community and industry?

Answer. The Healthy Lands Initiative (HLI) is an approach to land management that increases the pace of and more effectively implements land health treatments across multiple jurisdictions. It has already had great success in bringing together partners with a shared interest in protecting, restoring, and enhancing our multi-resource ecosystems. HLI funding is leveraged with funding provided by other Federal agencies, State, local, and tribal governments, philanthropic organizations, advocacy groups, and industry partners. In 2008, BLM has initiated on-the-ground work in several emphasis areas (UT, NM, Southwest WY, Southeast OR-Southwest ID-Northern NV, South-central ID, and Western CO), and has begun working with USGS, FWS, and other partners to implement projects based on the highest priority integrated science identified through workshops and meetings with stakeholders. For example, in the Southwest WY Landscape Conservation Initiative Area, in order to strengthen the collaboration, a coalition of Interior bureaus along with the U.S. Forest Service, the Wyoming Game and Fish Department, and the Wyoming Department of Agriculture has formed a partnership called the Wyoming Landscape Conservation Initiative. The partners are extending the existing Memorandum of Understanding to include additional local stakeholders such as county commissioners and conservation district managers. Together, these partners participate in strategies and actions to maintain and improve area landscapes.

U.S. GEOLOGICAL SURVEY/OCEAN AND COASTAL FRONTIERS INITIATIVE

*Question.* The USGS budget request includes an increase of $7 million for the Ocean and Coastal Frontiers Initiative, for a total of $16.1 million in fiscal year 2009. This is in addition to the $900,000 increase included in the U.S. Fish and Wildlife Service's budget request. The USGS will also work in partnership with numerous other Federal Government agencies including: the National Oceanic and Atmospheric Administration (NOAA), U.S. Environmental Protection Agency (EPA), U.S. Army Corps of Engineers (USACE), Minerals Management Service (MMS), National Park Service (NPS), and the Office of Insular Affairs (OIA).

Given that the Ocean and Coastal Frontiers Initiative cross-cuts so many agencies, is there one centralized programmatic control mechanism in place to ensure that there aren't any duplications of effort or funding?

Answer. As part of the formulation of the fiscal year 2009 President's Budget, the Department reviewed each bureau's participation in the Ocean and Coastal Frontiers Initiative, to ensure there is no duplication of effort.

*Question.* Are the agency's activities so intricately linked that the funding streams are dependent upon one another? Does it make sense to provide $7 million to USGS

for this initiative if NOAA doesn't receive its share of funding through the Department of Commerce budget?

Answer. USGS will coordinate with the other Federal agencies in implementing the Ocean and Coastal Frontiers Initiative to ensure the most effective use of Federal funds. NOAA has already received $8.0 million in 2008 for ocean exploration efforts related to this work. The geological data collection by USGS, when combined with the bathymetric data collected by NOAA, will form the basis for successful establishment of the U.S. continental shelf.

*Question.* One of the tasks of the USGS is mapping the geology and boundaries of the extended continental shelf to determine the increase of public lands for which the Department would have regulatory responsibility ($4 million of the $7 million increase is for this activity). How long do you anticipate that it will take USGS to complete this activity?

Answer. Full delineation of U.S. ECS boundaries would require both bathymetric and seismic/geophysical mapping in several regions. Current funds are for focused mapping in the Arctic, which may take several years depending on ice conditions, which are highly variable. Estimates for mapping the Atlantic will be better defined after an Atlantic workshop takes place in July, 2008 bringing together Federal and academic expertise to identify outstanding issues and data requirements. Furthermore, there may be additional seismic data required in the Pacific Islands.

*Question.* Will additional funds be required in future fiscal years?

Answer. Funding for future ECS mapping activities will respond to the President's budgetary priorities, which will take into account recommendations the Interagency Task Force on the Extended Continental Shelf in the context of Departmental needs and activities. Additional factors affecting future funding for ECS mapping will include progress on current data collection, as well as needs for legal, analytical, and other costs associated with the mapping.

U.S. GEOLOGICAL SURVEY/LANDSAT PROGRAM

*Question.* Within the Land Remote Sensing program, the fiscal year 2009 budget request includes an increase of $2 million for the National Land Imaging Program. USGS will act as the lead agency in this multi-agency initiative to begin planning for an operational program to collect images of the Earth's surface. The USGS budget justification says that implementation of this new program will "require significant additions, upgrades, and changes to the staffing and facilities of the Department".

Who made the determination that USGS was the most qualified to be the lead agency for this next generation of Land Remote Sensing? Why wouldn't NASA or the Department of Commerce's NOAA satellite office be the more appropriate lead agency?

Answer. The Office of Science and Technology Policy issued a plan for the U.S. National Land Imaging Program (NLIP) in August of 2007, which called for NLIP to be established in the Department of the Interior. The current budget allocation for NLIP does not create a long-term program within Interior, but rather is meant to initiate an assessment of needs related to the next Landsat satellite. The Administration has not made a final determination on the role of USGS in the next Landsat, which will entail significant out year funding commitments. Instead, the current funding will lay the groundwork for future planning.

*Question.* What is USGS's current working relationship with these other land imaging users?

Answer. USGS has a good working relationship with the other land imaging users, and has frequent meetings with them on both specific topics and broad issues relating to Landsat. We will be consulting them in our upcoming efforts.

*Question.* What kind of "additions, upgrades, and changes" will be necessary to support this new program? What costs are associated with these changes? Will this require the addition of a construction budget for USGS?

Answer. The Department has not made any final determination on the need for future upgrades. If USGS is designated the appropriate entity for future Landsat satellites, arrangements could be parallel to NOAA's funding stream for operational oceanic and atmospheric satellites. In this case, recurring satellite-development funding would be over $100 million per year. Additional funding determinations will consider planning and partnership efforts developed in 2009.

*Question.* What exactly will the $2 million requested for fiscal year 2009 buy us? That isn't much money when you are talking about satellite programs, so I'm very curious about the out-year costs associated with the National Land Imaging Program. Does the Department have a long-term budgetary plan for this activity?

Answer. The $2 million is to initiate planning and design efforts by assessing needs related to the future of Landsat satellites. This activity may support long term budgetary plans at the Department or within other agencies.

*Question.* Although NASA and NOAA are the preeminent Federal Government agencies when it comes to satellites, those programs have been plagued with problems and are consistently behind schedule and over budget. Why should we create another satellite program within an agency that has neither the structure nor the expertise to handle such an activity?

Answer. As previously stated, no final determination on the ideal agency to procure and operate Landsat has been made by the administration. The recommendation by the Office of Science and Technology Policy that NLIP be established within the Department of the Interior is reflective of a number of factors, including the success USGS has achieved in its Geographic Research, Investigations and Remote Sensing program.

OFFICE OF THE SPECIAL TRUSTEE/INDIAN LAND CONSOLIDATION

*Question.* The process of Indian Land Consolidation was begun in 1999 and to date the Department has spent nearly $170 million and purchased over 360,000 fractionated Indian lands in an attempt to consolidate them into more manageable land holdings for accounting purposes.

Given that the Department continues to stress how costly it is to manage the ever-growing fractionation of the Individual Indian owned land, why is the Indian Land Consolidation program proposed for elimination in the fiscal year 2009 budget request?

Answer. Since 1999, the Indian Land Consolidation Program has spent nearly $170 million to purchase over 360,000 interests, yet this has done little to reduce fractionation or decrease the costs for managing the trust. Most of these ownership interests were less than two percent of the entire parcel. In addition, provisions in the American Indian Probate Reform Act have greatly reduced the rate of fractionation for these small interests. It is clear that purchasing interests, one at a time, will not result in a satisfactory solution to fractionation.

*Question.* The issue of accounting for the land holdings does not disappear with the elimination of funding for this activity. What alternatives to outright purchase of the land interests have been considered?

Answer. The Special Trustee Advisory Board which includes one former and three current tribal leaders have suggested using a model similar to the Rosebud Tribe's Tribal Land Enterprise whereby individual fractionated interest holders can contribute their interest to the Enterprise in exchange for an equity interest equal in value to their land interest. We have asked ITMA to begin a consultation project with Indian Country to discuss the fractionation problem and advise us on solutions developed from tribes and individual interest holders prior to the Department advocating any particular solution.

INDIAN TRUST LITIGATION/COBELL VS. KEMPTHORNE

*Question.* In 1994, Congress passed The American Indian Trust Fund Management Reform Act of 1994, requiring the Secretary of the Interior to "account for the daily and annual balance of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. Sec. 4011(a)). " In July of 2001, the Office of Historical Trust Accounting (OHTA) was created by Secretarial Order to plan, organize, direct, and execute the historical accounting of Tribal Trust Fund accounts and Individual Indian Money (IIM) accounts.

The Department and OHTA are involved in the Cobell vs. Kempthorne class action lawsuit, which has been ongoing for 12 years, to determine whether or not the Department has unreasonably delayed the completion of the Historical Accounting. On January 30, 2008, Judge James Robertson of the United States District Court for the District of Columbia, in his Findings of Fact and Conclusions of Law stated that "it is now clear that completion of the required accounting is an impossible task".

Given that the Judge has deemed the Historical Accounting an "impossible task", why is it necessary to continue to fund the Office of Historical Accounting at $56.4 million in fiscal year 2009?

Answer. The Department remains committed to seeking an appropriate resolution of the case in concert with Congress and other interested parties. The Budget request of $56 million for historical accounting includes approximately $36 million for the accounting related to Individual Indian Money (IIM) account holders with the remainder dedicated to accounting for tribes and Special Deposit Accounts. The

judge did not relieve us of the requirement to continue the historical accounting for IIM accountholders, which we estimate under our current plan, will require approximately $108 million over the next 3 years to complete, for a total of $271 million since the implementation of the original 2003 plan. The judge said while the statute would require an accounting of "all funds held in trust by the United States" he did not believe that Congress would ever appropriate sufficient money to pay for such an accounting. The judge did, however, recognize the need for a solution. At a hearing on March 5, 2008, the Court scheduled a trial to begin on equitable disgorgement of funds allegedly held back from IIM account holders by the Government. Interior continues to work with the Justice Department to evaluate the Court's findings and conclusions.

*Question.* What do you see as the next major milestones in this litigation?

Answer. There are several ways in which this case can be resolved: a judicial settlement as decided by the Court; congressional action to narrow the scope of the historical accounting requirements that could realistically be completed; or funding in the billions of dollars sufficient to conduct the historical accounting, as interpreted by the courts, under the current law.

BUREAU OF INDIAN AFFAIRS/DETENTION FACILITIES

*Question.* I understand that several adult and juvenile detention facilities constructed on Indian reservations nationwide over the past several years are either sitting empty or are staffed and operated at levels far below the intended effective capacities. Tribal communities need these detention facilities operating at full capacity to address their growing law enforcement needs. Offenders that should be detained in these new federally-financed units are now scattered widely, across several States. The many juvenile offenders involved are now detained in places where no treatment and rehabilitation is possible, creating future difficulties both in terms of public safety and long term correctional and social costs that will be borne largely with public resources.

Please provide the subcommittee with a detailed accounting of where and in what amounts Indian Affairs allocated funding to the staffing and operations of tribal adult and juvenile detention facilities in fiscal year 2007 and fiscal year 2008, and where anticipated funding would go if the fiscal year 2009 requested funding is provided.

Answer. The fiscal year 2009 budget request for Detention and Corrections is $64.6 million, an increase of $5.6 million over the fiscal year 2008 level. The increase includes fixed costs. Increased funding is essential to address staffing needs for newly constructed detention facilities, as well as existing facilities within the corrections program. The proposed funding increase will allow the Division of Corrections to staff its detention centers to safe and secure levels in line with National Institute of Corrections guidelines. Funding allocations for 2009 will not be completed until the funding has been enacted.

In 2007 and 2008 funding was distributed across Indian Country to increase staffing in order to meet minimum safety requirements and to fill positions at recently opened facilities. The attached chart details the funding that was provided to each facility in 2007 and 2008.

BIA CORRECTIONS FUNDING

| Corrections Program Funding | | Fiscal year | |
|---|---|---|---|
| | | 2007 | 2008 funding with operational increases/decreases & paycost |
| District. CO | | | |
| K0L400 | CORRECTIONS—Contract Bed Space | 6,564,956 | 7,935,837 |
| District. CO | | 6,564,956 | 7,935,837 |
| District.—1: | | | |
| A0L400 | DISTRICT I CORRECTIONS | $279,304 | $306,504 |
| A0L410 | WINNEBAGO DETENTION | 64,763 | 299,658 |
| A0L430 | STANDING ROCK DETENTION | 401,850 | 2,135,021 |
| A0L460 | TURTLE MOUNTAIN DETENTION | 321,433 | 922,815 |
| A0L470 | FT TOTTEN DETENTION | 286,549 | 785,444 |
| A0L480 | LOWER BRULE DETENTION | 2,071,069 | 2,506,340 |
| A0L490 | YANKTON DETENTION | 2,000,000 | 2,000,000 |

BIA CORRECTIONS FUNDING—Continued

| Corrections Program Funding | Fiscal year 2007 | Fiscal year 2008 funding with operational increases/decreases & paycost |
|---|---|---|
| Subtotal | 5,424,968 | 8,955,782 |
| District.1—638 Tribal Programs: | | |
| KLA002 CHEYENNE RIVER | 1,238,973 | 1,238,973 |
| KLA003 OGLALA SIOUX | 3,015,890 | 3,015,890 |
| KLA004 ROSEBUD | 1,942,977 | 2,018,247 |
| KLA005 OMAHA | 183,954 | 205,284 |
| KLA015 MENOMINEE | 365,400 | 374,344 |
| KLA022 THREE AFFILIATED | 2,620,564 | 2,620,564 |
| KLA024 SISSETON–WAHPETON | 95,429 | 98,436 |
| Subtotal | 9,463,187 | 9,571,738 |
| Total Corrections Funding for District 1 | 14,888,155 | 18,527,520 |
| District.—3 BIA Programs: | | |
| H0L400 DISTRICT 3 CORRECTIONS | 275,614 | 317,712 |
| H0L410 EASTERN NEVADA DETENTION | 1,801,336 | 2,379,952 |
| H0L430 UINTAH & OURAY DETENTION | 80,000 | 233,899 |
| H0L440 HOPI DETENTION | 672,860 | 1,235,016 |
| H0L490 TRUXTON CANON DETENTION | 2,020,594 | 2,868,410 |
| Subtotal | 4,850,404 | 7,034,989 |
| District.—3 638 Tribal Programs: | | |
| KLH001 COLORADO RIVER INDIAN TRIBES | 273,903 | 300,677 |
| KLH002 FORT MOJAVE INDIAN TRIBE | 44,880 | 59,992 |
| KLH003 WHITE MOUNTAIN APACHE TRIBE | 634,621 | 643,435 |
| KLH004 TOHONO O'ODHAM NATION OF ARIZONA | 2,504,307 | 2,534,931 |
| KLH008 SAN CARLOS APACHE TRIBE | 2,672,645 | 2,737,206 |
| Subtotal | 6,130,356 | 6,276,241 |
| Total Corrections Funding for District 3 | 10,980,760 | 13,311,230 |
| District.—4: | | |
| M0L400 DISTRICT 4 CORRECTIONS | 354,465 | 385,466 |
| M0L450 UTE MOUNTAIN UTE DETENTION | 1,592,091 | 2,064,568 |
| Subtotal | 1,946,556 | 2,450,034 |
| District.—4 638 Tribal Programs: | | |
| KLM005 PUEBLO OF LAGUNA | 239,339 | 246,162 |
| KLM014 PUEBLO OF ZUNI | 734,559 | 753,760 |
| KLM016 NAVAJO NATION | 2,654,807 | 2,785,633 |
| Subtotal | 3,628,705 | 3,785,555 |
| District.—4 Self-Governance Programs: | | |
| D4 Pueblo of Taos | 29,450 | 29,450 |
| Subtotal | 29,450 | 29,450 |
| Total Corrections Funding District 4 | 5,604,711 | 6,265,039 |
| District.—5: | | |
| C0L400 DISTRICT 5 CORRECTIONS | 275,905 | 340,899 |
| C0L410 CROW DETENTION | 360,648 | 634,391 |
| C0L420 NORTHERN CHEYENNE DETENTION | 1,803,484 | 1,931,064 |
| C0L430 WIND RIVER DETENTION | 400,034 | 633,628 |
| C0L450 SPOKANE DETENTION | 355,299 | 562,452 |

BIA CORRECTIONS FUNDING—Continued

| Corrections Program Funding | Fiscal year | |
|---|---|---|
| | 2007 | 2008 funding with operational increases/decreases & paycost |
| C0L480 BLACKFEET DETENTION | 345,941 | 670,765 |
| Subtotal | 3,541,311 | 4,773,199 |
| District.—5 638 Tribal Programs: | | |
| KLC001 BLACKFEET TRIBAL BUSINESS COUNCIL | 243,437 | 250,101 |
| KLC002 FT. BELKNAP COMMUNITY COUNCIL | 77,724 | 79,618 |
| KLC003 ASSINBOINE AND SIOUX TRIBE FORT PECK | 1,700,579 | 1,743,130 |
| KLC004 CONFEDERATED TRIBES OF COLVILLE | 2,452,778 | 2,500,260 |
| KLC006 CHEHALIS BUSINESS COUNCIL | 7,967 | 7,967 |
| KLC010 CONFEDERATED TRIBES OF WARM SPRINGS | 201,432 | 206,858 |
| KLC018 YAKAMA TRIBAL COUNCIL | 404,092 | 404,092 |
| KLC021 SHOSONE BANNOCK (Fort Hall) | 360,208 | 372,407 |
| Subtotal | 5,448,217 | 5,564,433 |
| District.—5 Self-Governance Program: | | |
| D5 Nisqually | 350,000 | 350,000 |
| Subtotal | 350,000 | 350,000 |
| Total District 5 Corrections Funding | 9,339,528 | 10,687,632 |
| District.—6 638 Tribal Program | | |
| KLS016 MISSISSIPPI BAND OF CHOCTAW INDIANS | 2,316,574 | 2,316,574 |
| Total District 6 Corrections Funding | 2,316,574 | 2,316,574 |
| Total Corrections Funding | 49,694,684 | 59,043,832 |

## QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

*Question.* Three years post-Hurricane Katrina, the Gulf Islands National Seashore is still suffering from a lack of facilities. It has come to my attention that fewer funds are being directed to this area, and that the Mississippi Gulf Coast is subject to downsizing facilities, rangers, and equipment. It is troubling that no construction has begun to replace shade areas or restrooms for Ship Island, which despite maintaining few temporary structures, continues to be a popular tourist spot on the Gulf Coast. Why does the Park Service feel it necessary to downsize Mississippi's presence within the Gulf Islands National Seashore?

Answer. Recovery work following Hurricane Katrina continues to this day in multiple parks throughout the southeast. The project on Ship Island has undergone several changes since it was initiated. In the aftermath of the hurricanes in 2005, initial estimates were used to guide the planning for replacement facilities. As planning and design progressed, estimates have been firmed-up.

In addition, in accordance with the DOI and NPS regulations and government-wide policies, a value analysis study was conducted on multiple Hurricane Katrina projects, including West Ship Islands Buildings. Efficiencies discovered allowed for a reduction of more than 4,500 square feet from the original complex. We do not believe we are downsizing our presence but rather taking this opportunity to address needs in the most efficient manner possible.

The final project including scope modifications was permitted by the Regional Office, and was presented to the NPS Director's Advisory Board in November 2007. The board recommended approval.

The scope of the project includes 10 structures totaling 9,580 square feet at a cost of $2,876,695. The project is currently being reviewed for approval by the Development Advisory Board.

*Question.* The National Park Service's National Heritage Area program is proposed to decrease by $8 million, from last year's enacted amount. I have introduced

legislation creating two Heritage Areas recently, and I understand there are very few administrative staff assisting this program. How is the National Park Service working to improve this program, with far fewer funds than necessary?

Answer. The administration requested a reduction of funding to support national heritage areas based upon the lack of comprehensive heritage program legislation that contains clear criteria for designating new areas and establishes clear timelines for phasing out Federal support for long-established areas. Without such legislatively enacted parameters, there may be as many as 15 newly authorized heritage areas by October 1, 2008, and perhaps as many as 100 areas within the next few years. The Service will provide technical assistance and advice to heritage areas, with priority given to assistance with cooperative agreements, site visits to established areas, management planning, and liaison between the National Heritage Areas and other National Park Service staff, including planners and park staff in adjacent National Park System units. The Service will also distribute available funding based on a merit-based system, after ensuring new areas have sufficient funds to complete their management plans.

CONCLUSION OF HEARINGS

Senator FEINSTEIN. Thank you all very much. The subcommittee will stand in recess subject to the call of the Chair.

[Whereupon, at 11:45 a.m., Tuesday, April 15, the hearings were concluded, and the subcommittee was recessed, to reconvene subject to the call of the Chair.]