

Department of the Interior Appropriations: FY 2012

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Geoscience-related agencies within the Department of Interior include the U.S. Geological Survey, Bureau of Land Management, Minerals Management Service, National Park Service, Smithsonian Institution, and U.S. Forest Service.

Fiscal Year (FY) 2012 Department of Interior Appropriations Process

<u>Account</u>	<u>Enacted FY11 (\$million)</u>	<u>FY12 President's Request (\$million)</u>	<u>House Action (\$million)</u>	<u>Senate Action (\$million)</u>	<u>Conference Committee Action (\$million)</u>
<i>U.S. Geological Survey*</i>	1,084	1,118	1,054	1,064	1,070
Natural Hazards	135.9	133.8	135.9	134.7	134.7
-- Earthquake Hazards	55.9	52.3	55.9	55.2	55.2
-- Volcano Hazards	24.4	23.6	24.4	24.8	24.8
-- Landslide Hazards	3.3	3.3	3.3	3.3	3.3
-- Global Seismographic Network	5.4	5.3	5.4	5.3	5.3
-- Geomagnetism	2.1	2.1	2.1	2.1	2.1
-- Coastal and Marine Geology	44.7	47.5	44.7	44	44
Energy, Minerals & Environmental	99.9	88.5	99.9	93.9	96.3
-- Mineral Resources	52.2	44.2	52.2	47.9	49.3
-- Energy Resources	27.8	27.4	27.8	27.3	27.3
-- Contaminants	9.2	8.7	9.2	9.1	9.1
-- Toxic Substances Hydrology	10.8	8.3	10.8	9.6	10.6
Core Science Systems	113.0	105.9	109.2	106.3	106.8
-- Geologic Mapping	27.7	25.4	27.7	25.8	26.3
-- Data Preservation	1.0	0.0	0.6	1.0	1.0
--Geospatial Program	65.8	65.3	65.8	64.4	64.4

Water Resources Programs	212.5	199.6	217.5	206.5	215
Ecosystems	160.8	166.4	150.1	160.6	161.5
Climate and Land Use Change	138.1	106.4	125.9**	150.6	144.3
Facilities	104.7	100.8	100.8	100.6	100.6
Administration & Enterprise	118.6	116.5	114.2	110.4	110.4
Bureau of Land Management	1,089	1,129	1,025		1,115
Energy and Minerals Management	90	74.8	112.8		107.8
BOEMRE	226	136	154		136***
National Park Service	2,611	2,892	2,482		2,584
NPS Resource Stewardship	345	356	336.7		340
Smithsonian Institution	634.9	861.5	627		812
U.S. Forest Service	4,685	4,933	4,521		4,602
Minerals and Geology Management	87.2	78.8	83.6		83.6

* USGS has reorganized their programs, so divisions are different compared to tables for FY 2011 and before. ^House Appropriations Committee numbers. Not all funding levels have been finalized, so table entries are blank where numbers have not been finalized. **\$51.8 million for Landsat. *^ Draft bill ***\$59.8 million for Bureau of Ocean Energy Management (BOEM) and \$76.4 million for the Bureau of Safety and Environmental Enforcement (BSEE)

President's Request

Secretary of the Interior Ken Salazar announced the details of President Obama's fiscal year (FY) 2012 budget request to Congress on February 14, 2011. The request is for a total budget of \$12.2 billion for the Interior Department. Salazar stated in a press release "The President's budget makes tough choices, cutting costs through program terminations, reductions and management efficiencies, recognizing the Nation's need to live within its means... But it does so responsibly, because for America to be at its best and win the future, we need lands that are healthy, waters that are clean, and a broad range of energy sources that can help power our economy."

Of the \$12.2 billion request, \$11.2 billion would be within the Interior, Environment and Related Agencies appropriations and \$1.1 billion for the Bureau of Reclamation and the Central Utah Project Completion Act would be in the Energy and Water Development appropriations. The \$11.2 billion is \$69.2 million above the FY2010 enacted budget and the \$1.1 billion is \$88.3 million below FY2010. Among the reductions, the request removes about \$47.6 million in FY 2010 congressional earmarks.

Secretary Salazar highlighted six Interior Department initiatives: 1. New Energy Frontier, 2. Great Outdoors, 3. Youth and Landscape Conservation, 4. Strengthening Tribal Nations, 5. Science for Land and Water Management, and 6. Water Challenges.

For the New Energy Frontier, the request is \$72.9 million for renewable energy (+\$13.9 million over FY2010). The Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) request is \$358.4 million (+\$119.3 million over FY2010), however, the budget increase is offset by estimated collections of \$225.2 million in rental receipts, cost recoveries and inspection fees. In FY 2011, BOEMRE will be split into Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement. Funds are provided in the request to establish the two departments. In addition the President's request would transfer the Coastal Impact Assistance Program to the Fish and Wildlife Service.

The Great Outdoors Initiative request is \$5.5 billion with \$900 million for the Land and Water Conservation Fund and \$4.6 billion for core operations in land management at the National Park Service, Fish and Wildlife Service and the Bureau of Land Management.

The Science for Land and Water Management initiative includes the U.S. Geological Survey and the request is for \$1.1 billion (+\$6.1 million over FY2010). The request includes reductions for ecosystems, mineral resources, water resources, natural hazards, geologic and geospatial programs and facilities and maintenance. The National Land Imaging program through the request seeks an increase to \$99.8 million, which includes \$48 million to establish a permanent program for Landsat 9, the transfer of \$40 million for National Land Imaging, from the Land Use Change account and \$13.3 million for Landsat 8 Ground Systems.

The Water Challenges initiative requests \$1 billion (-\$69.3 million below FY2010) for the Bureau of Reclamation.

The press release highlights some other key proposals regarding more revenue generated from oil and gas operations, reforms to the abandoned mine programs, a new lease program for hardrock minerals, sharing costs with states for energy and mineral programs on federal lands and repealing payments through geothermal energy receipts. Much more information is available from the Department of the Interior budget office.

The U.S. Geological Survey FY2012 request is \$1.118 billion, which is an increase of \$6.1 million over FY 2010. The request would cut funding for programs in earthquake hazards, geologic mapping, water resources and mineral resources. The request would terminate the data preservation and the water research science centers. The request would provide increases for climate change programs and Landsat.

House Action

The Interior, Environment, and Related Agencies Subcommittee of the House Appropriations Committee completed a draft bill on July 7, 2011. The full committee will consider the bill in the near future. The subcommittee would provide the U.S. Geological Survey with a total budget of \$1,054 million (about \$30 million less than the fiscal year 2011 enacted total). Energy, Minerals and Health and Hazards programs would be funded at the same level as FY 2011. Water Resources would receive small increases compared to FY 2011 while Ecosystems would be cut by \$11 million and Climate and Land Use Change would be cut by \$24 million [Carbon Sequestration would be terminated (-\$10 million) and the Climate Centers would be halved (-\$13.4 million)].

The House of Representatives considers funding for the Environmental Protection Agency (EPA) within the Interior, Environment, and Related Agencies Subcommittee of the House Appropriations Committee.

Conference Action

Appropriations for Interior and Environment were included in the Consolidated Appropriations Act, 2012 (H.R. 2055) and signed by the President on December 23, 2011. In addition to appropriations for the Department of the Interior and the Environmental Protection Agency, the omnibus included appropriations for the Department of Education, Department of Labor, Department of Health and Human Services, Department of Defense, Department of Energy, Department of Homeland Security, Department of Veterans Affairs, Department of State, the Executive Branch, the Judiciary Branch, the Legislative Branch, and related agencies. The United States Geological Survey (USGS) received \$1,069.7 million for fiscal year (FY) 2012 (about \$14 million less than FY2011 enacted and about \$48 million less than the President's FY2012 request). Relevant language from the conference report follows:

Climate and Land Use Change: Within Land Use Change, an increase of \$11,500,000 is provided to complete funding for Landsat 8 ground operations development. The conferees have not agreed with the proposal to create a separate "Land Imaging" account and have instead maintained funding for all satellite operations within this subactivity. Estimated administrative savings assumed in the proposed new account have been assumed within the Land Use Change account instead. The conferees have not agreed to transfer budgetary authority for the launch of Landsat satellites 9 and 10 from the National Aeronautics and Space Administration to the Survey. Of the requested \$48,000,000 increase for its implementation, the conferees have provided \$2,000,000 for program development only. The conferees note that future requests for the project are estimated by the Administration to escalate to over \$400,000,000 by fiscal year 2014. There is little doubt that resources will not be available within the Interior Appropriations bill to support these very large increases without decimating all other Survey programs. The conferees note that the launch of Landsat 9 is not scheduled until 2018. This allows time in the year ahead for all interested parties to re-examine how to proceed with future Landsat missions. In the conferees' view this would be a prudent step, inasmuch as the current budget proposal is based on a report from the Office of Science and Technology Policy issued in 2008, and both technological advances and a vastly different economic environment may point to other, less costly, options for obtaining Landsat data.

Water Resources: The bill provides \$214,996,000 for Water Resources. Funding has been restored for the following programs that were proposed to be reduced in the request: \$2,000,000 for Groundwater Resources; \$6,049,000 for the National Water Quality Assessment Program; \$1,963,000 for the Cooperative Water Program; and \$6,500,000 for the Water Resources Research Act Program. A program increase of \$2,846,000 above the request is provided for the National Streamflow Information Program. Decreases from the request include \$2,500,000 from the WaterSMART initiative within Hydrologic Networks and Analysis. The

conferees encourage the Survey to include with its fiscal year 2013 budget request a proposal to establish a national groundwater monitoring network as authorized by the Secure Water Act.

Core Science Systems: The bill provides \$106,849,000 for Core Science Systems. Increases to the request include \$998,000 for the National Geological and Geophysical Data Preservation Program to continue funding at the current year enacted level, and \$1,500,000 for National Cooperative Geologic Mapping Federal and State Partnerships to partially restore the proposed reduction to that program. Decreases from the request include \$500,000 from WaterSMART.

Appropriations Hearings

- March 17, 2011: House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the Fiscal Year 2012 Budget Request for the U.S. Geological Survey
- March 9, 2011: Senate Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the Department of the Interior Fiscal Year 2012 Budget Request
- March 8, 2011: House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the Department of the Interior Fiscal Year 2012 Budget Request

House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the Fiscal Year 2012 Budget Request for the U.S. Geological Survey

March 17, 2011

Witnesses

Dr. Marcia McNutt

Director, U.S. Geological Survey

Suzette Kimball

Deputy Director, U.S. Geological Survey

Carla Burzyk

Director, Office of Budget, Planning and Integration, U.S. Geological Survey

Subcommittee Members Present

Michael Simpson, Chairman (R-ID)

Jim Moran, Ranking Member (D-VA)

Betty McCollum (D-MN)

To improve understanding of the priorities and missions of the U.S. Geological Survey (USGS), the House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies held a hearing on March 17, 2011 to discuss the agency's fiscal year (FY) 2012 budget request.

Chairman Michael Simpson (R-ID) opened the hearing by calling the USGS budget presented by the Obama Administration "simply unacceptable." He strongly opposed cutting \$89 million to core science programs; transferring full responsibility of the Landsat satellite program from the National Aeronautics and Space Administration (NASA) to USGS without transferring the relevant funds from NASA's budget; and the 10 percent cut to water programs.

Ranking Member Jim Moran (D-VA) agreed "strongly" with the chairman's points. He argued that the Landsat transfer included in the "deeply troubling" budget request does not make sense and that the proposed elimination of 230 full time employee positions is not acceptable.

USGS Director Marcia McNutt began her statement with a description of USGS efforts that led to the safe capping and sealing of the runaway well in the BP Deepwater Horizon disaster in the Gulf last year. She expressed her sympathy to the Japanese people in the wake of a 9.0 magnitude earthquake and subsequent tsunami off the coast of Japan on March 11 that has caused severe devastation. She commended Japan for being the most advanced nation in the world in terms of earthquake hazards preparation and reduction. McNutt defended the Landsat program changes, comparing USGS's proposed role to the responsibility that the National Oceanic and Atmospheric Administration (NOAA) has of its weather satellites.

Representative Moran began by asking McNutt whether the \$48 million increase to the Landsat program and the proposed future increases will come at the expense of vital USGS biological and geologic programs, such as mapping. McNutt agreed that USGS will need to communicate with the administration to ensure that a growing Landsat program would not "erode" the core missions of USGS. She told the committee that the Office of Management and Budget (OMB) told USGS that the cuts in the FY 2012 request were not associated with the Landsat increase, though Representative Moran responded that the OMB claim could not be true. Chairman Simpson agreed that with added responsibility, USGS should have received additional funding from NASA's budget. He recommended that USGS investigate extending the operational lifetime of Landsat 8, which is set to launch in

December 2012, in order to delay the launches of Landsats 9 and 10. The extra time would allow USGS to resolve this budgetary issue, he suggested.

All members were concerned with the proposed cuts to water programs at USGS. Representative Moran disagreed with funding decreases for programs and research on groundwater, water quality analysis and water resources that he assumed came at the expense of the increase for the WaterSMART initiative. Chairman Simpson inquired about the reduced funding for streamgages and monitoring sites. McNutt assured him that USGS hopes to absorb all of the funding reduction to streamgages in administrative areas. Representative Betty McCollum (D-MN) expressed deep concern for the future of water resource research and knowledge in the U.S. considering the proposed cuts in the budget request. Especially of concern to McCollum was the planned elimination of funding for the State Water Resources Research Institute Program. McNutt acknowledged it was a “tough choice” to propose decreased funding for groundwater research. Due to the cuts, McNutt admitted, only 2 percent of the groundwater studies across the U.S. will be completed on schedule, rather than 11 percent. She offered, however, that the WaterSMART initiative will be an important program that will produce a comprehensive water supply and demand inventory to provide baseline information that has been necessary for some time.

Recognizing that several agencies within the federal government and multiple entities with the Department of the Interior (DOI) have initiatives whose goal is to study or mitigate climate change and its effects, Chairman Simpson asked Dr. McNutt for her suggestions on how to avoid duplicity and improve coordination and efficiency among agencies. McNutt said that the government has an opportunity now, since climate change is a relatively new topic, to handle the efforts effectively and avoid problems that other cross-cutting topics, such as water issues, face now. She stated that while most current efforts are focused on climate change research, the government could assign the appropriate agencies specific tasks and policy decisions as they become necessary. Simpson said he thinks it may be useful to have a single federal agency to have oversight of climate change programs and that USGS may be a good candidate for the role.

Representative McCollum, who has a son living in Japan, thanked Dr. McNutt for the work of scientists at USGS to keep English speakers across the world informed during the disaster in Japan. She asked McNutt to elaborate on the international role of USGS in general. International efforts come to play especially during disasters, said McNutt, and the USGS Volcano Disaster Assistance Program (VDAP) is a mobile volcano-response team that has been credited with saving thousands of lives around the world. USGS will be working “hand in glove” with the Japanese on their disaster response, giving the U.S. an opportunity to improve its disaster preparation, she said. Representative Moran noted the \$5.1 million decrease in funding for USGS natural hazards programs, including reductions to earthquake research grants and the National Volcano Early Warning System (NVEWS). Mentioning the tragic timeliness of Japan’s crisis, Moran considered it imprudent to be making such cuts.

Chairman Simpson voiced concern over the \$9.6 million cut to the mineral resources programs at USGS and asked McNutt to describe the division and its importance. It is a unique program with absolutely no duplication within the federal government, McNutt responded. The minerals program compiles information from the mineral industry and assembles and produces statistics on commodities, mining, production and processing that are useful for the industry, the federal government and the public. She added that the mineral experts who prepare the information are trusted USGS geologists who understand “the entire periodic table.”

Chairman Simpson told Dr. McNutt that USGS has “fans” in Congress, Republicans and Democrats, who hope to work with the agency on constructing an appropriate and adequate budget.

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**Senate Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the
Department of the Interior FY 2012 Budget Request**

March 9, 2011

Witnesses

The Honorable Ken Salazar

Secretary, Department of the Interior

David Hayes

Deputy Secretary, Department of the Interior

Pamela Haze

Deputy Assistant Secretary, Budget, Finance, Performance and Acquisition, Department of the Interior

Committee Members Present

Jack Reed, Chairman (D-RI)

Lisa Murkowski, Ranking Member (R-AK)

Jon Tester (D-MT)

Mary Landrieu (D-LA)

Roy Blunt (R-MO)

Susan Collins (R-ME)

Thad Cochran (R-MS)

The Senate Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies held a hearing on March 9 to discuss the fiscal year (FY) 2012 budget request for the Department of the Interior (DOI).

Chairman Jack Reed (D-RI) opened the hearing by acknowledging the important role DOI plays in preserving the country's rich natural heritage. He voiced support for the proposed increases in funding for the Land and Water Conservation Fund (LWCF); the U.S. Geological Survey (USGS) Landsat program; and the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) included in the FY 2012 request.

Saying DOI and the committee must ensure that taxpayer dollars are spent wisely, Ranking Member Lisa Murkowski questioned increases in the FY 2012 budget that come at the expense of cuts to other programs. She objected to the LWCF increase and to the proposal to impose fees on non-producing oil and gas leases, noting that in some cases oil and gas companies are waiting on government approval to begin production.

Senator Mary Landrieu (D-LA) stressed to Secretary Salazar the importance of expediting the reforms to offshore drilling in the Gulf of Mexico. She told him she would gladly offer resources to help DOI process drilling permits faster, noting the need to "get people back to work" in the Gulf coast region.

Secretary Salazar testified that the FY 2012 budget request allows DOI to continue fulfilling its responsibilities while working to cut the nation's deficit. DOI's request is essentially "a freeze budget," said Salazar, and the department worked to find savings and efficiencies. He discussed the department's energy, conservation and water management priorities.

A handful of questions focused on issues related to the BP Deepwater Horizon oil spill of 2010. DOI's request includes increases for BOEMRE (formerly the Minerals Management Service) and for the Office of Natural Resources Revenue, which will be responsible for mineral revenue collection. The Secretary told Senator Roy Blunt (R-MO) that the funding will help DOI with permitting efforts and that he thinks it is possible to return production on the Outer Continental Shelf to pre-spill levels. Chairman Reed said he was "surprised" to see opposition within Congress for increasing fees on drilling companies that would help pay for inspection costs. Salazar agreed that he thinks the increases are "reasonable" and necessary.

Chairman Reed asked about the USGS Landsat program and why the responsibility for satellite launches is being transferred from the National Aeronautics and Space Administration (NASA) to USGS. According to Deputy Secretary David Hayes, the amended process would be similar to how weather satellite operations at the National Oceanic and Atmospheric Administration (NOAA) are managed; the agency that uses the data has launch responsibility. It was unclear to Reed what the budget proposes to do with funds for the program. According to the USGS budget office document, the budget "provides \$48.0 million for planning activities with NASA for Landsat 9. These activities include gathering and prioritizing Federal user community requirements for land image data, conducting trade studies on key design alternatives related to the development of the imaging device, initiating the procurement process through NASA for the Landsat 9 instrument and spacecraft, and establishing a science advisory team." Hayes concluded that NASA would remain a partner for launching the satellites and would continue to fund the launches. The transfer just aims to increase efficiency and organization.

Chairman Reed suggested that USGS may want to consider charging entities for access to images obtained from the Landsat satellites. The information gained from the remote sensing technology is central to all the USGS missions, including resource and water management and disaster response, said Hayes. In 2010 public users downloaded 2.5 million scenes from Landsat satellites. The international benefit and access to knowledge the Landsat products provide far outweighs the potential costs that could be incurred, he argued.

Senator Blunt wanted comparisons of the 2012 budget request to enacted 2008 levels. The FY 2012 request is \$12.2 billion.

Deputy Assistant Secretary Pamela Haze answered that DOI was funded at \$11.5 billion in 2008, \$11.8 billion if supplemental funding is included. Secretary Salazar commented that from 2001-2008 funding for DOI may not have been appropriate, leading to "dysfunctional" government operations in some areas, particularly within the Minerals Management Service. He argued that Congress must help DOI increase funding to levels that enable DOI to do its job.

Members discussed DOI's recent "Wild Lands" policy, deep water offshore wind energy permitting and the backlog of maintenance problems in crumbling tribal nation schools.

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**House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies Hearing on the
Department of Interior FY 2012 Budget Request**

March 8, 2011

Witnesses

The Honorable Ken Salazar

Secretary, Department of the Interior

David Hayes

Deputy Secretary, Department of the Interior

Pamela Haze

Deputy Assistant Secretary, Budget, Finance, Performance and Acquisition, Department of the Interior

Subcommittee Members Present

Michael Simpson, Chairman (R-ID)

Jim Moran, Ranking Member (D-VA)

Jerry Lewis (R-CA)

Ken Calvert (R-CA)

Steven LaTourette (R-OH)

Tom Cole (R-OK)

Jeff Flake (R-AZ)

Cynthia Lummis (R-WY)

Betty McCollum (D-MN)

Maurice Hinchey (D-NY)

José Serrano (D-NY)

Committee Members Present

Harold Rogers, Chairman (R-KY)

Norm Dicks, Ranking Member (D-WA)

The House Committee on Appropriations Subcommittee on Interior, Environment, and Related Agencies held a hearing on March 8, 2011 to discuss the fiscal year (FY) 2012 budget request for the U.S. Department of the Interior (DOI).

Chairman Michael Simpson (R-ID) began the hearing by expressing his concern about recent conservation moves the department has taken, including the “Wild Lands” policy announced in December. He voiced opposition to the proposed increased funding for the Land and Water Conservation Fund (LWCF) in the FY 2012 request. In the context of rising gasoline prices across the country, Simpson conveyed his unease with the department’s strategy for energy development and offshore drilling permitting. After opening with a quote by conservationist and former U.S. president Teddy Roosevelt, Ranking Member Jim Moran (D-VA) applauded Secretary Ken Salazar for providing a “responsive” budget request for DOI. The request, he said, allows DOI to manage America’s public lands and fulfill its responsibility to Indian communities—missions that generate jobs, benefit the energy sector and protect the country’s natural heritage for future generations.

Full committee Ranking Member Norm Dicks (D-WA) highlighted the difference between DOI’s budget request and the Full Year Continuing Appropriations Act of 2011 (H.R. 1) that the House passed in February, which he called “one of the most shortsighted bills” in history in regards to the environment. Calling it the “wrong economic policy,” Dicks said the bill would cut support for state and tribal lands, wetlands protection and climate change research and mitigation. He expressed support for increasing funding for the U.S. Geological Survey (USGS) National Climate Change and Wildlife Science Center, which partners with DOI’s Climate Science Centers and Landscape Conservation Cooperatives.

Secretary Salazar told the committee he hopes it can continue the bipartisan spirit and cooperation that has led to DOI progress and support in the past. DOI’s request for FY 2012 is essentially “a freeze budget,” said Salazar, and the department worked to find savings and efficiencies. He discussed the department’s energy, conservation and water management priorities.

Salazar explained the reorganization of the former Minerals Management Service into the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE). BOEMRE will be divided into the Bureau of Ocean Energy Management, responsible for resource development and leasing, and the Bureau of Safety and Environmental Enforcement, which will enforce safety and environmental regulations. The Office of Natural Resources Revenue within DOI will handle mineral revenue collections.

Chairman Simpson pressed Salazar for information on permitting efforts for offshore drilling, reminding the committee that since the BP Deepwater Horizon oil spill last spring, DOI has issued one permit. Salazar said that while the outlook for permitting is good, DOI and industry have “significant work” to do before returning to production levels before the spill. “The last thing you’d

want us to do is issue a permit that creates another Macondo situation,” he told Simpson.

A few members mentioned the need to amend royalty rates for hard rock mining and fossil fuel production on public lands. Ranking Member Moran and Representative Dicks said the royalty rate for mining is too low, and Representative Maurice Hinchey (D-NY) agreed that the committee and DOI must do their part to make sure American taxpayers are receiving a “fair share” of resource development on federal lands. Secretary Salazar assured the members that DOI is taking steps to ensure this, and he said that DOI and the Bureau of Land Management (BLM) are reviewing the onshore and offshore drilling rates. Salazar noted the possibility of raising royalty rates for onshore drilling, which are lower than those for offshore operations and have not changed since 1920. The FY 2012 DOI budget request includes a proposal to institute a leasing program under the Mineral Leasing Act of 1920 for certain hard rock minerals that would subject entities to annual rental payments and a royalty of not less than 5 percent of the gross proceeds. However, Representative Ken Calvert (R-CA) suggested that insufficient revenue collection, not the rate value, may be the problem.

Concerned with possible negative environmental effects of hydraulic fracturing associated with natural gas drilling operations, Representative Hinchey asked Salazar if drilling companies should be required to disclose chemical information on the fluids they use. Salazar responded by saying that DOI understands “the future of natural gas is a positive one,” though he conceded it is important to know what is being injected underground. Having complete chemical data on fracking fluids, Salazar argued, would prevent pollution and its economic impacts. He said that the department will have a policy on public disclosure in the next few months and hopes that the industry will support disclosure. Representative Tom Cole (R-OK) asked the Secretary to use caution and argued against developing national regulatory standards. He explained that several states, including Oklahoma, have dealt with hydraulic fracturing for years and have developed their own regulatory practices that DOI could examine.

Representative Cynthia Lummis (R-WY) questioned Salazar on the department’s decision to halt new uranium mining activities on federal lands near Grand Canyon National Park. She mentioned that the U.S. imports 90% of its uranium used for nuclear fuel. Salazar defended the move, explaining that while nuclear energy will be a part of the nation’s energy future, the mining operations pose a possible threat of irreparable harm to an area that supplies water resources to seven states.

Salazar received praise and criticism for the department’s “Wild Lands” policy and the proposed increase for the LWCF. The Secretary explained that any designation of lands as protected wilderness areas could eventually be changed, because only Congress can make a permanent decision. LWCF actions would focus not on buying new lands, said Salazar, but rather on acquiring inholdings, such as privately owned land within Grand Teton National Park.

Members touched on water supply issues in the west, strengthening border control on public lands and addressing the backlog of maintenance problems in crumbling tribal nation schools.

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Sources: Department of Interior budget documents; USGS budget documents; National Park Service budget documents; U.S. Forest Service budget documents; White House Office of Management and Budget; Library of Congress Congressional Record web site; hearing testimony.

Please send any comments or requests for information to the AGI Government Affairs Program at govt@agiweb.org.

Contributed by Linda Rowan, AGI Government Affairs Staff.

Last updated December 29, 2011
