

**STATEMENT OF SALLY JEWELL  
SECRETARY OF THE INTERIOR  
BEFORE THE  
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES  
ON THE 2017 PRESIDENT'S BUDGET REQUEST**

Ms. Chairman, Ranking Member Cantwell, and members of the Committee, I am pleased to present the 2017 President's Budget for the Department of the Interior providing \$13.4 billion for the Department's programs with \$290 million available in the event of catastrophic fires.

This is a strong budget that builds on our accomplishments. Our request enables us to carry out our important missions – maintain our core capabilities, meet commitments, and invest in key priorities. The investments in this request show the Administration remains focused on meeting the Nation's greatest challenges looking forward and ensuring our economy works for all.

Our budget is part of the President's broader strategy to make critical investments in domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and lifts sequestration in future years to continue investment in the future. This budget recognizes the importance of Interior's programs to the overall strength of the Nation's economy. To put this into perspective, in 2014, Interior-managed lands and activities contributed about \$360 billion in national economic output, supporting an estimated two million jobs. Of this, energy and mineral development on Interior-managed lands and offshore areas generated more than \$241 billion in economic activity and supported nearly 1.1 million jobs.

At the same time, our 2017 proposed investments lay the groundwork for promoting renewable energy development, managing the Nation's lands responsibly, helping to protect communities in the face of climate change, and investing in science to inform natural resource management. Our budget features investments to launch the second century of the national parks and expand public accessibility to and enjoyment of America's public lands. It supports tribal priorities in Indian Country, including a \$1.1 billion investment to transform Indian schools and education, and provides full funding for tribal contract support costs. This request addresses significant resource challenges for the Nation, including water availability, particularly in the arid West, and makes important investments in America's water infrastructure.

The 2017 budget includes \$1.0 billion for research and development activities throughout the Department, an increase of \$84.5 million from the 2016 enacted level. Activities supported include scientific analysis of natural systems and applied field research to address specific problems, such as thawing permafrost, invasive species, and flooding. With multiple science programs across the Department's bureaus and offices, science coordination remains a critical component in the process of effective science application. Interior is well served by the deployment of science advisors in each bureau. These advisors serve critical roles within the organizations and across the Department by sharing information concerning new research efforts, identifying and evaluating emerging science needs, and ensuring effective science delivery and application. The Interior 2017 budget reflects high priority needs identified for scientific research across the Department.

## **The 2017 Budget Advances a Record of Achievement**

This budget builds on a record of achievement across Interior's diverse mission. For the past several years, the Department led an unprecedented proactive strategy to develop land use plans with Federal, State, and local partners to address the deteriorating health of America's sagebrush landscapes and the declining population of the greater sage-grouse. This landscape scale conservation effort is an extraordinary collaboration to significantly address threats to the greater sage-grouse across 90 percent of the species' breeding habitat. These efforts enabled the U.S. Fish and Wildlife Service to conclude the charismatic rangeland bird does not warrant protection under the Endangered Species Act. This collaborative, science-based strategy is the largest land conservation effort in U.S. history, and helps to protect the species and its habitat while also providing certainty needed for sustainable economic development across millions of acres of Federal and private lands throughout the western United States. The 2017 budget includes \$89.7 million for Sage Steppe conservation, an increase of \$22.9 million over 2016 enacted.

This budget continues to advance development of renewable energy. Over the summer of 2015, Interior's offshore wind energy leasing efforts led to beginning construction of the first offshore wind farm. This first of its kind project will provide a model for future development of offshore wind energy. Since 2009, Interior has approved 56 wind, solar, and geothermal utility scale projects on public or tribal lands. When built, these projects could provide about 14,600 megawatts - enough energy to power nearly 4.9 million homes and support more than 24,000 construction jobs. The 2017 budget includes \$97.3 million for clean energy programs, an increase of \$3.1 million over 2016 enacted.

The 2017 budget sustains President Obama's strong commitment to tribal self-determination, strengthening tribal nations, and investing in the future of Native youth. Interior established the Land Buy Back Program which, in only two years of active land purchases, invested more than \$730 million in Indian Country to restore nearly 1.5 million acres of land to Indian Tribes. The effort to improve and transform the Bureau of Indian Education to better serve American Indian and Alaska Native youth is building the foundation for improved student outcomes and enduring traditions and native cultures. In 2016, work will begin to replace the final two of 14 Bureau of Indian Education schools identified in 2004 as requiring the greatest need for replacement construction. Also, in 2016, Interior will finalize the next list of replacement schools determined through a negotiated rulemaking process. This budget includes \$138.3 million for education construction and maintains a commitment to continue to invest in improving educational opportunities and quality from the earliest years through college.

Interior continues to engage in innovative efforts to leverage youth engagement and partnerships to advance the Department's extraordinary mission. Interior set the goal to provide 40,000 work and training opportunities during 2014 and 2015 for young adults, toward a goal of 100,000 by 2017. Interior met its priority goal - providing 52,596 work and training opportunities over the past two fiscal years by collaborating across all levels of government and mobilizing the 21st Century Conservation Corps. From Denali to the Everglades, members of the youth conservation corps are gaining work experience, helping improve the visitor experience, and mobilizing entire communities in the stewardship of our parks, refuges, waters and heritage. The

2017 budget includes a total of \$101.5 million, an increase of \$36.6 million over 2016 enacted, for programs to advance youth engagement.

Bureau of Reclamation projects funded from 2010 through 2015 exceeded the cumulative water savings target of 910,000 acre-feet of water/year, achieving savings of over 970,000 acre-feet, roughly the amount of water needed for household use in Phoenix and the surrounding area each year. The budget keeps Reclamation on track to conserve 1,040,000 acre-feet by the end of Fiscal Year 2017.

Partnerships are critical to enhancing our public lands and providing additional recreational opportunities to the public. An example of the significant impact of these efforts is the CityArchRiver project is a public-private partnership building connections that enhance downtown St. Louis, the Gateway Arch grounds at the Jefferson National Expansion Memorial, and the Mississippi riverfront. This partnership includes the National Park Service, Missouri Department of Transportation, Great Rivers Greenway District, City of St. Louis, Bi-State Development Agency, CityArchRiver Foundation, and others. In January, the Foundation completed a \$250 million capital campaign which means the Foundation has raised \$221 million in private funding for construction of the \$380 million CityArchRiver project and an additional \$29 million to seed an endowment that will help maintain and operate the park moving forward.

### **Promotes the Conservation and Protection of America's Natural and Cultural Resources**

This year, the National Park Service celebrates 100 years of preserving and sharing America's natural, cultural, and historic treasures. Interior's 2017 budget makes investments to connect a new generation to "America's Best Idea," and to care for and maintain our national parks for the next 100 years. Last year, the National Park Service's 410 units welcomed 307 million visitors – setting a new visitation record. Every tax dollar invested in a park returns more than \$10 to the U.S. economy.

The budget includes a discretionary increase of \$190.5 million to invest in the next century of the National Park Service. This includes a \$20.0 million increase for the *Every Kid in a Park* initiative, a \$20.0 million increase to the Centennial Challenge program providing a Federal match to leverage partner donations for projects and programs at national parks, and a \$150.5 million increase to address high priority deferred maintenance needs across the national park system.

This current funding is complemented by a legislative proposal to provide new mandatory funding, The National Park Service Centennial Act includes \$100.0 million a year, for three years, for Centennial Challenge projects to provide the Federal match in support of signature projects at park units; \$100.0 million a year for three years for the Public Lands Centennial Fund, a competitive opportunity for public lands agencies to support conservation and maintenance projects; and \$300.0 million a year, for three years, for Second Century Infrastructure Investment projects to make a meaningful and lasting impact on the NPS deferred maintenance backlog. The Act also provides authority to collect and retain additional camping or lodging fees and funds collected from purchases of the lifetime pass for citizens 62 years of age or older. Receipts for this Second Century Fund will be matched by donations to fund visitor enhancement projects.

Together, the discretionary and mandatory funding proposals will allow the National Park Service to make targeted, measurable upgrades over the next 10 years to all of its highest priority, non-transportation assets, restoring and maintaining them in good condition.

America's public lands and waters offer space to get outside and get active, and provide living classrooms with hands-on opportunities to build skills. The Administration launched the *Every Kid in a Park* Initiative to inspire the next generation to discover all America's public lands and waters have to offer. Starting with the 2015-2016 school year, all fourth grade students and their families are able to receive free admission to all national parks and other Federal lands for a full year. The National Park Service budget for 2017 includes \$20.0 million for *Every Kid in a Park* to introduce at least one million fourth grade students from elementary schools serving disadvantaged students in urban areas to nearby national parks and provide park programs tailored for young people and their families, especially at high visitation and urban parks.

Investments in America's great outdoors create and sustain millions of jobs and spur billions of dollars in national economic activity through outdoor recreation and tourism. An estimated 423 million recreational visits to Interior lands contributed \$42 billion to the economy and supported about 375,000 jobs nationwide. The 2017 budget proposes full funding for Land and Water Conservation Fund (LWCF) programs at Interior and the Department of Agriculture. This innovative, highly successful program reinvests royalties from offshore oil and gas activities into public lands across the Nation. Starting in 2017, the budget will invest \$900.0 million annually into conservation and recreation projects, equal to the amount of receipts authorized for deposit into the LWCF each year, through a combination of \$475.0 million in current discretionary funding and \$425.0 million in mandatory funding. These investments will conserve public lands in or near national parks, refuges, forests and other public lands, and provide grants to States for close-to-home recreation and conservation projects on non-Federal lands.

The budget continues efforts to manage and promote the health and resilience of ecosystems on a landscape scale, including a continued focus in priority landscapes such as the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast. The request includes a total of \$79.2 million for Bureau of Land Management efforts, to protect and restore America's vast sage steppe landscape supporting abundant wildlife and significant economic activity, including recreation, ranching and energy development. This investment reflects Interior's continued support of the unprecedented Federal and State collaboration to conserve the imperiled sage steppe landscape in the face of threats from fire, invasive species, expanding development, and habitat fragmentation. The budget also invests \$160.6 million in landscape scale efforts to address the complex natural resource issues facing the Arctic.

### **Implements the President's Climate Action Plan**

As manager of roughly 20 percent of the land area of the United States and a partner with tribal, Federal, State, local, and territorial government land managers, the Interior Department works to address the challenges of natural hazards brought on by a changing climate as an integral part of its mission. The budget includes funding to improve the resilience of communities and ecosystems to changing stressors, including flooding, severe storm events, and drought as part of

the Administration's effort to better understand and prepare for the impacts of a changing climate.

The budget proposes \$2.0 billion in mandatory funding for a new Coastal Climate Resilience program, to provide resources over 10 years for at-risk coastal states, local governments, and their communities to prepare for and adapt to climate change. This program would be paid for by redirecting roughly half of the savings that result from the repeal of offshore oil and gas revenue sharing payments that are set to be paid to only four states under current law. A portion of these program funds would be set aside to cover the unique impacts of climate change in Alaska where rising seas, coastal erosion, and storm surges are threatening Native Villages that must prepare for potential relocations.

Population growth near forests and rangelands and a changing climate are increasing wildfire risk and resulting costs. The budget calls for a new funding framework for wildland fire suppression, similar to how other natural disasters are addressed. The budget includes base level funding of 70 percent of the 10-year average for suppression costs and an additional \$290.0 million through a cap adjustment, available in the event of the most severe fire activity, which comprises only two percent of the fires but 30 percent of the costs. This framework allows for a balanced suppression and fuels management and restoration program, with flexibility to accommodate peak fire seasons, but not at the cost of other Interior and U.S. Department of Agriculture missions.

Healthy communities require secure, sustainable water supplies. This is particularly challenging with record drought conditions and increasing demand taxing watersheds throughout the country, especially in the arid West. To help increase the security and sustainability of Western watersheds, the budget continues investment in the Department's WaterSMART program to promote water reuse, recycling, and conservation, in partnership with States, Tribes, and other partners. Funding is also included for research, development, and challenge competitions to find longer term solutions through new water technologies. The budget invests in the Nation's water infrastructure to ensure millions of customers receive the water and power that are the foundation of a healthy economy.

### **Powers the Future Through Balanced Energy Development**

To enhance national energy security and create jobs in new industries, the budget invests in renewable energy development programs to review and permit renewable energy projects on public lands and in offshore waters. Under the President's Climate Action Plan, these funds will allow Interior to continue progress toward its goal of increasing approved capacity authorized for renewable - solar, wind, geothermal, and hydropower - energy resources affecting Interior managed lands, while ensuring full environmental review, to at least 16,600 Megawatts (since the end of FY 2009). The budget includes an increase of \$2.0 million for the Office of Insular Affairs to provide assistance to implement energy projects identified by the territories in their comprehensive sustainable energy strategies.

To address the continuing legacy of abandoned mine lands on the health, safety, environment, and economic opportunity of communities, the budget proposes \$1.0 billion to States and Tribes

over five years from the unappropriated balance of the AML Trust Fund, administered by the Office of Surface Mining Reclamation and Enforcement. As part of the President's POWER+ Plan, the AML funding will be used to target the reclamation of mine land sites and associated polluted waters in a manner that promotes sustainable redevelopment in economically distressed coalfield communities. The budget includes legislative reforms to strengthen the health care and pension plans that provide for the health and retirement security of coal miners and their families.

The budget provides support for onshore energy permitting and oversight on Federal lands, with the Bureau of Land Management's discretionary and permanent oil and gas program receiving a 17 percent increase in funding compared to the 2016 enacted level. The funding increase will enhance BLM's capacity to oversee safe, environmentally-sound development and ensure a fair return to taxpayers, with increases targeted to improve leasing processes, implementation of new regulations and rules, and a modernized automated permitting process. The BLM's costs would be partially offset through new inspection fees totaling \$48 million in 2017, requiring the onshore oil and gas industry to share in the cost of managing the program from which it benefits, just as the offshore industry currently does.

The budget also supports reforms to strengthen oversight of offshore industry operations following the 2010 Deepwater Horizon oil spill, with an additional emphasis on risk management. The budget includes \$175.1 million for the Bureau of Ocean Energy Management and \$204.9 million for the Bureau of Safety and Environmental Enforcement, which share responsibility for overseeing development of oil and gas resources on the Outer Continental Shelf.

### **Strengthening Tribal Nations**

The President's budget maintains the Administration's strong support for the principle of tribal self-determination and strengthening tribal communities across Indian Country. This commitment is reflected in a nearly five percent increase for the Bureau of Indian Affairs over the 2016 enacted level. The budget calls for full funding for contract support costs that Tribes incur from managing Federal programs, complemented by a proposal to secure mandatory funding in future years. The budget provides significant increases across a wide range of Federal programs that serve Tribes; proposes a "one-stop" approach to improve and coordinate access to Federal programs and resources; seeks to improve the quality of data by partnering with the Census Bureau; supports sustainable stewardship of land, water, and other natural resources; provides funds for communities to plan, prepare, and respond to the impacts of climate change; and expands resources to promote tribally based solutions and capacity building to strengthen tribal communities as a whole. The budget continues to address Indian water rights settlement commitments and programs to support Tribes in resolving water rights claims, developing water sharing agreements, and supporting sustainable water management.

The budget includes key investments to support Generation Indigenous, an initiative addressing barriers to success for American Indian and Alaska Native children and teenagers. In addition to Interior, multiple agencies – including the Departments of Education, Housing and Urban Development, Health and Human Services, Agriculture, and Justice– are working collaboratively

with Tribes on new and increased investments to implement education reforms and address issues facing Native youth. The budget provides over \$1 billion for Interior investments in Indian education.

### **Improves Oversight and Use of Federal Dollars**

Interior has several multi-year efforts underway to reduce its nationwide facilities footprint, and improve the efficiency and effectiveness of its information technology infrastructure and financial reporting capabilities. The budget includes \$6.4 million to consolidate building space and reduce costs to the taxpayer for privately leased space. Interior achieved a 4.6 percent reduction –2.1 million square feet– in office and warehouse space between FY 2012 and FY 2015. This represents a net annual cost avoidance of approximately \$8 million. In 2016, the modernization of the sixth and final wing of the Main Interior Building will be completed, including infrastructure upgrades that improve energy efficiency and sustainability and reconfigured space to support higher occupancy.

The budget includes \$3.0 million for Interior’s Digital Services team to increase the efficiency and effectiveness of the agency’s highest impact digital services. The budget continues to optimize the Department wide Financial and Business Management System with targeted investments to improve reporting and increase data quality and transparency, as envisioned in the DATA Act.

The budget includes an increase of \$2.6 million to support implementation of Federal Information Technology Acquisition Reform Act, to improve standardization of information technology investments by strengthening the role of the Department’s Chief Information Officer in strategic planning, budget formulation and execution, and acquisition of information management and technology activities. The budget includes \$34.7 million in the appropriated working capital fund to continue the Department’s remediation of its cybersecurity systems and processes, an increase of \$24.7 million above the 2016 enacted level. The additional funding will allow the Department to secure its valuable information on behalf of our employees, customers, partners and the American public.

The United States Treasury received \$7.2 billion in 2015 from fees, royalties and other payments related to oil and gas development on public lands and waters. A number of studies by the Government Accountability Office and Interior’s Office of Inspector General found taxpayers could earn a better return through policy changes and more rigorous oversight. The budget proposes a package of legislative reforms to bolster administrative actions focused on advancing royalty reforms, encouraging diligent development of oil and gas leases, and improving revenue collection processes. The Administration is committed to ensuring American taxpayers receive a fair return from the sale of public resources and benefit from the development of energy resources owned by all Americans.

The budget includes legislative proposals related to Reforms of Hardrock Mining. To increase safety and minimize environmental impacts, the budget proposes a fee on hardrock mining, with receipts to be used by States, Tribes and Federal agencies to restore the most hazardous sites – similar to how coal Abandoned Mine Lands funds are used. In addition, to ensure taxpayers

receive a fair return from mineral development on public lands, the budget proposes a royalty on select hardrock minerals – such as silver, gold and copper – and terminating unwarranted payments to coal producing States and Tribes that no longer need funds to clean up abandoned coal mines.

### **Bureau Highlights**

**Bureau of Land Management** – The 2017 request is \$1.3 billion, \$7.1 million above 2016. This includes \$1.2 billion for BLM operations, an increase of \$2.1 million above the 2016 enacted level, with \$1.1 billion for Management of Lands and Resources and \$107.0 million for Oregon and California Grant Lands programs. The change in total program resources from 2016 and 2017 is larger, as the budget proposes offsetting user fees in the Rangeland Management and Oil and Gas Management programs which reduce the total request by \$64.5 million.

The budget also includes \$44.0 million in current appropriations for LWCF land acquisition, including \$8.0 million to improve access to public lands for hunting, fishing, and other recreation. BLM's LWCF land acquisition investments promote the conservation of natural landscapes and resources by consolidating public lands through purchase, exchange and donation to increase management efficiency and preserve areas of natural, cultural, and recreational importance. The BLM estimates 23 million acres (or nine percent) of BLM-managed public lands lack public access or have inadequate public access, primarily due to checkerboard land ownership patterns. The BLM's proposed land acquisition project within the Rio Grande del Norte National Monument in New Mexico illustrates the many benefits of land acquisition to BLM's mission. An investment of \$1.3 million would allow BLM to acquire 1,186 acres of private inholdings within the monument to preserve traditional uses, secure connectivity to the Rio Grande Wild & Scenic Corridor, preserve avian and wildlife habitat, protect prehistoric human habitation sites, and improve recreation and tourism.

Complementing the second century of the parks, the BLM budget includes investments in the National Conservation Lands, which recently celebrated their 15<sup>th</sup> anniversary. Thirteen new National Conservation Lands units were designated during the current Administration and visitation and visitor expectations and demands have consistently increased for the whole National Conservation Lands system during this period. The 2017 budget features a \$13.7 million increase to meet basic operating requirements and support critical and overdue investments to effectively safeguard the cultural, ecological, and scientific values for which they were designated and provide the quality of recreational opportunities intended with the National Conservation Lands designation. A program increase of \$1.1 million in Cultural Resources Management will enhance BLM's capacity to preserve and protect the vast treasure of heritage resources on public lands and a program increase of \$2.0 million in Recreation Resources Management will further implement a National Recreation Strategy to facilitate access to public lands.

The BLM continues to support the President's broad energy strategy, with significant increases requested in 2017 to strengthen its ability to effectively manage onshore oil and gas development on Federal lands. The 2017 budget for oil and gas management activities, including the request

for direct and fee funded appropriations and estimated permanent appropriations totals \$186.6 million, an increase of \$27.6 million in total program resources over the 2016 enacted level.

For direct appropriations, the oil and gas request is a net program increase of \$19.9 million. Within this net total, \$13.1 million will support implementation of rules and regulations to ensure oil and gas operations are safe, environmentally responsible, and ensure a fair return to the taxpayer. These include new oil and gas measurement and site security regulations, hydraulic fracturing regulations, and venting and flaring regulations. A \$2.1 million increase will complete modernization of the Automated Fluid Minerals Support System. The development work associated with Phase II of AFMSS modernization includes new functionality supporting new proposed rules and those currently expected to be finalized in 2016. Overall, the AFMSS modernization project also will support greater efficiencies in oil and gas permitting and inspection activities.

The Oil and Gas Management request also includes a program increase of \$2.6 million for oil and gas special pay costs to improve BLM's ability to recruit and retain high caliber oil and gas program staff to provide effective oversight and meet workload and industry demand. Finally, the BLM budget request includes a program increase of \$2.8 million to enhance BLM's capability to address high priority legacy wells in the National Petroleum Reserve- Alaska to supplement permanent funds provided in the Helium Security Act of 2013. The 2017 budget continues to request authority to charge inspection fees similar to those in place for offshore oil and gas inspections. Such authority will reduce the net costs to taxpayers of operating BLM's oil and gas program and allow BLM to be more responsive to industry demand and increased inspection workload in the future. A \$48.0 million decrease in requested appropriations reflects shifting the cost of inspection activities to fees.

In 2017, BLM will continue to invest heavily in the Greater Sage Grouse Conservation Strategy and the budget includes a program increase of \$14.2 million to protect, improve, or restore sage steppe habitat. Funds will also assist States in implementing GSG conservation plans. The BLM's efforts to implement the Greater Sage Grouse Conservation Strategy are also reliant upon successful execution of the National Seed Strategy, which is also integral to the Administration's wildland fire rehabilitation efforts and the success of the Secretary's Integrated Rangeland Fire Management Strategy. The budget includes a \$5.0 million program increase within Wildlife Management to more aggressively implement the National Seed Strategy.

Other budget highlights include program increases totaling \$16.9 million in the Resource Management Planning, Assessment, and Monitoring subactivity. This includes \$4.3 million to expand the BLM Assessment, Inventory, and Monitoring program for increased data collection and monitoring central to the success of high priority landscape management efforts such as the Western Solar Energy Plan, as well as implementation of the Department's plan for the National Petroleum Reserve - Alaska, the Greater Sage Grouse Conservation Strategy, and the broader landscape mitigation strategy. The request also includes an increase of \$6.9 million to accelerate implementation of the BLM enterprise geographic information system, which aggregates data across boundaries to capture ecological conditions and trends; natural and human influences; and opportunities for resource conservation, restoration, development, and partnering. The remaining \$5.7 million increase will support high priority planning efforts that could include the

initiation of new plan revisions in 2017, as well as plan evaluations and implementation strategies.

**Bureau of Ocean Energy Management** – The 2017 President’s budget for BOEM is \$175.1 million, including \$80.2 million in current appropriations and \$94.9 million in offsetting collections. This is a net increase of \$4.3 million in current appropriations above the 2016 enacted level.

The total 2017 estimate of \$94.9 million for offsetting collections is a net decrease of \$4.5 million, including reductions in rental receipts partially offset by a new \$2.9 million cost recovery fee for the Risk Management Program. An increase in direct appropriations of \$6.0 million makes up for the projected decrease in rental receipts.

The budget provides \$23.9 million for offshore renewable energy activities. To date, BOEM has issued eleven commercial wind energy leases offshore; conducted five competitive wind energy lease sales for areas offshore Maryland, Massachusetts, New Jersey, Rhode Island, and Virginia; and approved the Construction and Operations Plan for the Cape Wind project offshore Massachusetts. Additionally, BOEM is in the planning stages for wind leasing offshore New York, North Carolina, and South Carolina. In 2015, BOEM executed the first wind energy research lease in U.S. Federal waters with the Commonwealth of Virginia’s Department of Mines, Minerals, and Energy.

The 2017 budget provides \$64.2 million for conventional energy development, a programmatic increase of \$4.2 million above 2016. These funds support high priority offshore oil and gas development activities, including lease sales outlined in BOEM’s Five Year OCS Oil and Gas Leasing Program for 2012-2017. Under this program, BOEM’s eight sales generated over \$2.97 billion in high bids. Five lease sales remain on the lease sale schedule through mid-2017. The next lease sales are Eastern Gulf of Mexico Lease Sale 226, Central Gulf of Mexico Lease Sale 241, and Western Gulf of Mexico Lease Sale 248, all scheduled to be held during 2016.

The 2017 provides \$68.4 million for BOEM’s Environmental Programs. These funds support world class scientific research to provide critical information informing policy decisions regarding energy and mineral development on the OCS.

**Bureau of Safety and Environmental Enforcement** – The 2017 President’s budget for the Bureau of Safety and Environmental Enforcement is \$204.9 million, including \$96.3 million in current appropriations and \$108.5 million in offsetting collections. The 2017 budget is a net \$196,000 increase above the 2016 enacted level, reflecting an increase of \$7.9 million in current appropriations and a \$7.7 million decrease in offsetting collections. The total 2017 estimate of \$108.5 million in offsetting collections assumes decreases from 2016 of \$11.5 million for rental receipts, \$2.2 million for cost recoveries, and a \$6.0 million increase for inspection fee collections. Funding for Oil Spill Research is maintained at the 2016 enacted level of \$14.9 million. The 2017 budget supports continued safe and responsible offshore energy development.

**Office of Surface Mining Reclamation and Enforcement** – The 2017 budget request is \$157.9 million, \$82.6 million below the 2016 enacted level.

The 2017 budget for Regulation and Technology is \$127.6 million, \$4.3 million above 2016. The request includes \$10.5 million, \$1.8 million above 2016, to improve implementation of existing laws and support State and tribal programs. The 2017 budget includes \$65.5 million for State and Tribal regulatory grants, this level of funding supports State requirements.

The budget includes program increases of \$2.5 million to advance the Bureau's GeoMine Project; \$1.2 million for applied science to conduct studies to advance technologies and practices specific to coal mined sites for more comprehensive ecosystem restoration; \$1.0 million to expand the use of reforestation techniques in coal mine reclamation and provide opportunities for youth and community engagement; \$2.3 million to support Technical Assistance; and \$1.6 million for National Environment Policy Act compliance document preparation, legal review, and program monitoring.

The 2017 budget for the Abandoned Mine Reclamation Fund is \$30.4 million, \$86.9 million below 2016. The 2016 enacted level included a \$90.0 million increase for grants to three States for the reclamation of abandoned mine lands in conjunction with economic and community development activities. The 2017 budget proposes a broader legislative effort to support reclamation and economic and community development as part of the Administration's POWER+ Plan. POWER + would provide \$200 million per year to target the cleanup and redevelopment of AML sites and AML coal mine polluted waters in a manner that facilitates sustainable revitalization in economically depressed coalfield communities. The budget includes a \$1.5 million program increase for technical assistance to States, Tribes, and communities to address AML technological advances and issues for AML site reclamation. The budget also includes program increases of \$525,000 for applied science studies pertaining to abandoned mines, \$799,000 to enhance and expedite current OSMRE efforts in digitizing underground mine maps, and \$287,000 for support within the Office of the Solicitor.

**Bureau of Reclamation and Central Utah Project Completion Act** – The 2017 budget for Reclamation and CUPCA totals \$1.1 billion and focuses on investments in Indian water rights settlements, ecosystem restoration, healthy watersheds and sustainable, secure water supplies.

Funding for Water and Related Resources shows a reduction of \$305.6 million from 2016, reflecting the shift of \$106.2 million to the requested new Indian Water Rights Settlements account and \$36.0 million for a separate discretionary account within the San Joaquin River Restoration Fund.

Reclamation requests establishment of an Indian Water Rights Settlements account in 2017 to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. The budget includes \$12.8 million to implement the Crow Tribe Rights Settlement Act, \$6.4 million for the Aamodt Litigation Settlement Act, and \$87.0 million for the Navajo-Gallup Water Supply Project

The extreme and prolonged drought facing the western States affects major U.S. river basins in virtually every western State. The effects of the current drought on California water, its agrarian economy, and its communities are particularly acute. The estimated cost of the 2015 drought on California agriculture-crop production, livestock, and dairies is \$2.7 billion with a total loss of

21,000 seasonal and part-time jobs. The Colorado River Basin—crucial for seven States and several Tribes, in addition to two countries—is also enduring historic drought. Nearly 40 million people rely on the Colorado River and its tributaries for some, if not all, of their municipal needs. The Basin is experiencing the worst drought in recorded history; the period of 2000-2015 was the driest 16-year period in more than 100 years of record keeping.

Reclamation's WaterSMART program, requested at \$61.5 million, is helping to address the drought and other water supply issues across the West. WaterSMART Grants, Water Conservation Field Services, and Title XVI Programs, along with other Reclamation activities are enabling the West to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre-feet of water each year in urban and rural settings, and on both large and small scales. The Drought Response Program will implement a comprehensive new approach to drought planning and will implement actions to help communities manage drought and develop long-term resilience strategies. Reclamation continues to promote research and development through its Science and Technology and Desalination and Water Purification Research Programs to produce new clean water technologies, reduce costs, and decrease environmental impacts while converting unusable water into viable water supplies. The 2017 budget includes \$8.5 million for an X-Prize competition to encourage innovative water purification and treatment technologies.

Separately, the budget includes \$5.6 million for the Central Utah Project Completion Account program, \$4.4 million below 2016. The request provides funding to complete construction of the North Pipeline component of the Utah Lake System; provides for recovery of endangered species; and implements fish, wildlife, and recreation mitigation and water conservation projects.

**U.S. Geological Survey** – The 2017 budget is \$1.2 billion, \$106.8 million above 2016, to advance our national commitment to research and development that supports economic growth, balances priorities on resource use, addresses climate change, and ensures the security and well-being of the Nation. The budget improves response to and warning of natural disasters, responds to drought and other water challenges, supports sustainable domestic energy and minerals development, and advances scientific understanding of land use, land change, and the effects of resource decisions to assist communities and land managers in making choices informed by sound science.

The 2017 budget invests in the USGS's capabilities for science and innovation to monitor and respond to natural disasters with increases for priority science to help stabilize and rehabilitate ecosystems after fires and provide geospatial information, monitoring strategies, and other relevant scientific information faster for real-time fire response. Related increases build USGS' capability to respond to landslide crises, and expand the use of flood inundation mapping and rapidly deployable streamgages to meet urgent needs of flood-threatened communities lacking a permanent streamgage.

The budget continues \$8.2 million to develop the West Coast Earthquake Early Warning system to complete a production prototype system, expand coverage, and beta-test alerts. The budget continues funding of \$3.0 million to repair and upgrade monitoring stations on high-threat volcanoes. The budget includes funding to assume long-term operations of the Central and

Eastern United States Seismic Network from the National Science Foundation and allows USGS to continue a five-year effort to deploy, install and improve the Global Seismic Network, ensuring that the Network continues to provide global earthquake and tsunami monitoring, nuclear treaty research and verification, and earth science research.

The budget provides an increase of \$18.4 million for science to support sustainable water management, nearly doubling the investment made in 2016. As climate models forecast increasingly frequent and more intense droughts, improving water management science is a paramount concern for land and water management agencies, States, local governments, and Tribes. The budget would improve water use information and research, provide grants to State water resource agencies, and create hydrologic models and databases for better decision support. The budget also includes \$3.9 million for drought science and \$4.0 million to develop methods to assess regional and national water use trends during drought. Innovation is critical to address the severe threats to water supply posed by drought and climate change.

The budget provides increases across several programs to advance understanding of conventional and unconventional energy, critical minerals such as rare earth elements, and the environmental health effects of resource development. These investments include \$3.6 million to provide decision ready information to support safe and prudent unconventional oil and gas development, \$2.0 million to study the environmental impacts of uranium mining in the Grand Canyon, and \$1.0 million to identify and evaluate new sources of critical minerals and continue criticality analysis for mineral commodities.

The USGS budget increases science investments for changing landscapes, including \$9.8 million in the Arctic, \$3.0 million for the vulnerable sagebrush habitats of the Intermountain West, and \$3.9 to improve coastal science that will help communities build resilient coastal landscapes and improve post-storm contaminant monitoring network along the Atlantic coast. The budget also establishes a Great Lakes Climate Science Center to focus on the many natural resource challenges in the distinct bio-geographic Great Lakes region. As with the eight existing Climate Science Centers, the Great Lakes CSC will help address regional concerns associated with climate change, providing a pathway to resilience and supporting local community priorities.

The budget includes increases of \$2.1 million to address research on pollinator health and expand the small group of USGS researchers working on this critical component of agricultural and ecosystem health, \$1.4 million for tribal climate science partnerships, and \$2.5 million for better tools to detect and control invasive species, particularly new and emerging invasive species. The budget continues a commitment to priority ecosystems including the Chesapeake Bay, the Everglades, Puget Sound, the Upper Mississippi River, the California Bay-Delta, and the Gulf Coast.

The USGS plays a pivotal role in providing research, analysis, and decision support tools. The budget supports these efforts and includes investments to extend the four-decade long Landsat satellite program with the development of Landsat 9, and provide information to better understand and respond to changes in the environment. The 2017 budget provides an increase of \$17.6 million for satellite operations, funding the development of Landsat 9 ground systems and satellite operations and an investment to retrieve and disseminate data from the European Space

Agency's Sentinel-2 earth observation satellite. The budget provides an increase of \$4.9 million to expand the three-dimensional elevation program and leverage partnerships across the Nation, accelerate Alaskan map modernization, and provide coastal imaging to help communities make infrastructure resilience investments. The budget also provides \$3.0 million to develop the computing resources necessary to produce and disseminate Landsat-based information products.

High-quality science depends on a strong science infrastructure. The budget makes necessary investments to continue the USGS legacy of reliable, valuable scientific information and monitoring. These investments fund science support, facilities and equipment, including laboratories, and the administrative support that is the backbone of science production and delivery. The 2017 budget also includes program increases to enhance the Mendenhall post-doctoral program, support tribal science coordination, enhance science education, and engage youth in underserved communities in earth and biological sciences through outreach activities and science camps.

**Fish and Wildlife Service** – The 2017 budget for FWS includes current appropriations of \$1.6 billion, an increase of \$54.5 million compared to the 2016 enacted level.

The 2017 request for FWS includes \$1.3 billion for FWS operations, of which \$506.6 million supports National Wildlife Refuge System operations and maintenance. A feature of the 2017 FWS budget is support to expand opportunities for all Americans to access public lands and experience the great outdoors, regardless of where they live. With 80 percent of the U.S. population currently residing in urban communities near more than 260 wildlife refuges, Interior is leveraging the National Wildlife Refuge System to encourage urbanites to rediscover the outdoors. The request includes \$10.0 million for the Refuge System's Urban Wildlife Conservation Partnerships to expand opportunities for urban populations including an increase of \$2.0 million for additional Refuge System law enforcement officers to ensure the safety of visitors, natural and cultural resources, and Federal employees and facilities. The budget includes \$40.7 million for general Refuge Law Enforcement operations.

The request also includes funding within Law Enforcement and International Affairs to combat wildlife trafficking. The budget provides \$75.1 million for the law enforcement program to investigate wildlife crimes, enforce the laws governing the Nation's wildlife trade, and continue cooperative international efforts to prevent poaching and trade in illegal wildlife products. The request includes \$15.8 million for the International Affairs Program, an increase of \$1.1 million above 2016. This includes increases of \$500,000 to provide technical support for international efforts to reduce illegal wildlife trafficking and develop innovative conservation activities. Also within International Affairs, is \$550,000 to support the U.S. Chairmanship of the Arctic Council.

The budget invests in resources for the Refuge System which has lost more than 400 staff positions since 2010. The request for the Refuge System is \$506.6 million, an increase of \$25.2 million above 2016. This includes increases of \$1.0 million for pollinator conservation, \$3.7 million for wildlife and habitat inventory and monitoring, \$2.0 million to establish management capability across 418 million acres of submerged land and water within the Pacific Marine National Monuments, and \$4.4 million to begin rebuilding capacity within the Refuge System to

improve the condition of refuge system facilities and resources, improve the visitor experience and manage natural resources.

The budget emphasizes improving the resilience of communities and wild landscapes, enabling them to better adapt to a rapidly changing environment, and uses smart investments in conservation and landscape-level planning to improve the Service's ability to facilitate economic growth, while avoiding and mitigating the impacts on wildlife and habitat.

Within the FWS main operating account, the request provides \$252.3 million for Ecological Services to conserve, protect, and enhance listed and at-risk species and their habitat, an increase of \$18.3 million. Since 2008, FWS has downlisted or delisted 15 species, more than in any other Administration. The increases within Ecological Services include \$5.7 million to support conservation, restoration and economic development across the Gulf Coast region and other parts of the Country.

The budget includes \$152.8 million for Fish and Aquatic Conservation, a program increase of \$4.6 million. Within this request is \$53.8 million for operation of the National Fish Hatchery System and \$7.9 million to combat the spread of Asian carp in the Missouri, Ohio, upper Mississippi Rivers, and other high priority watersheds. The request also includes an increase of \$1.5 million to support fish passage while improving the resilience of communities to withstand flooding.

The budget funds Cooperative Landscape Conservation at \$17.8 million, an increase of \$4.8 million above 2016. The approach employed by Landscape Conservation Cooperatives to identify landscape scale conservation solutions fosters collaboration across a wide variety of partners and builds capabilities beyond the scale any single State, Tribe, Federal agency, or community could achieve alone. The requested increase will support landscape planning and design, and partner cooperation that will improve the condition of wildlife habitat and enhance the resilience of communities.

The 2017 budget for Science Support is \$20.6 million, an increase of \$3.6 million above 2016. The request includes an additional \$1.0 million to expand application of Strategic Habitat Conservation, an approach to conservation that, in cooperation with stakeholders, identifies priority species and habitat, desired biological outcomes, and develops conservation strategies to achieve these outcomes. This approach supports the design of successful management strategies that deliver measureable improvements to wildlife populations and habitats. The FWS will use a program increase of \$2.6 million to obtain high priority data and scientific tools needed by on-the-ground resource managers.

The FWS budget includes \$137.6 million for LWCF Federal land acquisition, composed of \$58.7 million in current funding and \$79.0 million in permanent funding. Within the request for current funding, is \$19.9 million for high priority acquisition projects focused on FWS specific needs, including \$16.0 million for collaborative projects in coordination with partners and other federal agencies, and \$2.5 million to support increased access to FWS lands for sportsmen and recreationists. The FWS requests \$2.5 million in discretionary funding for the Everglades Headwaters National Wildlife Refuge and Conservation Area, one of the great grassland and

savanna landscapes of eastern North America, to acquire nearly 1,000 acres to help protect high-quality habitat for 278 Federal and State listed species. Acquisition of this property would protect the headwaters, groundwater recharge, and watershed of the Kissimmee Chain of Lakes, Kissimmee River, and Lake Okeechobee region, and improve water quantity and quality in the Everglades watershed, supporting the Comprehensive Everglades Restoration Plan goals and protecting the water supply for millions of people.

Supporting the Administration's America's Great Outdoors initiative objectives is \$106.0 million for grant programs administered by FWS. The 2017 budget maintains 2016 funding levels for grants through the Cooperative Endangered Species Conservation Fund, North American Wetlands Conservation Fund, Multinational Species Conservation Fund, and the Neotropical Migratory Bird Conservation Fund. Funding for the State and Tribal Wildlife grant program on which many States and Tribes rely to fund non-game animal conservation, is an increase of \$6.4 million.

**National Park Service** – The 2017 President's current budget request for NPS of \$3.1 billion is \$250.2 million above the 2016 enacted level. Highlights of the 2017 budget include \$190.5 million in increases for the NPS Centennial, as well as a focus on the stewardship of natural and cultural resources, including a \$20.0 million increase for the Historic Preservation Fund grant programs to document and preserve stories and sites related to the Civil Rights Movement.

The NPS budget request for operations is \$2.5 billion, an increase of \$154.8 million from 2016. A \$2.2 million programmatic reduction to refocus operations funding partially offsets the following increases: \$49.2 million for additional repair and rehabilitation projects, \$46.6 million for additional cyclic maintenance projects, \$20.0 million for the Every Kid in a Park initiative, \$10.7 million for new parks and responsibilities, \$8.1 million for healthcare insurance for seasonal employees, \$3.0 million for climate change adaptation projects, \$2.6 million for increased communications bandwidth at parks, \$2.0 million for the Vanishing Treasures program, \$1.2 million to address energy development near parks, \$1.1 million for Arctic science and monitoring, and \$1.0 million for uranium mining studies in the Grand Canyon.

The 2017 budget provides a total of \$35.0 million for the Centennial Challenge matching program, an increase of \$20.0 million. These funds will provide a Federal match to leverage partner donations for signature projects and programs at national parks into the NPS' second century. All Federal funds must be matched on at least a 50:50 basis. In 2016, Congress appropriated \$15 million for projects which will be matched by almost \$33 million from more than 90 park partners. This program is bolstered by the Administration's legislative proposal to fund an additional \$100.0 million a year for three years for this program as a permanent appropriation.

The 2017 request for the Historic Preservation Fund is \$87.4 million, an increase of \$22.0 million from 2016. Of this total, \$46.9 million is requested for grants-in-aid to States and Territories, which is level with 2016. A total of \$12.0 million is requested for grants-in aid to Tribes, an increase of \$2.0 million. The remaining \$20.0 million increase is for grants to document and preserve the sites and stories of the Civil Rights Movement; of which \$17.0

million is for competitive grants, and \$3.0 million is for grants to Historically Black Colleges and Universities.

The 2017 budget includes \$54.4 million for National Recreation and Preservation programs that support local community efforts to preserve natural and cultural resources. This is a decrease of \$8.2 million compared to 2016. These changes consist of a program reduction of \$10.4 million to Heritage Partnership Programs; and programmatic increases of \$0.9 million for modernization and digitization in the National Register program, \$0.8 million for the Preservation Technology and Training grants program, \$0.3 million for the Federal Lands to Parks program, and fixed costs increases.

Construction funding totals \$252.0 million, \$59.1 million above 2016. This request provides funding critical to the implementation of the Centennial initiative to make a meaningful impact on the NPS deferred maintenance backlog. The budget includes \$153.3 million for line-item construction projects, a \$37.1 million increase, which will fund projects such as the \$13.2 million rehabilitation of the Paradise Inn Annex and snow bridge connection at Mount Rainier National Park in Washington, and \$13.9 million for the final phase of the rehabilitation of the El Portal sanitary sewer to prevent raw sewage spills at Yosemite National Park in California.

The 2017 current funding request for LWCF Land Acquisition and State Assistance is \$178.2 million, an increase of \$4.6 million from 2016. This includes \$110.0 million for State Assistance grants, maintaining the increase provided in 2016. The budget requests \$68.2 million for Federal Land Acquisition, an increase of \$4.6 million. This provides \$26.6 for projects addressing NPS specific needs, \$10.8 million for collaborative acquisition projects, \$2.0 million for projects to improve recreation access, and \$10.0 million for American Battlefield Protection Program acquisition grants. A high priority for NPS, the Hawaii Volcanoes National Park is also part of the Island Forests at Risk collaborative landscape proposal. An investment of \$6.0 million would allow NPS to begin acquisition of a parcel which protects the hawksbill and Green turtles, and island monk seal habitat, and contains anchialine pond communities and coastal strands of endangered plants. Significant archaeological sites, cultural landscapes, petroglyphs and ancient trails are also present. Time is a concern as the area faces potential rezoning from conservation to medium density urban and resort development.

**Indian Affairs** - The 2017 President's budget for Indian Affairs is \$2.9 billion in current appropriations, \$137.6 million above the 2016 level. Funding for the main operating account for Indian Affairs, Operation of Indian Programs is \$2.4 billion, \$127.9 million above 2016. The 2017 request for Construction is \$197.0 million, \$3.0 million above 2016.

The 2017 budget supports continuing efforts to advance self-governance and self-determination, improve educational outcomes for American Indian children, support human services activities, prudently manage tribal natural resources, build stronger economies and self-sufficiency, and maintain safer Indian communities.

Key to self-governance and self-determination is full funding for Contract Support Costs. The 2017 request includes \$278.0 million for Contract Support Costs, \$1.0 million above 2016, which will fully fund these costs based on the most recent analysis. As in the 2016 enacted bill,

the budget requests funding for Contract Support Costs in a separate dedicated current account. To further stabilize long-term funding, the 2017 budget includes a legislative proposal to reclassify these costs as permanent funding beginning in fiscal year 2018.

The Interior budget proposes a \$1.1 billion investment in Indian education and construction to continue to support the transformation of the BIE to support Tribes in educating their youth, and deliver an improved and culturally appropriate education across Indian Country. The budget includes \$49.3 million in increases across a number of programmatic areas in BIE related to the transformation.

The budget includes \$138.3 million for Education Construction, maintaining the \$63.7 million increase provided in 2016. The request will provide the funding stability necessary to develop an orderly education construction pipeline and properly pace projects. The 2016 enacted appropriation will replace two remaining BIE school campuses on the 2004 priority list—Little Singer Community School and Cove Day School, both in Arizona — and support planning for the schools identified on the new school replacement construction list nearing finalization. The 2017 funding will be applied to construction costs for projects chosen from the new list.

To further higher education, the budget includes increases of \$9.4 million for scholarships, adult education and tribal colleges and universities; and \$3.6 million for Johnson O’Malley education grants to provide additional resources to tribes and organizations to meet the unique and specialized educational needs of American Indian and Alaska Native students.

To foster public-private partnerships to improve the student experience at BIE-funded schools, the 2017 budget again proposes appropriations language enabling the Secretary to reactivate the National Foundation for American Indian Education. The proposed bill language will initiate a foundation focused on fundraising to create opportunities for Indian students in and out of the classroom.

As part of the President’s commitment to protect and promote the development of prosperous tribal communities, Indian Affairs proposes to expand the Tiwahe “family” initiative. This effort takes an integrated approach to address the inter-related challenges impacting the lives of youth, families, and communities in Indian Country—including poverty, violence, and substance abuse. The Tiwahe approach seeks to empower individuals and families through health promotion, family stability, and strengthening communities as a whole.

The 2017 budget expands the Tiwahe initiative with increases totaling \$21.0 million for programs in social services, Indian Child Welfare Act, housing, tribal courts, and job placement and training. To better focus funding and evaluate outcomes in meeting social service needs in Indian Country, the Department will evaluate social service and community development needs in Indian Country in 2016. The evaluation will inform programmatic design, assessments, management, and budgeting.

The budget contains a number of increases to support tribal nation-building and economic development. The budget includes \$4.0 million for a Native One-Stop Support Center to make it easier for Tribes to find and access hundreds of services available to Tribes across the Federal

government. The 2017 budget includes \$1.0 million to help Tribes adopt uniform commercial codes which help build the legal infrastructure on reservations to promote credit and other capital transactions. The budget provides \$12.0 million to enable Interior to work with American Indian/Alaskan Native communities to improve Federal data quality and availability, to create a reimbursable agreement with the Census Bureau to address data gaps in Indian Country, and to create an Office of Indian Affairs Policy, Program Evaluation, and Data to support effective, data-driven, tribal policy making and program implementation. The budget also proposes \$1.3 million increase for the Small and Needy Tribes program to assist eligible Tribes in expanding and sustaining tribal governance.

The 2017 budget strongly supports sustainable stewardship of trust lands, natural resources, and the environment in Indian Country. These priorities include the protection and restoration of ecosystems and important landscapes; stewardship of land, water, ocean, and energy resources; resilience in the face of a changing climate; and clean and sustainable energy development.

The budget provides a \$15.1 million program increase over 2016 across eight natural resource programs to support Tribes in developing science, tools, training, planning, and implementation of actions to build resilience into resource management, infrastructure, and community development activities. Funding will be set-aside to support Alaska Native Villages in the Arctic and other critically vulnerable communities to evaluate options for the long-term resilience of their communities. The budget also includes \$2.0 million to address subsistence management in Alaska to better prepare for the impacts of climate change, as part of an ongoing commitment to improve the Nation's resilience. In addition, the budget includes a total increase of \$8.7 million for trust real estate service activities to reinforce the stewardship of trust resources. The expanded capacity will address the probate backlog, land title and records processing, geospatial support needs, and database management in addition to providing expanded technical and legal support for authorized settlements involving tribal water rights.

The 2017 budget request for Indian Land and Water Claim Settlements is \$55.2 million, a \$5.7 million increase over the 2016 enacted level for payments on enacted settlements. The budget includes \$25.0 million for the final payment to the Aamodt settlement and \$10.0 million in one-time funding to provide the Yurok Tribe, located in Northern California, funds to acquire lands as authorized in the Hoopa-Yurok Settlement Act. This acquisition supports efforts by the Yurok Tribe, State of California, private foundations and individual donors to conserve over 47,000 acres of the Klamath-Siskiyou ecoregion to ensure the long-term health of temperate forests, rare wildlife, and extraordinary runs of wild salmon. The land, to be conserved as a salmon sanctuary and sustainable community forest, will restore the Yurok Tribe's historic connection to the land, support the Yurok economy through jobs in forestry and restoration, and provide revenue to the Tribe through sustainable timber and salmon harvests and the sale of carbon credits. The budget also includes increases totaling \$12.9 million in the Operation of Indian Programs account to provide expanded technical and legal support for tribal water rights settlement negotiations and implementation. A reduction of \$29.2 million in the settlement account reflects completion of the Taos Pueblos water settlement in 2016.

The 2017 budget request for the Indian Guaranteed Loan Program is \$7.8 million, the same as 2016, which will provide loan guarantee and insurance authority for \$106.0 million in loan principal to support Indian economic development.

**Departmental Offices** – The 2017 budget request for Departmental Operations is \$278.4 million, a decrease of \$443.4 million below the 2016 enacted level. The decrease reflects a reduction of \$452.0 million associated with the Payments in Lieu of Taxes program. In 2017, the budget proposes to fund PILT as permanent funding not subject to appropriation. State and local governments depend on PILT funding to finance such vital services as firefighting and police protection, construction of public schools and roads, and search and rescue operations. Providing a mandatory source of funding will create greater certainty that PILT investments will be available in future years. The budget proposes mandatory PILT funding for one year, while a sustainable long-term funding solution is developed for the program.

The budget proposes program increases of \$1.5 million for work with the National Invasive Species Council to develop an Early Detection Rapid Response framework. Early detection and rapid response (EDRR) has the potential to result in significant cost savings, as compared to battling invasive species such as Asian carp, cheatgrass, and emerald ash borer once established. The EDRR request support multiple pilot projects to demonstrate early detection and rapid response approaches, as well as conducting assessments to identify current capacities and gaps in capacities to implement EDRR.

The budget includes \$1.0 million for Native Hawaiian community development through capacity building and technical assistance. This request will allow the Department to provide support to Native Hawaiians similar to the capacity building and technical assistance the Department provides to other Native Americans, and the Insular areas consistent with the Hawaiian Homes Commission Act and Hawaiian Homes Land Recovery Act. The Department will work with the Native Hawaiian community on a variety of economic, social, and cultural projects.

The 2017 Budget includes critical investments to ensure effectiveness and compliance of Interior information technology investments. The request includes \$3.0 million to develop a Digital Service Team responsible for driving the efficiency and effectiveness of the Department's highest-impact digital services. Additional information technology investments are proposed under the Working Capital Fund appropriated account.

Within the request for Departmental Operations is \$129.3 million for Office of Natural Resources Revenue's receipts management programs, \$3.8 million above 2016. The increase includes \$968,000 to fully fund Osage Trust Accounting responsibilities in compliance with the Osage settlement agreement; \$1.0 million to expand Geospatial Information Systems; and \$1.2 million to strengthen ONRR's audit and compliance mission activities.

The 2017 request for the Office of Insular Affairs is \$102.7 million, \$12.4 million above the 2016 level excluding Palau Compact Extension funding of \$13.1 million. The 2017 budget proposes \$149.0 million in permanent funding to support enactment of a new Compact with Palau. The appropriated funding request includes increases of \$4.0 million for community, landscape and infrastructure adaptation and resilience initiatives; \$3.9 million to improve health

and safety conditions in insular school facilities; \$2.0 million to implement energy projects; \$2.0 million for Coral Reef Initiative and Natural Resources; \$1.6 million for direct technical assistance grants; and \$1.0 million to support invasive species eradication efforts, including the coconut rhinoceros beetle and little fire ant. Brown Treesnake Control is funded at \$3.0 million, a program decrease of \$500,000, reflecting completion of an automated aerial bait system in 2015. The budget requests \$3.3 million for Compact of Free Association, level with 2016, excluding \$13.1 million provided for Palau Compact Extension in 2016.

The budget includes \$69.4 million for the Office of the Solicitor, \$3.6 million above 2016 to support additional personnel and necessary legal services for delivering the Department's mission. The Office of the Solicitor's ability to provide early and continuous legal counsel in new priority areas to ensure that developing programs are grounded in established legal principles and precedents is absolutely vital. The requested increase will allow the Office of the Solicitor to provide the much needed preventive assistance that is lost to the demands of non-discretionary litigation. The additional funding will also be used to restart the Honors Program, where recent law graduates are hired at the entry level and trained to assume senior positions. This program will ensure DOI has experienced lawyers as many senior staff becomes eligible for retirement.

The request for the Office of the Inspector General is \$55.9 million, \$5.9 million above 2016 to support audits concerning Offshore Energy Oversight, Indian Country, and Cybersecurity, and Offshore Energy Investigations.

The Office of the Special Trustee request is \$140.4 million, \$1.4 million above 2016. The budget includes increases of \$1.6 million to provide additional estate planning opportunities to Indian Trust beneficiaries; \$1.2 million for an appraiser training program to address the shortage of qualified appraisers and the resulting delays in completing appraisal evaluations; \$1.5 million to enhance talent management capabilities and systems automation; and less than \$400,000 to modernize and improve business processes and enhance the Trust Funds Accounting System. These increases are partially offset by a \$3.4 million reduction in funding for Historical Trust Accounting based on anticipated workload levels.

**Department-wide Programs** – The 2017 request for the Department's Wildland Fire Management program is \$824.6 million without the proposed fire cap adjustment, and \$1.1 billion including the adjustment. The base budget includes \$276.3 million for fire suppression, which is 70 percent of the 10 year suppression average spending. The cap adjustment of \$290.0 million covers the remaining 30 percent of the 10-year average and provides a contingency. The cap adjustment would only be used for the most severe fires, since it is two percent of the fires that cause 30 percent of the costs. The new budget framework for Wildland Fire Management eliminates the need for additional funds through the FLAME Act.

The 2017 budget includes \$179.1 million for Fuels Management and Resilient Landscapes subactivities, \$9.1 million above 2016 enacted. Of this, \$30.0 million is proposed in a new Resilient Landscapes subactivity to build on resilient landscapes activities supported by Congress in 2015 and 2016. This equates to a \$20.0 million increase for the program to take better advantage of the shared goals of bureau resource management programs to treat large

landscapes to achieve and maintain fire-adapted ecosystems that both reduce the threat of catastrophic wildfire and achieve restoration and other ecological objectives. The increase for Resilient Landscapes is partially offset with a program realignment of \$21.7 million in the Fuels Management program from 2016.

Other highlights in the Wildland Fire Management budget include an increase of \$6.9 million in Preparedness to maintain or strengthen initial and extended attack capacity. Specific increases include \$2.8 million to enhance the initial attack capability of rural fire departments and rural fire protection associations. The budget includes program increases of \$1.6 million to purchase replacement vehicles for the BIA fire program and \$1.5 million to cover utility costs for the Alaska Fire Service's leased space. The budget includes \$20.4 million for Burned Area Rehabilitation, a \$1.5 million increase to address greater post-fire rehabilitation needs caused by the 2015 and 2016 fire seasons; and \$10.0 million for Facilities Construction and Deferred Maintenance, a \$3.6 million increase to address the deferred maintenance backlog.

The 2017 budget request for the Central Hazardous Materials Fund is \$13.5 million, \$3.5 million above 2016, to fund the remedial design for the Red Devil Mine cleanup in Alaska. The 2017 request for Natural Resource Damage Assessment and Restoration is \$9.2 million, \$1.5 million above 2016 to increase restoration activities.

The 2017 budget proposes \$111.5 million for the appropriated portion of the Department's Working Capital Fund, \$44.4 million above 2016. The majority of the increase, \$24.7 million, continues cybersecurity remediation in the wake of the serious cyber intrusions experienced during 2015. Other increases include: \$10.2 million to support the Department's multi-year effort to implement requirements identified under the Digital Accountability and Transparency Act, known as the DATA Act, and monitor compliance; \$5.2 million for the Department's Office Consolidation Strategy; \$2.6 million to fund Federal Information Technology Acquisition Reform Act coordination and reporting activities for the Department; \$1.0 million for Cultural and Scientific Collections; and \$702,000 for Service First activities.

### **Legislative Proposals**

The 2017 President's budget includes a suite of legislative and offsetting collection proposals affecting spending, revenues, and available budget authority that require action by the Congressional authorizing committees. These mandatory proposals address a range of Administration priorities, from investing in high-priority conservation and recreation programs to achieving a fair return to the American taxpayer from the sale of Federal resources and reducing unnecessary spending. The 2017 budget includes seven spending proposals with an estimated \$18.0 billion in outlays over the next decade. This spending is partially offset by revenue and savings proposals to reduce outlays from the Treasury by an estimated \$4.5 billion over the next decade.

**Gulf of Mexico Energy Security Act and the Coastal Climate Resilience Program**– The Administration is committed to ensuring American taxpayers receive a fair return from the sale of public resources and taxpayers throughout the Country benefit from the development of offshore energy resources owned by all Americans. The Gulf of Mexico Energy Security Act of 2006

opened some additional areas in the Gulf of Mexico for offshore oil and gas leasing, while maintaining moratoria on activities east of the Military Mission Line and within certain distances from the coastline of Florida. The Act provides that 37.5 percent of Outer Continental Shelf revenues from certain leases be distributed to just four coastal States—Alabama, Louisiana, Mississippi, and Texas—and their local governments based on a complex allocation formula. The Administration proposes to repeal GOMESA revenue-sharing payments to these select States from Gulf of Mexico oil and gas leases, which are set to expand substantially starting in 2018.

More than half of the savings, \$2.0 billion, from the repeal of GOMESA revenue sharing payments to States will be redirected to a new Coastal Climate Resilience Program to provide resources for at-risk coastal States, local governments, and their communities to prepare for and adapt to climate change. A portion of these program funds would be set aside to cover the unique impacts of climate change in Alaska where some native villages are so threatened by rising seas, coastal erosion, and storm surges, that they must prepare for potential relocation.

**Historic Preservation Fund** – The budget includes a legislative proposal to extend the authority to deposit \$150.0 million in receipts from offshore oil and gas revenues annually into the Historic Preservation Fund.

**Bureau of Indian Affairs Contract Support Costs** – The budget includes a legislative proposal to reclassify funding for the existing Contract Support Costs program from discretionary to mandatory beginning in fiscal year 2018. The budget proposes to adjust the discretionary budget caps to reflect the reclassification to mandatory funding. New contract support cost estimates will be provided on a three-year cycle as part of the reauthorization process.

**POWER+ Accelerate AML Distribution for Mine Cleanup and Economic Recovery** – The budget proposes to allocate a portion of the remaining unappropriated balance of the Abandoned Mine Lands Fund to target the cleanup and redevelopment of AML sites and AML coal mine polluted waters in a manner that facilitates sustainable revitalization in economically depressed coalfield communities. The proposal will provide \$1.0 billion over five years to States based on AML program and economic eligibility factors—such as the unemployment rate of coal mining regions—and remaining priority coal problems, including abandoned mine drainage, where reclamation linked to job creating economic development strategies will help revitalize impacted communities.

**United Mineworkers of America Pension Reform** – The budget proposes to better provide for retired coal miners and their families by revising the formula for general fund payments to the 1993 UMWA Health Benefit Plan. The new formula will consider all beneficiaries enrolled in the plan as of enactment, as well as those retirees whose health benefits were denied or reduced as the result of a bituminous coal industry bankruptcy proceeding commenced in 2012. Additionally, the proposal will transfer funds through the Pension Benefit Guaranty Corporation to the trustees of the 1974 UMWA Pension Plan to ensure the plan’s long-term solvency. The plan, which covers more than 100,000 mineworkers, is underfunded and approaching insolvency. The new formula will provide an additional \$375.0 million to the UMWA in 2017 and \$4.2 billion over 10 years.

**Land and Water Conservation Fund** – The budget proposes \$900.0 million in combined current and mandatory funding in 2017, and starting in 2018, the budget proposes permanent authorization of \$900.0 million in mandatory funding for LWCF programs in the Departments of the Interior and Agriculture. During a transition to mandatory funding in 2017, the budget proposes \$425.0 million for mandatory funding and \$475.0 million for current funding, to be shared by Interior and Agriculture.

**National Parks Centennial Act** – The budget proposes enactment of legislation, the National Park Service Centennial Act, to honor the Park Service’s 100th anniversary. The Act specifically authorizes the following: \$100.0 million a year for three years for the Centennial Challenge to leverage private donations; \$300.0 million a year for three years for NPS deferred maintenance; and \$100.0 million a year for three years for a Public Lands Centennial Fund, which will competitively allocate funds for projects on public lands to enhance visitor services and outdoor recreation opportunities, restore lands, repair facilities, and increase energy and water efficiency. The availability of mandatory funding to address deferred maintenance and other conservation projects will allow NPS to plan ahead more efficiently to achieve significant results. Stable and predictable funding streams will allow projects to be appropriately scheduled and phased for more effective project delivery and completion. The proposal includes the authority to collect additional camping or lodging fees, and funds from purchases of the lifetime pass for citizens 62 years of age or older. Receipts for this Second Century Fund will be matched by donations in order to fund visitor enhancement projects. The impact of this new revenue source is estimated at \$40.4 million in 2017. Also included is a proposal to establish a program to allow a Visitor Services Management Authority to award and manage contracts for the operation of commercial visitor services programs and activities.

**Federal Land Transaction Facilitation Act** – The budget proposes to reauthorize this Act which expired on July 25, 2011, to allow lands identified as suitable for disposal in recent land use plans to be sold using this authority. The sales revenue will be used to fund the acquisition of environmentally sensitive lands and administrative costs associated with conducting the sales.

**Recreation Fee Program** – The budget proposes legislation to permanently authorize the Federal Lands Recreation Enhancement Act, authorized through September 30, 2017. The program currently brings in an estimated \$335 million in recreation fees annually under this authority that are used to enhance the visitor experience on Federal land recreation sites.

**Federal Oil and Gas Reforms** – The budget includes a package of legislative reforms to bolster administrative actions to reform management of Interior’s onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources and on improving transparency and oversight. Proposed statutory and administrative changes fall into three general categories: advancing royalty reforms, encouraging diligent development of oil and gas leases, and improving revenue collection processes. Collectively, these reforms will generate roughly \$1.7 billion in revenue to the Treasury over 10 years, of which \$1.2 billion will result from statutory changes. Many States also will benefit from higher Federal revenue sharing payments as a result of these reforms.

**Palau Compact** – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance. The budget assumes authorization of mandatory funding for the Compact in 2017 to strengthen the foundations for economic development in Palau by developing public infrastructure and improving health care and education. The cost for this proposal for 2017-2024 is \$149.0 million.

**Payments in Lieu of Taxes** – The budget proposes to extend PILT mandatory funding for an additional year with the current PILT payment formula based on the amount of Federal land within an eligible unit of local government, its population, and certain other Federal payments the local government may receive. The cost of a one-year extension of the PILT program is estimated to be \$480.0 million in 2017.

**Reclamation of Abandoned Hardrock Mines** – The budget proposes to create an Abandoned Mine Lands Program for abandoned hardrock sites financed through a new AML fee on hardrock production on both public and private lands. The fee is estimated to generate \$1.8 billion through 2026 to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands.

**Reform Hardrock Mining on Federal Lands** – The budget proposes to institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals, including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. Half of the receipts will be distributed to the States in which the leases are located and the remaining half will be deposited in the U.S. Treasury. The proposal is projected to generate revenues to the U.S. Treasury of \$80.0 million over 10 years, with larger revenues estimated in following years.

**Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels** – The budget proposes legislation to modify the 2006 amendments to the Surface Mining Control and Reclamation Act, which lowered the per-ton coal fee companies pay into the AML Fund. The proposal would return the current fee of 28 cents per ton of surface mined coal to 35 cents a ton, the same level companies paid prior to the 2006 fee reduction. The additional revenue, estimated at \$258 million over ten years, will be used to reclaim high priority abandoned coal mines and reduce a portion of the estimated \$6.0 billion needed to address remaining dangerous coal AML sites nationwide.

**Termination of AML Payments to Certified States** – The 2017 budget proposes to discontinue unrestricted payments to States and Tribes certified for completing their coal reclamation work. This proposal terminates all such payments with estimated savings of \$520.0 million over the next ten years.

**Termination of EPAct Geothermal Payments to Counties** – The 2017 budget proposes to repeal Section 224(b) of the Energy Policy Act of 2005 to permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in estimated savings of \$41.0 million over ten years.

**Bureau of Land Management Foundation** – The budget proposes to establish a congressionally chartered National BLM Foundation to leverage private funding to support public lands, achieve shared outcomes, and focus public support on the BLM mission.

**National Foundation for American Indian Education** – The budget proposes appropriations language enabling the Secretary to reactivate a foundation created by Congress in 2000 to generate private donations in support of the mission of the Bureau of Indian Education. The proposal will allow the foundation to start anew to obtain nonprofit tax exempt status, with a new Board of Directors focused on making the foundation a successful fund raising entity.

**Migratory Bird Hunting and Conservation Stamp Act - Duck Stamp** – The budget includes a legislative proposal to provide limited authority to increase the price of a Duck Stamp, with the approval of the Migratory Bird Conservation Commission, to keep pace with inflation.

**Wildland Fire Suppression Disaster Cap Adjustment** – The budget proposes to amend the Balanced Budget and Emergency Deficit Control Act to establish a new framework for funding Fire Suppression Operations to provide stable funding, while minimizing the adverse impacts of fire transfers on the budgets of other programs. Under this new framework, the 2017 budget request covers 70 percent of the 10-year suppression average within the domestic discretionary cap or \$276.3 million for the Department of the Interior. This base level ensures the cap adjustment will only be used for the most severe fire activity as two percent of the fires incur 30 percent of the costs. Only extreme fires that require emergency response or are near urban areas or activities during abnormally active fire seasons—which rightly should be considered disasters—will be permitted to be funded through the adjustment to the discretionary spending limits. For 2017, the request for the budget cap adjustment for the Department is \$290.0 million. The cap adjustment does not increase overall spending, as the ceiling for the existing disaster relief cap will be reduced by the same amount as the increase required for fire suppression.

### **Offsetting Collections and Fees**

**Bureau of Ocean Energy Management Risk Management Fee** – The budget proposes appropriations language for a new cost recovery fee to recoup funds for services rendered by the Risk Management Program. The program is critical to protecting the American taxpayer from becoming financially responsible for liabilities associated with oil and gas and renewable energy operations on the Outer Continental Shelf. This proposed fee will generate an estimated \$2.9 million annually, fully offsetting the requested risk management programmatic increase in 2017.

**Bureau of Safety and Environmental Enforcement Inspection Fee** – The budget includes appropriations language modifying and expanding the enacted inspection fee language to clarify that facilities subject to multiple inspections are subject to additional fees for each inspection. The BSEE estimates the inspection fees will generate \$65.0 million in 2017.

**Fee for Onshore Oil and Gas Inspections** – Through appropriations language, Interior proposes to implement inspection fees in 2017 for onshore oil and gas activities subject to inspection by BLM. The proposed inspection fees are expected to generate \$48.0 million in 2017, level with 2016. The fees are similar to those already in place for offshore operations and

will support Federal efforts to increase production accountability, safety, and environmental protection.

**Grazing Administrative Fee** – The budget proposes a grazing administrative fee to offset costs to administer the program. The budget proposes to implement a fee of \$2.50 per animal unit month through appropriations language on a pilot basis. Interior estimates the fee will generate \$16.5 million in 2017 to support the Rangeland Management program at the 2016 level. During the period of the pilot, BLM will work to promulgate regulations to continue this cost recovery fee administratively, once the pilot expires.

**National Wildlife Refuge Damage Cost Recovery** – The budget includes appropriations language to authorize the Fish and Wildlife Service to retain recoveries for the cost to restore or replace damaged habitat from responsible parties.

### **Conclusion**

Thank you for the opportunity to testify on the President's 2017 budget request for the Department of the Interior. This budget is responsible, and proposes to maintain core capabilities with targeted investments to advance the stewardship of lands and resources, renewable energy, oil and gas development and reforms, water conservation, youth employment and engagement, and improvements in the quality of life in Indian communities. I thank you again for your continued support of the Department's mission. I look forward to answering questions about this budget. This concludes my written statement.