STATEMENT OF
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DEPARTMENT OF THE INTERIOR,
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE,
ON THE
DEFERRED MAINTENANCE BACKLOG

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Chairman Murkowski, Ranking Member Manchin, and members of the Committee, thank you for the opportunity to discuss the Department of the Interior's infrastructure, including deferred maintenance. My name is Scott Cameron, Principal Deputy Assistant Secretary for Policy, Management, and Budget at the Department.

The Department manages a constructed infrastructure asset portfolio with a replacement value of about $300 billion, ranging from large dams and canals in the West to national landmarks like the Statue of Liberty and the Washington Monument. Roads, bridges, trails, water systems, laboratories, employee housing, visitor centers, and schools -- even comfort stations, campgrounds, and drinking fountains -- are all part of this critical, but often unnoticed, framework. In total, Interior is responsible for approximately 43,000 buildings, nearly 100,000 miles of road, and 77,000 structures. Interior oversees approximately 20 percent of all land in the United States, and operates in more than 2,400 locations across the country. Interior lands and facilities serve nearly 500 million visitors annually, provide schooling for approximately 47,000 Indian children, are crucial to the work of 70,000 Interior employees and 280,000 volunteers, and provide critical access for the public to hunt, fish, and enjoy other outdoor activities. Interior's constructed assets directly enable our bureaus to fulfill our varied missions. After years of increased visitation and use, aging facilities and other vital structures are in urgent need of restoration.

Investment in Interior's infrastructure also benefits local economies. In FY 2017, production and activities on DOI lands in total were associated with about $165 billion in value added, about $292 billion in economic output, and supported an estimated 1.8 million jobs.[1] According to the U.S. Commerce Department, in 2016, America's outdoor economy accounted for $412 billion of the U.S. GDP. Interior plays a major role in supporting America's outdoor economy through access to our public lands. The modernization, connectivity and the state of condition of the Interior infrastructure that service the parks and other Federal lands facilitate the quality of life and are economic engines for the communities nearby.

Aging infrastructure impacts our ability to serve the public. Many of these assets are deteriorating, with older assets becoming more expensive to repair and maintain in good condition. As of the end of FY 2018, the Department's total deferred maintenance backlog was $16.4 billion, and nearly one-half of that total is related to transportation assets—primarily roads

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[1] U.S. Department of the Interior Economic Report, FY 2017

and bridges, but also including tunnels, parking areas, shuttle buses, ferries, trams, and trails. The National Park Service (NPS) has both the largest share of total deferred maintenance, at $11.9 billion, and the largest share of transportation-related costs, at $6.8 billion.

Reducing Interior's infrastructure deferred maintenance backlog along with modernization of the facilities has been a top priority under this Administration. Just last week Vice President Mike Pence accompanied Secretary Bernhardt to Yellowstone National Park and, among other things, worked with an NPS maintenance crew at the park to rebuild the boardwalk to Old Faithful. Secretary Bernhardt thanked the Vice President for his visit to the park, his assistance on the deferred maintenance project, and for reaffirming the Administration's commitment to addressing our infrastructure needs.

According to a National Academy of Science's study, "Predicting Outcomes from Investments in Maintenance and Repair for Federal Facilities," private industry standards require 2-4% of the replacement value of constructed assets be invested in maintenance each year to maintain constructed assets in good condition. In contrast, currently DOI is able to invest less than 0.5% each year. Investments in capital improvements, such as building expansions or constructing new visitor facilities to support increased public use, are in addition to these expenses. Interior attempts to decrease the rate of growth of the DM backlog by balancing life-cycle investments for high priority assets, while continuing to fund needed repairs and dispose of unneeded facilities when cost effective. Interior bureaus prioritize investments based on mission criticality, asset condition, mitigation of health or safety risks to employees or the public, cost/benefit analyses, and the consequences of further delays of work.

At a time of record setting visitation and rapid technological change, many key pieces of Interior infrastructure, including iconic parkways, bridges, water systems, employee housing, and bus fleets, have become functionally inadequate or have exceeded their design life and require large investments to bring them back to good condition. This infrastructure requires modernization and long-term predictable investments that are critical to maintaining public access and protecting natural and cultural resources.

Appropriated funds are currently the primary source of funding for deferred maintenance. However, addressing this problem requires a multi-faceted approach, so we are supporting multiple avenues for making additional funds available through other means.

Public Lands Infrastructure Fund

Accompanying the President's FY 2020 budget for Interior is the re-proposal of a Public Lands Infrastructure Fund that would generate up to $6.5 billion over 5 years for deferred maintenance needs in the Departments of the Interior and Agriculture. We are pleased similar legislation has been introduced on a bipartisan basis both here in the Senate and in the House, and we eagerly look forward to working with the Congress to enact this legislation. The Administration's proposal would support infrastructure improvements through an allocation of 70 percent for national parks, 10 percent for national forests, 10 percent for wildlife refuges, 5 percent for Bureau of Indian Education schools, and 5 percent for lands managed by the Bureau of Land Management (BLM). The Fund will be funded through the deposit of 50 percent of all Federal energy development revenue that would otherwise be credited or deposited as miscellaneous receipts to the Treasury over the 2020–2024 period, subject to an annual limit of $1.3 billion. Interior and Agriculture would prioritize projects, monitor implementation, and measure results.

This investment will significantly improve the public's experience at many of America's most visible, visited, and treasured places.

Federal Lands Recreation Fees

Another current avenue to address this problem is the use of funds as authorized under the Federal Lands Recreation Enhancement Act (FLREA). FLREA enables Interior to create, improve, and maintain thousands of recreation opportunities all over the country for tourists and outdoor enthusiasts. The revenues collected from these recreation fees—$406 million in 2018—are an important source of funding to enhance the visitor experience through maintenance, operations, and improvements to recreation facilities on public lands. Over the last decade or so, Interior bureaus have spent an average of around $80 million per year on deferred maintenance projects using FLREA funding.[2]

As of FY 2018, the NPS has instituted a policy that parks which collect fees must spend 55 percent of their retained fee revenue on deferred maintenance projects. A current example of a large scale project supported partially by recreation fee revenues is construction of a trans-canyon water pipeline at Grand Canyon National Park in Arizona. Such projects require long lead times for planning, design, environmental compliance/permitting, contracting, and construction.

Acadia National Park in Maine expended $17,938 in FLREA revenue in FY 2016 to repair the historic Civilian Conservation Corps-era steps and gravel tread on the popular Beech Cliff Loop Trail. Repairs included reestablishing part of an original trail corridor, revegetating eroded areas, repairing and replacing log checks, and resurfacing tread.

In FY 2016 and 2017, FWS expended approximately $500,000 in FLREA revenue collected over the previous decade to improve boating infrastructure and campsites at Crab Orchard National Wildlife Refuge in Illinois, which receives approximately one million visitors annually. Investments were made at the refuge to replace boat docks and ramps with new construction, including a handicapped accessible dock system with electrical power supply. Campsites were improved to accommodate larger campers, add water hookups, and upgrade electrical supply. The campsite updates resulted in a 23 percent increase in use.

In FY 2014, BLM partnered with the Wyoming CORE (Conservation Outdoor Recreation Education) youth group—which teaches young people how to work together as a team—to maintain the Encampment River Campground in Wyoming. The group raked campsites, removed weeds and encroaching grass, and painted tables. They also removed hazardous trees and branches from campsites in the BLM Atlantic City Campground making it less vulnerable to wildfire, and they cleaned and painted kiosks and restrooms. BLM spent $1,500 in FLREA revenue on this project.

[2] Implementation of the Federal Lands Recreation Act, Triennial Report to Congress, 2015

The FY 2020 budget for Interior proposes to reauthorize the FLREA, which expires in September 2020. The budget also proposes appropriations language to provide a 2-year extension of FLREA through September 2022.

Federal Lands Transportation Program

Interior invests more than $1 billion on new construction, replacements, and repair/rehabilitation projects annually, for projects addressing all asset types. A large portion of this balance—more than $300 million each year—is associated with the Federal Lands Transportation Program (FLTP), funded from the Highway Trust Fund through the U.S. Department of Transportation (USDOT). Since transportation-related assets make up nearly half of the Interior DM backlog, this funding source has been critical to Interior.

The FLTP is the primary funding source for major capital investments on Interior transportation facilities. However, other funding sources, including fee revenue, and appropriations to bureaus for construction, maintenance, and operations, are also utilized. Under current law, Interior cannot legally use many of the financial mechanisms available to state and local governments, such as bonding, taxing authority, or tolling. Also, not all Department bureaus receive guaranteed FLTP funding, making it difficult to plan for long-term maintenance.

Specific to the transportation program, a key method that this Administration has been utilizing to prevent growth in deferred maintenance is to focus more of our limited transportation funds on applying preventive maintenance techniques such as pavement seal coats. These preventive maintenance activities extend the life of pavement for a relatively low unit cost compared to the repair or reconstruction of our worst condition roads at a significantly higher unit cost. We can significantly extend the pavement life of many miles of good condition pavement for the same cost that it would take to reconstruct one mile to bring it back to good condition. This allows us to slowly improve the condition of the entire transportation network over time, while still directing some funding towards the costly major rehabilitation or reconstruction efforts.

Through analysis such as pavement deterioration modeling and total life cycle cost analysis, the Department has identified annual transportation-related needs of approximately $1.1 billion per year to improve and maintain its transportation infrastructure in good condition, meet modernization needs, and develop a transportation system that can accommodates future needs and welcome all Americans.

Tribal Transportation

Transportation infrastructure is also a critical part of the well-being of tribal and rural communities. The Department holds lands in trust on behalf of Indian tribes; these lands hold more than 27,800 miles of road (including 7,300 miles of paved; 5,000 miles of gravel; and 15,500 miles of earth/primitive surfacing); 1,600 miles of trails; and 983 bridges. These roads represent an additional $392 million in DM that is separate from the deferred maintenance reported on the Department's owned assets. The Bureau of Indian Affairs (BIA) owns a total of

30.6 miles of road, and five bridges, with deferred maintenance estimated at $1 million; these figures are part of the Department’s total DM backlog of more than $16 billion.

Under the BIA road maintenance program, tribal governments establish the road maintenance project priorities. The maintenance work is performed by the tribal governments under self-determination contracts or agreements. Projects or activities are generally concentrated on keeping roads open and passable. These activities usually include grading earth roads, snow and ice removal, pot hole patching and cracking sealing/filling for paved surfaces.

The largest road program for tribal nations is the Tribal Transportation Program (TTP), funded from the Highway Trust Fund through the USDOT. During FY 2019, the TTP is authorized $495 million in contract authority, which is distributed through statutory formula to all 573 federally-recognized Tribes, through self-determination contracts or agreements. Each tribal government prioritizes its projects under this program via a Tribal Transportation Improvement Plan, approved by the Federal Highway Administration.

In summary, the Department‘s infrastructure and transportation system is critical to carrying out our mission and to ensure visitor enjoyment, access, and experiences; to protect natural and cultural resources; and to provide access for resource development and working landscapes. We look forward to working with this Committee and others in the near future as they move ahead with legislation related to the Administration’s proposal for a public lands infrastructure fund.

Madam Chair, this concludes my statement. I would be pleased to answer any questions you or other members of the Committee may have.