

**STATEMENT OF
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SECRETARY
U.S. DEPARTMENT OF THE INTERIOR
BEFORE THE
HOUSE COMMITTEE ON NATURAL RESOURCES
May 15, 2019**

Chairman Grijalva, Ranking Member Bishop, and Members of the Committee, I am here today in my role as the Secretary of the Interior to discuss the Department's budget and policy priorities for FY 2020.

The President's Fiscal Year 2020 Budget was transmitted to Congress on March 11, 2019. On March 27, 2019, the Department's Principal Deputy for Policy, Management and Budget, Scott Cameron appeared before the Committee and provided the Departmental perspective on the budget.

Since the President's budget was proposed, a number of the Department's bureaus have testified before their respective subcommittees of jurisdiction on both budget and policy. On April 3, 2019, Dan Smith, Deputy Director of the National Park Service, testified before the National Parks, Forests, and Public Lands subcommittee on the NPS's FY 2020 budget request and on April 10, 2019, Brian Steed, Deputy Director of the Bureau of Land Management, testified before that subcommittee on the BLM's FY 2020 budget request. Other subcommittee hearings on the FY 2020 request are scheduled for the near future.

Several of our bureaus have also appeared before the Energy and Minerals subcommittee in early March to discuss Departmental policies and priorities under their programs. For example, on March 6, 2019, Walter Cruickshank, Acting Director of the Bureau of Ocean Energy Management and Doug Morris, Chief of Offshore Regulatory Programs, Bureau of Safety and Environmental Enforcement. And on March 12, 2019, Mike Nedd, Deputy Director of the Bureau of Land Management testified on behalf of the BLM.

In those hearings, the Committee and its subcommittees heard and discussed the specific details of the Department's FY 2020 budget submission and Departmental and bureau priorities. As part of my written statement, I am including copies of the testimonies submitted by the Department's representatives at those hearings.

The President has been clear in his direction to and priorities for the Department. With the overarching goal to support continued economic growth and prosperity, he has expressed his

vision to the Department through a series of Executive orders and Presidential memoranda, including:

- EO 13781 Comprehensive Plan for Reorganizing the Executive Branch;
- EO 13783 Promoting Energy Independence and Economic Growth;
- EO 13792 Review of Designations Under the Antiquities Act;
- EO 13795 Implementing an America-First Offshore Energy Strategy;
- EO 13807 Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects;
- EO 13817 A Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals;
- EO 13840 Ocean Policy to Advance the Economic, Security, and Environmental Interests of the United States;
- EO 13855 Promoting Active Management of America's Forests, Rangelands, and other Federal Lands to Improve Conditions and Reduce Wildfire Risk; and

These documents are the foundation of the Department's policy objectives since the early days of this Administration.

As Secretary, I will work hard to effectuate the President's vision and to strike the right balance of protection and sustainable use of resources in a way that will provide conservation stewardship, enhance the safety of our communities, increase energy security, and allow America to prosper. At the same time, I will strive to meet the Administration's broader economic objective to manage federal spending with restraint.

We will proceed with the Department's reorganization, including efforts to relocate some operations out West, closer to where assets, acres, and customers are located.

Transformation of the Department's ethics program will remain a key priority for me as Secretary. Since the beginning of this Administration, we have hired a total of 42 career, professional ethics advisors, and by the end of FY 2019 we will have doubled the number of career ethics officials that the previous administration hired in 8 years. I have also directed the Department's Designated Agency Ethics Official to begin the process of consolidating the disparate ethics programs within the Department into one comprehensive Departmental program to create a better functioning and more robust program.

We are working hard to address workplace harassment at the Department of the Interior. We have established a clear anti-harassment policy. We directed each bureau to develop an action plan to address its harassment-related issues, and are tracking their progress in implementing these plans. We launched an internal Workplace Culture Transformation Advisory Council to look at common issues raised in the Federal Employee Viewpoint Survey; ways to improve employee engagement; and building career paths that cross bureau silos. We have taken significant action to combat workplace misconduct, but there is more to be done.

The Department has grappled for many years to address deteriorating infrastructure across our bureaus and maintenance backlogs at our national parks, national wildlife refuges, and Bureau of Indian Education schools, and even at our major dams. I am committed to working with Congress to develop a legislative solution to address these important infrastructure needs.

Mr. Chairman, Ranking Member Bishop, this concludes my statement. I will respond to any questions that you may have.

Attachments

**STATEMENT OF SCOTT CAMERON, PRINCIPAL DEPUTY ASSISTANT SECRETARY FOR POLICY,
MANAGEMENT, AND BUDGET FOR THE DEPARTMENT OF THE INTERIOR BEFORE THE
HOUSE NATURAL RESOURCES COMMITTEE
ON THE PRESIDENT'S 2020 BUDGET REQUEST
MARCH 27, 2019**

Chairman Grijalva, Ranking Member Bishop, and Members of the Committee, I am pleased to appear before you today to discuss the President's 2020 Budget Request for the Department of the Interior. Interior's 2020 budget totals \$12.6 billion. The 2020 request reflects the Administration's strong support for Interior's important missions and is \$926.2 million above the President's 2019 request for Interior. In fiscal year 2020 Interior will have access to additional funding in the event of a severe wildland fire season, through disaster cap authority.

2020 BUDGET PRIORITIES

Interior's 2020 budget reflects the Administration's commitment to strike the right balance of protection and sustainable use of resources in a way that provides proper conservation stewardship of our land and resources, enhances the safety of our communities, increases energy security, and allows America to prosper. Our budget invests to grow jobs and prosperity, promote safe and secure communities, strengthen America's energy security, meet Interior's Trust responsibilities, and continue to reorganize the Department of the Interior.

At the same time, this budget meets the Administration's broader economic objective to manage Federal spending with restraint. The request prioritizes delivery of Interior's core operating missions – the things the American public relies on us to do. We've focused our resources to take care of the assets we have, expand public access to our lands, and invest where Interior can make a significant contribution to national objectives.

Complementing our funding request, the President's 2020 budget request features two significant legislative proposals to address wildfire risk through forest management reforms, and to rebuild America's public lands infrastructure.

PROMOTING JOBS AND ECONOMIC GROWTH

The Trump Administration is committed to economic growth and prosperity. Our 2020 budget supports working lands, good-paying American jobs, common sense regulatory reform, expanded opportunities for the outdoor recreation economy, and increased revenue to States, Tribes, and local communities. Interior balances access for Americans to enjoy their public lands, managing these special places and natural resources for generations to come and the development needed to serve the public and fuel local economies.

Of Interior's \$12.6 billion 2020 budget request, \$4.9 billion supports the land management activities of the Bureau of Land Management (BLM), the National Park Service (NPS), and the Fish and Wildlife Service (FWS). These operating funds support the primary activities to meet the unique resource mission of each bureau. This funding supports resource development, day-

to-day operations, and conservation stewardship activities for Interior's great places; and fulfills the Department's Federal wildlife responsibilities.

America's Federal lands and waters contain tremendous job-creating assets, supporting more than 1.8 million jobs in energy, recreation, grazing, conservation, and hospitality. Dedicated stewardship of these resources and partnerships with communities bordering the public lands drive job opportunities and economic growth.

Interior's resource management programs directly support important jobs across America. The budget invests \$92.0 million in the BLM Rangeland Management program, which supports western ranching families, by managing nearly 18,000 livestock grazing permits and leases on the public lands. The BLM public domain forestry and Oregon and California grant lands programs support jobs and local economies through timber and timber product sales. The 2020 budget includes \$107.2 million for these programs to support timber sales and forest management projects. Consistent with the targets established under Executive Order 13855, the request supports an estimated 280 million board feet in timber sales in 2021, continuing annual increases from the 2018 production level of 226 million board feet.

The 2020 budget includes \$12.3 million for BLM's Other Mineral Resources Management program which manages development of leasable minerals. Funding in 2020 will be used to streamline program activities, expedite processing of applications, and facilitate more timely inspection and enforcement actions.

The U.S. Geological Survey's (USGS) mineral resources program works to understand the fundamental science and identify supplies of mineral resources to support land use decisions across the United States. This program directly supports the Administration's efforts to strengthen America's energy and critical minerals security as outlined in Executive Order 13817. The program is working to identify domestic supplies of 35 critical minerals needed for manufacturing and technology innovation. The 2020 budget for the USGS includes \$30.3 million for critical minerals work. This investment will provide the advanced topographic, geologic, and geophysical data needed to locate U.S. critical mineral resources to inform management of private-sector domestic development, reduce dependence on foreign sources, and support job creation and technological innovation.

To increase U.S. economic strength, the Administration has challenged Federal agencies to reduce the regulatory burden on Americans. We are working to ensure our regulations reflect advances in science and technology and foster innovation and economic growth. We have also established standard parameters to reduce page length and review times, internal processes, and applied project management practices to improve Interior's National Environmental Policy Act review and clearance activities. As part of this effort, we are also working to revise outdated processes and leverage technology to deliver better service. The 2020 budget invests in improvements to make it easier to do business with Interior, including more timely processing of coal, oil and gas, grazing management, communications infrastructure, and surface mining reclamation plan reviews.

Our efforts to improve Interior’s review and permitting activities directly contribute to a stronger infrastructure in the United States. Interior reviews and approves permits for Federal and private sector uses of Interior lands, including energy and minerals development, pipelines, and transmission infrastructure. The 2020 budget requests \$107.5 million for planning and consultation, which includes support for the FWS to perform reviews required under Section 7 of the Endangered Species Act and thereby avoid unnecessary delays in Federal infrastructure projects.

Investment in Interior’s infrastructure also benefits local economies. Interior’s infrastructure crisscrosses the country in roughly 2,400 locations. In many communities our operations are a major economic driver. Interior owns approximately 43,000 buildings, 106,000 miles of road, and 77,000 structures—including dams, schools, laboratories, employee housing, and irrigation and power infrastructure. Many of these assets are deteriorating. In 2018, Interior’s deferred maintenance backlog was over \$18 billion, of which nearly \$12 billion is associated with NPS assets. The 2020 budget invests \$1.5 billion across Interior for infrastructure maintenance and construction to care for our assets. This includes \$639.8 million for NPS construction and maintenance. Complementing the request is proposed legislation to establish a Public Lands Infrastructure Fund, setting aside up to \$1.3 billion a year, \$6.5 billion over 5 years, from 50 percent of energy development revenue that would otherwise be credited or deposited as miscellaneous receipts to the Treasury. Within Interior, the Fund would be available for infrastructure needs in NPS, FWS, the Bureau of Indian Education (BIE), and BLM.

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. Every year, hundreds of millions of visits are made to our national parks, national wildlife refuges, and BLM public lands to do everything from rock climb, kayak and camp to snorkel, hunt, and fish. Recreation visits to BLM and NPS lands alone support more than 350,000 jobs.

Increasing recreational opportunities for more Americans through our public lands and waters also brings more economic opportunity for our neighboring gateway communities. Increased public access to America’s lands is among our highest priorities. The budget for our primary land management bureaus includes roughly \$970.9 million for recreation and public access programs to increase the public’s enjoyment of Interior’s unique resources. In FWS, this request supports safe and reliable access to outdoor recreation for over 55 million visitors to the national wildlife refuges. The refuge system has more than 377 units that offer high-quality hunting opportunities and 312 units that are open to fishing. These activities, along with special events and outdoor education programs, annually generate \$2.4 billion in economic activity and support more than 35,000 jobs. The 2020 budget includes \$9.1 million for FWS to improve trails, open new areas to hunting, fishing and other recreation, increase awareness through updated web sites and recreation maps, and deliver engaging environmental education programs at the refuges.

In 2018, the 418 units of the national park system hosted over 318 million visitors. The 2020 request for NPS includes \$237.1 million for Visitor Services to support informative programming, concession management, and other activities to enhance the visitor experience. The budget invests \$10.0 million to expand outdoor recreation opportunities including fishing

programs for youth and other novice anglers, improve recreational related infrastructure and resources, and coordinate with State, local, business, and nonprofit stakeholders to increase access to outdoor recreation.

Responsible stewardship also means being a good neighbor. The 2020 budget maintains the Administration's continuing support for the Payments in Lieu of Taxes program, recognizing the inability of local communities to collect property taxes on certain Federal lands in their jurisdiction. In 2018, Interior made payments to over 1,900 local governments across the United States. Communities traditionally use these payments to help deliver vital services such as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations. The 2020 budget includes \$465.0 million in direct appropriations to support these payments.

COLLABORATIVE CONSERVATION OF WILDLIFE, HABITAT AND CULTURAL RESOURCES

Conservation stewardship is a key component of Interior's overall mission and is shared across all bureaus. Whether implementing resource conservation projects, providing grants, scientific expertise, or educational programs to support land, water, and wildlife conservation, Interior is a leader in protecting and managing America's resources for current and future generations to enjoy. The Department's conservation efforts would not be possible without our partners across America.

Our partners include the sportsmen and sportswomen who live America's conservation ethic. They volunteer and frequently provide private and partnership resources to care for wildlife habitat, species management, and collaborative conservation. Through the Pittman-Robertson and Dingell-Johnson Act programs, sportsmen and sportswomen contribute over a billion dollars each year to wildlife and habitat conservation and outdoor recreation projects. Every time a firearm, fishing rod, hook, bullet, motor boat or boat fuel is sold, part of that cost goes to fund conservation.

Increased access to hunting and fishing on public lands not only supports the outdoor economy but it actively supports conservation of these lands. Sportsmen and sportswomen also help to leverage roughly two to one the Federal contribution for Interior's North American Wetlands Conservation Act Grants. The 2020 budget includes \$40 million for these grants, which support projects to improve the health of wetlands, support migratory birds, and enhance nearby water quality. The 2020 budget also includes \$31.3 million for State and Tribal Wildlife Grants supporting State and Tribal projects to benefit local wildlife and their habitats through planning and restoration.

The 2020 budget prioritizes partnerships, species recovery, and proactive wildlife and habitat conservation to avoid species from becoming endangered. The budget includes \$95.0 million to recover listed species, and \$26.4 million for a range of proactive species and habitat specific conservation and restoration programs to avoid the need to list species. The \$67.8 million request for FWS Habitat Conservation features \$54.4 million for the Partners for Fish and Wildlife Program, which leverages the Federal investment for conservation projects with local non-Federal partners all across the country.

BLM's multiple use mission enables work, such as grazing, to continue on the public lands, but also ensures conservation of many species and their habitats – safeguarding the Nation's public lands as well as peoples' livelihoods. BLM manages more wildlife habitat acreage than any other Federal agency—supporting conservation efforts for 3,000 species and preserving and restoring essential habitat for 430 threatened or endangered species. The 2020 BLM budget includes \$118.4 million for Wildlife and Habitat Management. Management activities benefit native prairie, wildlife, and livestock, and help stabilize soils, maintain and improve water quality, reduce surface runoff and control flooding, improve ecological site conditions, and enhance overall environmental well-being.

Habitat corridors are a feature of many of the vast tracts of land managed by BLM and are crucial for migrating wildlife. The Department is working with States to research and protect the migration corridors of some of North America's most iconic big-game species by protecting the range of moose, mule deer, elk, pronghorn antelope, bighorn sheep, and other species who share the ecosystem benefit. The 2020 budget invests \$18.4 million across Interior to continue to support and expand migration corridor partnerships and conservation opportunities.

America relies on the NPS to protect and maintain the natural beauty of the parks' iconic landscapes as well as the artifacts and structures which help tell America's history. The \$2.4 billion request for national park operations includes \$321.6 million for natural and cultural resource stewardship across the parks. The FWS mission focuses on the conservation, protection, and enhancement of wildlife and their habitats. The 2020 FWS budget includes \$234.4 million for Wildlife and Habitat Management in the national refuge system.

USGS provides science, consistent monitoring, observation and mapping to support the Department's conservation mission. USGS research provides insight into changes in the natural world – our water, lands, geology, wildlife – and how they may affect our communities. The 2020 budget includes \$141.0 million for scientific work related to ecosystems, supporting investigations related to specific ecosystems, such as Florida's Everglades; or biological threats to species, including White Nose Syndrome in bats.

Water is vitally important to the health and well-being of Americans and our lands and wildlife. The USGS works with partners to manage water monitoring networks across the country which are relied upon by land managers, industry, and communities concerned about the availability of water or risk of flooding. USGS also addresses water quality issues, such as the prevalence of harmful algal blooms, which pose risks to natural resources reliant on water but also people. The 2020 budget includes \$179.9 million for USGS Water Resources programs to monitor, understand, and inform water challenges for the benefit of land and wildlife conservation, and communities across the country.

ACTIVE MANAGEMENT FOR HEALTHY FORESTS

Dense undergrowth has amassed on Federal lands, providing fuel for catastrophic wildfires and worsening insect infestation, and spread of invasive species and disease. These conditions are harming the Nation's forests, rangelands, and watersheds, and placing people, their homes, and

their communities at risk. These conditions also make it more dangerous for wildland firefighters to fight the fires. Active fuels management is a necessary and important tool to combat these threats, save lives, and protect property.

In tandem with the budget, the Administration proposes a package of forest management legislative reforms to help address this serious risk. By providing the Department with the tools necessary to expedite timber salvage operations in response to wildfires, insect and disease infestations, and other disturbances, the Department can more effectively reduce the risk of wildfire, utilize forest materials damaged as a result of those events, and better allocate resources to support restoration activities. Interior's 2020 budget includes \$194.0 million in Wildland Fire Management to support aggressive fuels reduction work and pre-suppression activities to help mitigate the incidence of catastrophic wildfires. The budget also includes \$161.8 million for timber management programs in the BLM and the Bureau of Indian Affairs (BIA), to prioritize planning and preparation activities affecting timber sales volumes and forest health. In addition, the BLM budget includes \$92.0 million to support healthy rangelands through weed reduction, vegetation treatments, and permitted grazing operations. The NPS budget includes \$4.0 million specifically to improve active forest and vegetation management in the national parks.

Complementing this initiative, Interior continues to work closely with partners to improve the sage-steppe working landscapes of the West which are vitally impacted by wildland fires. The 2020 budget includes \$55.5 million to implement sage-grouse management plans and continue cooperation with Western States on greater sage-grouse conservation. This funding will be used to remove conifers, create fire breaks, remove fire-prone invasive plants, and protect and restore habitat for all sagebrush dependent wildlife. At the end of 2018, nearly 1.5 million acres had been treated. The 2020 budget also includes \$75.7 million to continue management of Wild Horses and Burros on America's rangelands.

More active forest management like expedited timber salvage can reduce the risk to firefighters and revegetation crews, speeding the recovery of lands. The expedited recovery of wood products also provides an economic benefit. In turn, the fire risk to people, communities, recreation facilities, and infrastructure is reduced.

SAFE AND SECURE COMMUNITIES

The Department of the Interior is the proud home of 4,000 federal law enforcement officers with duties as varied as the bureaus' missions. Interior has highly specialized units in three major cities, drug enforcement teams in Indian Country, urban search-and-rescue units that provide hurricane response, and backcountry units that operate in the wilderness for days at a time. The 2020 budget includes a total of \$930.3 million for law enforcement programs, continues successful border enforcement and drug enforcement programs, and supports a new initiative to address the epidemic of violence and missing persons in Indian Country.

Interior's law enforcement officers help to secure Interior lands on the southern border. Over 12.5 million acres under Interior jurisdiction are within 50 miles of the United States-Mexico border. More than 655 miles of land along the border are managed by Interior's bureaus. Interior works closely with the Department of Homeland Security to increase security on the

southwest border, including 75 border miles on Tribal lands, primarily managed by the Tohono O'odham Nation in Arizona. Currently, about 300 miles, or less than half, of Interior's border lands have a vehicle barrier, pedestrian fence, or wall.

Fulfilling the President's commitment to end the opioid crisis in America is another top priority of the Department. This budget includes \$10.0 million including an increase of \$2.5 million, to continue support for the fight against opioids in Indian Country. BIA drug enforcement agents are part of the Federal Opioid Reduction Task Force addressing the increase in drug-related activities through interdiction programs to reduce drug use, distribution, and drug-related crime to help communities in Indian Country battle the opioid crisis. In the first year of operation, the Task Force conducted 8 undercover operations leading to more than 180 arrests and seizure of more than 1,000 pounds of narcotics worth more than \$9.0 million that were intended for sale in Indian Country.

Interior's wildland fire suppression operations are part of a vitally important partnership across all levels of government to fight wildfires on public lands and minimize risk to nearby communities. In fiscal year 2018, Interior spent more than \$528 million on wildfire suppression efforts alone. The 2020 budget includes \$383.7 million for wildfire suppression, pursuant to the requirements under the Consolidated Appropriations Act, 2018. Consistent with the Act, 2020 is the first year resources are also available through a wildfire budget cap adjustment to meet U.S. Forest Service and Department of the Interior fire suppression needs. The 2020 budget assumes a preliminary split of \$300 million of the authorized cap adjustment resources for Interior requirements, with the remainder allocated to the U.S. Forest Service. The Administration will reallocate resources between agencies as necessary to meet actual wildfire suppression needs.

Employees from across Interior also serve as part of Federal emergency response efforts. In the event of a natural disaster, our employees work to protect and rebuild Interior's assets, but are also part of the community working to help recovery. USGS scientists play an important role preparing for and addressing the aftermath of natural hazard events. USGS provides important scientific and monitoring information to emergency responders, policy makers, and the public to reduce the risk of losses from a wide range of natural hazards, including earthquakes, floods, hurricanes, landslides, tsunamis, volcanic eruptions, wildfires, geomagnetic storms, and drought. The 2020 budget includes \$145.0 million for the USGS Natural Hazards programs. This funding maintains important nationwide monitoring networks that are vitally important to emergency managers.

AN ERA OF ENERGY PROSPERITY

By advancing policies that embrace domestic energy development, the Trump Administration is putting America on a path towards greater energy security and prosperity. Under the Trump Administration, crude oil and natural gas production has hit all-time highs, U.S. net energy imports have fallen to their lowest levels since 1982, with the U.S. becoming a net exporter of natural gas in 2017 and expected to become a net exporter of energy overall, including petroleum and other liquids, by 2020.

Interior manages a good portion of the natural resources on America's public lands and waters, including oil, gas, coal, hydropower, minerals and renewable energy sources. The Department plays a critical role in the Nation's future energy security and our overall economic well-being. Altogether, Interior's energy and mineral portfolio contributed an economic output of over \$150 billion and supported an estimated 740,000 jobs nationwide. The same year, Interior shattered prior records in onshore oil and gas and offshore wind energy lease sales, and disbursed \$8.9 billion in revenues to States, Tribes, local communities, and the U.S. Treasury, an increase of \$1.8 billion from 2017.

The 2020 budget requests \$777.0 million in discretionary resources for energy-related programs across the Department. Together with permit fees and other mandatory funding, Interior's 2020 energy programs total \$830.1 million. A large portion of these energy development activities occur on the Outer Continental Shelf. The 2020 request includes a total of \$393.9 million to support responsible exploration and development of America's offshore energy resources, which remains a pillar of the Administration's energy strategy. Within this request is \$193.4 million for the Bureau of Ocean Energy Management's (BOEM) oil, gas, and renewable energy leasing and exploration activities. The 2020 budget continues to support preparation of the Nation's next 5-year Outer Continental Shelf Oil and Gas Leasing program. Interior is analyzing more than 2 million submitted public comments in response to the 2019–2024 National OCS Oil and Gas Leasing Draft Proposed Program and will use this information to prepare a Proposed Leasing Program.

The continued efforts of the Bureau of Safety and Environmental Enforcement (BSEE) are integral to a strong offshore energy program. The budget includes \$200.5 million for BSEE's work to ensure safe and environmentally sustainable energy exploration and production. BSEE is committed to the continual advancement of the effectiveness of its inspection program, enhancing its permitting processes around greater quality assurance and consistency, reforming overly burdensome regulations, ensuring high levels of preparedness in the event of oil spills, and expanding the renewables program.

The 2020 budget includes \$190.4 million in current and permanent funding for BLM's onshore oil and gas activities, of which \$137.3 million is requested in direct appropriations. Funding will expand areas available for leasing, expedite permitting, and improve program management. The 2020 budget advances activities in Alaska and New Mexico, and continues work to streamline leasing processes and speed the review of Applications for Permits to Drill. Interior has already reduced wait times for these permits by 57 days (from 120 days to 63 days). The budget will also help to expedite the processing of rights-of-way permits needed to move energy to consumers.

The 2020 BLM budget includes \$29.1 million for renewable energy activities. This funding will support the review and siting of geothermal resources, wind and solar energy projects on public lands, and rights-of-way applications to connect these projects to transmission lines. The 2020 budget includes \$19.8 million for the BLM coal management program focused on reducing permit processing times, simplifying the lease application process, and improving the timeliness to complete lease sale fair market value determinations. BLM's Federal coal leasing program supplies more than 40 percent of the coal produced in the United States.

The 2020 budget for BIA includes \$25.5 million for energy and mineral development programs in Tribal communities. Income from energy and mineral production is the largest source of revenue from natural resources on trust lands. In 2018, more than \$1 billion in revenue from oil, gas and mineral activities was disbursed to Tribes and individual Indian mineral rights owners. Tribes use this revenue to develop infrastructure, provide healthcare and education, and support other critical community development programs.

An important component of Interior's natural resource programs is the collection and disbursement of billions of dollars in receipts from development. The 2020 budget includes \$147.3 million for the Office of Natural Resources Revenue (ONRR) to ensure Americans receive an accurate return for their public resources. In 2020, ONRR will continue to implement a critical new Minerals Revenue Management Support System to update and improve management and accountability of Interior's significant revenue collections.

FULFILLING OUR TRUST AND INSULAR RESPONSIBILITIES

The Department of the Interior is responsible for fostering the government-to-government relationship with Indian Tribes and Alaska Native Villages and overseeing relations with U.S. territories and insular areas.

The United States has an important relationship with the affiliated insular areas including the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. With China's escalating influence in the Pacific region, Interior's insular responsibilities and obligations contribute meaningfully to broader Administration policy objectives in the region. In 2020, the Office of Insular Affairs will implement activities to bolster healthcare capacity, strengthen island economies, and fulfill U.S. Compact obligations. The Office will also participate in foreign policy and defense matters concerning the U.S. territories and the freely associated states. The 2020 budget includes a total of \$610.7 million in current and permanent authority, with \$84.1 million in current appropriations.

Interior provides services directly, or through contracts, grants, or compacts, to 573 federally recognized Tribes with a combined service population of nearly 2 million American Indians and Alaska Natives. The Department is committed to Tribal prosperity and working together with Tribes to address challenges in economic development, education, and law enforcement. Interior supports Indian self-determination to ensure Tribes have a strong voice in shaping Federal policies directly impacting their ability to govern and provide for the safety, education, and economic security of their citizens. Interior's Tribal programs deliver community services, restore Tribal homelands, fulfill commitments related to water and other resource rights, execute fiduciary trust responsibilities, support the stewardship of energy and other natural resources, create economic opportunity, and provide access to education.

The 2020 budget for Indian Affairs prioritizes programs that serve the broadest service population and addresses Federal responsibilities and Tribal needs related to education, social services, infrastructure, law enforcement, and stewardship of land, water, and other natural resources. The 2020 budget includes \$1.9 billion for BIA, and \$936.3 million for BIE. Within

this is \$367.4 million to fully fund the estimated Contract and Tribal Grant Support Costs Tribes incur from managing Federal Indian programs.

The 2020 budget takes action to improve the quality and efficiency of the BIE schools. In 2020, for the first time, we request funding for BIA and BIE separately, as part of an effort to improve overall transparency, accountability, and autonomy for the effective delivery of BIE school services. This step is consistent with direction from Congress and GAO recommendations, urging the Department to consolidate all responsibilities related to Indian education under BIE. The changes in the 2020 budget respond to your direction and other longstanding criticism that the lines of authority for BIE services were not clear, it was too difficult to determine who had final accountability for delivering services, and BIE did not have sufficient independence to ensure school needs were met.

The 2020 budget is the result of a detailed review within Indian Affairs, looking at the services provided to the BIE schools and the different roles of BIA, the Office of the Assistant Secretary for Indian Affairs, and BIE. The review considered where it made sense to decouple overlapping functions and where it made sense to continue cross-servicing to BIE with clearer agreements in place. The 2020 request reflects this review and strengthens BIE's ability to deliver materials and services, carry out needed health and safety inspections, and ensure repairs are made. The BIE budget includes \$867.4 million to continue core Indian education elementary, secondary and post-secondary programs. It also includes \$68.9 million to support facility construction, repairs, deferred maintenance, and capital improvements.

The 2020 BIA budget requests \$1.5 billion for Operation of Indian Programs. This includes \$409.2 million for the Public Safety and Justice programs providing law enforcement, corrections, and court services to Indian communities. The 2020 budget also includes \$326.0 million for Tribal Government programs with \$178.9 million for Self Governance Compacts.

The 2020 BIA budget includes \$184.1 million for Natural Resources Management supporting resource conservation, economic use, recreation, and protection of Tribal resource rights. Within this amount is \$54.8 million for Tribal forestry programs which complement of the Administration's forest management legislative reforms. The budget also includes \$11.2 million for the Tribal Management/Development Program which supports Tribal management of fish and game programs on Indian reservations. These programs ensure the protection of millions of acres of habitat necessary for the conservation of fish, wildlife, and plant resources and significantly contribute to the economic development of Tribal communities and the growing national demand for outdoor recreation and tourism.

The budget maintains a strong commitment to meet Tribal settlement agreements and includes \$45.6 million for BIA Water Rights Settlements. At this funding level, BIA remains on track to meet current water settlement commitments within the legislated timeframes. Across Interior, the budget includes \$178.6 million for Indian Settlement commitments.

GOVERNMENT REFORM

President Trump challenged Federal agencies to modernize and reform the Executive Branch and Interior is leading the way to better serve the American people. The absolute first step is fostering a culture of ethics and respect amongst colleagues. There is zero tolerance for any type of workplace harassment at Interior. The Department is instilling a culture change through clear management accountability, swift personnel actions, reporting procedures for harassment conduct, improved training, and substantive action plans. In the area of anti-harassment efforts, each bureau and office has made significant headway to put a diverse set of measures in place to prevent and address unacceptable conduct.

We have also launched an internal Workplace Culture Transformation Advisory Council across the Department to keep a focus on Interior's workplace environment. The Council will look at common issues raised in the Federal Employee Viewpoint Survey, ways to improve employee engagement, and building career paths that cross bureau silos; all with the goal to transform Interior's workplace culture for future generations.

Another management priority is creating a strong ethical culture to ensure Interior employees honor the public's trust to manage funds responsibly and avoid conflicts of interest. The expectations for appropriate employee conduct have been made clear, and the Department has set goals and expectations for qualified ethics officials sufficient to ensure our operations are conducted ethically.

Over many decades, the Department of the Interior experienced new bureaus becoming established on an ad hoc basis with their own unique regional organizations. This ultimately resulted in a complicated series of 49 regional boundaries among 8 bureaus. This complexity led to the situation where bureau regional leadership was focused on different geographic areas, did not have adequate and shared understanding of the needs and perspectives of regional stakeholders, and opportunities to share administrative capacity across bureaus were difficult to recognize and implement. Members of the public were often frustrated by problems in inter-bureau decision making where uncoordinated timelines and processes could lead to unnecessarily long delays in reaching a decision. In 2018, Interior began a reorganization effort focused on making improvements across each of these areas.

Interior's reorganization is driven by the need to improve our delivery of service to the public. The Department developed a reorganization strategy that relies on unified regions across Interior, moves some staff west to be closer to the resources and customers they support, improves coordination and collaboration among Interior's bureaus, and reviews standard administrative processes across Interior to find smarter ways to conduct business operations.

Last year, Interior took the first step in the reorganization. After working closely with stakeholders across the country on options to consolidate Interior's 49 different regions into common regions, Interior adopted 12 unified regions for a subset of the bureaus. As a result of Tribal consultation, BIA, BIE, and the Office of the Special Trustee for American Indians will not realign their regional field structure.

The unified regions will simplify how Interior is organized. Establishing unified regional boundaries across bureaus is the cornerstone of reforms to improve Interior's service delivery to the public. Within each shared region, bureaus will focus work on the same resources and constituents and improve coordination across the Department. For the public, fewer regions will make it easier to do business with Interior, particularly when the public interacts with several bureaus or jurisdictions. For Interior's business, the move will strengthen inter-bureau coordination and understanding, joint problem-solving, and mutual assistance.

Bureaus and offices have begun to work across organizational lines to identify ways to maximize the benefits of the new regions. In 2019, we are analyzing options to relocate more operations out West, where the preponderance of bureau assets and acres are located, to better serve our customers. As part of the planning, we are considering relative cost, accessibility, and the specific functions where it makes sense to be closer to field assets. We are also reexamining some of the Department's common business operations to leverage consistent best practices across Interior. In 2020, the budget requests \$27.6 million to continue implementing the reorganization with three areas of focus: Implementation of the Unified Regions (\$12.1 million), Relocation and Regional Stand Up (\$10.5 million), and Modernizing Interior's Business (\$5.0 million).

LEGISLATIVE PROPOSALS

Forest Health—The Administration proposes a comprehensive package of legislative reforms to proactively reduce the risk of wildfires through better management of Federal forests and rangelands. The proposed legislation would provide categorical exclusions on Interior lands for active forest management, including the ability to harvest dead, dying, or damaged trees and proactive fuels management including the use of fuel breaks. These changes are much needed to help reduce fire risk, improve forest health, minimize after fire impacts, prevent re-burn of fire impacted areas, and improve safety for wildland firefighters.

Public Lands Infrastructure Fund—The budget proposes \$6.5 billion over 5 years for a Public Lands Infrastructure Fund to address deferred maintenance needs in the Departments of Interior and Agriculture. Within Interior, the Fund will 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 BIE schools, and 5 percent for lands managed by the BLM. The Fund will be supported by 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.

Recreation Fee Program—The budget proposes to reauthorize the Federal Lands Recreation Enhancement Act, which expires in September 2020. As a precaution, the budget also proposes appropriations language to provide a 2-year extension of FLREA through September 2022.

Cancel Southern Nevada Public Land Management Act Account Balances—The budget proposes to cancel \$230.0 million in unobligated balances from the Southern Nevada Public Land Management Act (SNPLMA) program over a 3-year period.

EPAct Geothermal Payments to Counties—The budget proposes to restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the U.S. Treasury by repealing Section 224(b) of the Energy Policy Act of 2005. That section changed the distribution to direct 50 percent to States, 25 percent to counties, and 25 percent to the Federal government.

CONCLUSION

Thank you for the opportunity to testify on the President's 2020 Budget Request for the Department of the Interior.

In closing, this is a responsible budget that prioritizes core functions important to the American people. This budget invests in American jobs and prosperity by supporting working lands, implementing regulatory reform, expanding access to grow the outdoor economy, and rebuilding infrastructure. Complementing this funding request is legislation to provide up to \$6.5 billion over 5 years to address the deferred maintenance backlog on our public lands.

This budget advances collaborative conservation with investments in the America's natural and cultural resources, support for conservation stewardship partnerships, a focus on species recovery and proactive conservation activities to avoid the need for listing, and reforms to improve the health of our forest and rangelands and reduce risk from severe wildfires.

The 2020 budget supports safe and secure communities by helping to reduce wildfire risk, fight illegal drugs, and secure the southern border. The budget sustains America's era of energy prosperity, maintaining a diverse portfolio of energy sources, ensuring safe development, and keeping the U.S. on course to become a net exporter of energy in 2020.

This budget meets the Nation's trust responsibilities to insular areas and Indian Country and takes action to address a longstanding need to improve the quality of service to students attending BIE schools.

Lastly, this budget invests in Interior's longevity and the continued success of our mission by implementing reorganization reforms.

I look forward to working with you to support the President's 2020 budget request. I am happy to take your questions at this time.

STATEMENT OF P. DANIEL SMITH, DEPUTY DIRECTOR EXERCISING THE AUTHORITY OF THE DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND PUBLIC LANDS, OF THE HOUSE COMMITTEE ON NATURAL RESOURCES, EXAMINING THE SPENDING PRIORITIES AND MISSION OF THE NATIONAL PARK SERVICE

April 3, 2019

Chairwoman Haaland, Ranking Member Young, and members of the Subcommittee, thank you for the opportunity to appear before you today at this hearing on spending priorities and mission of the National Park Service (NPS) as reflected in the Fiscal Year (FY) 2020 President's budget request.

FY 2020 Introduction and Budget Summary

The FY 2020 President's budget request proposes total discretionary appropriations of \$2.7 billion for the NPS. The request continues delivery of mission critical activities and advances Administration priorities. These priorities include ensuring the American public continues to have an enriching national park experience, improving public access for outdoor recreation, and investing in park infrastructure. The request also includes an estimated \$733.4 million in mandatory appropriations. In total, the request includes budget authority of \$3.5 billion.

The FY 2020 budget supports continued stewardship of resources of national significance and provision of enriching experiences and enjoyment for visitors. The President's budget ensures that national parks continue to serve visitors who come every year to relax and recreate in America's great outdoors and learn about the people and places that make up America's story.

The budget includes \$321.6 million for natural and cultural resource stewardship. National parks are critical venues for the conservation of natural resources and play a unique role as places to apply adaptive management strategies. The budget supports the conservation of natural resources by funding projects and programs that promote or control native and invasive species, combat disease to preserve species and ecosystems, mitigate impacts to resources through conservation restoration and research, restore native lands, and control wildfire fuels through vegetation management.

The budget also emphasizes the importance of and commitment to addressing the deferred maintenance backlog faced by nearly every park across the country. The FY 2020 budget includes \$796.8 million for facility operations and maintenance, including \$132.0 million for Repair and Rehabilitation projects and \$134.1 million for Cyclic Maintenance projects. The 2020 budget also includes a proposal to establish a multi-agency Public Lands Infrastructure Fund to address the backlog of deferred maintenance on public lands, including NPS lands.

In 2018, for the fourth consecutive year visitation to America's national parks exceeded 300 million, totaling 318 million visitors. The 2020 budget supports ongoing efforts to offer a rewarding national park experience and provide affordable and accessible recreational opportunities. Communities surrounding national parks benefit from sustained high visitation by

way of increased economic activity generated by visitor and employee spending, both directly (e.g. hotels, restaurants, gas stations, etc.) and indirectly (e.g. hotel and restaurant suppliers, etc.). In 2017, the most recent data available, visitors spent an estimated \$18.0 billion in local gateway regions, supporting more than 306,000 jobs, with \$35.8 billion in economic output to the national economy.

National parks provide recreational opportunities for hunters and anglers as well as campers and hikers. To assist in these efforts, the 2020 budget includes \$10.0 million to support and enhance recreational opportunities at parks, including \$1.5 million to support veteran employment programs through Veteran Fire Corps conducting active forest management work; \$1.0 million for a traditional trades apprenticeship program for veterans teaching historic preservation; \$2.0 million to invest in a Service and Conservation Corps to improve recreation-related infrastructure; \$1.2 million to increase accessible hunting and fishing opportunities through a series of fishing events that would engage volunteers, including veterans, to teach junior anglers how to fish; \$1.0 million to build and/or retrofit accessible hunting blinds and fishing piers; and \$300,000 to support Alaska Native subsistence programs. The recreational access proposal also includes \$3.0 million to promote lesser known park sites within the tourism industry and build partnerships to market the recreation opportunities available at all national park units.

The request includes \$6.3 million to support parks with rising visitation enhance the visitor experience and ensure visitor safety. Funding will expand capacity in the areas of interpretation and education, park protection, and facility operations and maintenance, where demands on capacity within parks in terms of staffing and facility upkeep are most pressing. Parks experiencing the most significant increase in visitation include Great Smoky Mountains, Grand Canyon, Glacier, and Acadia National Parks.

The 2020 budget also requests \$4.0 million for on-the-ground active forest management necessary to reduce the wildfire risk to NPS infrastructure and resources and increase safety for firefighters and the public. Parks with the highest priority needs include Great Smoky Mountains, Crater Lake, Sequoia and Kings Canyon, and Yellowstone National Parks.

Addressing deferred maintenance in our national parks is critical to the NPS core mission and is a top priority of the Administration. The NPS 2018 deferred maintenance asset inventory summary report estimates there is \$11.9 billion in deferred maintenance needs in the parks including buildings, roads, trails, and other assets under NPS care. The 2020 budget continues to prioritize maintenance fund sources for infrastructure projects that address deferred maintenance, health and safety concerns, and resource preservation that are financially sustainable.

The FY 2020 budget includes \$4.0 million for new parks including Camp Nelson National Monument; Ste. Genevieve National Historical Park; and the Birmingham Civil Rights, Freedom Riders, and Reconstruction Era National Monuments. Funding would also support increased security at Independence National Historical Park and Cesar E. Chávez National Monument, and provide for a newly implemented locality pay adjustment in three areas of the country.

Operation of the National Park System

The Operation of the National Park System (ONPS) appropriation funds the operations of our 419 parks and related programs. The 2020 budget proposes ONPS funding at \$2.4 billion. The request for operations includes several notable proposals. These include the \$10.0 million for recreational access opportunities, \$6.3 million to support parks with rising visitation, \$4.0 million for active forest management, and \$4.0 million for new park responsibilities, as described above. In addition to these, the budget requests \$5.7 million for the reorganization of the Department of the Interior to implement the 12 unified regions and modernize Interior's administrative services. The budget also requests \$5.0 million to be provided for the National Park Foundation to promote public-private partnerships for the benefit of the national park system. The budget proposes \$2.3 million in law enforcement and health and safety increases to support the U.S. Public Health Service commissioned officers to ensure the safety of food, water, and wastewater systems provided in our national parks; to increase tactical support for fire suppression through the use of drones; and allow for additional law enforcement rangers to attend basic training – a step toward reducing the backlog of 200 rangers waiting to enter the training program. The budget also requests \$1.2 million in recurring funding for the timely replacement of the U. S. Park Police helicopter fleet. The budget also includes \$5.5 million for the increase to the D.C. water and sewer bill and \$5.9 million in net increases to External Administrative Costs including space rental, unemployment compensation, telecommunications and postage, and other departmental program changes.

Centennial Challenge

The National Park Service Centennial Act (P.L. 114-289), enacted in 2016, established a permanent National Park Centennial Challenge Fund. Amounts exceeding \$10.0 million from the sale of age-discounted Federal Recreational Lands Passes, commonly known as Senior Passes, are deposited into this Fund as offsetting collections to be used as the Federal match for projects or programs that enhance the visitor experience. The budget estimates deposits into this Fund will be \$1.4 million in FY 2020. As all Federal funds must be matched on at least a 50:50 basis, private donations will leverage the Federal funds for a total of at least \$2.8 million.

National Recreation and Preservation

The National Recreation and Preservation appropriation funds programs that support local and community efforts to preserve natural and cultural resources. The FY 2020 budget includes \$32.3 million.

The budget provides \$11.2 million for Natural Programs, including \$9.1 million for Rivers, Trails, and Conservations Assistance (RTCA) programs. RTCA will continue to enhance outdoor recreation access and provide technical assistance for projects in more than 800 communities. Other programs within this appropriation will provide support for managers of National Natural Landmarks, ensure recreation and conservation enhancements where possible in developing new hydropower, and assist in the transfer of unneeded/surplus Federal property to States and communities for public parks and recreation. National Register Programs are funded at \$15.7 million and will conduct approximately 1,300 new National Register actions and other activities such as digitizing National Register records. Funding for the National Center for Preservation Technology and Training, proposed at \$1.7 million, will provide technical information, research, best-practices, and technology training to preservation professionals nationwide.

Historic Preservation Fund

The Historic Preservation Fund appropriation supports Historic Preservation Offices in States, territories, and tribal lands for the preservation of historically and culturally significant sites and to carry out other responsibilities under the National Historic Preservation Act. The FY 2020 budget requests \$32.7 million.

Construction

The budget proposes \$246.3 million for Construction. Line Item Construction is funded at \$160.7 million, which includes \$4.0 million for demolition and disposal projects, \$4.0 million to mitigate dangers in and around abandoned mineral lands sites, and \$152.7 million for line item projects that help tackle the NPS's \$11.9 billion deferred maintenance backlog and address important safety, visitor experience, and resource preservation issues at parks. Some project examples include rehabilitating the breakwater at Fort Sumter and Fort Moultrie National Historical Park, and rebuilding the Nauset Light Beach Bathhouse at Cape Cod National Seashore.

The request funds Construction Program Management and Operations at \$41.9 million. Construction Planning is funded at \$17.9 million to ensure future projects are ready for execution and reduce uncertainties often uncovered during initial planning of construction work that can necessitate changes in materials, time, compliance, or other factors that could increase the cost of a project.

Funding for Special Programs is proposed at \$15.7 million. These programs work with parks to decrease the potential of and increase preparedness for dam accidents, upgrade the condition of employee housing, and provide for emergency projects.

The budget proposes to fund Management Planning activities of the Park Service at \$10.2 million. The program will continue special resource studies and reconnaissance surveys currently underway or in the transmittal process.

Land Acquisition and State Assistance

Within the Federal Land Acquisition appropriation, American Battlefield Protection Program (ABPP) Acquisition Grants and Recreational Access Grants are funded at \$5.0 million and \$1.0 million, respectively. ABPP grant funding will allow for 12-15 grants per year and will continue protection of significant historic battlefield lands associated with wars on American soil. Recreational Access grants will allow NPS to continue to work with landowners adjacent to NPS properties to purchase properties that would enhance recreational opportunities.

Mandatory Proposals

Due to sustained increases in visitation, as well as increases in fee pricing implemented in June of 2018, revenues collected by NPS under the authority established in the Federal Lands Recreation Enhancement Act (FLREA) have increased 65% from FY 2014 to FY 2018. These revenues are used primarily at the park where they were collected, with a portion used at non-collecting parks, to implement projects and programs that enhance the visitor experience and

improve visitor facilities. The FY 2020 budget estimates \$312.5 million in FLREA revenues and plans to obligate \$192.8 million on deferred maintenance, capital improvement, and routine maintenance.

The budget also supports the Visitor Experience Improvements Fund (VEIF), as authorized through the Visitor Experience Improvement Authority (VEIA) under the National Park Service Centennial Act (P.L. 114-289). The budget estimates \$21.2 million in the revolving account to enhance the visitor experience through management, improvement, enhancement, operation, construction, and maintenance of commercial visitor services facilities.

Public Lands Infrastructure Fund

The Departments of the Interior and Agriculture manage an infrastructure asset portfolio with over \$18 billion in deferred maintenance, which includes structures, trails, roads, utility systems, and Bureau of Indian Education (BIE) schools. To address these needs, the budget includes \$6.5 billion over 5 years for a Public Lands Infrastructure Fund. The Fund will support infrastructure improvements through an allocation of 70 percent for national parks, 10 percent for national forests, 10 percent for wildlife refuges, five percent for BIE schools, and five percent for lands managed by the Bureau of Land Management. The Fund will be supported by 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 many of America's most visible, visited, and treasured places.

Thank you for your continued support of the NPS and consideration of our FY 2020 Budget Request.

Statement of Brian Steed
Deputy Director for Policy & Programs
Bureau of Land Management
U.S. Department of the Interior
House Committee on Natural Resources
Subcommittee on National Parks, Forests, and Public Lands
Hearing on
The 2020 President's Budget Request
April 10, 2019

Madam Chair and Members of the Subcommittee, I am pleased to be here today to discuss the Bureau of Land Management (BLM) Fiscal Year (FY) 2020 Budget Request. Given the Subcommittee's jurisdiction, this testimony focuses on the BLM's land, recreation, and natural resource management programs.

Introduction

The BLM manages approximately 245 million acres of surface land and over 700 million acres of subsurface mineral estate on behalf of the American people.

The Federal Land Policy and Management Act of 1976 (FLPMA) sets forth the BLM's multiple-use and sustained yield mission, directing that public lands be managed for a variety of uses, ranging from conventional and renewable energy development, livestock grazing, conservation, mining, watershed protection, hunting, fishing, and other forms of recreation. The BLM manages lands with some of the most advanced energy development in the world and some of North America's most wild, historic, and scenic landscapes. Because of this, Federal lands support the production of goods and services that create jobs and promote economic development in communities across the Nation. Revenues generated from the public lands make the BLM one of the top revenue generating Federal agencies. States and counties use these important funds to support the building and maintenance of roads, schools, and other community needs. The BLM's multiple use mission advances the President's priorities of energy security, shared conservation stewardship, safe borders, and putting Americans back to work, while also emphasizing the interconnection between people, the public lands, and the economy.

Collaboration and cooperation are hallmarks of the BLM's multiple use management approach. The Bureau engages a wide range of stakeholders and communities to inform its land management decisions. These efforts are essential in order for the Federal government to be a good neighbor to and steward for local communities.

FY 2020 Budget Overview

The Bureau's 2020 budget requests \$1.2 billion, including \$ 1.08 billion for the Management of Lands and Resources (MLR) appropriation and \$ 107.0 million for the Oregon and California Grant Lands (O&C) appropriation — the BLM's two main operating accounts.

The FY 2020 budget supports opportunities for outdoor recreation, sustainable timber harvesting, grazing, and promotes responsible energy and mineral development. In tandem with the budget,

the Administration proposes a package of forest management legislative reforms to provide the Department with tools to reduce the threat of catastrophic wildfires.

The BLM FY 2020 budget request reflects and strengthens the Administration's commitment in the following areas:

- Restoring Trust and Being a Good Neighbor
- Conserving Our Land and Water Resources
- Expanding Outdoor Recreation
- Sustainable Energy Development and Natural Resource Protection

Active Forest Management and Being a Good Neighbor

The budget request reflects the Administration's priority of restoring regulatory balance, expanding access to public lands, and enhancing public trust and being a good neighbor in the communities that are home to BLM lands. On the heels of one of the Nation's most devastating wildland fire seasons, the Budget supports the important objectives laid out in President Trump's Executive Order (E.O.) 13855, *Promoting Active Management of America's Forests, Rangeland, and Other Federal Lands to Improve Conditions and Reduce Wildfire Risk*. The BLM budget prioritizes active forest management as necessary to achieve the targets set forth in the E.O. and invests \$10.2 million in 2020 for forest management on public domain lands. The 2020 BLM budget also requests \$107.0 million in the Oregon and California Grant Lands appropriation, much of which will lay the groundwork to increase the amount of timber offered for sale there to 280 million board feet (MMBF) in 2021, reflecting the BLM's commitment to advance timber production and forest health. Approximately 226 MMBF were sold in 2018.

In tandem with the Budget, the Administration is proposing a package of forest management legislative reforms, which includes categorical exclusions for fuels management work. These authorities will promote shared stewardship across ownership boundaries and improve the ability to treat additional acres more efficiently and effectively, thereby reducing fire risk and making meaningful progress toward resilient landscapes and fire-adapted communities. This will provide the Bureau with the necessary tools to help protect firefighters and communities from wildfire by emphasizing forest management strategies that significantly increase resilience to wildfire, insects, disease, and drought, as well as support timber harvests and biomass utilization.

Conserving Our Land and Water Resources

The BLM continues to focus on high priority work across the Land Resources, Wildlife and Aquatics, Recreation Management, and Resource Protection and Maintenance activities. These activities support many of the Department's high priority goals, including energy independence, expanded recreation, and shared conservation.

Balancing habitat conservation and responsible development of public land resources ensures the best outcome for the people and wildlife that rely on these lands. The BLM's 2020 budget request builds on the results of ongoing efforts including implementing "outcome based grazing"

and sage-grouse management plan amendments, which better align Federal habitat conservation efforts with State wildlife management plans.

The BLM will invest \$7.0 million in habitat identification and habitat restoration efforts across multiple programs, which will help implement Secretarial Order 3362, *Improving Habitat in Western Big-Game and Migration Corridors*. This funding will be used in coordination with States to support big game as well as evaluation and implementation of habitat restoration.

In addition, the 2020 budget request provides \$92.0 million for the Rangeland Management program. To better leverage resources and focus funding on more complex grazing permit processing requirements, the BLM will continue to use the authority provided under section 402(c) of the FLPMA. The BLM administers about 18,000 grazing permits and leases within almost 22,000 grazing allotments on approximately 155 million acres of public land. Grazing permits are generally issued for ten years, which means that renewing grazing permits is a cyclical process and not a one-time event. The BLM will continue efforts to improve and streamline grazing permit processing to achieve greater efficiencies and service to permittees while striving to meet land condition objectives. The BLM plans to continue or expand recent demonstration projects using Outcome Based Grazing Authorizations.

Finally, the budget seeks \$75.7 million for the BLM's Wild Horse and Burro program, which in 2020 will continue to identify innovative ways to address the burden that growing wild horse and burro populations put on fragile rangeland resources and taxpayer resources. The program will seek to increase public/private partnerships to place more animals into private care while also working with organizations to create public/private partnerships on pasture lands. The program will also work with academia and Federal partners to enhance existing sterilization methods and fertility control vaccines, develop new population controls through research projects, and continue to pursue adoptions and sales, including incentivizing adoptions.

Expanding Outdoor Recreation

The BLM is committed to the Administration's priority of expanding access for the American public to the vast recreation resources on BLM-managed public lands, including enhancing opportunities for hunting, fishing, and many other uses.

In 2018, DOI records indicate that visitor recreation exceeded 67 million visitors on public lands, and it is estimated that the BLM will exceed over 70 million visitors in 2020. Visitors to these lands enjoy countless types of outdoor adventure — participating in activities as widely varied as camping, hunting, fishing, hiking, horseback riding, boating, whitewater rafting, hang-gliding, off-highway vehicle driving, mountain biking, wildlife viewing, photography, climbing, many types of winter sports, and visiting remarkable natural and cultural sites.

Currently, the BLM manages over 3,600 developed recreation sites and areas; administers over 4,500 permits for commercial, competitive, and organized group activities; and provides the public with thousands of miles of motorized and non-motorized trails. Recreational experiences are especially important in the growing West and contribute to local economies.

The FY 2020 budget request promotes a holistic approach to managing our recreational lands and cultural resources, which will be implemented through more streamlined recreational and cultural resources management. The budget proposes \$54.8 million for Recreation Resources Management to meet growing public demand and will focus on areas in need of visitor services at the highest visitation sites.

The budget also includes \$37.1 million for the National Monuments and National Conservation Areas program to manage designated historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest on the public lands, and to support outstanding recreational opportunities and public access.

The Cultural Resources Management program, which supports the inventory, protection, and stabilization of BLM cultural sites, will receive \$15.6 million in FY 2020. The program will continue to provide support and guidance on consultation with Tribes and to other BLM programs.

Modernizing the BLM

In 2018, the Department announced the designation of Interior's 12 new unified regional boundaries. Establishing unified regional boundaries across Interior bureaus will improve Interior's service delivery to the public across Interior bureaus. Within each shared region, bureaus will focus work on the same resources and constituents and improve coordination across the Department. For the public, fewer regions make it easier to do business with Interior, particularly when it involves several bureaus or jurisdictions. The FY 2020 budget request includes an increase of \$7.7 million to support implementation of the Department's reorganization.

Implementing Public Law 116-9, the John D. Dingell, Jr. Conservation, Management, and Recreation Act

On March 28, 2019, Acting Secretary Bernhardt signed Secretarial Order 3374 to facilitate and prioritize implementation of Public Law 116-9, which is sweeping public lands legislation with provisions affecting all 50 States. This Act establishes many conservation and recreation special management designations, provides for a number of significant land sales, transfers, and exchanges, and resolves many long-standing and complicated land tenure issues on lands managed by the Department. Secretarial Order 3374 will also ensure consistency among all offices and bureaus within the Department. While all of the Department's bureaus are affected by the new law, over 30 of the individual sections apply to public lands managed by the BLM. As directed by Secretarial Order 3374, the BLM is working expeditiously to implement the sections of the new law.

Conclusion

The President's FY 2020 budget request for the BLM provides sustainable benefits across the West and for the Nation. The BLM takes pride in its collaborative efforts to manage the public lands in a way that helps to create and sustain jobs, increase access and enhance outdoor recreation opportunities nationwide, and to maintain productive working landscapes for grazing and timber. I look forward to working with the Subcommittee to provide the BLM with the tools

and resources necessary to achieve these important Administration objectives.
Thank you for the opportunity to present this testimony.

**Statement of
Walter Cruickshank
Acting Director, Bureau of Ocean Energy Management
U.S. Department of the Interior**

**Before the
House Committee on Natural Resources
Subcommittee on Energy and Mineral Resources**

March 06, 2019

Chairman Lowenthal, Ranking Member Gosar and members of the Subcommittee, thank you for inviting me to appear before you today to discuss the mission of the Bureau of Ocean Energy Management (BOEM). I am pleased to appear here today with my counterpart from the Bureau of Safety and Environmental Enforcement (BSEE). BOEM coordinates and collaborates with BSEE in a variety of ways on a daily basis to ensure effective management of offshore energy activities. Through the sharing of data and collaboration on cross-cutting topics, BOEM and BSEE work efficiently to ensure that offshore energy and mineral resources belonging to the American public are managed in a safe and responsible manner that brings maximum benefit to the United States taxpayer.

The Administration's America First Offshore Energy Strategy calls for boosting domestic energy production to stimulate the Nation's economy and to ensure national security, while providing for responsible stewardship of the environment. Implementation of these goals aligns with BOEM's statutory mission. BOEM is responsible for managing the development of our Nation's offshore energy and mineral resources in an economically and environmentally responsible manner. BOEM accomplishes this mission through oil and gas leasing, renewable energy development, and marine mineral leasing, all of which are guided by rigorous, science-based environmental review and analysis. BOEM helps support the Administration's goal to increase domestic energy production by providing access to Outer Continental Shelf (OCS) resources through programs that enable exploration and production of offshore oil and gas resources and facilitate renewable energy development. As a result, BOEM plays an important role in advancing the Administration's comprehensive approach to expanding responsible domestic energy resource development as part of a broader effort to secure the Nation's energy future, benefit the economy, and create jobs.

BOEM manages access to, and, as required by statute, ensures fair market value or fair return for, OCS energy and mineral resources to help meet the Nation's energy demands and mineral needs, while also balancing such access with the protection of human, marine, and coastal environments. As the Nation's offshore energy and mineral resource manager, BOEM administers comprehensive analyses to inform decisions about where, when, and whether offshore energy and mineral development can or should occur.

Oil and Natural Gas

As of February 2019, BOEM administers more than 2,600 active oil and gas leases on nearly 14 million OCS acres. In 2018, OCS leases generated more than \$5.2 billion in revenue for the Federal Treasury, Land and Water Conservation Fund, Historic Preservation Fund, and state governments. The overall level of activity on the OCS – including current production, drilling, and the development of new projects – is estimated to support approximately 300,000 direct, indirect, and induced jobs. In FY 2017, OCS leases provided more than 621 million barrels of oil and 1.11 trillion cubic feet of natural gas to energy markets, accounting for approximately 18 percent of domestic oil production and 4 percent of domestic natural gas production, almost all of which was produced in the Gulf of Mexico.

In FY 2017, BOEM initiated efforts to develop a new National OCS Oil and Gas Leasing Program (National OCS Program), pursuant to Executive Order 13795, *Implementing an America-First Offshore Energy Strategy*, and Secretarial Order 3350, *America-First Offshore Energy Strategy*. Due to the extensive coordination and public outreach required, the entire program development process typically takes two to three years. BOEM initiated the public process on July 3, 2017, with a Request for Information, on which it received more than 800,000 comments. BOEM gave these comments careful consideration when developing its Draft Proposed Program. On January 4, 2018, the Department announced the 2019-2024 National OCS Oil and Gas Leasing Draft Proposed Program (DPP), which proposes 47 potential lease sales for consideration in 25 of the 26 OCS planning areas – the largest number of lease sales ever proposed for the National OCS Program’s five-year lease schedule. This DPP would make more than 98 percent of undiscovered technically recoverable OCS oil and gas resources available for oil and gas leasing consideration. It is also the first time in 35 years that virtually the entire OCS has been analyzed under the provisions of the OCS Lands Act and the National Environmental Policy Act at this stage in the program development process, providing the Secretary the most comprehensive and up-to-date information on which to base decisions. The publication of the DPP initiated a 60-day public comment period during which BOEM received more than 2 million comments. BOEM has again taken these comments into careful consideration and will release the Proposed Program in the coming weeks.

BOEM will continue implementation of the current 2017-2022 National OCS Program until the new National OCS Program takes effect. BOEM has conducted three Gulf of Mexico-wide lease sales under the current program, resulting in the issuance of 361 leases totaling more than \$402 million in bonus revenue. The next Gulf-wide lease sale is scheduled for March 20, 2019.

BOEM is continuing efforts to facilitate the acquisition, and evaluation, of updated resource information in the Atlantic, including updated geological and geophysical (G&G) data. The last seismic data for the Mid- and South Atlantic OCS were gathered more than 35 years ago. During FY 2014, BOEM developed a framework for the acquisition and management of G&G data within the Mid- and South Atlantic Planning Areas using current technologies. Data acquired from the permit applicants can be used to help advance fundamental scientific knowledge and identify potential offshore oil and gas resources, as well as determine the fair market value of such resources. This data can also assist BOEM in identifying sand to be used for restoration of

our Nation's beaches and barrier islands following severe weather events and to protect coasts and wetlands from erosion.

In 2014, BOEM issued a Record of Decision for the Programmatic Environmental Impact Statement for Atlantic G&G activities that established stringent mitigation measures while allowing for potential G&G survey activities off the Mid-Atlantic and South Atlantic coast. There are currently nine permit applications pending for G&G activities related to oil and gas in the Atlantic, ranging from aerial magnetic and gravity surveys to deep penetration seismic surveys. NOAA Fisheries issued Incidental Harassment Authorizations (IHAs) to five permit applicants pursuant to the Marine Mammal Protection Act on November 30, 2018. BOEM currently is completing its review of four permit applications. Any decision to approve G&G activities does not authorize leasing for oil and gas in any area of the Atlantic. Leasing decisions will be addressed through the National OCS Program and the decision to lease a particular area would be done at the lease sale stage, which comes after approval of the National OCS Program.

Executive Order 13795 called for a reconsideration of BOEM's Notice to Lessees No. 2016-N01, which addressed financial assurance, to reduce unnecessary regulatory burdens while ensuring operator compliance with lease terms. One of BOEM's priorities with respect to regulatory reform is to better align requirements with the realities of aging offshore infrastructure. BOEM's goals are to ensure that lease obligations (such as decommissioning) are borne by the lessees and not by the taxpayers. BOEM is proactively implementing a comprehensive Risk Management and Financial Assurance Program to modernize its regulatory regime. BOEM's Risk Management Program will develop risk governance structures, including revised bonding and financial assurance regulations, as well as general and project-specific risk management strategies and procedures. Finally, the program will monitor and track the financial strength of offshore lessees to ensure that BOEM is requiring the proper level of bonding or other acceptable financial risk mitigation measures to protect taxpayers.

Renewable Energy Development

In recognition of the role renewable energy can play in securing U.S. energy independence and supporting national economic growth, BOEM will continue to examine the development of renewable energy. BOEM identifies potential wind energy areas using a coordinated approach that includes extensive environmental analysis, public review, and large-scale planning. BOEM has issued 15 active commercial offshore wind energy leases, including three recently awarded following a competitive auction offshore Massachusetts that garnered \$405 million in winning bids. To date, competitive wind energy lease sales have generated more than \$473 million in bonus bids for nearly 2 million acres in the OCS. If fully developed, these leases could generate enough energy to power over 5.5 million homes. BOEM is currently engaged in renewable energy planning efforts for areas offshore California, Hawaii, New York/New Jersey, and North/South Carolina. BOEM is also making progress on siting demonstration and technology testing projects for wind and marine hydrokinetic energy offshore on both the Atlantic and Pacific coasts.

Two construction and operations plans – for the Vineyard Wind Project and South Fork Wind Farm – were submitted to BOEM in FY 2018, and BOEM has initiated development of

environmental impact statements for both projects. Current lessees have told BOEM to anticipate receiving up to five more construction and operations plans through 2019. Reviews of all these projects will be conducted consistent with statutory and regulatory authorities, as well as with EO 13807 (*Establishing Discipline and Accountability in Environmental Review and Permitting Process for Infrastructure Projects*) and SO 3355 (*Streamlining National Environmental Policy Act Reviews and Implementation of Executive Order 13807*).

Offshore wind has the potential to play an integral role in our future energy portfolio. BOEM will continue to work closely with other Federal agencies, states, and other key stakeholders to ensure the responsible development of this technology.

Marine Minerals

In carrying out its mission to manage the responsible development of offshore resources, BOEM considers resources other than conventional or renewable energy. Pursuant to the OCS Lands Act, BOEM is the steward of OCS sand, gravel, and shell resources. Through its Marine Minerals Program, BOEM manages the responsible use of these resources, which are critical for the long-term success and cost-effectiveness of many shore protection, beach nourishment, and wetlands restoration projects along the Atlantic and Gulf of Mexico coasts. Since 1995, BOEM (and its predecessors) has leased almost 150 million cubic yards of sediment resources for 55 projects in eight states and helped to restore more than 300 miles of coastline along the Atlantic and Gulf coasts.

BOEM continues to see an increasing trend in the number of requests for OCS sediment, as well as a commensurate increase in the volume of OCS sediment allocated per year. These trends are driven by diminishing resources in state waters and a high frequency of recent storms along the Atlantic and Gulf of Mexico coasts.

Critical minerals are a new focal area for BOEM's Marine Minerals Program. Pursuant to Executive Order 13817 – *A Federal Strategy To Ensure Secure and Reliable Supplies of Critical Minerals* – and Secretarial Order 3359 – *Critical Mineral Independence and Security* – BOEM is collaborating with the USGS to determine which critical minerals are located on the OCS.

Environmental Programs

BOEM is responsible for assessing the impacts of, and providing effective environmental safeguards for, OCS energy and mineral resources exploration and development. BOEM develops, funds, and manages scientific research to inform these assessments and provide the foundation for sound, science-based policy decisions that help BOEM manage the Nation's offshore energy and mineral resources in an environmentally and economically responsible manner.

BOEM's environmental programs, including its Environmental Studies Program, provide information about the potential environmental impacts of OCS energy and mineral resource development and offer measures to prevent, mitigate, and monitor these impacts. This

information supports and guides decision-making not just within BOEM, but also by BSEE and other governmental authorities.

Because of the quality, scale, and duration of studies performed under its auspices, BOEM's Environmental Studies Program is a leading contributor to the growing body of scientific knowledge about the Nation's marine and coastal environment. Through its applied research program, BOEM has leveraged partnerships with academic institutions and other Federal agencies to produce top-tier scientific work.

BOEM's management of the Nation's OCS oil and gas, marine minerals, and renewable energy resources will continue to be informed through the environmental assessments, studies and partnerships conducted under its Environmental Programs. These efforts are vital to ensuring that the impacts of OCS activities on the environment are understood and effective protective measures are put in place.

Conclusion

Moving forward, BOEM's oil and gas, renewable energy, marine mineral, and environmental programs will continue to meet the high standards set by the Administration, Congress, and the public through appropriate planning, development, and protection of the Nation's offshore resources in response to the Nation's energy and coastal resilience needs.

Thank you once again for the opportunity to testify here today. I would be happy to answer any questions you may have.

**STATEMENT OF
DOUGLAS MORRIS
CHIEF, OFFICE OF OFFSHORE REGULATORY PROGRAMS
BUREAU OF SAFETY AND ENVIRONMENTAL ENFORCEMENT
UNITED STATES DEPARTMENT OF THE INTERIOR
BEFORE THE
COMMITTEE ON NATURAL RESOURCES
SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES**

Hearing on “Examining the Policies and Priorities of the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the U.S. Geological Survey”

March 6, 2019

Chairman Lowenthal, Ranking Member Gosar, and Members of the Subcommittee, I am pleased to join you today to discuss the policies and priorities of the Bureau of Safety and Environmental Enforcement (BSEE), a bureau of the Department of the Interior. We welcome the Subcommittee’s interest in our efforts to promote offshore safety and environmental protection. It is our firm belief that our nation’s demand for the energy resources it needs today should be met by a supply that is developed safely, sustainably, and domestically.

The Outer Continental Shelf (OCS) is a vital component of our nation’s energy economy. In 2018, oil production from the federal OCS exceeded 644 million barrels and natural gas production topped 986 billion cubic feet.¹ It accounts for approximately 18% of domestic oil production, 4% of domestic natural gas production, billions of dollars in annual revenue for the Treasury, states, and conservation programs, and supports an estimated 300,000 jobs. As the agency charged with the mission of ensuring that the offshore oil and gas industry extracts these resources in a safe and environmentally sustainable manner, I believe that we have made significant progress towards reducing the risks of offshore oil and gas exploration and production so that we may continue to realize these important national benefits.

Background

BSEE has jurisdiction over offshore energy development on the OCS, with operations permitted in three regions – the Gulf of Mexico, Pacific, and the Alaskan OCS. The Bureau was established to protect life, property, and the environment by ensuring the safe and responsible exploration, development, and production of offshore energy resources. Currently, areas within our jurisdiction are home to approximately 40 active drilling rigs and almost 2,000 offshore facilities steadily pumping hundreds of millions of barrels of oil through more than 25,000 miles of pipelines, predominantly in the Gulf of Mexico.

¹ <https://www.data.bsee.gov/Production/OCSProduction/Default.aspx>

BSEE actively works to promote the efficient and responsible production of offshore energy resources through a comprehensive program of permitting, regulations, compliance monitoring and enforcement, technical assessments, inspections, preparedness activities, and incident investigations. As a steward of our nation's natural resources, resource conservation is also central to BSEE's mission: the Bureau protects federal royalty interests by ensuring that offshore oil and gas are conserved and leaseholders maximize recovery from OCS reservoirs. To carry out its diverse array of policies and programs, the Bureau employs highly skilled engineers, geoscientists, geologists, environmental specialists, inspectors, and preparedness analysts. Our people have the breadth of expertise and experience needed to oversee offshore energy projects from the planning of exploratory drilling operations through the decommissioning of offshore production platforms.

The Administration's work to improve our oversight of oil and natural gas development on the OCS reflects a careful balance among resource development, production goals, worker safety, and environmental protection. In overseeing an industry with such complex and expansive operations, BSEE is continually looking for opportunities to strengthen environmental safeguards and to take a smarter, more strategic approach to safety.

Offshore Safety Innovation and Improvement

In recent years America has seen ever increasing levels of production offshore, with production levels reaching 10-year highs in 2018.² Over that same year, BSEE inspected every platform, drilling rig, and non-rig unit on the OCS, which, in 2018, represented a six percent increase in inspections from 2016. In doing so, BSEE satisfied its statutory inspection obligation and played a critical role in ensuring that the record-level of offshore production in 2018 was carried out safely. While production levels have increased over the past two years, the number of injuries and incidents, such as fires, have shown steady decreases when normalized to levels of activity.

Beginning in 2017, the Bureau engaged in an effort to determine how it might carry out its mission in a more efficient and more effective manner. Subsequently, BSEE developed initiatives focused on creating an organization that has strong, smart programs and processes moving forward. These initiatives are aimed towards improving and streamlining processes; ensuring the efficient use of bureau resources; developing an accountable, competent, and engaged workforce; and integrating effective stakeholder engagement. Among these initiatives are efforts to implement risk-based inspections as a part of our overall inspection strategy; use offshore near-miss data to identify incident precursors; and increase physical inspection time on offshore facilities by using technology to increase inspection efficiency.

Risk-Based Inspections

BSEE has launched a risk-based inspection program to focus more oversight and resources on higher-risk offshore facilities. The Bureau is now using findings from the analysis of offshore safety data to focus inspections on operations and facilities whose characteristics and records of safety indicate a greater risk of a safety or environmental incident. Through this effort, we are able to stay ahead of potential issues. This program supplements our

² <https://www.data.bsee.gov/Production/OCSProduction/Default.aspx>

statutory responsibility to inspect every drilling rig, non-rig unit, and production facility on the OCS that is subject to any environmental or safety regulation promulgated pursuant to the Outer Continental Shelf Lands Act at least once per year.³ These more intense, targeted inspections focus on the highest-risk operations and equipment such as crane safety and operations involving fired vessels.

Offshore Near-Miss Reporting Program

Our bureau's mission of protecting offshore workers and the environment is strengthened by collaboration with industry to build data sets that can be used to identify the greatest risks to safety and the environment offshore and to draw insights from that data that can help minimize those risks. The collection and analysis of near-miss data are helping identify problems before they manifest into serious incidents. BSEE, in collaboration with the Bureau of Transportation Statistics, has developed an internet-based near-miss reporting system – called SafeOCS – through which offshore operators can report data that can be used to identify and address the causes of offshore incidents. This program places BSEE in a position to identify problems before they manifest as serious incidents. The program consists of two parts: mandatory and voluntary reporting. The mandatory reporting requirement for safety critical equipment went into effect in 2016, and reports are available to the public on the website at www.safeocs.gov. The broader voluntary program has been the focus since 2016. Initially, participants in the program represented only three percent of OCS production. Under this Administration, participation has dramatically increased, with current operator participation representing more than 80 percent of OCS production.

Making Inspection Operations More Efficient

BSEE has also undertaken a comprehensive review of our inspection program operations in an effort to improve efficiency and more efficiently deploy our limited resources. One way that the Bureau has sought to improve efficiency is by limiting the amount of time spent reviewing records on offshore facilities. By using technology to conduct records review remotely, our inspection staff is able to dedicate more of the time they spend offshore on physical inspections of equipment and facilities. Since implementing this initiative, the Bureau has increased physical inspection time by approximately ten percent. BSEE inspectors now complete more inspections in fewer trips offshore. In 2016, 4,660 offshore inspection trips were required to conduct 8,508 inspections, for an average of 1.83 inspections per offshore trip. In 2018, 4,216 offshore inspection trips were required to conduct 10,282 inspections, for an average of 2.44 inspections per offshore trip. Reduction in flight time also decreases our inspector transportation costs and, more importantly, reduces the risk to our personnel who fly offshore.

Other Safety Initiatives

BSEE has launched a program to perform an annual, comprehensive review of regulations and standards related to safety critical equipment to ensure that the requirements contained in these documents reflect best practices and that these requirements are being used across all

³ 43 U.S.C. § 1348(c).

offshore operations. In addition, we have implemented an initiative to assess risks inherent in offshore development on an annual basis. This program will identify risks, especially those related to new technology needed to develop deepwater and High Pressure/High Temperature (HP/HT) resources. The goal of this effort is to address any gaps in regulations, standards, or data needed to mitigate those risks, and to verify that offshore operations are using appropriate mitigation measures. We believe that both of these initiatives will assist BSEE's oversight program in keeping pace with the rapidly evolving offshore energy industry, will contribute to reducing risk, and will foster continuous improvement in safety on the OCS.

Secretary's Orders 3349 and 3350 and Major Regulatory Actions

In addition to the implementation of advanced safety initiatives and efforts to increase operational efficiency, BSEE has also undertaken a series of regulatory reforms to maintain safety and environmental protection offshore while decreasing regulatory compliance burdens. Secretary's Order 3349, issued in May 2017, directs Interior agencies to conduct a thorough review of their regulations in accordance with Executive Order 13783, entitled "Promoting Energy Independence and Economic Growth."⁴ As part of this process, the Department requested public input on how each of the Department's bureaus can improve implementation of regulatory reform initiatives and policies and identify regulations for repeal, replacement, or modification.

BSEE has also undertaken the process of instituting the reforms called for in Secretary's Order 3350, which implements Executive Order 13795 entitled "Implementing an America-First Offshore Energy Strategy."⁵ With respect to BSEE, the Secretary issued Order 3350 to increase regulatory certainty for OCS activities; enhance conservation stewardship; and promote job creation, energy security, and revenue generation for the American people. As required by this order, BSEE reviewed and proposed revisions to the Blowout Preventer Systems and Well Control rule (the "Well Control rule"). In collaboration with the Bureau of Ocean Energy Management (BOEM), BSEE has begun the process of review of the Arctic Exploratory Drilling Rule (the "Arctic rule"). Additionally, BSEE finalized its revision of the Production Safety Systems rule, which clarifies and updates the regulations previously issued under Subpart H of BSEE's regulations.⁶

BSEE has made substantial efforts to engage stakeholders and solicit public input during consideration of each of its regulatory reforms. Based on feedback from stakeholders and the general public, BSEE has identified potential modifications to the regulations identified in the Executive and Secretary's Orders. Internal review of regulations for which BSEE has not yet issued a final rule are ongoing.

⁴ E.O. 13783 of Mar. 28, 2017. 82 Fed. Reg. 16093 *et seq.* (Mar. 31, 2017).

<https://www.federalregister.gov/documents/2017/03/31/2017-06576/promoting-energy-independence-and-economic-growth>.

⁵ E.O. 13795 of Apr. 28, 2017. 82 Fed. Reg. 120815 *et seq.* (May 3, 2017).

<https://www.federalregister.gov/documents/2017/05/03/2017-09087/implementing-an-america-first-offshore-energy-strategy>.

⁶ 30 C.F.R. § 250.800 *et seq.* (2018).

Preparing for a New Role in Offshore Renewable Energy

The Department is moving forward on all energy fronts – conventional and renewable – and that includes offshore wind. The high level of interest in offshore wind development evidenced by the record-breaking dollar amount of bids submitted during the BOEM offshore wind lease sale in December has prompted BSEE to consider its potential role in overseeing offshore wind farm safety and environmental compliance. We are currently contributing our experience and expertise in offshore safety and environmental protection by reviewing industry submissions. In 2018, BSEE reviewed 43 submissions, an increase of 187 percent from 2016. In anticipation of our larger role in the oversight of the development and operation of offshore wind facilities, BSEE has also initiated talks with the Occupational Safety and Health Administration to delineate responsibilities for offshore wind workplace safety.

Conclusion

America's offshore provides hydrocarbons that not only fuel our cars, trucks, and homes, but also enhance our ability to provide healthcare, national defense, and the general standard of living to which we have become accustomed today. American offshore energy resources also create hundreds of thousands of jobs and generate significant revenue that accrues to both the U.S. Treasury and the states. As important as these resources are to America's economy, federal and state governments, and our way of life, this Administration recognizes that it is equally important that the offshore oil and gas industry extract these resources in a safe and environmentally responsible manner.

Accordingly, BSEE is committed to driving performance, for both industry and the Bureau, in safety and environmental sustainability, and is committed to maximizing the benefits of our offshore energy resources for the nation through responsible development. Under this Administration, BSEE has maintained a safe and environmentally responsible operation of America's offshore oil and natural gas development across all metrics while production levels have reached record highs. BSEE is taking steps to ensure that this trend continues by focusing its resources on reducing the greatest risks to human life and the environment and finding new ways to strengthen the culture of safety industrywide through collaboration and innovation.

I thank the Chairman and Ranking Member for inviting me here today and would be happy to answer the Subcommittee's questions.

**Statement of
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Bureau of Land Management
U.S. Department of the Interior
House Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
Oversight on
"Examining the Policies and Priorities of the Bureau of Land Management, the U.S. Forest
Service, and the Power Marketing Administrations"**

March 12, 2019

Chairman Lowenthal, Ranking Member Gosar, and Members of the Subcommittee, I am pleased to join you today to discuss the Bureau of Land Management (BLM)'s policies, priorities, and accomplishments related to our onshore energy and minerals program. We are proud to share the work we have accomplished to increase responsible access to public lands, streamline administrative processes, and provide savings to the American taxpayers without sacrificing environmental protections. Through these efforts we have advanced an "all of the above" domestic energy strategy to promote America's energy prosperity. Production of domestic energy keeps energy prices low for American families and businesses, reduces our dependence on foreign oil, creates American jobs, and generates billions of dollars in revenue to states and the Federal Treasury.

BLM's Multiple Use Mission

The BLM manages approximately 245 million surface acres, located primarily in 12 western states, as well as 30 percent of the Nation's minerals across 700 million subsurface acres. Managing this vast portfolio is a tremendous honor for the employees of the BLM, and our work depends on close cooperative relationships with partners and local communities.

The Federal Land Policy and Management Act (FLPMA) sets forth the BLM's multiple-use and sustained yield mission, directing that public lands be managed for a variety of uses, ranging from conventional and renewable energy development, livestock grazing, conservation, mining, watershed protection, hunting, fishing, and other forms of recreation. Because of this, Federal lands support the production of goods and services that create jobs and promote economic development in communities across the Nation. This multiple use mission advances the President's priorities for energy security, shared conservation stewardship, safe borders, and putting Americans back to work. For the purposes of this hearing, I will focus on the Administration's priorities as they relate to an "all of the above" energy approach.

Under this Administration, the BLM has made it a priority to restore full collaboration and coordination with local communities, working with partners to promote multiple use on public lands, and making the Department a better neighbor. The BLM's partnerships are truly crosscutting, occurring at all levels of the agency and in key program areas. The BLM's great array of partners provides invaluable support, helping the agency deliver opportunities to engage

the public in conserving, enjoying, and appropriately using the unique resources and services provided by BLM-managed lands. These partnerships have been particularly effective in efforts to restore ecosystems and landscapes, control the spread of invasive species, reduce wildfire risk, and enhance conservation and recreational opportunities. The BLM has also made it a top priority to review and streamline our business processes and information technology systems to serve our customers, as well as the public, better and faster.

America's Energy Agenda

The Administration has made environmentally responsible development of all domestic energy sources and minerals a priority. Executive Order (E.O.) 13783 (Promoting Energy Independence and Economic Growth) calls upon the Department, and other Federal agencies, to increase access to and reduce burdens on energy development on public lands. E.O. 13807 (*Establishing Discipline and Accountability in the Environmental Review and Permitting Process for Infrastructure Projects*) prompted an Administration-wide assessment to determine how best to address inefficiencies in current infrastructure project decisions that delay investments, decrease job creation, and are costly to the American taxpayer.

In response to these Executive Orders, the Department and the BLM have improved environmental reviews and permitting authorizations for energy and infrastructure projects. One such example is Secretary's Order (S.O.) 3355 (*Streamlining National Environmental Policy Act Reviews and Implementation of Executive Order 13807*), which provides a number of internal Departmental directives to increase efficiency of environmental reviews, including setting page and time limit goals on all National Environmental Policy Act (NEPA) analysis. In years past, BLM Environmental Impact Statements (EISs) had an average preparation time of approximately five years. The BLM has implemented S.O. 3355 by establishing a new 12-month approval process for EISs and their associated Federal Register notices. The BLM also coordinated with elected officials, engaged with Tribes, other Federal agencies, and the public, to identify additional opportunities to streamline planning and NEPA processes at the BLM. These efforts resulted in more than 100 specific streamlining recommendations, many of which have been or are currently being implemented.

The Department also issued four Secretarial Orders to reduce unnecessary and burdensome regulations while maintaining environmental protections. The most overarching order is S.O. 3349 (*American Energy Independence*), which directed bureaus to examine specific actions impacting oil and gas development, and any other actions affecting other energy development. S.O. 3354 (*Supporting and Improving the Federal Onshore Oil and Gas Leasing Program and Federal Solid Mineral Leasing Program*) directed the BLM to hold quarterly oil and gas lease sales, and to identify ways to promote the exploration and development of Federal onshore oil and gas and solid mineral resources.

In addition, on May 31, 2017, the Department issued S.O. 3352 (*National Petroleum Reserve — Alaska*) to jump-start energy production in the National Petroleum Reserve — Alaska (NPR-A) and update resource assessments for areas of the North Slope. As a result, on December 22, 2017, the Secretary released an updated resources assessment for the NPR-A, which estimates

technically recoverable oil and gas resources to be 8.7 billion barrels of oil and 25 trillion cubic feet of natural gas. Since this report's release, the BLM has generated approximately \$2.6 million in revenue. The BLM also continues planning efforts to lease tracts in the 1002 area of the Coastal Plain as authorized by the Tax Cuts and Jobs Act of 2017, Public Law 115-97. On December 20, 2018, the BLM published the Draft EIS. The BLM has since held several public meetings and the public comment period for the Draft EIS remains open until March 13, 2019.

In response to the Secretary's Orders, the BLM reviewed all regulations related to domestic oil and natural gas development on public lands, resulting in several rulemaking and policy changes. In December 2017, the BLM published a final rule to rescind the 2015 final rule on hydraulic fracturing after finding that all 32 states with Federal oil and gas leases had existing regulations that address hydraulic fracturing. Further, in January 2018, the BLM issued revised leasing reform policy that aims to streamline the leasing process and ensure quarterly oil and gas lease sales are held when lands are available for lease. Finally, after receiving significant public input, in September 2018, the BLM announced a final rule that revised the 2016 Waste Prevention Rule (commonly known as the Venting and Flaring Rule).

Public Lands' Contribution to Energy Security & Economic Prosperity

We are proud of the priorities established over the past two years, and the many policies we have implemented to promote sustainable and responsible energy and mineral development from the Nation's public lands. Highlighted below are specific examples of such efforts.

Oil & Natural Gas

The BLM's approach to oil and natural gas production on public lands has focused on being both better business partners and environmental stewards. Onshore oil and gas production on BLM-managed public lands is an essential contribution to the Nation's energy supply and plays a significant role in supporting hundreds of thousands of jobs for hard-working Americans. The BLM has approximately 26 million surface acres currently under lease for oil and gas development, including over 96,000 active wells on about 24,000 producing leases. The BLM oversees onshore oil and gas development on Federal lands and lands held in trust for the benefit of various tribes and for many individual allottees. Collectively, these lands contain world-class deposits of energy and mineral resources, which power millions of homes and businesses and support the broader economy. The U.S. Department of the Interior Economic Report FY 2017 estimates the Federal onshore oil and natural gas program alone provides approximately \$59.6 billion in economic output and supported an estimated 284,000 jobs nationwide for Fiscal Year (FY) 2017.

The BLM is a key revenue producer for Federal and state governments by providing a significant non-tax source of funding to state and Federal treasuries, and is an important economic driver for local communities across the country. In 2018, production from Federal lands generated in excess of \$3 billion in Federal royalties, rental payments and bonus bids. Nearly half of this revenue was shared with the state where the oil and gas activity is occurring, while the rest went to the U.S. Treasury. States and counties utilize these important funds to support the building and maintaining of roads, schools, and other community needs.

Under the Department's commitment to responsible energy development, the BLM now consistently conducts quarterly lease sales, as required by the Mineral Leasing Act. In calendar year 2018, BLM state offices generated over \$1.1 billion from oil and gas lease sales, an amount nearly equal to the BLM's budget for FY 2018. It also represented the highest-grossing year on record, nearly tripling what had been the agency's highest year ever in 2008. The 28 oil and gas lease sales held in calendar year 2018 resulted in 1,412 parcels leased, covering almost 1.5 million acres.

The BLM is also working diligently to improve its permitting process and our efforts are generating real results. In FY 2018, the BLM approved 3,991 Applications for Permit to Drill (APDs) on Federal and Indian lands. By prioritizing permitting, modernizing its databases, and shifting resources across the BLM offices, the average API) processing time for an administratively complete application continues to drop — now averaging 63 days spent with the BLM and 176 days overall. As recently as 2016, the average APD processing time was 257 days, of which 139 days were spent with the BLM. Additionally, the BLM has reduced APDs pending over three years by approximately 60 percent, from 556 APDs in March 2018 to 214 APDs in January 2019. The BLM maintains the goal of processing 90 percent of administratively complete APDs on BLM-managed surface within 90 days of receipt and processing 90 percent of administratively completed APDs on lands managed by other surface management agencies within 180 days of receipt.

Coal

The BLM is responsible for leasing the Federal coal mineral estate on approximately 570 million acres under the authority of the Mineral Leasing Act. In an effort to better serve the public and eliminate unnecessary burdens on energy production, the Department issued S.O. 3348, *Concerning the Federal Coal Moratorium*, which overturned the 2016 moratorium on Federal coal leases. As a result, Federal coal resources continue to be an important component of the Nation's energy mix. In FY 2018, coal was used to generate approximately 28 percent of the Nation's electricity and coal production on Federal lands provided nearly 40 percent of our Nation's coal.

The BLM has a responsibility to all Americans to ensure the coal resources it manages are administered in a responsible way to help meet our Nation's energy needs while ensuring taxpayers receive a fair return from the sale of their public resources. In FY 2018, coal lease sales and production from Federal lands resulted in the collection of approximately \$570 million in Federal royalties, rental payments, and bonus bids. The U.S. Department of the Interior Economic Report FY 2017 estimates that coal contributed \$11.8 billion in economic output and supported an estimated 39,000 jobs in FY 2017.

Renewable Energy

The BLM supports the America First Energy Plan, an "all of the above" plan which includes renewable energy. The BLM oversees development on public lands of three primary renewable energy sources: solar energy, wind energy, and geothermal energy. To date, the BLM has approved a total of 127 renewable energy projects with the potential to provide nearly 18,000

megawatts (MW) of generation capacity. Laws enacted in most western states require energy companies to supply a portion of their energy from renewable resources. As a result, the BLM anticipates a continued interest in public lands for renewable energy development.

The BLM manages more than 20 million acres of public lands with high solar potential in six States (California, Nevada, Arizona, New Mexico, Colorado, and Utah). The BLM has approved 37 solar projects totaling approximately 10,000 MW of installed capacity. In the last two years, the BLM has approved two solar projects — Sweetwater Solar (80 MW) in Wyoming and Palen Solar (500 MW) in California — on public lands. In FY 2019, the BLM anticipates approving an additional four projects generating approximately 1,400 MW of solar energy in California and Nevada.

The BLM also manages 20.6 million acres of public lands with wind potential in 11 western states. The BLM has approved 40 wind energy projects on public lands with 5,600 MW of total approved capacity, enough to power one million homes. One active project in Wyoming, the Chokecherry Sierra Madre Wind Energy Project, would include up to 1,000 wind turbines capable of generating up to 3,000 MW. When fully operational, the project will be the largest onshore wind energy facility in North America. In FY 2019, the BLM anticipates approving an additional 100 MW of wind energy in New Mexico.

The BLM has the delegated authority to manage geothermal leasing on more than 240 million acres of public lands with geothermal potential in 11 western States and Alaska. The BLM currently manages more than 800 geothermal leases, with 72 leases in producing status generating over 2,000 MW of installed geothermal energy. This amounts to over 40 percent of the total U.S. geothermal energy capacity. Over the past two years, the BLM has approved one geothermal project — McGinness Hills Project (48 MW) in Nevada. In FY 2019, the BLM anticipates approving 96 MW of geothermal capacity.

Energy Transmission & Rights-of-Way

Facilitating energy transmission is a critical component of the BLM's mission to achieve energy independence. As the largest Federal land manager in the West, the BLM plays a leadership role in planning for critical energy corridors, as well as siting transmission facilities. In compliance with the Energy Policy Act of 2005, the BLM designated approximately 5,000 miles of Westwide energy corridors on public lands in the 11 contiguous western states through a 2009 Record of Decision that amended 92 land use plans. The corridors, referred to as "West-wide" or "Section 368" energy corridors, are intended for expedited permitting of electric transmission and distribution lines for oil, gas, and hydrogen pipelines. The BLM is currently leading a comprehensive, inter-agency review of this western Federal energy corridor network, which includes collaboration with state, tribal and local governments, the energy industry, non-governmental organizations, and local communities. This inter-agency effort will result in relevant corridor network updates and inter-agency process improvements. The BLM is on track to complete the inter-agency review of the energy corridor network by the end of 2019. The BLM continues work to improve the designation of existing and future energy corridors in land use plans and increase the efficiency of rights-of-way (ROW) administration.

The BLM manages a total of 118,000 ROW grants issued for a variety of uses, including electrical power generation, transmission and distribution systems, systems for the transmission and reception of electronic signals, broadband, highways, railroads, pipelines (other than oil and gas pipelines), and other facilities or systems which are in the public interest. For example, in 2019, the Department, under the direction of E.O. 13821, *Streamlining and Expediting Requests to Locate Broadband Facilities in Rural America*, and the "Presidential Memorandum on Supporting Broadband Tower Facilities in Rural America on Federal Properties Managed by the Department of the Interior," launched a new effort designed to increase broadband internet access on Federally-managed lands. The Department's broadband report and accompanying BLM website provide information on communications uses and existing assets that can be leveraged to expand services for rural and underserved communities throughout the United States. The BLM plans to prioritize ROW actions and cadastral services that support and advance the Administration's energy strategy, promote broadband access, economic development, provide for recovery of undiscovered or lost revenues, assist in national security, and promote public health and safety.

The BLM also seeks to modernize ROW administration by processing national ROW applications more efficiently. To this end, the BLM has implemented new guidance that streamlines certain vegetation management activities on and adjacent to powerline ROWs on public lands. This effort, which complies with Public Law 115-141, enhances reliability of the electrical grid and reduces the threat of catastrophic wildfires. The BLM is continuing to work closely with utility companies to offer predictability and efficiency in order to best serve communities, ensure grid reliability, and reduce wildfire risk.

Other Mineral Development

Non-energy mineral development on Federal lands is essential to the American economy. The BLM manages three major categories of non-energy minerals on Federal lands: locatable, saleable, and leasable. Locatable minerals are subject to the Mining Law of 1872 and typically include gold, silver, copper and other hardrock minerals. Saleable minerals, such as sand and gravel are subject to the Materials Act of 1947. Lastly, non-energy leasable minerals are typically subject to the Mineral Leasing Act and include minerals such as phosphate, sodium, potassium, and sulphur. In FY 2017, non-energy minerals produced from Federal land generated \$13.4 billion to the economy and supported an estimated 48,000 jobs.

The Administration has also focused on reversing the trend of increasing American dependence on foreign imports of critical minerals that are essential to American prosperity and national security by issuing E.O. 13817, *A Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals*. The Department issued S.O. 3359, *Critical Mineral Independence and Security*, which implements the President's Order. As part of S.O. 3359, the Department issued a final list of minerals deemed critical to the United States, on May 18, 2018. The final list includes: aluminum (bauxite), antimony, arsenic, barite, beryllium, bismuth, cesium, chromium, cobalt, fluor spar, gallium, germanium, graphite (natural), hafnium, helium, indium, lithium, magnesium, manganese, niobium, platinum group metals, potash, the rare earth elements group, rhenium, rubidium, scandium, strontium, tantalum, tellurium, tin, titanium, tungsten, uranium,

vanadium, and zirconium. These minerals qualify as "critical minerals" because each has been identified as essential to the economic and national security of the United States, has a supply chain vulnerable to disruption, and serves an essential function in the manufacturing of a product, the absence of which would have significant consequences for the economy or national security. Notably, many of these critical minerals are found on BLM-managed lands.

Conclusion

The Department remains committed to promoting responsible energy production that helps create and sustain jobs, promotes a robust economy, and contributes to America's energy independence. Thank you for the opportunity to present this testimony. I will be glad to answer any questions.