STATEMENT OF SALLY JEWELL, SECRETARY OF THE INTERIOR BEFORE THE HOUSE COMMITTEE ON NATURAL RESOURCES ON THE 2016 PRESIDENT'S BUDGET REQUEST

March 5, 2015

Mr. Chairman, Ranking Member Grijalva, and members of the Committee, I am pleased to present the 2016 President's Budget for the Department of the Interior.

This is a forward-looking budget that invests in Interior's key missions so we can continue to serve the American people. This budget provides investments to grow our domestic energy portfolio, to revitalize our national parks as they approach their 100th anniversary and celebrate all of our public lands, and to strengthen science and management across all bureaus. The budget also helps fulfill our Nation's commitments to American Indians and Alaska Natives, including a significant and much-needed investment to help improve education for Indian children.

Interior's programs and activities serve as economic engines in communities across the Nation, contributing an estimated $360 billion to the Nation's economy in 2013 and supporting more than 2 million American jobs. Of this total, energy and mineral development on Interior-managed lands and offshore areas generated more than $237 billion of this economic activity and supported 1.1 million jobs. An estimated 407 million recreational visits to Interior lands – including national parks, wildlife refuges and public lands – contributed $41 billion and supported nearly 355,000 jobs nationwide. Water supply, grazing and timber activities, primarily on public lands in the West, contributed nearly $63 billion and supported more than 400,000 jobs. In 2016, the Department will generate an estimated $13.8 billion in Federal receipts; these funds are deposited in the Treasury and serve to offset the cost of general government services, support a range of specific Federal programs, and support State and local governments through various revenue sharing arrangements.

2016 Budget

The 2016 budget proposal is $13.2 billion, an increase of 8 percent, over the 2015 enacted level. This total includes a proposed $200 million budget cap adjustment to ensure critical funds are available in the event of a catastrophic fire without requiring harmful transfers from other Interior programs that support land management and operations. It includes $11.9 billion for Interior programs funded by the Interior, Environment, and Related Agencies appropriation, and $1.1 billion for Interior's Bureau of Reclamation and the Central Utah Project Completion Act, funded in the Energy and Water Development Appropriations Act. The budget would generate $5.6 billion in savings over 10 years through legislative reform proposals, including oil and gas management reforms to encourage diligent development of Federal energy resources while providing a fair return to taxpayers from royalty and other reforms.

The 2016 budget enables the Department to carry out its important mission by maintaining core capabilities and proposing investments in key priorities. This budget lays the groundwork for the future while meeting current commitments. The programs in this request emphasize

partnerships, public engagement in Interior's places and programs, comprehensive upfront resource planning, tribal self-determination and self-governance, and increased scientific understanding leveraged with advanced tools and open access to data.

Importantly, the President's budget proposes to end sequestration, fully reversing it for domestic priorities in 2016, matched by equal dollar increases for defense funding. The last time sequestration was in full effect, the Congressional Budget Office estimated it reduced the gross domestic product by 0.6 percentage points and cost 750,000 jobs. But beyond the economic impacts, these across-the-board cuts also had severe programmatic impacts. At the Department of the Interior, sequestration required cuts to PILT and mineral payments to States, slowed down permitting of energy projects because of cuts to operation budgets, and further added to the deferred maintenance backlog at national parks and on other public lands. All of these cuts impact local economies.

Preserving and Protecting America's Natural and Cultural Resources

The budget launches the National Parks Centennial to celebrate and revitalize national parks and public lands, and connect a new generation to the great outdoors. The budget includes funding in 2016 to allow the National Park Service to make targeted, measurable upgrades over the next ten years to all of its highest priority, non-transportation assets, restoring and maintaining them in good condition. The budget also proposes $150 million in discretionary and mandatory funding for a Centennial Challenge matching program to leverage private donations to parks, and $100 million in mandatory funding for a Public Lands Centennial Fund that competitively awards funds to Federal land management agencies for signature projects and programs. The budget includes complementary initiatives in the Bureau of Land Management and the Fish and Wildlife Service to engage the American public with Interior's broad range of outdoor recreation and natural learning opportunities.

To mark the 50th anniversary of the Voting Rights Act, the 2016 budget proposes $50 million to restore and highlight key sites across the country that tell the story of the struggle for civil rights. State, local and tribal governments may also apply for grants to document and preserve stories and other sites related to the Civil Rights Movement.

On the 50th anniversary of the Land and Water Conservation Fund Act, the budget requests Congress to support full funding for LWCF programs. The innovative, highly successful program reinvests royalties from offshore oil and gas activities into public lands, enabling access for sportsmen and hunters, protecting historic battlefields and providing grants to States for recreation and conservation projects. In 2016, the budget proposes a total of $400 million in discretionary funding and $500 million in mandatory funding for LWCF programs. From Maine to Kansas and up to Washington and Alaska, the FY 2016 request includes 105 projects in 39 States. The budget also includes a legislative proposal to provide full mandatory funding for LWCF starting in 2017.

The budget continues efforts to manage and promote the sustainability and resilience of ecosystems on a landscape scale, such as the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast. To protect and restore the American West's vast

sage steppe landscape which supports abundant wildlife and significant economic activity, including recreation, ranching and energy development, the budget proposes an investment of $78.1 million.

Interior spends over $140 million in current funding within the Arctic for activities that include science, energy, Indian Affairs and land management. As the United States assumes the 2-year Chairmanship of the Arctic Council in April, we recognize this is an important opportunity to work with all eight Arctic countries to address the impacts of rapid climate change in the region, improve economic and living conditions of the people who live there, and enhance Arctic Ocean safety, security, and stewardship. Interior bureaus will play a significant role in these activities, which provide an important opportunity to build the resilience of Arctic communities and the ecosystems upon which they depend.

Strengthening Community Resilience in a Changing Climate

The budget includes increases to strengthen the resilience of communities—including Tribes and insular areas—and ecosystems to climate impacts, such as increased flooding and drought. The budget builds on the success of DOI's Hurricane Sandy Coastal Resilience Grant Program, proposing a competitive grant program that would restore natural coastal systems to help reduce flood, storm, and sea level rise risks. To complement that program, the budget proposes an increase of $30 million for the Challenge Cost-Share program, to be split evenly across the BLM, FWS, and NPS. The bureaus will prioritize projects to conserve and restore landscapes and resources vulnerable to change. Project funding will be leveraged with non-Federal investments to build resilience to inland threats such as drought, flooding, and wildfire. Proposed investments in the Bureau of Indian Affairs, FWS and the U.S. Geological Survey specifically address the changing Arctic landscape and offer support to Alaska Native Villages and other critically vulnerable communities in evaluating options for the long-term resilience of their communities. For example, the FWS is developing a demonstration project to enhance involvement of local people and subsistence users in the decision-making process for resource management on Federal lands. Through a pilot effort based at the Yukon National Wildlife Refuge, FWS and Native Alaskans are developing a draft fisheries cooperative management proposal to improve subsistence uses as the Kuskokwim River drainage changes. An additional $7.0 million is also provided for insular areas to address needs related to sea level rise.

Tribes and other communities throughout the U.S. are already experiencing drought, intensifying wildfires, changes in plants and animals important to subsistence and cultural practices, impacts to treaty and trust resources, and coastal erosion and sea level rise. The budget provides a total of $50.4 million, a $40.4 million increase over 2015, across nine BIA trust resource programs to support tribal communities in preparing for and responding to the impacts of climate change. Funds will provide support for Tribes and Alaska Native Villages to develop and access science, tools, training, and planning for building resilience.

The budget renews the call for a new funding framework for wildland fire suppression, similar to how the costs for other natural disasters are met. The initiative proposes base level funding of 70 percent of the 10-year average for suppression costs within the discretionary budget and an additional $200 million available in the event of the most severe fire activity, which comprises

only one percent of the fires but 30 percent of the costs. Wildland fire continues to be one our most important land management challenges. In January, I issued Secretarial Order 3336 that recognizes the critical importance of fire in protecting, conserving, and restoring the health of the sagebrush-steppe ecosystem on which rural economies, wildlife – including the sage grouse – and a way of life depend. Shortly, we will release our strategy for the 2015 fire season, to be followed by a long-term strategy for addressing rangeland fire prevention, management, and restoration. On a broader scale, the Department is firmly committed to the National Wildland Fire Cohesive Strategy and the three goals of restoring and maintaining fire-resilient landscapes, creating fire adapted communities, and safe and effective operations. In support of those goals, the budget reflects an integrated approach to wildland fire management, including $30.0 million for a Resilient Landscapes program to create landscapes that are resilient to wildfire through long-term, landscape scale, place-based projects. Resilient Landscape program projects will be accomplished through collaborative partnerships that include non-fire bureau resources and land management programs along with other Federal, tribal, State and non-governmental partners. The budget continues to include funding for the Fuels Management program to improve the integrity and resilience of forests and rangelands, contribute to community adaptation to fire, and improve our ability to safely and appropriately respond to wildfires.

As part of the Bureau of Reclamation's proposed $1.1 billion budget for FY 2016, the WaterSMART program would receive $58.1 million to support water conservation initiatives and technological breakthroughs that promote water reuse, recycling and conservation, in partnership with States, Tribes, and other partners. Reclamation will continue strong partnerships with local water and conservation managers to conduct ongoing comprehensive water studies of river basins in Arizona, California, Colorado, Montana, Oklahoma and Oregon. In 2015 and 2016, the budget supports one or two new basin studies in the western U.S and one new West-wide climate risk impact assessment. In addition, Reclamation anticipates funding 40 new WaterSMART Grant projects that will contribute to water conservation. As part of WaterSMART, the USGS would receive $31.0 million to continue to advance the National Water Census to create a more accurate picture of the quality and quantity of the Nation's water resources. The USGS will support focus area studies in the Apalachicola-Chattahoochee-Flint Basin, the Colorado River Basin and the Delaware River Basin.

Powering the Future through Balanced Energy Development

To enhance national energy security and create jobs in new industries, the budget invests in renewable energy development programs, providing about $100 million to review and permit renewable energy projects on public lands and offshore waters.

In order to address the continuing legacy of abandoned mine lands on the health, safety, environment and economic opportunity of communities, the budget makes available to States and Tribes $1 billion, over five years, as part of the President's POWER+ Plan. Funding would come by accelerating payments from the unappropriated balances in the AML Reclamation Fund, administered by the Department of the Interior's Office of Surface Mining Reclamation and Enforcement. The budget also includes reforms to strengthen the health care and pension plans that provide for the health and retirement security of retired coal miners and their families.

The budget invests in onshore energy permitting and oversight on Federal lands, with the BLM's oil and gas program receiving a 20 percent increase in funding, compared to the 2015 enacted level. The National Defense Authorization Act included an important authority that allows the BLM to implement increased fees for Applications for Permit to Drill to provide the funding needed to quickly and efficiently process APDs. To further improve responsiveness to industry demand and workload, the 2016 budget proposes a new fee system to meet program needs on the back end through inspections. A strong inspection program fully funded through fees, estimated to be $48 million, will provide assurance BLM would not have to divert funds from processing permits or leasing activities in the event that appropriations for inspections did not keep pace with the workload associated with this critical responsibility. The inspection fee authority proposed for BLM is comparable to that already in place for offshore inspections. Coupled with the transition to the implementation of a new automated permitting system that eliminates paper applications, these budget resources will significantly strengthen the BLM's program management capacity.

The budget request would fund Interior agencies overseeing oil and gas development on the Outer Continental Shelf as follows: $170.9 million for the Bureau of Ocean Energy Management; and $204.7 million for the Bureau of Safety and Environmental Enforcement. The President's proposal also supports continued reforms to strengthen oversight of industry operations following the 2010 Deepwater Horizon oil spill, with an additional emphasis on risk management.

Supporting Tribal Sovereignty and Native Youth

The budget maintains the Administration's strong commitment to tribal self-determination and strengthening tribal communities. It provides increases across Federal programs that serve Tribes, including a proposed 12 percent increase over the 2015 enacted level for the Bureau of Indian Affairs (BIA) and the Bureau of Indian Education. The budget includes a $26 million increase to fully fund Contract Support Costs that Tribes incur from managing Federal programs, and a legislative proposal to reclassify Contract Support Costs as mandatory funding in 2017 in support of self-determination. The budget also capitalizes on the role of BIA as a broad ranging provider of Federal services by proposing to create a one-stop shop approach for facilitating tribal access to Federal programs across the U.S. government. A total of $244.5 million is requested to resolve Indian water rights claims and implement enacted settlement commitments – supporting sustainable water sharing and management, and providing critical infrastructure, jobs, and clean drinking water to some of the most impoverished communities in the Nation.

The President's budget supports a new and integrated approach to addressing barriers to success for Native Youth. The Generation Indigenous, or Gen-I, initiative takes a comprehensive approach to help improve the lives of and opportunities for Native youth. Gen-I includes a $1 billion investment in Indian education to support a comprehensive transformation of the Bureau of Indian Education. This multi-year process will transform the BIE into an organization that serves as a capacity builder and service provider to support Tribes in educating their youth and deliver a world-class and culturally appropriate education across Indian Country.

Engaging the Next Generation

The future of the Country's natural, cultural, and historic heritage depends on the next generation of active stewards. Interior's unique assets provide an unparalleled opportunity to connect the next generation to the great outdoors and the Nation's rich history. Building on the President's vision for the creation of the 21st Century Conservation Service Corps and implementation of My Brother's Keeper, I launched a youth initiative to inspire millions of young people to play, learn, serve and work outdoors. There is a growing disconnect between young people and the great outdoors and it is a gap Interior can help bridge through public-private partnerships coordinated with all levels of government. Interior is expanding efforts to pass on our Nation's rich conservation legacy and to inspire millions of young people to play, learn, serve and work outdoors.

The budget includes $107.2 million for youth programs across the Department, a $45.5 million increase from the 2015 enacted level. Within this increase, $20.0 million is provided to NPS for youth activities, including bringing one million elementary school children from low-income areas to national parks. This increase will also fund dedicated youth coordinators to help enrich children and families' learning experiences at parks and online.

Our goal is to reach 10 million children through recreation programs, an additional 10 million children through environmental education programs, one million volunteers caring for our lands, and 100,000 young adults and veterans working on public lands. To do this, we need to engage the private sector and create more public-private partnerships. I have a personal goal to raise $20 million for this endeavor and am happy to say we have received support from strong, enlightened companies like American Eagle Outfitters, Coca-Cola, CamelBak and The North Face. We can't do this alone, and we are actively involving partners from the private and nonprofit sectors to join us in creating a movement that helps prepare the next generation of stewards, policy-makers and leaders.

Legislative Proposals and Offsetting Collections

In 2016, the Department will generate an estimated $13.8 billion in Federal receipts; these funds are deposited in the Treasury and serve to offset the cost of general government services, support a range of specific Federal programs, and support State and local governments through various revenue sharing arrangements. The 2016 budget includes a number of revenue generating proposals estimated to result in savings to the Treasury of $5.6 billion over ten years.

Studies by the Government Accountability Office and Interior's Inspector General found taxpayers could earn a better return from DOI's oil and gas management programs through policy changes and more rigorous oversight. The budget proposes a package of legislative reforms to bolster administrative actions focused on advancing royalty reforms, encouraging diligent development of oil and gas leases, and improving revenue collection processes.

The Administration is also committed to ensuring American taxpayers receive a fair return from the sale of public resources and benefit from the development of offshore energy resources owned by all Americans. The budget proposes the Interior Department work with Congress to redirect the distribution of expanded revenue payments under the 2006 Gulf of Mexico Energy

Security Act. These payments, allocated to just four States in the Gulf of Mexico, are expected to increase significantly starting in 2018. Under the Administration's proposal, funds will instead be directed to programs that offer broader natural resource, watershed, and conservation benefits for the entire Nation, help the Federal government fulfill its role of being a good neighbor to local communities, and support other national priorities.

The budget includes a number of other legislative proposals, including full mandatory funding for the Land and Water Conservation Fund starting in 2017, full mandatory funding for contract support costs starting in 2017, three years of mandatory funding for the National Parks and Public Lands Centennial, and a one-year mandatory funding extension of the Payments in Lieu of Taxes program.

The budget also includes a number of discretionary user fee proposals to offset certain costs to the taxpayer.

Bureau Highlights

Bureau of Land Management – The 2016 request is $1.2 billion, an increase of $107.6 million from the 2015 enacted level. The 2016 request assumes the use of $64.5 million in proposed offsetting fees that provide an effective increase of $172.1 million above 2015. The 2016 request includes $1.1 billion for the Management of Lands and Resources account, and $38.0 million in current appropriations for Land Acquisition, including $4.0 million to improve access to public lands for hunting, fishing, and other recreation. The budget proposes $107.7 million for Oregon and California Grant Lands, which includes a $3.2 million decrease in Western Oregon Resource Management Planning, reflecting expected completion of six revised plans in spring 2016.

To advance America's Great Outdoors, the request includes $19.8 million in program increases for BLM's Recreation Resources Management program, National Conservation Lands, and Cultural Resources Management program. This includes a $6.6 million increase to accelerate and enhance implementation of BLM's National Recreation Strategy – Connecting with Communities, which will enable BLM to more aggressively develop partnerships with communities and service providers to encourage recreational opportunities on public lands. The funds will also be used for such activities as improving signage and interpretative exhibits and meeting accessibility standards at visitor centers. An increase of $11.2 million for the National Conservation Lands (also known as the National Landscape Conservation System) will enable BLM to accommodate the increased workload and responsibilities that have accompanied the addition of recently designated units. A $2.0 million increase in Cultural Resources Management will enhance BLM capacity to preserve and protect the vast treasure of heritage resources on public lands. The budget request also includes $6.0 million for Youth programs, an increase of $5.0 million from 2015, to put more young Americans to work protecting and restoring public lands and cultural and historical treasures.

The BLM continues to support the President's all-of-the-above energy strategy on public lands, including an initiative with important increases critical to BLM's ability to effectively manage onshore oil and gas development. The 2016 budget request for oil and gas management

activities, including the request for direct and fee-funded appropriations and estimated mandatory appropriations, represents an increase of $29.1 million, or 20 percent, in total program resources over the 2015 enacted level. The additional resources will enhance the bureau's ability to process Applications for Permits to Drill more quickly and efficiently, accelerate the development and completion of master leasing plans in support of BLM's leasing reform efforts, and strengthen its inspection and oversight program. The $29.1 million total funding increase for BLM's Oil and Gas Management program includes a proposal to institute a fee system to support the inspection program. The estimated $48.0 million in collections generated from the inspection fees will reduce the need for direct appropriations for the program by $41.1 million while also providing for an increase of $6.9 million above the amount appropriated in 2015 for this critical BLM management responsibility.

The 2016 budget request includes an increase of $45.0 million, to support the increased workload and commitments required as implementation of the Greater Sage Grouse conservation plans ramp up. The requested funds support activities that fall into three broad categories which involve both on-the-ground work and establishing the processes and organizational capability to plan and oversee the effort: managing resource uses in Greater Sage Grouse habitats; restoring and reconnecting Greater Sage Grouse habitats; and assessing, monitoring, and reporting on conditions in priority habitats.

Other budget highlights include a $5.0 million program increase in the Resource Management Planning subactivity to expand BLM's Assessment, Inventory, and Monitoring program that will support increased data collection and monitoring needs central to the success of high priority landscape management efforts, such as the Western Solar Energy Plan, the implementation of the plan for the National Petroleum Reserve – Alaska, the Greater Sage Grouse Conservation Strategy and the Department's broader landscape mitigation strategy. The request also includes an increase of $7.8 million to accelerate implementation of BLM's enterprise geographic information system, which aggregates data and viewing information across boundaries to capture ecological conditions and trends; natural and human influences; and opportunities for resource conservation, restoration, development, and partnering. The BLM's geospatial proposal is a critical component of Interior's growing enterprise geospatial capabilities and strategy. A $10.0 million increase in BLM's Challenge Cost Share program will be dedicated to projects that increase the resilience of landscapes in response to changing climate

A proposed grazing administration fee will enhance BLM's capacity for processing grazing permits. A fee of $2.50 per animal unit month, estimated to provide $16.5 million in 2016, is proposed on a pilot basis. This additional revenue, which would be retained by BLM, more than offsets a decrease of $3.0 million in appropriated funds in Rangeland Management. The net increase of $13.5 million will allow BLM to expedite permit renewals and reduce the permit backlog.

Bureau of Ocean Energy Management – The 2016 operating request is $170.9 million, including $74.2 million in current appropriations and $96.6 million in offsetting collections. This is a net increase of $1.8 million in current appropriations above the 2015 enacted level.

The 2016 budget maintains a strong offshore renewable energy program at slightly above the 2015 level of $24.3 million for the total program. To date, BOEM has issued seven commercial wind energy leases offshore Delaware, Maryland, Massachusetts, Rhode Island, and Virginia. In June 2014, BOEM issued the first outer continental shelf lease for marine hydrokinetic technology testing offshore Florida, and in November 2014, BOEM offered its first transmission right-of-way grant offshore Rhode Island.

Offshore conventional energy programs are funded with an increase of $10.2 million, bringing total funding to $59.9 million in 2016. To date, under BOEM's Five Year OCS Leasing Program for 2012-2017, six sales were held generating over $2.4 billion in high bids, and two additional lease sales are scheduled during calendar year 2015. The request includes an increase of $2.5 million for establishing a risk management program, to better protect the Federal Government and taxpayers from financial risks that may arise from unfunded decommissioning costs.

Bureau of Safety and Environmental Enforcement – The 2016 budget request is $204.7 million, including $82.5 million in current appropriations and $122.2 million in offsetting collections, essentially level with 2015. The request for offsetting collections assumes $65.0 million from offshore oil and gas inspection fees. The 2016 request allows BSEE to begin to establish a renewable energy inspection program, and continue to strengthen regulatory and oversight capability on the OCS, and oil spill response prevention.

The budget includes $189.8 million for Offshore Safety and Environmental Enforcement. The request includes a program increase of $1.7 million to establish an Engineering Technology Assessment Center to develop top-level engineering support for BSEE decision-making at all levels of the organization. Funding for Oil Spill Research is maintained at the 2015 level of $14.9 million.

Office of Surface Mining Reclamation and Enforcement – The 2016 budget request for the Office of Surface Mining Reclamation and Enforcement is $160.5 million, an increase of $10.4 million from the 2015 enacted level. The 2016 budget for Regulation and Technology is $128.4 million, an increase of $5.7 million above the 2015 level. The request includes $12.6 million, a program increase of $3.8 million above the 2015 level, to improve implementation of existing laws and support State and tribal programs. It also includes $65.5 million for State and tribal regulatory grants. This request fully funds estimated State requirements based on the return each year of an estimated $3 million in previously appropriated regulatory grant funds by States.

The 2016 budget for the Abandoned Mine Reclamation Fund is $32.1 million, an increase of $4.7 million above the 2015 level. The budget includes a $2.0 million program increase for technical assistance to States, Tribes, and communities on Abandoned Mine Land site reclamation and area-wide reclamation planning and a $1.4 million program increase to evaluate AML program implementation, including identifying more effective and efficient tools for AML site identification, contract management, and program oversight. The 2016 budget proposes to distribute an estimated $926.1 million in mandatory appropriations. This includes $385.3 million to noncertified States and Tribes in reclamation grants and $540.8 million in payments to the United Mine Workers of America retiree health and pension plans. The Administration

proposes legislation to revitalize communities impacted by abandoned coal mines, reform current funding of abandoned coal mine land clean-up, increase funding for hardrock abandoned mine land clean-up, and provide for retired coal miners and their families.

Bureau of Reclamation and Central Utah Project Completion Act – The 2016 budget request for Reclamation and CUPCA totals $1.1 billion and focuses on meeting National priorities for: Indian water rights settlements, ecosystem restoration, healthy watersheds and sustainable, secure water supplies.

Funding for Water and Related Resources shows a reduction of $173.0 million, reflecting the shift of $112.5 million to the requested new Indian Water Rights Settlements account and $35.0 million for a separate discretionary account within the San Joaquin River Restoration Fund.

Reclamation is requesting the establishment of an Indian Water Rights Settlements account in 2016 to assure continuity in the construction of the authorized projects and to highlight and enhance transparency in handling these funds. Reclamation has increased funding of $22.5 million for Indian Water Rights Settlements implementation. This includes increases to implement the Crow Tribe Rights Settlement Act of $10.8 million, the Aamodt Litigation Settlement Act of $3.0 million, and the Navajo-San Juan Settlement, Navajo-Gallup Water Supply Project of $8.7 million. The Navajo-Gallup Water Supply, with total funding of $89.7 million is on a path to meet settlement requirements over the next decade.

The extreme and prolonged drought facing the western States affects major U.S. river basins in virtually every western State. The effects of the current drought on California water, its agrarian economy, and its communities are particularly acute. The Colorado River Basin—crucial for seven States and several Tribes, in addition to two countries—is also enduring historic drought. Nearly 35 million people rely on the Colorado River for some, if not all, of their municipal needs.

Reclamation's WaterSMART program, at $58.1 million, is helping to address the drought and other water supply issues across the West. WaterSMART Grants, Water Conservation Field Services, and Title XVI Programs are enabling the West to better adapt to the impacts of a changing environment by helping to conserve tens of thousands of acre-feet of water each year in urban and rural settings, and on both large and small scales. The Drought Response Program will implement a comprehensive new approach to drought planning and will implement actions to help communities manage drought and develop long-term resilience strategies. Reclamation's Science and Technology Program conducts water resources research to improve capability for managing water resources under multiple stressors, including a changing climate.

The CUPCA program is being maintained as a separate program under the Office of the Assistant Secretary for Water and Science and the 2016 budget for CUPCA is $7.3 million. Of this amount, $6.3 million will be expended from this account and $1.0 million will be transferred to the Utah Reclamation Mitigation and Conservation Account for use by the Utah Reclamation Mitigation and Conservation Commission.

U. S. Geological Survey – The 2016 request is $1.2 billion, an increase of nearly $150 million above the 2015 enacted level. The 2016 budget reflects the vital role the USGS plays in advancing the President's commitment to scientific discovery and innovation to support sustainable economic growth, natural resource management, and science-based decision-making for critical societal needs. The budget includes funding for science to inform land and resource management decisions, advance a landscape level understanding of ecosystems, and develop new strategies to support communities in responding to climate change, historic drought, water quality issues, and natural hazards. The budget also funds science to support the Nation's energy strategy and to help identify critical mineral resources and address the impacts of energy and mineral development on the environment.

The 2016 budget provides an increase of $14.6 million above the 2015 enacted level for science to support sustainable water management. The budget provides increased funding to support resource managers in managing competing demands related to water availability and quality and to enable adaptive management of watersheds. This includes a $3.2 million increase for science to respond to drought, a $4.0 million increase for water use information and research, a $2.5 million increase to study ecological water flows, a $1.3 million increase for streamgages, and a $1.0 million increase to advance the National Groundwater Monitoring Network.

The 2016 budget provides an increase of $11.0 million across the energy, minerals and environmental health portfolio for science to support the sustainable development of conventional and unconventional oil and gas resources; renewable energy sources such as geothermal, wind, and solar; critical minerals such as rare earth minerals; and address the environmental impacts of resource development such as uranium. These investments include $19.5 million, $5.3 million above 2015, to support an interagency effort with the Department of Energy and the Environmental Protection Agency to better understand the potential impacts of unconventional oil and gas development.

The budget includes a program increase of $1.0 million for mineral resources science to continue life-cycle analysis for critical minerals such as rare earth elements, and to develop new science and tools to reduce the impacts of minerals extraction, production, and recycling on the environment and human health. A life-cycle analysis will trace the flow of critical minerals from occurrence through interaction with society to ultimate disposal. The increase will support new workforce capability to address the main thrusts of the President's four working groups in the Office of Science and Technology Policy that are currently focused on critical and strategic materials essential to national security, economic vitality, and environmental protection.

The budget provides increases totaling $6.6 million above the 2015 enacted level for natural hazard science. This includes $4.9 million to expand the Global Seismic Network used for worldwide earthquake monitoring and tsunami warning and $1.7 million to support solar flare (space weather geomagnetic) monitoring which is critical to mitigating impacts to the electrical grid and other hazards. The budget supports the installation and operation of rapid-deployable streamgages to help manage flood response activities. The funding will increase volcano, landslide, wildfire, and sinkhole response capabilities as well as build on investments to continue development of an earthquake early warning system, with the goal of implementing a limited public warning system for the U.S. west coast by 2018.

The budget includes $15.6 million to expand and enhance ecosystem science activities to increase the understanding of the Nation's landscapes. Increases totaling $6.7 million support research in critical landscapes, including $4.2 million for the Arctic, $1.0 million to study sage steppe landscapes, and $1.5 million to support science for Puget Sound, Columbia River and the upper Mississippi River. USGS research will continue to support restoration of other priority ecosystems, such as Chesapeake Bay, Everglades, Great Lakes, California Bay-Delta, and Gulf Coast. Increases totaling $3.8 million support research on invasive and declining species, including $2.2 million for invasive plants and animals and $1.6 million to study the decline of pollinating insects, birds, and mammals. The budget also requests $5.1 million to support coastal resilience and adaptation to long-term change from sea-level rise and coastal erosion.

The President's budget request includes an increase of $37.8 million to provide data and tools to help land and resource managers make informed decisions across the landscape and provide data and information to the public for use in a wide variety of applications. The budgets of USGS and the National Aeronautics and Space Administration provide complementary funding to sustain the Landsat data stream, which is critical to understanding global landscapes. Funding in the USGS budget supports the ground system portion of the Sustained Land Imaging Program, including funding for ground systems development for a Thermal Instrument Free Flyer, Landsat 9 (a rebuild of the Landsat 8), and to receive data from international partners. The budget also includes a $4.0 million increase for Landsat science products for climate and resource assessments.

The budget provides increases for foundational data and tools needed to support landscape level understanding, increases for mapping, expanded lidar collection through the 3D Elevation Program, making data more easy to access and use under the Big Earth Data Initiative, and developing information and tools to assess ecosystem services and benefits. For example, an increase of $3.7 million will expand three-dimensional elevation data collection in Alaska and elsewhere in the United States, mitigate the effects of coastal erosion, storms, and other hazards, and support many other critical activities. A $1.8 million increase will enhance understanding of the benefits of the Nation's ecosystem services and a $1.1 million increase for the Big Earth Data Initiative will make high-value data sets easier to discover, access and use.

The USGS plays an important role in conducting research and developing information and tools to support communities in preparing for, and responding to the impacts of global climate change. The budget includes an increase of $32.0 million for science to support climate resilience and adaptation. The budget includes a $6.8 million increase in science for adaptation and resilience planning and an increase of $2.3 million for the USGS to provide interagency coordination of regional climate science activities across the Nation, an increase of $9.1 million to support biological carbon sequestration, and $11.0 million for the USGS to support the community resilience toolkit, which is a web based clearinghouse of data, tools, shared applications, and best practices for State, local and tribal resource managers, decision-makers, and the public.

Fish and Wildlife Service – The 2016 budget for FWS totals $3.0 billion, including current appropriations of $1.6 billion, an increase of $130.7 million compared to the 2015 level. The proposed funding level will allow the bureau to facilitate collaboration and action on the ground

as the best way to preserve the wildlife and open spaces so important to the Nation. For this reason, I ask the committee remove the rider included in the FY2015 Appropriations Act that prevents the FWS from writing rules to list several species of sage grouse. Our approach to working collaboratively among Federal agencies, States and stakeholders could provide the path for conserving species so Endangered Species Act protection for both the bi-state and Greater Sage Grouse is not necessary. The FY 2015 rider has complicated implementation of the urgent work needed to protect the sagebrush-steppe from threats such as invasive species, fire and fragmentation. These threats impact not only the sage grouse, but 350 other species of wildlife and traditional economic activity like ranching, hunting and recreation central to the Western way of life. Absent effective conservation efforts to reduce or remove the threats now affecting the species, the likelihood of eventual listing of the Greater Sage Grouse under the ESA will be increased.

The budget includes $1.4 billion available under mandatory appropriations, most of which will be provided directly to States for fish and wildlife restoration and conservation. In 2016, a total of $1.5 billion in current funding is proposed for FWS as part of the Administration's initiative to reconnect Americans to the outdoors. Creating opportunities for Americans to enjoy the outdoors through programs at FWS will help to ensure future generations appreciate and conserve natural resources and preserve natural places. Investments that support this effort in 2016 include $1.3 billion for FWS operations, an increase of $114.2 million over the 2015 level. The request includes $5.0 million for the National Wildlife Refuge System's Urban Wildlife Conservation Partnerships that will reconnect the Nation's urban populations with the outdoors. With 80 percent of the U.S. population currently residing in urban communities near more than 260 wildlife refuges, using the Refuge System to help urbanites to rediscover the outdoors is a priority for FWS. The budget also requests $108.3 million for grant programs administered by FWS that support America's Great Outdoors goals. Within this amount is an increase of $11.3 million for the State and Tribal Wildlife grant program on which many States and Tribes rely to fund non-game animal conservation. The request also includes program increases of $10.0 million for Challenge Cost Share projects and $5.0 million for the Joint Venture program to support cooperation with non-Federal partners to enhance the resilience of habitat to adapt to a changing climate.

The budget proposes $16.8 million, an increase of $2.6 million, for activities associated with energy development. Of this increase, $1.4 million supports scientific research into the impacts of energy transmission and development infrastructure on wildlife and habitat. The research will identify potential impacts associated with the development of energy infrastructure and strategies to minimize the impacts on habitat and species. An increase of $1.2 million for the Ecological Services Planning and Consultation program supports assessments of renewable energy projects proposed for development.

The budget request for the Resource Management account continues support for key programs with program increases of $110.6 million above 2015. The request provides $258.2 million in Ecological Services to conserve, protect, and enhance listed and at-risk species and their habitat, an increase of $32.3 million. Within this request are increases of $4.0 million to support conservation of the sage steppe habitat across 11 western States and $4.0 million to support Gulf Coast restoration.

The request includes funding within Law Enforcement and International Affairs to combat wildlife trafficking. The budget provides $75.4 million for the law enforcement program to investigate wildlife crimes, enforce the laws governing the Nation's wildlife trade, and expand technical forensic expertise, with program increases of $8.0 million over 2015.

The budget includes $147.5 million for Fisheries and Aquatic Resource Conservation, a program increase of $4.9 million. Within this request is $53.4 million for operation of the National Fish Hatchery System and a $2.4 million increase to prevent the spread of Asian carp in the Missouri, Ohio, upper Mississippi Rivers, and other high priority watersheds.

Funding for Cooperative Landscape Conservation activity is $17.9 million, an increase of $3.9 million, and funding for Science Support is $31.7 million, a program increase of $14.7 million. The budget supports applied science directed at high impact questions to mitigate threats to fish and wildlife resources, including $2.5 million to address white nose syndrome in bats, an increase of $1.0 million to study biological carbon sequestration, and an increase of $1.0 million to analyze ecosystem services valuation.

The 2016 budget proposes to eliminate the current funding contribution to the National Wildlife Refuge fund, a reduction of $13.2 million below 2015. An estimated $8.0 million in mandatory receipts collected and allocated under the program would remain available to counties.

National Park Service – The 2016 budget request for NPS of $3.0 billion is $432.9 million above the 2015 enacted level. The 2016 NPS budget request for operations is $2.5 billion. This is an increase of $239.4 million above the 2015 enacted level, consisting of $213.4 million in program increases, and $25.3 million in fixed costs increases. Highlights of the 2016 budget include the increases for the Centennial. A $40.0 million increase to the Centennial Challenge program will provide an important Federal match to leverage partner donations for projects and programs at national parks in anticipation and support of the upcoming Centennial.

Other changes include a $2.2 million programmatic reduction to refocus operations funding which partially offsets the following increases: $16.3 million to provide healthcare insurance to seasonal employees, $6.0 million to fund projects that will document and preserve civil rights history in the national park system, $3.5 million for climate change adaptation projects, $3.0 million to improve baseline cultural resource documentation at park units, and $2.5 million for science priorities. The 2016 budget also broadens the scope of NPS programs contributing to the understanding of and preparing for the impacts of a changing climate. A $10.0 million program increase is requested in the Challenge Cost Share program for NPS to work with non-Federal partners on projects that increase the resilience of landscapes in response to changing climate.

The Administration proposes an initiative to Celebrate Civil Rights in America in 2016 by commemorating the struggles undertaken by Americans to secure civil rights and liberties. The 2016 budget will provide resources to celebrate how those actions inspired many groups in America and around the world to continue to pursue progress for civil rights. The budget proposes increases of $50.0 million, including $6.0 million to fund projects that will document and preserve civil rights history in the national park system, and $1.5 million to address critical

base operating NPS needs at sites such as the Harriet Tubman Underground Railroad National Historical Park in Maryland, and the Charles Young Buffalo Soldiers National Monument in Ohio. Also included in the $50.0 million initiative is $30.0 million for competitive historic preservation grants to preserve the stories and sites associated with the Civil Rights movement, and $2.5 million for grants specifically to Historically Black Colleges and Universities to document, interpret, and preserve the stories and sites associated with the progression of Civil Rights in America. Finally, $10.0 million will provide the necessary resources to complete high priority facility projects at NPS sites associated with the Civil Rights movement such as the Selma Interpretive Center at the Selma to Montgomery National Historic Trail, the Lincoln Memorial and the Martin Luther King, Jr. National Historic site.

The 2016 request for the Historic Preservation Fund is $89.9 million, an increase of $33.5 million. Of this total, $46.9 million is requested for grants-in-aid to States and Territories, which is level with 2015. A total of $10.0 million is requested for grants-in-aid to Tribes, an increase of $1.0 million. The budget proposes to fund grants-in-aid to Historically Black Colleges and Universities through a $2.5 million increase, which is an important component of the Civil Rights initiative. Finally, the budget includes $30.5 million for competitive grants-in-aid, a $30.0 million increase for new competitive grants as part of the Civil Rights initiative, and $500,000 for the existing competitive grants targeted toward communities currently under represented on the National Register of Historic Places.

The 2016 request includes $54.2 million for the National Recreation and Preservation account, a decrease of $8.9 million compared to 2015. These changes consist of a program reduction of $9.7 million to Heritage Partnership Programs, a programmatic increase of $703,000 for the National Register program to digitize records, a programmatic increase of $260,000 for the Federal Lands to Parks program, and fixed costs increases of $506,000.

Programs funded out of the Land and Water Conservation Fund are a key strategy to enhance America's Great Outdoors. The budget requests $117.5 million for the Land Acquisition and State Assistance account, an increase of $18.5 million. This includes $53.2 million for the State Conservation Grants program, a programmatic increase of $5.0 million, and $64.3million for NPS Federal land acquisition, a programmatic increase of $13.3 million. Of this amount, $16.3 million supports Collaborative Landscape projects.

Funding for Construction totals $251.0 million, an increase of $112.6 million. Of this amount, the budget includes $153.3 million for line-item construction projects, a $91.7 million program increase compared to 2015. The request includes $8.7 million to provide seismic stabilization at the Mammoth Hotel at Yellowstone National Park and $3.0 million to rehabilitate the Selma Interpretive Center at the Selma to Montgomery National Historic Trail.

Indian Affairs – The 2016 budget for Indian Affairs is $2.9 billion, $323.5 million above the 2015 level. This includes an increase of $231.4 million for Operation of Indian Programs; an increase of $32.0 million for Indian Land and Water Claim Settlements; an increase of $60.1 million for Construction; and level funding of $7.7 million for the Indian Guaranteed Loan program.

The 2016 budget fully funds Contract Support Costs at $277.0 million, an increase of $26.0 million above 2015. Based on the most recent analysis, the requested amount for 2016 will fully fund Contract Support Costs. To stabilize long-term funding and address programmatic concerns with Contract Support Costs, the 2016 budget also proposes—for the first time—a legislative proposal to reclassify these costs as mandatory funding beginning in fiscal year 2017. Mandatory funding for Contract Support Costs will help stabilize this vital funding for Tribes and further self-governance and self-determination efforts.

The budget contains a number of critical increases to support tribal nation-building and economic development. The budget capitalizes on the important role BIA plays as a broad provider of Federal services by proposing $4.0 million to establish the One-Stop Tribal Support Center to make it easier for Tribes to find and access hundreds of services available to Tribes across the Federal government. The 2016 budget includes $4.5 million to establish an Indian Energy Service Center to facilitate vital energy development in Indian Country of both conventional and alternative energy and to support assessment of the social and environmental impacts of energy development on tribal lands. A data initiative of $12.0 million is proposed to improve and expand access to quality data for tribal leaders and other decision makers. This funding will establish an Office of Indian Affairs Policy, Program Evaluation, and Data which will help the Department collect, analyze, and utilize evidence to support effective policy making and program implementation. Lastly, a $1.3 million increase for the Small and Needy Tribes program is proposed to assist eligible Tribes in expanding and sustaining tribal governance.

The 2016 budget proposes an additional $15.0 million to expand Indian Affairs' capacity in current programs that address Indian child and family welfare and job training issues. The budget proposes program increases of $6.0 million for social services programs, $4.0 million for law enforcement special initiatives, and $5.0 million for tribal courts. The law enforcement increases will expand on pilot projects initiated in 2015 in which BIA law enforcement is implementing a comprehensive strategy to support alternatives to incarceration. Funding increases for these programs will be integrated with other funding increases across the Federal government, including an additional $25.0 million to the Indian Health Service to address behavioral health issues, a $25.0 million increase to the Substance Abuse and Mental Health Services Administration for the Tribal Behavioral Health program, and a $132.0 million increase for the Administration for Children and Families for Tribal Child Care programs, cultural and language preservation programs, tribal child welfare programs, Tribal Head Start, and other native programs.

The 2016 budget proposes a $1.0 billion investment in Indian education to support a comprehensive transformation of BIE. The multi-year process will transform BIE into an organization that serves as a capacity builder and service provider to support Tribes in educating their youth and deliver a world class and culturally appropriate education across Indian Country. The budget provides increases totaling $138.4 million for elementary and secondary school education activities funded by BIE and education construction. The request includes a program increase of $45.5 million in Elementary and Secondary education. An increase of $12.9 million will fully fund Tribal Grant Support Costs which, similar to Contract Support Costs, assists Tribes that run their own schools by covering the costs of administering programs. The Education Program Enhancement program is increased by $10.0 million to encourage creative

solutions for school transformations. Requested facility maintenance and operations increases totaling $20.0 million will provide essential preventive and routine maintenance and operating expenses so schools are operated in a safe and educationally conducive manner. The 2016 budget also includes a $34.2 million increase for education information technology to enhance broadband and digital access for students at BIE-funded schools.

The budget requests a $58.7 million increase for Education Construction to support the education transformation. This includes a $25.3 million increase for replacement school construction to complete construction of the final two schools on the 2004 replacement school construction priority list: Little Singer Community School and Cove Day School, both in Arizona. A $17.7 million increase for facilities improvement and repair is requested for repairs to building structures and components necessary to sustain and prolong the useful life of education buildings. Additionally, the budget includes $11.9 million to address major facility replacement needs at schools like the Bug-O-Nay-Ge-Shig school on the Leech Lake Band of the Ojibwe reservation. Lastly, an increase of $3.7 million is requested for employee housing repair which will complement a new $10.0 million set-aside proposed in the Department of Housing and Urban Development to address teacher housing needs.

The 2016 budget also includes increases totaling $7.4 million to meet educational needs beyond the BIE elementary and secondary system. To further higher education, a $4.6 million increase is requested for scholarship and adult education and a $250,000 increase is requested for Special Higher Education Scholarships. The 2016 budget includes a $2.6 million increase for the Johnson O'Malley program to provide American Indian and Alaska Native students attending public schools with additional resources to meet their unique and specialized educational needs.

The 2016 budget strongly supports the sustainable stewardship of trust lands, natural resources, and the environment in Indian Country. The budget includes program increases totaling $63.2 million for the trust natural resources and real estate services programs. The budget provides a total of $50.4 million, a $40.4 million increase over 2015, proposed across nine natural resource programs, to support tribal communities in sustainable resource management and in preparing and responding to the impacts of climate change, such as drought, wildfires, changes in the plants and animals important to subsistence and culture, rights protection, coastal erosion, and sea level rise.

The budget includes a total increase of $16.2 million for trust real estate service activities to reinforce the stewardship of trust resources. The expanded capacity will address the probate backlog, land title and records processing, geospatial support needs, and database management in addition to providing expanded technical and legal support for authorized settlements involving tribal water rights. The BIA increases for water rights settlements represent a subset of increases totaling $73.0 million across the Department to support resolving tribal water rights claims and ensuring that Tribes have access to use and manage water to meet domestic, economic, cultural, and ecological needs.

Collectively, the 2016 budget proposes a total of $982.7 million in Tribal Priority Allocations, an increase of $56.2 million over the 2015 level.

The 2016 budget request for Indian Land and Water Claim Settlements is $67.7 million, a $32.0 million increase over the 2015 enacted level. Several funding increases demonstrate the Administration's strong commitment to resolve tribal water rights claims to ensure Tribes have access to use and manage water. Funding for the Taos Pueblos Indian Water Rights Settlement is increased by $13.8 million over 2015 for a total funding request of $29.2 million. This funding amount will constitute the final payment of the Taos Pueblo settlement. The Navajo-Gallup Water Supply project is increased by $8.8 million to meet projected 2016 funding needs. The budget proposes a $9.4 million increase for the second year of funding for the Aamodt Settlement enacted as part of the Claims Resolution Act of 2010. The budget also contains increases of $14.1 million to provide expanded technical and legal support for tribal water rights settlement negotiations and implementation.

The 2016 budget for the Indian Guaranteed Loan Program is $7.7 million, equivalent to the 2015 enacted level. This will provide $113.8 million in loan guarantee authority to support Indian economic development.

Departmental Offices and Department-wide Programs – The 2016 request for the Office of the Secretary is $327.9 million, an increase of $62.7 million from the 2015 enacted level. The budget reflects an increase of $50.0 million for Coastal Resilience grants. The Coastal Resilience competitive grants will support the restoration and conservation of key ecological systems that protect communities and infrastructure from the impacts of coastal storms. In collaboration with State, local, and tribal governments, non-governmental organizations, universities, and other stakeholders, the program's goals are to mitigate the impacts of climate change on coastal and inland communities from storm wave velocity, salt water intrusion, erosion, flooding, sea level rise, and associated natural threats; and to strengthen the ecological integrity and functionality of coastal and inland ecosystems to protect communities and enhance the ability of Federal lands to support important recreational, wildlife, and cultural values. The program will also enhance understanding of the impacts of extreme weather events, the benefits of nature based infrastructure and ecosystem services, and identify cost-effective tools that help mitigate and support community resilience with future events. Such information, tools, and investments are of particular interest to vulnerable communities in Arctic Alaska, where villages are suffering the full impact of rapidly accelerating erosion rates and flooding due to loss of protective sea ice and degraded permafrost. As buildings are being claimed by the sea and critical infrastructure is threatened, representatives from Arctic villages and communities in coastal Alaska have repeatedly appealed for this type of support.

The budget proposes an increase of $1.5 million for work with the National Invasive Species Council to develop an Early Detection Rapid Response framework in support of climate resilience efforts. Invasive species pose one of the greatest threats to the ecological, economic and cultural integrity of America's landscapes. Detecting invasive species early and rapidly responding to control their spread is one of the most cost effective strategies to mitigate their threat. The additional funding will support planning efforts for a coordinated invasive species early detection and rapid response framework with other Federal agencies, States, Tribes and other partners. The funds also will be used to implement commitments identified in the Department's Invasive Species Action Plan, the National Invasive Species Council work plan, and the White House Priority Agenda - Enhancing the Climate Resilience of America's

Resources report. As with coastal resilience support, Governors and tribal leaders from across the country have appealed for coordination and support for early detection and rapid response efforts, and this was of particular interest to a task force of State, local, and tribal leaders eager to build resilience for their communities and lands.

The budget proposes a $5.9 million and 18 FTE increase to support the Office of Natural Resources Revenue's Osage Tribal accounting activities, to expand ONRR's Geospatial Information Systems capabilities, and to expand on-shore production verification and data integration efforts. The budget for the Office of the Secretary also includes $3.0 million for the development of a Digital Service team, which will be responsible for driving the efficiency and effectiveness of the Department's highest-impact digital services.

The budget request for the Office of Insular Affairs is $103.0 million, an increase of $13.7 million from the 2015 enacted level excluding the Palau Compact Extension funding of $13.1 million. Within this amount, a program increase of $10.4 million is requested in Office of Insular Affairs and General Technical Assistance to increase the grant management staff to improve oversight, and address needs in the insular areas related to sea level rise by supporting development of infrastructure and community resilience initiatives. The Maintenance Assistance Fund request includes a program increase of $3.9 million to improve health and safety conditions in insular school facilities. The budget also requests a program increase of $1.5 million in Empowering Insular Communities to implement energy projects identified by the territories in their comprehensive sustainable energy strategies. Brown Treesnake Control is funded at $3.0 million, a program decrease of $500,000, which reflects completion of an automated aerial bait system in 2015. The budget requests $1.3 million for Compact Impact, a program decrease of $1.7 million from 2015. This funding is supplemented by $30.0 million annually in mandatory Compact Impact funding. The budget includes a mandatory proposal to fund the Palau Compact, as a result it does not include stopgap discretionary funding of $13.1 million provided in the 2015 appropriations process.

The Solicitor's 2016 budget is $69.9 million, $4.1 million above the 2015 enacted level. Maintaining sufficient attorney resources to handle filed litigation, avoid potential litigation, and provide timely counseling is critical to ensuring that litigation risks are minimized. Front-end counseling is critical to realizing cost savings by either preventing litigation or narrowing the issues that might be challenged in litigation. The increase for legal services will allow for the continuation of existing services with sufficient resources to provide the Secretary and the Department the necessary legal services for the advancement of priority goals and other mission areas.

The Office of Inspector General request is $52.2 million, an increase of $1.8 million compared to the 2015 enacted level. The 2016 budget includes $423,000 in funding to support the Council of the Inspectors General on Integrity and Efficiency. The Inspector General estimates staffing will equal 286 full time equivalents in 2016.

The Office of the Special Trustee request is $143.0 million, $3.9 million above the 2015 enacted level. The budget includes an increase of $2.8 million in Program Operations and Support. A $1.6 million increase is requested in field operations to provide additional estate planning

opportunities to Indian Trust beneficiaries. This will help stem the growth of both land fractionation in Indian Country and the number of Trust beneficiary estates that require probate. A $1.2 million increase is requested in appraisal services for an appraiser training program to address the shortage of qualified appraisers and the resulting delays in completing appraisal evaluations. Lastly, a $1.0 million increase is requested in trust records to expand the records training program at Haskell Indian Nations University, create new records training programs at two additional tribal colleges, and fund the increased requirements related to the Department's e-mail Enterprise Records and Document Management System initiative. The budget also includes a $972,000 reduction in funding for Office of Historical Trust Accounting based on anticipated workload levels.

The 2016 request for the Department-wide Wildland Fire Management program is $805.5 million without the proposed fire cap adjustment, and $1.05 billion including the adjustment. The request includes $268.6 million for fire suppression within the base budget, which is 70 percent of the 10 year suppression average spending. The cap adjustment of $200.0 million would only be used for the most severe fires, since it is one percent of the fires that cause 30 percent of the costs. The new budget framework for Wildland Fire Management eliminates the need for additional funds through the FLAME Act.

The 2016 budget requests $30.0 million in a new Resilient Landscapes subactivity to build on resilient landscapes activities supported by Congress in 2015. Congress provided $10.0 million for resilient landscapes activities in the 2015 Omnibus Appropriations Act by designating that amount within Fuels Management. While fuels treatments and resilient landscapes activities are complementary and synergistic, they also have distinct differences, including the methodology for prioritizing place-based projects and a leveraged funding requirement for resilient landscapes. Establishing a separate subactivity for Resilient Landscapes will assist the Department and Wildland Fire Management bureaus in tracking funds obligated and program accomplishments. The $20.0 million increase in funding will enable the Wildland Fire Management program to take better advantage of the shared goals of bureau resource management programs to treat large landscapes to achieve and maintain fire-adapted ecosystems that both reduce the threat of catastrophic wildfire and achieve restoration and other ecological objectives. The increase for Resilient Landscapes is partially offset with a program realignment of $17.7 million in the Fuels Management program from 2015; total funds for the combined Fuels Management and Resilient Landscapes subactivities are $14.3 million above 2015.

The 2016 request for the Natural Resource Damage Assessment and Restoration program is $9.2 million, an increase of $1.5 million over the 2015 enacted level. The budget includes program increases of $1.5 million for Restoration Support, $233,000 for Program Management, $100,000 for Inland Oil Spill Preparedness, and a program reduction of $448,000 for Damage Assessment reflecting a reallocation of funding to increase restoration activities.

The budget includes $10.0 million for the Central Hazardous Materials Fund, equal to the 2015 enacted level.

The Department's 2015 request for the Working Capital Fund appropriation is $74.5 million, an increase of $17.4 million from the 2015 enacted level. Within this request is $53.9 million for

the operation and maintenance of the Financial and Business Management System, an increase of $1.0 million to continue support of the Department's Cultural and Scientific Collections initiative, an increase of $702,000 for the Department's Service First initiative, and an increase of $5.2 million to support Interior's Office Consolidation strategy. The budget also includes an increase of $10.5 million to support Interior's multi-year effort to implement requirements identified under the Digital Accountability and Transparency Act, known as the DATA Act, and monitor compliance.

Legislative Proposals

The 2016 President's budget includes a suite of legislative and offsetting collection proposals affecting spending, revenues, and available budget authority that require action by the Congressional authorizing committees. These proposals address a range of Administration priorities, from investing in high-priority conservation and recreation programs to achieving a fair return to the American taxpayer from the sale of Federal resources and reducing unnecessary spending. The 2016 budget includes seven spending proposals with $15.2 billion in estimated outlays over the next decade. This spending is partially offset by revenue and savings proposals estimated to reduce outlays from the Treasury by more than $5.6 billion over the next decade.

Bureau of Indian Affairs Contract Support Costs – The budget includes a legislative proposal to reclassify the existing Contract Support Costs program from current to mandatory funding beginning in fiscal year 2017. Congress requested that both BIA and the Indian Health Service consult with Tribes to develop a long-term approach to funding contract support costs. The leading tribal recommendation was to provide funding for contract support costs as a mandatory appropriation. Beginning the reclassification in 2017 will allow time for tribal consultation in 2016 on operational details. The budget proposes to adjust the discretionary budget caps to reflect the reclassification. The estimate for projected BIA program growth, above the discretionary cap amount, totals $105.0 million for 2017-2019 and will be treated as a Statutory Pay-As-You-Go Act of 2010 cost for the authorizing legislation. New contract support cost legislative proposals and offsetting collections estimates will be provided on a three-year cycle as part of the reauthorization process.

Coal Abandoned Mine Lands Reform – As part of the Administration's POWER+ Plan, the budget proposes to accelerate payments from a portion of the remaining unappropriated balance of the AML Fund to target the cleanup and redevelopment of AML sites and AML coal mine polluted waters in a manner that facilitates sustainable revitalization in economically depressed coalfield communities. The proposal will provide $1.0 billion over five years to States based on AML program and economic eligibility factors—such as the unemployment rate of coal mining regions—and remaining priority coal problems, including abandoned mine drainage, where reclamation linked to job creating economic development strategies will help revitalize impacted communities.

Gulf of Mexico Energy Security Act – The Gulf of Mexico Energy Security Act of 2006 opened some additional areas in the Gulf of Mexico for offshore oil and gas leasing, while maintaining moratoria on activities east of the Military Mission Line and within certain distances from the coastline of Florida. The Act provides that 37.5 percent of Outer Continental Shelf

revenues from certain leases be distributed to just four coastal States—Alabama, Louisiana, Mississippi, and Texas—and their local governments based on a complex allocation formula. Under the Administration's all-of-the-above energy strategy, domestic energy production has grown each year. Offshore, the Department has made 60 million acres available for development in the past three lease sales alone. The Administration is committed to ensuring American taxpayers receive a fair return from the sale of public resources and taxpayers throughout the Country benefit from the development of offshore energy resources owned by all Americans. The Administration proposes to work with the Congress on legislation to redirect funds currently allocated to GOMESA revenue-sharing payments to just four States from Gulf of Mexico oil and gas leases. The Administration proposes to redirect these payments, which are set to expand substantially starting in 2018, to programs that provide broad natural resource, watershed and conservation benefits to the Nation, help the Federal government fulfill its role of being a good neighbor to local communities, and support other national priorities. Such programs could include the Land and Water Conservation Fund, Payments in Lieu of Taxes, State and Tribal Wildlife Grants, Federal coastal restoration and resilience programs, and other national priorities.

United Mineworkers of America Health and Pension Reform – The budget proposes to better provide for retired coal miners and their families by revising the formula for general fund payments to the 1993 UMWA Health Benefit Plan. The new formula will consider all beneficiaries enrolled in the plan as of enactment, as well as those retirees whose health benefits were denied or reduced as the result of a bituminous coal industry bankruptcy proceeding commenced in 2012. Additionally, the proposal will transfer funds through the Pension Benefit Guaranty Corporation to the trustees of the 1974 UMWA Pension Plan to ensure the plan's long-term solvency. The plan, which covers more than 100,000 mineworkers, is underfunded and approaching insolvency. The new formula will provide an additional $363.0 million to the UMWA in 2016 and $3.9 billion over 10 years.

Land and Water Conservation Fund –The budget proposes $900.0 million in current and mandatory funding in 2016, and starting in 2017, the budget proposes permanent authorization of $900.0 million in mandatory funding for LWCF programs in the Departments of the Interior and Agriculture. During a transition to mandatory funding in 2016, the budget proposes $500.0 million for mandatory funding and $400.0 million for current funding, to be shared by Interior and Agriculture.

National Parks and Public Lands Centennial – The Centennial initiative proposes $500.0 million a year for three years or $1.5 billion in mandatory funding beginning in 2016 for the following programs: $100.0 million a year for a National Park Service Centennial Challenge to leverage private donations; $300.0 million a year for addressing NPS deferred maintenance backlogs; and $100.0 million a year for a Public Lands Centennial Fund, which will competitively allocate funds for projects on public lands. Interior's public lands bureaus and Agriculture's Forest Service will identify projects that enhance visitor services and outdoor recreation opportunities, restore lands, repair facilities, and increase energy and water efficiency. The availability of mandatory funding to address deferred maintenance and other conservation projects will allow these agencies to plan ahead more efficiently to achieve significant results. Stable and predictable funding streams will allow projects to be appropriately scheduled and phased for effective project delivery and completion from a capital investment standpoint.

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

Recreation Fee Program – The Department of the Interior proposes to permanently authorize the Federal Lands Recreation Enhancement Act, which will expire September 30, 2016. The program currently brings in an estimated $281 million in recreation fees annually under this authority and uses them to enhance the visitor experience at Interior facilities. In addition, as a short-term alternative to proposed legislation for long-term reauthorization, the budget proposes to extend authorization through September 30, 2017.

Federal Oil and Gas Reforms – The budget includes a package of legislative reforms to bolster and backstop administrative actions being taken to reform the management of Interior's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources. Proposed statutory and administrative changes fall into three general categories: 1) advancing royalty reforms, 2) encouraging diligent development of oil and gas leases, and 3) improving revenue collection processes. Collectively, these reforms will generate roughly $2.5 billion in net revenue to the Treasury over ten years, of which about $1.7 billion would result from statutory changes. Many States will also benefit from higher Federal revenue sharing payments.

Palau Compact – On September 3, 2010, the U.S. and the Republic of Palau successfully concluded the review of the Compact of Free Association and signed a 15-year agreement that includes a package of assistance through 2024. The 2016 budget assumes authorization of mandatory funding for the Compact occurs in 2015. The cost for this proposal is estimated at $163 million for 2016 through 2024.

Payments in Lieu of Taxes – The Consolidated and Further Continuing Appropriations Act of 2015 provides $372.0 million in current funding and the National Defense Authorization Act for Fiscal Year 2015 provides mandatory funding of $33.0 million in 2015 and $37.0 million in 2016. The 2016 budget proposes to extend authorization of the program an additional year while a sustainable long-term funding solution is developed for the PILT Program. The PILT payments help local governments carry out vital services, such as firefighting and police protection, construction of public schools and roads, and search and rescue operations. The cost of a one-year extension is estimated to be $452.0 million in 2016.

Reclamation of Abandoned Hardrock Mines – To address the legacy of abandoned hardrock mines across the U.S. and hold the hardrock mining industry accountable for past mining practices, the Department will propose legislation to create a parallel Abandoned Mine Lands Program for abandoned hardrock sites. A new AML fee on hardrock production on both public and private lands would generate an estimated $1.8 billion to reclaim the highest priority hardrock abandoned sites on Federal, State, tribal, and private lands.

Reform Hardrock Mining on Federal Lands – Interior will submit a legislative proposal to provide a fair return to the taxpayer from hardrock production on Federal lands. The legislative proposal will institute a leasing program under the Mineral Leasing Act of 1920 for certain hardrock minerals including gold, silver, lead, zinc, copper, uranium, and molybdenum, currently covered by the General Mining Law of 1872. The proposal is projected to generate net revenues to the U.S. Treasury of $80 million over ten years, with larger revenues estimated in following years.

Return Coal Abandoned Mine Land Reclamation Fees to Historic Levels – The budget proposes legislation to modify the 2006 amendments to the Surface Mining Control and Reclamation Act, which lowered the per-ton coal fee companies pay into the AML Fund. The proposal would return the current fee of 28 cents per ton of surface mined coal to 35 cents a ton, the same level companies paid prior to the 2006 fee reduction. The additional revenue, estimated at $306 million over ten years, will be used to reclaim high priority abandoned coal mines and reduce a portion of the estimated $4.0 billion needed to address remaining dangerous coal AML sites nationwide.

Termination of AML Payments to Certified States – The budget proposes to discontinue unrestricted payments to States and Tribes certified for completing their coal reclamation work. This proposal terminates all such payments, with estimated savings of approximately $224 million over the next ten years.

Termination of Geothermal Energy Payments to Counties – The Department proposes to repeal Section 224(b) of the Energy Policy Act of 2005 to permanently discontinue payments to counties and restore the disposition of Federal geothermal leasing revenues to the historical formula of 50 percent to the States and 50 percent to the Treasury. This results in estimated savings of $4.0 million in 2016 and $47.0 million over ten years.

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

Migratory Bird Hunting and Conservation Stamp Act – The passage of the Federal Duck Stamp Act of 2014 raised the price of a Duck Stamp for the first time in more than 20 years. To provide greater stability in the future, the budget includes a legislative proposal to provide the Secretary limited authority to increase the price of a Duck Stamp, with the approval of the Migratory Bird Conservation Commission, to keep pace with inflation.

Offsetting Collections and Fees

The budget includes the following proposals to collect or increase various fees, so industry shares some of the cost of Federal permitting and regulatory oversight. The budget also includes a proposal to recover costs from anyone who damages a national wildlife refuge.

New Fee for Onshore Oil and Gas Inspections – Through appropriations language, the

Department proposes to implement inspection fees in 2016 for onshore oil and gas activities subject to inspection by BLM. The proposed inspection fees are expected to generate $48.0 million in 2016, $6.9 million more than the 2015 enacted program funding level, thereby expanding the capacity of BLM's oil and gas inspection program. The fees are similar to those already in place for offshore operations and will support Federal efforts to increase production accountability, human safety, and environmental protection.

Grazing Administrative Fee – The 2016 budget proposes a new grazing administrative fee of $2.50 per animal unit month. The BLM proposes to implement this fee through appropriations language on a pilot basis. The provision will generate an estimated $16.5 million in 2016, more than offsetting a decrease of $3.1 million in appropriated funds in the Rangeland Management program. The net increase of $13.4 million in funding will assist BLM in processing backlogged grazing permits. During the period of the pilot, BLM will work to promulgate regulations to continue this cost recovery fee administratively, once the pilot expires.

National Wildlife Refuge Damage Cost Recovery – The budget proposes appropriations language to authorize the Fish and Wildlife Service to pursue and retain recoveries from responsible parties, to be used to restore or replace damaged National Wildlife Refuge resources.

Conclusion

Thank you for the opportunity to testify on the President's 2016 budget request for the Department of the Interior. This budget is responsible, and proposes to maintain core capabilities with targeted investments to advance the stewardship of lands and resources, renewable energy, oil and gas development and reforms, water conservation, youth employment and engagement, and improvements in the quality of life in Indian communities. I thank you again for your continued support of the Department's mission. I look forward to answering questions about this budget. This concludes my written statement.