United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 09 2018

The Honorable Paul Gosar
Chairman
Subcommittee on Energy and Mineral Resources
Committee on Natural Resources
House of Representatives
Washington, D.C. 20515

Dear Chairman Gosar:

Enclosed are responses prepared by the Department to questions submitted following the Subcommittee's July 12, 2017, oversight hearing on "Evaluating Federal Offshore Oil and Gas Development on the Outer Continental Shelf."

We apologize for the delay and thank you for the opportunity to provide this material to the Committee.

Sincerely,

for Christopher P. Salotti
Legislative Counsel
Office of Congressional and Legislative Affairs

Enclosure

cc: The Honorable Alan Lowenthal
Ranking Member

Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
Oversight Hearing
1324 Longworth House Office Building
July 12, 2017
10:00 a.m.

Oversight Hearing on *"Evaluating Federal Offshore Oil and Gas Development on the Outer Continental Shelf"*

Questions from Rep. Gosar for Katharine MacGregor, Acting Assistant Secretary

1. Does BOEM consider impacts to microorganisms (or plankton) when completing Programmatic Environmental Impact Statements for OCS G&G activities?

   Response: Yes. BOEM considers impacts to microorganisms, such as plankton, when completing a PEIS for OCS G&G activities. It is important to look at potential effects to all levels of the ocean food chain.

   Recently, a study offshore Tasmania, Australia tested the potential impacts of seismic airguns on zooplankton. It found significant plankton mortality at greater distances from airgun arrays in near-shore, shallow environments than previously thought possible. BOEM has examined the study methods and results and determined that further study is needed before determining direct application of these study results to the offshore, deeper water environments of the U.S. Outer Continental Shelf (OCS).

2. What is BOEM's process for considering and assessing new scientific studies and how does BOEM incorporate new scientific findings into its decision making process?

   Response: BOEM scientists regularly participate in conferences, workshops and other public science fora to understand the most up-to-date results of applicable research. They also regularly monitor journals and other peer-reviewed materials for new information and will reach out directly to the scientific community to discuss emerging research results as needed. BOEM's Environmental Studies Program also works directly with stakeholders to identify information gaps and develop studies to meet those needs to inform BOEM decision-making. BOEM's tiered environmental analysis process involves multiple stages of review from national or regional to site-specific and provides a robust mechanism for adaptive, informed decision-making. Throughout the process, BOEM is committed to the use of high-quality science. Scientific studies, policy documents, and other environmental documents are often subject to public review and peer review consistent with Department of the Interior's requirements and its policy on scientific integrity.

3. What improvements have been made since the Deepwater Horizon spill to prevent future spills?

   Response: The Bureau of Safety and Environmental Enforcement (BSEE) has taken many steps to promote the adoption of safer and more environmentally responsible practices on the OCS. BSEE incorporates the latest industry standards and updated regulations to account for technological advancements that improve operational safety. Since the *Deepwater Horizon* spill, BSEE (and its predecessor bureau, BOEMRE) promulgated seven major regulations aimed at promoting safety and environmental protection including: the Annular Casing Pressure Management Rule (2010), the Increased Safety Measures Rule (2010), the Safety and Environmental Management Systems I (SEMS I) Rule (2010), the SEMS II Rule (2013), the Well Control Rule (2016), the Arctic Rule (2016), the Production Safety Systems Rule (2016). Promulgating regulations does not however, in itself, prevent incidents or spills. BSEE has increased the number and capability of its inspectors and technical staff and currently has a fully-staffed inspection program. BSEE has also provided its staff with an improved training program to ensure that BSEE engineers, geologists, geophysicists, and other technical staff stay current with industry developments. BSEE has also engaged in programmatic efforts to improve its collaboration and coordination with industry, which have resulted in programs such as the Safe OCS near-miss reporting system and the performance-based Safety and Environmental Management Systems (SEMS) program. The Bureau continues to work with, and independently of, industry to further collective knowledge of safe drilling and production practices, technologies, and risk-reduction strategies. BSEE is also reviewing its regulations with an eye toward achieving the appropriate balance between operational safety, resource conservation, global competition for investment in offshore development, and our Nation's energy needs.

Questions from Rep. Lowenthal for Ms. Kate MacGregor, Department of the Interior

1. Please provide the full analysis performed by BOEM to support the reduction of royalty rates for shallow-water leases in Gulf of Mexico Lease Sale 249.

   Response: BOEM set a royalty rate of 12.5 percent for leases situated in less than 200 meters of water for GOM Region-wide Sale 249. The Outer Continental

Shelf Lands Act gives BOEM and the Secretary the authority to set what terms are used on a Sale by Sale basis. Leases situated in 200 meters of water and deeper retained the royalty rate of 18.75 percent for this sale. Analyses of market conditions, available resources, leasing, drilling, and production trends, along with comparable international fiscal systems, were used to support this decision. As described in the Recommendations for Royalty Rates Memo attached, shallow water leasing, drilling, and production have declined precipitously in recent years. The BOEM 2016 National Resource Assessment estimate of GOM technically recoverable resources in depths of less than 200 meters declined by one-third for oil and dropped by more than 40 percent for natural gas. By taking this action, BOEM specifically targeted an area where exploration and development is in decline, in the hope that the number of shallow water lease blocks sold will increase along with subsequent shallow water production. For the Proposed Notice of Sale for Lease Sale 250, BOEM's economic analysis has drawn the same conclusions under the current market conditions. BOEM will monitor leasing and post-lease industry development activity to determine appropriate royalty rates going forward.

2. Please explain the specific way that the Department of the Interior is calculating benefits for regulations and policies being reviewed for their potential burden on the development of energy resources.

   Response: In calculating benefits for regulations and policies being reviewed for their potential burden, Interior is following the guidance issued by OMB on April 5, 2017: M-17-21, concerning: "Guidance Implementing Executive Order 13771, Titled "Reducing Regulation and Controlling Regulatory Costs". This memo explains the process agencies are to use, including the methods described in OMB Circular A-4. The Department's Office of Policy Analysis is assisting bureaus in this effort.

3. Both you and the Secretary have said that the Department is fully committed to all energy sources, and does not favor oil and gas over renewables. However, the proposed FY18 budget for renewables is cut in both BOEM and BLM while oil, gas, and coal programs would receive budget increases. When asked about the cut to the BOEM renewable energy program during the FY18 budget hearing, Secretary Zinke said, "With regard to wind, the budget matches the anticipated demand."

   a. Please provide the analysis showing the expected drop in offshore wind demand that justifies the proposed cut to the BOEM renewable energy program.

Response: In FY18, we anticipate that BOEM's renewable energy budget will match the demands that the offshore wind industry will place upon it, whether that demand is higher, lower, or the same as past demand. BOEM's renewable energy budget has increased over one million dollars over the past five years. To date, commercial wind leases are held offshore of 13 states, nearly all of which are awaiting Construction and Operation Plans. In FY 2018, BOEM currently anticipates holding one lease sale to re-offer two areas that previously went unleased offshore Massachusetts. BOEM's FY18 budget will allow it to conduct this lease sale, fund one additional sale, and process the project plans submitted by companies that already possess leases. Moreover, BOEM has also invested staff time in deregulating efforts that facilitate offshore wind onenergy development, such as the recently published design envelope criteria.

b. Please provide any analysis that was done to show the expected increase in demand in federal coal leasing that justifies the proposed 80 percent increase in the FY18 BLM coal program budget.

Response: The Federal coal leasing program supplies approximately 40 percent of the coal produced in the United States and is critically important to the U.S. economy. On March 29, 2017, Secretary Zinke issued Secretarial Order 3348 "Concerning the Federal Coal Moratorium" overturning the 2016 moratorium on all new coal leases on Federal land and ending the Programmatic Environmental Impact Statement that was set to be completed no sooner than 2019.

At the time of the moratorium, the BLM had 45 coal leasing applications (including new lease and existing lease modification applications) that had not yet been finalized. The lifting of the moratorium effectively allowed coal lease applications to be processed. The FY 2018 budget increases are intended to allow the BLM to address the backlog of lease applications created by the leasing moratorium and to improve the Coal Management program to better ensure the availability of this important domestic energy resource.

c. The FY18 BOEM Budget Justification indicates that the cut to the BOEM renewable energy program would significantly hurt the program, and drive a decrease in demand for offshore wind. It reads that the cut will, "slow the advancement of offshore renewable energy commercial leasing activities on both the Atlantic and Pacific coasts," and that, "although stakeholder meetings will still occur, BOEM may not be able to provide a trained facilitator at all of these meetings, which could impact their effectiveness." How are these statements consistent with the idea that the renewable budget is being cut due to an expected decrease in demand that is separate from the impact of the budget cut itself?

Response: The President's Request cuts BOEM's renewable energy budget by approximately 10.5%. That the FY18 Request calls for a smaller percentage cut to the renewable energy program than the 12% average reduction proposed for DOI programs in the Administration's fiscally responsible budget speaks to the continued importance of renewable energy development. The Department also recognizes the importance of and is alert to opportunities to improve efficiency in its processes. BOEM plans to experiment with increasing the use of webinars to replace a certain number of in-person meetings moderated by trained facilitators as one example of its effort to reduce the cost and time demands that frequent in-person meetings placed upon both the government and the stakeholder community. If successful, innovations like this will permit BOEM to maintain high standards of stakeholder engagement on a reduced budget while also facilitating increased participation from stakeholders in more remote or distant locations.

d. The Secretary also indicated his desire to hold better stakeholder outreach regarding offshore wind, particularly with fishermen. Given that the proposed BOEM FY18 budget would, according to BOEM, make stakeholder outreach meetings less effective, how is the proposed cut consistent with Secretary Zinke's stated desire to improve outreach to fishermen?

Response: Under the Energy Policy Act of 2005, BOEM is statutorily required to coordinate and consult with Federal, tribal, state and local agencies throughout the renewable energy planning process. BOEM has expended considerable resources to facilitate outreach to fishermen specifically, and will continue to do so under the FY18 President's Request. BOEM will continue renewable energy stakeholder outreach; however, the reduction will require BOEM to reduce the number and/or change the format (e.g., webinar vs. in-person) of the outreach sessions. BOEM has successfully used webinars in the recent past, including the New York Auction Format Education Seminar in December 2016 and a webinar on Avian Guidelines which was held in September 2016. By utilizing a variety of media, BOEM will be able to reach a larger more dispersed audience (e.g., as the fishing community), and continue to ensure stakeholder engagement.

4. Please identify each remaining deepwater lease issued inclusively between 1996 and 2000 under the provisions of the OCS Deep Water Royalty Relief Act for which royalties were not paid in FY 2016, the volumes of royalty-free deepwater (> 200m) oil and gas produced in FY 2016 broken down by the amount of production of oil and gas attributable to each company that owns all or part of each royalty-free deepwater lease, and the amount of royalty-free volumes of oil and gas remaining to be produced from each of the remaining leases. What is the total amount of royalties that have been forgone under the terms of the OCS Deep Water Royalty Relief Act?

Response: In 1995, the Outer Continental Shelf (OCS) Lands Act was amended by the Deep Water Royalty Relief Act (DWRRA) that required that any lease offered within five years of the amendment's enactment in the Gulf of Mexico in water depths of 200 meters or greater and lying wholly west of 87 degrees, 30 minutes West longitude, be subject to royalty suspensions specified in that Act. While deep water leases issued before enactment of the DWRRA were not automatically afforded royalty relief under the Act, royalty relief for production under these leases could have been granted upon request of the lessee if the Secretary of the Interior determined that new production under these leases would not have otherwise been economic.

In 2009, the Fifth Circuit Court of Appeals determined that the Department, acting through the then Minerals Management Service (MMS), had no authority to collect royalty payments from production on these deep water oil and gas leases issued between 1996 and 2000. The court concluded that such attempts to collect royalties based on administratively established price thresholds would run afoul of volume-based royalty relief established by Congress.

As of November 10, 2017, there remain 106 active leases eligible for DWRRA royalty relief as shown in Figure 1.

Figure 2 lists volumes of royalty-free deepwater oil and gas produced in FY 2016, in barrels of oil-equivalent (BOE), broken down by the amount of production of oil and gas attributable to each lessee that owns all or part of a subject lease.

Figure 3 lists the amount of royalty-free volumes of oil and gas remaining to be produced from each of the remaining leases.

Figure 1 – Leases issued between 1996-2000 under provisions of the OCS Deep Water Royalty Relief (DWRR) Act (Lease Numbers)

	No. of Leases Qualified for DWRR	No. of Leases Producing	% of DWRR Leases Producing (as of 2017)
All Non-Unit Active Leases	106	51	48.1%

G16614	G19996	G16636	G17307	G20351
G16623	G20051	G16641	G17358	G20361
G16624	G20725	G16661	G17406	G20362
G16644	G21163	G16753	G17407	G20394
G16647	G21176	G16759	G17408	G20395
G16698	G21444	G16760	G17561	G20870
G16727	G21447	G16764	G17565	G20871
G17300	G21451	G16765	G17570	G21182
G18169	G21738	G16770	G17571	G21245
G18184	G21778	G16783	G18272	G21374
G18192	G21785	G16965	G18421	G21776
G18194	G21811	G16970	G18423	G21790
G18245	G21817	G16987	G18730	G21791
G18292	G22288	G16988	G18731	G21801
G18402	G22367	G16997	G18737	G21807
G19001	G16942	G16998	G18744	G21810
G19027	G17566	G17001	G18745	G21861
G19028	G18577	G17004	G18753	G21862
G19925	G20083	G17009	G19409	
G19931	G20862	G17010	G19939	
G19966	G21191	G17015	G19997	
G19974	G16549	G17016	G20085	

Figure 2 – Volumes of royalty-free deepwater (> 200m) oil and gas produced in FY 2016 broken down by the amount of production of oil and gas attributable to each company that owns all or part of each royalty-free deepwater lease

Lease Number	FY 2016 Oil Produced (bbls)	FY 2016 Gas Produced (MCF)	FY 2016 BOE Produced
All Non-Unit Royalty-Free Leases	41,633,818	150,835,500	68,472,871

Lease Number	Area	Block	Lease Status	Company Name (Lessee)	Assignment Percent	Share of Volume Produced in FY 2016 (BOE)
G16614	MC	538	PROD	Marubeni Oil & Gas (USA) Inc.	48	977,898
G16614	MC	538	PROD	Eni Petroleum US LLC	25	509,322

G16614	MC	538	PROD	W & T Energy VI, LLC	15	305,593
G16614	MC	538	PROD	Murphy Exploration & Production Company - USA	12	244,474
G16614	MC	538	PROD	Murphy Exploration & Production Company - USA	60	1,222,372
G16614	MC	538	PROD	Eni Petroleum US LLC	25	509,322
G16614	MC	538	PROD	W & T Energy VI, LLC	15	305,593
G16623	MC	582	PROD	Murphy Exploration & Production Company - USA	60	928,147
G16623	MC	582	PROD	Eni Petroleum US LLC	25	386,728
G16623	MC	582	PROD	W & T Energy VI, LLC	15	232,037
G16624	MC	583	PROD	Walter Oil & Gas Corporation	70.625	123,080
G16624	MC	583	PROD	Eni Petroleum US LLC	29.375	51,193
G16644	MC	728	PROD	Chevron U.S.A. Inc.	100	1,566,712
G16647	MC	772	PROD	Chevron U.S.A. Inc.	100	542,204
G16647	MC	772	PROD	Chevron U.S.A. Inc.	100	542,204
G16698	GC	155	PROD	Marubeni Oil & Gas (USA) Inc.	100	975,066
G16727	GC	282	PROD	Energy Resource Technology GOM, LLC	70	384,921
G16727	GC	282	PROD	Energy Resource Technology GOM, LLC	70	384,921
G16727	GC	282	PROD	Talos Energy Offshore LLC	15	82,483
G16727	GC	282	PROD	Talos Energy Offshore LLC	15	82,483
G16727	GC	282	PROD	Talos Energy Phoenix LLC	15	82,483
G16727	GC	282	PROD	Talos Energy Phoenix LLC	15	82,483
G17300	GB	158	PROD	Hess Corporation	100	10,171
G18169	EW	878	PROD	Burlington Resources Offshore Inc.	50	125,342
G18169	EW	878	PROD	Hess Corporation	50	125,342

G18184	EW	966	PROD	Apache Deepwater LLC	100	159,456
G18184	EW	966	PROD	Apache Deepwater LLC	100	159,456
G18192	MC	110	PROD	Fieldwood Energy LLC	49.99999	92,592
G18192	MC	110	PROD	Marubeni Oil & Gas (USA) Inc.	33.33333	61,728
G18192	MC	110	PROD	Fieldwood Energy Offshore LLC	8.33334	15,432
G18192	MC	110	PROD	Stone Energy Offshore, L.L.C.	8.33334	15,432
G18194	MC	126	PROD	Anadarko US Offshore LLC	100	1,032,891
G18245	MC	460	PROD	Eni Petroleum US LLC	100	2,710,573
G18292	MC	800	PROD	W & T Offshore, Inc.	57.5	337,450
G18292	MC	800	PROD	Deep Gulf Energy LP	20	117,374
G18292	MC	800	PROD	Arena Exploration LLC	12.5	73,359
G18292	MC	800	PROD	CL&F Resources LP	10	58,687
G18402	GC	608	PROD	Anadarko US Offshore LLC	100	535,248
G18402	GC	608	PROD	Anadarko US Offshore LLC	100	535,248
G19001	EB	430	PROD	Walter Oil & Gas Corporation	60.5	291,955
G19001	EB	430	PROD	Walter Oil & Gas Corporation	60.5	291,955
G19001	EB	430	PROD	Walter Hydrocarbons, Inc.	36	173,726
G19001	EB	430	PROD	Walter Hydrocarbons, Inc.	36	173,726
G19001	EB	430	PROD	Howell Group, Ltd.	3.5	16,890
G19001	EB	430	PROD	Howell Group, Ltd.	3.5	16,890
G19027	EB	598	PROD	Anadarko US Offshore LLC	100	129,727
G19028	EB	599	PROD	Anadarko US Offshore LLC	41.66667	321,006
G19028	EB	599	PROD	Marubeni Oil & Gas (USA) Inc.	33.33333	256,805
G19028	EB	599	PROD	Hess Corporation	25	192,604
G19925	MC	127	PROD	Anadarko US Offshore LLC	100	770,415

G19931	MC	243	PROD	W & T Energy VI, LLC	100	861,406
G19966	MC	562	PROD	BP Exploration & Production Inc.	66.66667	691,151
G19966	MC	562	PROD	Noble Energy, Inc.	33.33333	345,575
G19974	MC	613	PROD	Shell Offshore Inc.	100	2,514,675
G19996	MC	773	PROD	Eni Petroleum US LLC	75	1,163,231
G19996	MC	773	PROD	Marubeni Oil & Gas (USA) Inc.	25	387,744
G20051	GC	243	PROD	Hess Corporation	100	394,096
G20051	GC	243	PROD	Hess Corporation	100	394,096
G20725	EB	646	PROD	Anadarko US Offshore LLC	50	124,884
G20725	EB	646	PROD	Marubeni Oil & Gas (USA) Inc.	50	124,884
G21163	MC	161	PROD	Tana Exploration Company LLC	50	27,494
G21163	MC	161	PROD	Walter Oil & Gas Corporation	50	27,494
G21176	MC	563	PROD	Deep Gulf Energy III, LLC	40.5	-
G21176	MC	563	PROD	ILX Prospect South Santa Cruz, LLC	20.25	-
G21176	MC	563	PROD	Ridgewood South Santa Cruz, LLC	20.25	-
G21176	MC	563	PROD	Houston Energy Deepwater Ventures XVI, LLC	10	-
G21176	MC	563	PROD	Red Willow Offshore, LLC	9	-
G21444	KC	875	PROD	Anadarko US Offshore LLC	100	8,968,582
G21447	KC	919	PROD	Exxon Mobil Corporation	50	-
G21447	KC	919	PROD	Exxon Mobil Corporation	50	-
G21447	KC	919	PROD	Eni Petroleum US LLC	25	-
G21447	KC	919	PROD	Eni Petroleum US LLC	25	-
G21447	KC	919	PROD	Petrobras America Inc.	25	-
G21447	KC	919	PROD	Petrobras America Inc.	25	-

G21451	KC	964	PROD	Exxon Mobil Corporation	50	-
G21451	KC	964	PROD	Eni Petroleum US LLC	25	-
G21451	KC	964	PROD	Petrobras America Inc.	25	-
G21738	EW	871	PROD	Energy XXI GOM, LLC	50	140,184
G21738	EW	871	PROD	Walter Oil & Gas Corporation	19.32937	54,193
G21738	EW	871	PROD	Continental Land & Fur Co., Inc.	10	28,037
G21738	EW	871	PROD	Walter Operating Corporation	9.93025	27,841
G21738	EW	871	PROD	Walter Petroleum Corporation	9.17069	25,712
G21738	EW	871	PROD	Howell Group, Ltd.	1.32727	3,721
G21738	EW	871	PROD	Walter Oil & Minerals Corporation	0.24242	680
G21778	MC	734	PROD	Murphy Exploration & Production Company - USA	62.5	692,589
G21778	MC	734	PROD	Eni Petroleum US LLC	25	277,036
G21778	MC	734	PROD	Marubeni Oil & Gas (USA) Inc.	12.5	138,518
G21785	GC	141	PROD	LLOG Exploration Offshore, L.L.C.	50	186,112
G21785	GC	141	PROD	Ridgewood Energy W Fund, LLC	12	44,667
G21785	GC	141	PROD	Ridgewood Energy Gulf of Mexico Oil and Gas Fund, L.P.	5	18,611
G21785	GC	141	PROD	Ridgewood Energy O Fund, LLC	5	18,611
G21785	GC	141	PROD	Ridgewood Energy V Fund, LLC	5	18,611
G21785	GC	141	PROD	Ridgewood Energy X Fund, LLC	5	18,611
G21785	GC	141	PROD	Ridgewood Energy B-1 Fund, LLC	3	11,167
G21785	GC	141	PROD	Ridgewood Energy T Fund, LLC	3	11,167
G21785	GC	141	PROD	Ridgewood Energy Y Fund, LLC	3	11,167
G21785	GC	141	PROD	Ridgewood Energy P Fund, LLC	2.5	9,306
G21785	GC	141	PROD	Ridgewood Energy Z Fund, LLC	2.5	9,306
G21785	GC	141	PROD	Ridgewood Energy A-1 Fund, LLC	2	7,444

G21785	GC	141	PROD	Ridgewood Energy Q Fund, LLC	2	7,444
G21811	GC	679	PROD	Murphy Exploration & Production Company - USA	37.5	174,965
G21811	GC	679	PROD	Murphy Exploration & Production Company - USA	37.5	174,965
G21811	GC	679	PROD	Murphy Exploration & Production Company - USA	37.5	174,965
G21811	GC	679	PROD	Noble Energy, Inc.	37.5	174,965
G21811	GC	679	PROD	Noble Energy, Inc.	37.5	174,965
G21811	GC	679	PROD	Noble Energy, Inc.	37.5	174,965
G21811	GC	679	PROD	Statoil USA E&P Inc.	25	116,643
G21811	GC	679	PROD	Statoil USA E&P Inc.	25	116,643
G21811	GC	679	PROD	Statoil USA E&P Inc.	25	116,643
G21817	GC	768	PROD	Noble Energy, Inc.	100	581,141
G21817	GC	768	PROD	Noble Energy, Inc.	100	581,141
G22288	EB	597	PROD	Anadarko US Offshore LLC	50	293,344
G22288	EB	597	PROD	Marubeni Oil & Gas (USA) Inc.	50	293,344
G16942	WR	29	SOP	Chevron U.S.A. Inc.	60	-
G16942	WR	29	SOP	Statoil Gulf of Mexico LLC	27.5	-
G16942	WR	29	SOP	Marubeni Oil & Gas (USA) Inc.	12.5	-
G16549	VK	822	UNIT	W & T Energy VI, LLC	64	-
G16549	VK	822	UNIT	EnVen Energy Ventures, LLC	16.2	-
G16549	VK	822	UNIT	Energy XXI GOM, LLC	10.8	-
G16549	VK	822	UNIT	Black Elk Energy Offshore Operations, LLC	9	-
G16636	MC	683	UNIT	Hess Corporation	57.14	-
G16636	MC	683	UNIT	Chevron U.S.A. Inc.	42.86	-
G16641	MC	696	UNIT	Chevron U.S.A. Inc.	62.5	-

G16641	MC	696	UNIT	Anadarko US Offshore LLC	25	-
G16641	MC	696	UNIT	Union Oil Company of California	12.5	-
G16661	MC	941	UNIT	Statoil USA E&P Inc.	75	966,665
G16661	MC	941	UNIT	Statoil USA E&P Inc.	75	966,665
G16661	MC	941	UNIT	Bennu Oil & Gas, LLC	25	322,222
G16661	MC	941	UNIT	Bennu Oil & Gas, LLC	25	322,222
G16753	GC	561	UNIT	Anadarko US Offshore LLC	41.8	2,659
G16753	GC	561	UNIT	Eni Petroleum US LLC	13.39069	852
G16753	GC	561	UNIT	ConocoPhillips Company	12.39878	789
G16753	GC	561	UNIT	JX Nippon Oil Exploration (U.S.A.) Limited	11.6	738
G16753	GC	561	UNIT	MCX Exploration (USA), LLC	11.6	738
G16753	GC	561	UNIT	Ecopetrol America Inc.	9.21053	586
G16759	GC	596	UNIT	Chevron U.S.A. Inc.	58	-
G16759	GC	596	UNIT	Statoil Gulf of Mexico LLC	25	-
G16759	GC	596	UNIT	TOTAL E&P USA, INC.	17	-
G16760	GC	597	UNIT	Chevron U.S.A. Inc.	58	-
G16760	GC	597	UNIT	Statoil Gulf of Mexico LLC	25	-
G16760	GC	597	UNIT	TOTAL E&P USA, INC.	17	-
G16764	GC	609	UNIT	BHP Billiton Petroleum (Deepwater) Inc.	44	-
G16764	GC	609	UNIT	Hess Shenzi LLC	28	-
G16764	GC	609	UNIT	Repsol E&P USA Inc.	28	-
G16765	GC	610	UNIT	BHP Billiton Petroleum (Deepwater) Inc.	44	-
G16765	GC	610	UNIT	Hess Shenzi LLC	28	-
G16765	GC	610	UNIT	Repsol E&P USA Inc.	28	-
G16770	GC	641	UNIT	Chevron U.S.A. Inc.	58	-

G16770	GC	641	UNIT	Chevron U.S.A. Inc.	58	-
G16770	GC	641	UNIT	Statoil Gulf of Mexico LLC	25	-
G16770	GC	641	UNIT	Statoil Gulf of Mexico LLC	25	-
G16770	GC	641	UNIT	TOTAL E&P USA, INC.	17	-
G16770	GC	641	UNIT	TOTAL E&P USA, INC.	17	-
G16783	GC	727	UNIT	Anadarko US Offshore LLC	33.75	-
G16783	GC	727	UNIT	Statoil Gulf of Mexico LLC	23.55	-
G16783	GC	727	UNIT	Shell Offshore Inc.	22.45	-
G16783	GC	727	UNIT	Chevron U.S.A. Inc.	20.25	-
G16965	WR	206	UNIT	Petrobras America Inc.	100	-
G16970	WR	250	UNIT	Petrobras America Inc.	100	-
G16987	WR	425	UNIT	Petrobras America Inc.	66.67	-
G16987	WR	425	UNIT	TOTAL E&P USA, INC.	33.33	-
G16997	WR	469	UNIT	Petrobras America Inc.	66.67	-
G16997	WR	469	UNIT	TOTAL E&P USA, INC.	33.33	-
G17001	WR	508	UNIT	Shell Offshore Inc.	100	-
G17004	WR	553	UNIT	Shell Offshore Inc.	100	-
G17009	WR	714	UNIT	Chevron U.S.A. Inc.	50	-
G17009	WR	714	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G17009	WR	714	UNIT	Statoil Gulf of Mexico LLC	25	-
G17010	WR	715	UNIT	Chevron U.S.A. Inc.	50	-
G17010	WR	715	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G17010	WR	715	UNIT	Statoil Gulf of Mexico LLC	25	-
G17015	WR	758	UNIT	Chevron U.S.A. Inc.	50	-
G17015	WR	758	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G17015	WR	758	UNIT	Statoil Gulf of Mexico LLC	25	-

G17016	WR	759	UNIT	Chevron U.S.A. Inc.	50	-
G17016	WR	759	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G17016	WR	759	UNIT	Statoil Gulf of Mexico LLC	25	-
G17307	GB	201	UNIT	Shell Offshore Inc.	100	-
G17358	GB	385	UNIT	Hess Corporation	50	-
G17358	GB	385	UNIT	Mobil Producing Texas & New Mexico Inc.	25	-
G17358	GB	385	UNIT	Shell Gulf of Mexico Inc.	25	-
G17406	GB	667	UNIT	Anadarko US Offshore LLC	50	-
G17406	GB	667	UNIT	Nexen Petroleum Offshore U.S.A. Inc.	30	-
G17406	GB	667	UNIT	Energy Resource Technology GOM, LLC	20	-
G17407	GB	668	UNIT	Anadarko US Offshore LLC	50	-
G17407	GB	668	UNIT	Nexen Petroleum Offshore U.S.A. Inc.	30	-
G17407	GB	668	UNIT	Energy Resource Technology GOM, LLC	20	-
G17408	GB	669	UNIT	Anadarko US Offshore LLC	50	-
G17408	GB	669	UNIT	Nexen Petroleum Offshore U.S.A. Inc.	30	-
G17408	GB	669	UNIT	Energy Resource Technology GOM, LLC	20	-
G17561	AC	813	UNIT	Shell Offshore Inc.	33.33334	-
G17561	AC	813	UNIT	BP Exploration & Production Inc.	33.33333	-
G17561	AC	813	UNIT	Chevron U.S.A. Inc.	33.33333	-
G17565	AC	857	UNIT	Shell Offshore Inc.	33.33334	-
G17565	AC	857	UNIT	BP Exploration & Production Inc.	33.33333	-
G17565	AC	857	UNIT	Chevron U.S.A. Inc.	33.33333	-
G17570	AC	900	UNIT	Shell Offshore Inc.	33.33334	-
G17570	AC	900	UNIT	BP Exploration & Production Inc.	33.33333	-

G17570	AC	900	UNIT	Chevron U.S.A. Inc.	33.33333	-
G17571	AC	901	UNIT	Shell Offshore Inc.	33.33334	-
G17571	AC	901	UNIT	BP Exploration & Production Inc.	33.33333	-
G17571	AC	901	UNIT	Chevron U.S.A. Inc.	33.33333	-
G18272	MC	681	UNIT	Hess Corporation	57.14	-
G18272	MC	681	UNIT	Chevron U.S.A. Inc.	42.86	-
G18421	GC	683	UNIT	Anadarko US Offshore LLC	33.75	-
G18421	GC	683	UNIT	Statoil Gulf of Mexico LLC	23.55	-
G18421	GC	683	UNIT	Shell Offshore Inc.	22.45	-
G18421	GC	683	UNIT	Chevron U.S.A. Inc.	20.25	-
G18423	GC	688	UNIT	Anadarko US Offshore LLC	100	-
G18730	WR	507	UNIT	Shell Offshore Inc.	100	-
G18731	WR	509	UNIT	Shell Offshore Inc.	100	-
G18737	WR	552	UNIT	Shell Offshore Inc.	100	-
G18744	WR	633	UNIT	Union Oil Company of California	38.5	-
G18744	WR	633	UNIT	Petrobras America Inc.	25	-
G18744	WR	633	UNIT	Statoil Gulf of Mexico LLC	21.5	-
G18744	WR	633	UNIT	Chevron U.S.A. Inc.	12.5	-
G18744	WR	633	UNIT	Eni Petroleum US LLC	1.25	-
G18744	WR	633	UNIT	Exxon Mobil Corporation	1.25	-
G18745	WR	634	UNIT	Union Oil Company of California	38.5	-
G18745	WR	634	UNIT	Petrobras America Inc.	25	-
G18745	WR	634	UNIT	Statoil Gulf of Mexico LLC	21.5	-
G18745	WR	634	UNIT	Chevron U.S.A. Inc.	12.5	-
G18745	WR	634	UNIT	Eni Petroleum US LLC	1.25	-
G18745	WR	634	UNIT	Exxon Mobil Corporation	1.25	-

G18753	WR	677	UNIT	Union Oil Company of California	38.5	-
G18753	WR	677	UNIT	Petrobras America Inc.	25	-
G18753	WR	677	UNIT	Statoil Gulf of Mexico LLC	21.5	-
G18753	WR	677	UNIT	Chevron U.S.A. Inc.	12.5	-
G18753	WR	677	UNIT	Eni Petroleum US LLC	1.25	-
G18753	WR	677	UNIT	Exxon Mobil Corporation	1.25	-
G19409	AC	815	UNIT	Chevron U.S.A. Inc.	60	-
G19409	AC	815	UNIT	Shell Offshore Inc.	40	-
G19939	MC	348	UNIT	ATP Oil & Gas Corporation	66.7	-
G19939	MC	348	UNIT	ATP Oil & Gas Corporation	66.7	-
G19939	MC	348	UNIT	Marubeni Oil & Gas (USA) Inc.	33.3	-
G19939	MC	348	UNIT	Marubeni Oil & Gas (USA) Inc.	33.3	-
G19997	MC	775	UNIT	BP Exploration & Production Inc.	75	-
G19997	MC	775	UNIT	MOBIL OIL EXPLORATION & PRODUCING SOUTHEAST INC.	25	-
G20082	GC	640	UNIT	Chevron U.S.A. Inc.	58	-
G20082	GC	640	UNIT	Statoil Gulf of Mexico LLC	25	-
G20082	GC	640	UNIT	TOTAL E&P USA, INC.	17	-
G20084	GC	653	UNIT	BHP Billiton Petroleum (Deepwater) Inc.	44	-
G20084	GC	653	UNIT	Hess Shenzi LLC	28	-
G20084	GC	653	UNIT	Repsol E&P USA Inc.	28	-
G20085	GC	654	UNIT	BHP Billiton Petroleum (Deepwater) Inc.	44	-
G20085	GC	654	UNIT	Hess Shenzi LLC	28	-
G20085	GC	654	UNIT	Repsol E&P USA Inc.	28	-
G20351	WR	584	UNIT	Exxon Mobil Corporation	50	-
G20351	WR	584	UNIT	Statoil Gulf of Mexico LLC	50	-

G20361	WR	627	UNIT	Exxon Mobil Corporation	50	-
G20361	WR	627	UNIT	Statoil Gulf of Mexico LLC	50	-
G20362	WR	628	UNIT	Exxon Mobil Corporation	50	-
G20362	WR	628	UNIT	Statoil Gulf of Mexico LLC	50	-
G20394	WR	802	UNIT	Chevron U.S.A. Inc.	50	-
G20394	WR	802	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G20394	WR	802	UNIT	Statoil Gulf of Mexico LLC	25	-
G20395	WR	803	UNIT	Chevron U.S.A. Inc.	50	-
G20395	WR	803	UNIT	Maersk Oil Gulf of Mexico Four LLC	25	-
G20395	WR	803	UNIT	Statoil Gulf of Mexico LLC	25	-
G20870	AC	856	UNIT	Shell Offshore Inc.	33.34	-
G20870	AC	856	UNIT	BP Exploration & Production Inc.	33.33	-
G20870	AC	856	UNIT	Chevron U.S.A. Inc.	33.33	-
G20871	AC	859	UNIT	Union Oil Company of California	40.01	-
G20871	AC	859	UNIT	Shell Offshore Inc.	30	-
G20871	AC	859	UNIT	Chevron U.S.A. Inc.	16.65	-
G20871	AC	859	UNIT	Nexen Petroleum Offshore U.S.A. Inc.	13.34	-
G21182	MC	695	UNIT	Chevron U.S.A. Inc.	62.5	-
G21182	MC	695	UNIT	Anadarko US Offshore LLC	25	-
G21182	MC	695	UNIT	Union Oil Company of California	12.5	-
G21245	WR	678	UNIT	Union Oil Company of California	38.5	-
G21245	WR	678	UNIT	Petrobras America Inc.	25	-
G21245	WR	678	UNIT	Statoil Gulf of Mexico LLC	21.5	-
G21245	WR	678	UNIT	Chevron U.S.A. Inc.	12.5	-
G21245	WR	678	UNIT	Eni Petroleum US LLC	1.25	-
G21245	WR	678	UNIT	Exxon Mobil Corporation	1.25	-

G21374	EB	641	UNIT	Marubeni Oil & Gas (USA) Inc.	70	-
G21374	EB	641	UNIT	Anadarko US Offshore LLC	30	-
G21776	MC	682	UNIT	Hess Corporation	57.14	-
G21776	MC	682	UNIT	Chevron U.S.A. Inc.	42.86	-
G21790	GC	338	UNIT	Murphy Exploration & Production Company - USA	62.5	168,054
G21790	GC	338	UNIT	Murphy Exploration & Production Company - USA	62.5	168,054
G21790	GC	338	UNIT	Eni Petroleum US LLC	37.5	100,832
G21790	GC	338	UNIT	Eni Petroleum US LLC	37.5	100,832
G21791	GC	339	UNIT	Murphy Exploration & Production Company - USA	62.5	-
G21791	GC	339	UNIT	Eni Petroleum US LLC	37.5	-
G21801	GC	518	UNIT	Anadarko US Offshore LLC	45	-
G21801	GC	518	UNIT	Anadarko US Offshore LLC	41.8	-
G21801	GC	518	UNIT	Eni Petroleum US LLC	30	-
G21801	GC	518	UNIT	Eni Petroleum US LLC	13.39069	-
G21801	GC	518	UNIT	ConocoPhillips Company	13	-
G21801	GC	518	UNIT	ConocoPhillips Company	12.39878	-
G21801	GC	518	UNIT	Union Oil Company of California	12	-
G21801	GC	518	UNIT	JX Nippon Oil Exploration (U.S.A.) Limited	11.6	-
G21801	GC	518	UNIT	MCX Exploration (USA), LLC	11.6	-
G21801	GC	518	UNIT	Ecopetrol America Inc.	9.21053	-
G21807	GC	606	UNIT	Anadarko US Offshore LLC	41.8	-
G21807	GC	606	UNIT	Eni Petroleum US LLC	13.39069	-
G21807	GC	606	UNIT	ConocoPhillips Company	12.39878	-
G21807	GC	606	UNIT	JX Nippon Oil Exploration (U.S.A.) Limited	11.6	-

G21807	GC	606	UNIT	MCX Exploration (USA), LLC	11.6	-
G21807	GC	606	UNIT	Ecopetrol America Inc.	9.21053	-
G21810	GC	652	UNIT	BHP Billiton Petroleum (Deepwater) Inc.	44	-
G21810	GC	652	UNIT	Hess Shenzi LLC	28	-
G21810	GC	652	UNIT	Repsol E&P USA Inc.	28	-
G21861	WR	551	UNIT	Shell Offshore Inc.	100	-
G21862	WR	596	UNIT	Shell Offshore Inc.	100	-

Figure 3 – The amount of royalty-free volumes of oil and gas remaining to be produced from each of the remaining leases

	All DWRRA Leases		Producing DWRRA Leases		
Number of Leases	Total Royalty Free Volume, All Leases (MMBOE)[1]	Remaining Royalty-Free Volume, All Leases (MMBOE)[2]	Total Royalty-Free Volume, Producing Leases (MMBOE)[3]	Royalty-Free Volume Produced (MMBOE)[4]	Royalty-Free Volume Remaining (MMBOE)[5]
105	8,872.5	8,075.3	4,585.0	797.2	3,787.8
% of Total	-	91.0%	51.7%	9.0%	42.7%

[1] Total royalty-free volume available (all DWRRA-eligible leases)

[2] Total remaining royalty-free volume (all DWRRA-eligible leases)

[3] Total royalty-free volumes in production (producing, DWRRA-eligible leases)

[4] Total royalty-free volume produced (producing, DWRR-eligible leases)

[5] Total remaining royalty-free volume (producing, DWRR-eligible leases)

Leases	Initial Royalty Free Volume (MMBOE)	Royalty-Free Volume Produced (BOE)	Remaining Royalty-Free Volume (BOE)
G16614	52.5	40,767,301	11,732,699

G16623	87.5	30,292,277	57,207,723
G16624	87.5	3,227,990	84,272,010
G16644	87.5	35,546,655	51,953,345
G16647	87.5	12,420,464	75,079,536
G16698	52.5	17,737,967	34,762,033
G16727	87.5	22,781,466	64,718,534
G17300	52.5	2,267,955	50,232,045
G18169	52.5	5,691,168	46,808,832
G18184	52.5	14,001,918	38,498,082
G18192	52.5	5,194,267	47,305,733
G18194	87.5	27,203,117	60,296,883
G18245	87.5	11,594,581	75,905,419
G18292	87.5	6,219,938	81,280,062
G18402	87.5	18,036,580	69,463,420
G19001	87.5	6,226,061	81,273,939
G19027	87.5	15,525,516	71,974,484
G19028	87.5	33,542,281	53,957,719
G19931	87.5	27,805,210	59,694,790
G19966	87.5	14,680,534	72,819,466
G19974	87.5	23,686,693	63,813,307
G19996	87.5	43,814,893	43,685,107
G20051	87.5	39,261,476	48,238,524
G20725	87.5	52,127,312	35,372,688
G21163	87.5	3,363,266	84,136,734
G21176	87.5	0	87,500,000
G21444	87.5	17,241,091	70,258,909
G21447	87.5	34,836,542	52,663,458
G21451	87.5	42,376,102	45,123,898
G21738	17.5	13,424,499	4,075,501
G21778	87.5	29,429,510	58,070,490
G21785	52.5	8,230,203	44,269,797
G21811	87.5	6,145,335	81,354,665
G21817	87.5	26,395,654	61,104,346
G22288	87.5	5,272,827	82,227,173
G22367	87.5	0	87,500,000
G16942	87.5	0	87,500,000
G17566	87.5	0	87,500,000
G18577	87.5	36,032,234	51,467,766
G20083	87.5	1,141,070	86,358,930
G20862	87.5	0	87,500,000
G21191	87.5	668,605	86,831,395

G16549	87.5	0	87,500,000
G16636	87.5	0	87,500,000
G16641	87.5	17,476	87,482,524
G16661	87.5	12,541,212	74,958,788
G16753	87.5	6,362	87,493,638
G16759	87.5	3,627	87,496,373
G16760	87.5	0	87,500,000
G16764	87.5	0	87,500,000
G16765	87.5	0	87,500,000
G16770	87.5	0	87,500,000
G16783	87.5	0	87,500,000
G16965	87.5	0	87,500,000
G16970	87.5	0	87,500,000
G16987	87.5	0	87,500,000
G16988	87.5	0	87,500,000
G16997	87.5	0	87,500,000
G16998	87.5	0	87,500,000
G17001	87.5	0	87,500,000
G17004	87.5	0	87,500,000
G17009	87.5	0	87,500,000
G17010	87.5	0	87,500,000
G17015	87.5	158,594	87,341,406
G17016	87.5	0	87,500,000
G17307	87.5	0	87,500,000
G17358	87.5	0	87,500,000
G17406	87.5	0	87,500,000
G17407	87.5	1,809	87,498,191
G17408	87.5	692	87,499,308
G17561	87.5	0	87,500,000
G17565	87.5	0	87,500,000
G17570	87.5	0	87,500,000
G17571	87.5	0	87,500,000
G18272	87.5	0	87,500,000
G18421	87.5	20,031	87,479,969
G18423	87.5	0	87,500,000
G18730	87.5	0	87,500,000
G18731	87.5	0	87,500,000
G18737	87.5	0	87,500,000
G18744	87.5	0	87,500,000
G18745	87.5	0	87,500,000
G18753	87.5	0	87,500,000

G19409	87.5	0	87,500,000
G19939	87.5	19,689,199	67,810,801
G19997	87.5	0	87,500,000
G20085	87.5	0	87,500,000
G20351	87.5	0	87,500,000
G20361	87.5	0	87,500,000
G20362	87.5	0	87,500,000
G20394	87.5	0	87,500,000
G20395	87.5	0	87,500,000
G20870	87.5	0	87,500,000
G20871	87.5	0	87,500,000
G21182	87.5	3,126	87,496,874
G21245	87.5	46,451	87,453,549
G21374	87.5	0	87,500,000
G21776	87.5	0	87,500,000
G21790	87.5	24,741,556	62,758,444
G21791	87.5	5,778,408	81,721,592
G21801	87.5	0	87,500,000
G21807	87.5	3,072	87,496,928
G21810	87.5	0	87,500,000
G21861	87.5	0	87,500,000
G21862	87.5	0	87,500,000

Questions from Rep. Garret Graves for Katharine MacGregor, Acting Assistant Secretary, Land and Minerals Management, United States Department of Interior

1. Recently, the Department of Defense sent a letter to some of my House colleagues concerning the Eastern Gulf of Mexico. In particular the letter noted that oil and gas leasing and development in the Eastern Gulf would not be compatible with military training activities. It is my understanding that the Department of Defense is currently updating its 2010 EGOM Compatibility Assessment. Which, by the way, indicated that only 11% of the area was off limits to oil and gas activity. Do you believe that with the current safeguards that are in place that the military can coexist in the Eastern Gulf of Mexico with oil and natural gas activities should you choose to include it in your updated 5-year Program? If so, can you please provide some examples of the Department of Defense is working with the offshore industry to provide access to oil reserves?

   Response: Yes, oil and natural gas exploration and development can coexist safely on the OCS, including in the Eastern Gulf of Mexico. This is made evident by the fact that in the Central Gulf of Mexico Planning Area (CPA) there are 822 active leases, 36% of all leases in the CPA, that reside within DoD operations or warning areas. The CPA contains the highest amount of oil and gas production on the OCS. Another example is that of the 23 total platforms on the Pacific OCS, 11 reside within a DoD equity area. The Department and the Bureau of Ocean Energy Management work closely with the DoD to identify those areas that industry may gain access to via the offshore oil and gas leasing process and to develop lease terms and conditions that protect DoD interests. For instance, under protocol established in DOD/DOI memorandum of agreement, some areas are completely removed from leasing, while other areas may require offshore operations to cease during military operations, or oil and gas structures may be required to be located beneath the water surface on the seabed.

2. Seismic surveys have been routinely conducted across the entire Gulf of Mexico for generations. Just as is the case around the world, no scientific evidence exists that these surveys have caused harm to marine mammals or coastal communities; and furthermore, seismic surveys in the Gulf are conducted in a manner compatible with a host of other ocean uses, such as recreational and commercial fishing, navigation, and military training. Can you speak to these compatibility issues, as well as the mitigation measures built into BOEM's seismic permits to protect marine mammals?

Response: BOEM has been permitting seismic surveys in the Gulf of Mexico for over 30 years. BOEM has also permitted an array of different seismic technologies. G&G surveys are not used exclusively for oil and gas exploration. Geological and geophysical information collected through seismic surveying is used for a multitude of purposes including installation of structures such as wind turbines and pipelines, identifying subsurface fault structures, as well as subsurface oil and natural gas resources. Seismic surveys and geologic coring are also helpful in identifying sand used for restoration of our Nation's beaches and barrier islands following severe weather events and for protecting coasts and wetlands from erosion. Recent examples of BOEM's sand restoration projects include New Jersey, where Long Beach Island has been restored in response to erosion caused by Hurricane Sandy; Louisiana, where 1,100 acres of marsh, dune, and beach habitat at Whiskey Island have been reconstructed; and Florida, where a final environmental assessment on a shoreline restoration project in Brevard County totaling over 1.7 million cubic yards of sand was recently completed in response to erosion caused by Hurricane Matthew. Seismic and geologic coring surveys also provide information that is vital to the siting and development of offshore renewable energy facilities. G&G surveys also help to advance fundamental scientific knowledge and are currently conducted in the Gulf of Mexico and in countries around the world.

The GOM G&G Final Programmatic EIS addresses potential environmental impacts of seismic surveys using airguns on a variety of marine resources and activities, such as marine mammals, commercial fisheries and coastal communities. The area evaluated in the PEIS includes the Outer Continental Shelf waters as well as state waters of the GOM off Texas, Louisiana, Mississippi, Alabama, and Florida.

The PEIS finds that seismic airgun surveys in the GOM are compatible with other ocean uses. This includes analyses of commercial and recreational fishing, military preparedness, shipping, aquaculture and others. The activities also undergo analysis under the Coastal Zone Management Act to ensure consistency with state requirements.

As previous BOEM analyses have shown, the PEIS does acknowledge that there are possible impacts to marine life (especially marine mammals) from surveys using airguns. These impacts can range from minor to moderate effects. The PEIS then analyzes a suite of mitigations designed to reduce these impacts, focused on: (1) avoiding injury from exposure of airgun sound sources to marine animals in close proximity to the source; and (2) reducing the potential for behavioral disruption. These mitigations (time area closures, protected species observers, seismic survey protocols and vessel strike avoidance to name a few) and monitoring requirements are covered in detail in the PEIS and will be analyzed as well within the Endangered Species Act (ESA) and Marine Mammal Protection Act (MMPA) processes. To date, there has been no documented evidence of noise from air guns used in Geological or Geophysical seismic activities adversely affecting marine animal populations or coastal communities. BOEM believes that compatibility of seismic airgun surveys with marine mammals in the GOM can be achieved through the consistent and appropriate application of practicable mitigation measures that lessen any effects to marine mammals, especially where surveys overlap in time and space with acoustically sensitive marine mammal species.

The Final PEIS and other relevant information can be found at: https://www.boem.gov/Gulf-of-Mexico-Geological-and-Geophysical-Activities-Programmatic-EIS/#Final.

United States Department of the Interior
BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001
JUN 27 2017

Memorandum

To: Katharine S. MacGregor Katharine S. MacGregor
Acting Assistant Secretary - Land and Minerals Management

From: Walter D. Cruickshank Walter D. Cruickshank
Acting Director

Subject: Recommendations for Royalty Rates for the Gulf of Mexico Outer Continental Shelf Oil and Gas Regionwide Lease Sale 249 (scheduled for August 16, 2017)

The Bureau of Ocean Energy Management (BOEM) requests your decision regarding the royalty rates for Gulf of Mexico (GOM) Oil and Gas Regionwide Lease Sale 249 (GOM Regionwide Sale 249). After completing a comprehensive lease term re-assessment in designing this lease sale, BOEM requests your concurrence in setting a lower royalty rate for the shallow water leases than was proposed in the Proposed Notice of Sale for this sale. We seek your decision on this issue so that we can promptly notify regional governors and potential bidders of the change in advance of the publication of the Final Notice of Sale in mid-July.

Royalty Rate Recommendation

BOEM recommends a royalty rate of 12.5 percent for leases situated in less than 200 meters of water for GOM Regionwide Sale 249. Leases situated in 200 meters of water and deeper would retain the royalty rate of 18.75 percent for this sale. Analyses of market conditions, available resources, leasing, drilling, and production trends, along with comparable international fiscal systems, support this recommendation.

Shallow water leasing, drilling, and production have declined precipitously in recent years. The BOEM 2016 National Resource Assessment (2016 National Assessment) estimate of GOM technically recoverable resources in depths of less than 200 meters declined by one-third for oil and dropped by more than 40 percent for natural gas. There have been fewer and smaller hydrocarbon finds in shallow water over the past few years. Shallow water areas of the GOM are more likely to be gas prone and are in competition with abundant onshore gas resources. The increased supply of lower cost onshore gas has reduced demand for OCS gas. Only 12 percent of tracts acquired in the most recent GOM lease sales were in less than 200 meters of water. In the last Western and Central Planning Area Sales, approximately 5,200 blocks in water depths less than 200 meters were offered. Of these, 22 were leased (approximately 0.42 percent). To compare, in these sales approximately 8,300 blocks were offered in water depths 200 meters and deeper, of which 165 were sold (approximately 2 percent).

Production from leaseholds in less than 200 meters water depth has fallen to 12 percent of GOM oil production and 35 percent of GOM natural gas production.

Hydrocarbon price conditions and the marginal nature of remaining GOM shelf resources suggest that setting a lower royalty rate for shallow water tracts would be appropriate in response to the market at this time. This shallow water royalty rate would target the GOM shelf where exploration, development, and production are in the greatest decline. In general, given that shallow water comprises a small percentage of aggregate GOM production, leasing activity, and revenues, the aggregate impacts of this change are expected to be minimal. BOEM's modeling results found that:

- The proposed decrease in the shallow water royalty rate for this sale is expected to lead to a slight increase in shallow water production.
    - Modeling estimates indicate that at a price scenario of $60 per barrel of oil and $3.20 per mcf of gas, an additional 1.4 MM bbl of oil and 130 Bcf of gas would be expected to be recovered from GOM leases issued in the 2017-2022 Five-Year Program (an increase in anticipated production over aggregate GOM production at prices of $60 per barrel of oil of 0.1 percent and 1.7 percent, respectively).
    - Modeling estimates indicate that at a price scenario of $100 per barrel of oil and $5.34 per mcf of gas, an additional 1.6 MM bbl of oil and 160 Bcf of gas would be expected to be recovered from GOM leases issued in the 2017-2022 Five-Year Program (an increase in anticipated production over aggregate GOM production expected at prices of $100 per barrel of oil of 0.05 percent and 1.3 percent, respectively).
- The proposed decrease in the shallow water royalty rate for this sale is expected to lead to increases in the number of shallow water blocks sold, bonuses, rentals, and Federal tax revenue.
    - Modeling estimates indicate that at $60 per barrel of oil and $3.20 per mcf of gas, bonuses would increase approximately 0.3 percent and rental receipts and blocks sold would increase 1.3 percent.
    - Modeling estimates indicate that at $100 per barrel of oil and $5.34 per mcf of gas, bonuses would increase approximately 0.2 percent and rental receipts and blocks sold would increase 0.7 percent.
    - On average, over the different price cases, modeling estimates indicate that Federal tax revenue would increase approximately 5 percent.
- In aggregate, the proposed decrease in the shallow water royalty rate is expected to lead to a slight decline in public revenues.
    - Modeling estimates indicate that at $60 per barrel of oil and $3.20 per mcf of gas, leasing revenues (bonuses, rentals, and royalties) over the 10 lease sales of the 2017-2022 National OCS Program would be expected to decline 1.2 percent, or $250 million, while government revenues (leasing revenues plus Federal income taxes) would decline 0.4 percent, or $84 million.
    - Modeling estimates indicate that at $100 per barrel of oil and $5.34 per mcf of gas, leasing revenue reductions would be approximately 2.4 percent, or $1 billion, while government revenue reductions would be 0.9 percent, or $510 million.

Additional points to consider include:

- The lower shallow water royalty rate is expected to increase near-term GOMESA revenue sharing benefits to Coastal Producing States (i.e., Texas, Louisiana, Alabama, Mississippi) through increased bonus and rental revenues. Production increases from the additional leasing would partially offset royalty reductions from the royalty rate change, and by the time substantial production would occur, BOEM expects revenue sharing to be near the annual GOMESA sharing limitation (i.e., $500 million annual cap).
- BOEM does not estimate the lower shallow water royalty rate will have a substantial impact on 8(g) revenue sharing. Current disbursements of 8(g) payments are minimal and we expect very little new leasing to take place in the 8(g) zone. The impact of the royalty change would be negligible.
- BOEM estimates the lower royalty rate for shallow water tracts in this sale would contribute approximately 200 additional jobs per year.
- The lower shallow water royalty rate would target the reduction in shallow water activity and may slow the removal of critical infrastructure from the region.
- The lower shallow water royalty rate would be an appropriate response given the reduction in estimated resources as identified in the 2016 National Assessment.
- The lower shallow water royalty rate would signify a commitment to offshore development and responds to the continued low natural gas and oil prices. This response is appropriate given the fiscal term response of other offshore jurisdictions to lower prices (e.g., Norway and the United Kingdom).

The majority of shallow water resources are natural gas. Plentiful onshore natural gas resources have significantly reduced interest in offshore natural gas. The lower royalty rate would improve the attractiveness of shallow water offshore resources in comparison to the royalty rate that was proposed in the Proposed Notice of Sale

As shown, given the small set of leases in the sale to which the lower royalty rate would apply, the estimated impacts are expected to be minimal when compared to the aggregate production and revenues expected in the entire GOM from this sale. After considering these modeling results and several other factors, BOEM recommends adopting a 12.5 percent rate for leases in water depths less than 200 meters.

BOEM recommends maintaining the royalty rate of 18.75 percent on leases in water depths 200 meters and deeper in this sale. Recent modeling results show that a lower royalty rate in deepwater would lead to significant reductions in collected revenue with only negligible increases in production. Further, recent trends and interest in the deep water GOM have not indicated a need for a lower royalty rate.

Decision Action

Please indicate your decision by marking appropriately, signing, and dating below:

X I concur with the recommendation to set the royalty rate for leases situated in less than 200 meters of water at 12.5 percent for this lease sale and maintain the royalty rate for leases situated in 200 meters of water and deeper at 18.75 percent. Please alert stakeholders to this change in advance of publication of the Final Notice of Sale for GOM Regionwide Sale 249.

_____ I would like to maintain the royalty rate, as published in the Proposed Notice of Sale, for all leases in the GOM Regionwide Sale 249 at 18.75 percent.

Katharine S MacGregor

Katharine S. MacGregor
Acting Assistant Secretary
Land and Minerals Management

6·27·2017
Date

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 2 1 2018

The Honorable Lisa Murkowski
Chairman, Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Chairman Murkowski:

Enclosed are responses prepared by the Department of the Interior to questions received following Secretary Zinke's March 13, 2018, appearance before your Committee on the U.S. Department of the Interior's budget request for Fiscal Year 2019.

Thank you for providing the Department with the opportunity to respond to these questions.

Sincerely,

Legislative Counsel
Office of Congressional
and Legislative Affairs

Enclosure
cc: The Honorable Maria Cantwell
Ranking Member

Committee on Energy and Natural Resources
Hearing on FY 2019 Budget Request
March 13, 2018

Question from Chairman Murkowski

Question: Given the concerns about travel policy, specifically the use of non-commercial flights by the Secretary of the Interior, please provide a copy of the Department's policy and guidelines relating to the Secretary's use of government-owned, rented, leased, or chartered aircraft. Please also provide the use and cost of travel taken with government-owned, rented, leased, or chartered aircraft by the Secretary of the Interior since January 20, 2009.

Response: Documents related to Secretarial travel have been collected in response to a number of Freedom of Information Act (FOIA) requests and made available in the Office of the Secretary's FOIA library at: https://www.doi.gov/foia/os/os-foia-library-travel-records.

Committee on Energy and Natural Resources
Hearing on FY 2019 Budget Request
March 13, 2018

Questions from Ranking Member Cantwell

Question 1: At the budget hearing, I asked you about the potential misuse of public taxpayer funds for travel.

Please provide the following documentation and information regarding your travel on June 26-27, 2017:

- **Detailed itinerary for your activities on June 26 and June 27, including identification and explanation of activities and events carried out as part of your official duties as Secretary of the Interior.**

- **Documentation for your travel from Nevada to Montana during that timeframe, including aircraft manifest (including all passenger names and purpose), destinations, costs, and sources of payment for the trip.**

- **Documentation of travel alternatives considered, including commercial flights, and the costs, schedules, and routes of these alternatives.**

- **Explanation of why each alternative was rejected.**

- **Explanation of why you determined travel had to occur within these time constraints.**

- **Official documentation and all correspondence before and after the trip from agency ethics officials.**

- **Information regarding reimbursement to taxpayers for any part of the trip and any plans to provide reimbursement.**

In addition, please provide the following information regarding the Department's travel activities more broadly:

- **Identify each use of a government-owned aircraft by a non-career official at the Department of the Interior since January 20, 2017. For each use please provide the aircraft manifest (including all passenger names), destinations, dates of use, purpose, cost of each trip, and other travel alternatives considered.**

- **Identify each use of a private, non-commercial aircraft by a non-career official at the Department of the Interior, including charter service, lease, or other arrangement through Commercial Aviation Services providers since January 20, 2017. Provide the aircraft manifest (including all passenger names), destinations, dates of use, purpose, cost of each trip, the source of payment for the trip, and other travel alternatives considered.**

- **Procedures in place or under review at the Department of the Interior to comply with Director Mulvaney's guidance on Secretarial travel (M-17-32) to require all travel on government-owned, rented, leased, or chartered aircraft receive prior approval from the White House Chief of Staff.**

Response: Documents related to Secretarial travel have been collected in response to a number of Freedom of Information Act (FOIA) requests and made available in the Office of the Secretary's FOIA library at: https://www.doi.gov/foia/os/os-foia-library-travel-records.

Question 2: At the budget hearing, you issued a challenge to Senator Wyden "to give me one square inch of land that has been removed from federal protection."

Presidential proclamation 9558 establishing the Bears Ears National Monument included language that "all federal lands and interests in lands within the boundaries of the monument are hereby appropriated and withdrawn from all forms of entry, locations, selection, sale, or other disposition under the public land laws or laws applicable to the U.S. Forest Service, from location, entry, and patent under the mining laws, and from disposition under all laws relating to mineral and geothermal leasing, other than by exchange that furthers the protective purposes of the monument."

President Trump's proclamation 9681 modifying the boundary of the Bears Ears National Monument includes the following provision:

"At 9:00 a.m. eastern standard time, on the date that is 60 days after the date of this proclamation, subject to valid existing rights, the provisions of existing withdrawals, and the requirements of applicable law, the public and National Forest System lands excluded from the monument reservation shall be open to:
"(1) entry, location, selection, sale, or other disposition under the public land laws and laws applicable to the U.S. Forest Service;
"(2) disposition under all laws relating to mineral and geothermal leasing; and
"(3) location, entry, and patent under the mining laws."

Similar language was included in Presidential proclamation 6920 establishing the Grand Staircase-Escalante National Monument, and Presidential proclamation 9682 modifying the boundary of the monument.

The protective appropriation and withdrawal language that was removed in President Trump's proclamations affected over 2 million acres of lands that were within the original national monument boundaries. Under the terms of the proclamations, these lands are now open to potential sale or other disposition, to mineral and geothermal leasing, and to the location of mining claims.

Please explain how removing lands from national monument protection and removing the withdrawal against potential disposal or development is consistent with your statement that not one square inch had been removed from federal protection?

Response: As it did before monument designation, the Federal government continues to manage the public lands that were included within the original boundaries of Bears Ears and Grand Staircase-Escalante National Monument. No lands have been sold or transferred out of Federal ownership, and the Department continues to manage these lands in accordance with environmental and public land laws passed by Congress protecting natural and cultural resources.

Question 3: President Trump's proclamation 9681 modifying the boundary of the Bears Ears National Monument states that "it is in the public interest to modify the boundaries of the monument to exclude from its designation and reservation approximately 1,150,860 acres of land that [the President] finds unnecessary for the care and management of the objects to be protected within the monument."

A few weeks ago it was reported that one of the largest and most complete finds of Triassic period fossils in the world — dating back over 200 million years — was discovered in an area that was removed from the original Bears Ears National Monument boundary.

- **Were you aware of this fossil discovery when you made the recommendation to remove this area from the national monument boundary? If so, why did you exclude this area if you knew it contained world-class fossil resources?**

- **Will you be recommending that the monument boundary be modified to add back in lands with known significant fossil resources? Please explain.**

Response: The Department will continue to manage lands in accordance with laws passed by Congress, including the Archaeological Resources Protection Act, the Paleontological Resources Preservation Act, the National Historic Preservation Act, the Native American Graves Repatriation Act, National Environmental Policy Act and the Federal Land Policy and Management Act, among others. This will ensure the appropriate protection of fossils and other items identified.

Question 4: Earlier this year, the Committee held a hearing on the threat of geologic hazards to the public, and the role of the USGS in the science that helps to understand and protect our communities. Despite the clear need for these life-saving programs, the Fiscal Year 2019 request eliminated funding for several hazards programs including:

- **the Early Earthquake Warning System,**
- **the National Volcano Early Warning and Lahar monitoring system, and**
- **the landslides program.**

Understanding the science behind these geologic hazards, and applying the science through these programs, help to save lives.

What is the Administration's justification for cutting funding for these life-saving programs?

Most of these systems involve many stakeholders and partners. What impact would eliminating federal funding have on these working relationships?

If funding for these programs is cut, how do you plan to address the resulting shortcoming of the science of understanding these hazards?

Response: For 2019, the Administration identified areas where the federal government could reduce spending and also areas for investment, such as addressing the maintenance backlog across the national park system and increasing domestic energy production on federal lands. The 2019 budget request focuses on core capabilities to provide forecasts and warnings of hazardous volcanic activity with current monitoring networks; produce updated hazard assessments for high-threat volcanoes; and to revise the national volcano threat level assessment. The budget maintains support for robust national and regional earthquake monitoring and reporting.

Question 5: The BLM held public listening sessions across the country to hear from all sides as it prepared the 2016 Methane and Waste Prevention Rule ("2016 Rule"). For example, the BLM held four public meetings in 2014 before drafting the rule. The BLM then held another four public meetings in 2016 after finishing the draft. In its proposed new rule currently taking public comment, the BLM has not planned a single public meeting.

Will you commit to meeting the same standard of public outreach set in the drafting of the 2016 Rule and hold four public meetings in affected communities on the new draft rule as well as extend the comment period by sufficient time to allow these hearings to take place?

Response: The Department is committed to following the law and to providing opportunity for public input as revisions to the rule are considered.

Question 6: The BLM released a scoping report on March 2, 2018, detailing public comments the agency received regarding its plan to revise the sage grouse conservation plans. Shortly after the document was released, reports surfaced that a large number of public comments – potentially up to 100,000 – were not included in the scoping report. I understand that the lapse was due to technology issues, but I'm concerned that public comments of this volume could have been misplaced.

Given the tremendous public interest in this issue and the importance of making sure all voices are heard, can you please provide a detailed explanation of how you will rectify missing these comments and ensure that no other comments or public input has been excluded from your review of the sage grouse plans?

In addition, how will you ensure, going forward, that all public comments are effectively and transparently received and considered by the Department?

Response: BLM has verified that comments not initially included in the scoping report were incorporated into the review. While BLM does not know at this time where the technical glitch occurred, it has determined the web and email systems involved did not malfunction internally during sage-grouse public scoping. The BLM's email and ePlanning site remain open and ready to receive and record future comments submitted on the Draft EISes.

As part of our commitment to improving the trust among American taxpayers, the Department places a high value on public involvement and will continue to do so throughout the sage-grouse planning effort and all processes in which public comments are collected.

Question 7: At your confirmation hearing last year, we talked about the risky practice of self-bonding for coal mine clean-up. Montana, for example, does not allow self-bonding. But many states still do. The Department has since pulled back from reforms, including guidance, begun under Secretary Jewell. But you did commit to me last year that you would review a pending GAO audit of self-bonding.

Are you still committed to considering GAO's recommendations when they come out and reducing any risks to taxpayers?

Response: The Department appreciates the importance of adequate financial assurances for coal mine cleanup to ensure that the cost of required reclamation is covered. We are currently reviewing the GAO findings and considering appropriate next steps.

Question 8: The Fiscal Year 2019 budget request includes a 15% reduction of funding for oil spill research at the Bureau of Safety and Environmental Enforcement.

At a time when the Department of the Interior is promoting and expanding offshore oil and gas development and therefore increasing the likelihood of an oil spill, how do you justify shrinking research funding for oil spill response and recovery?

Response: BSEE has developed the capability to conduct research projects with the Oil Spill Preparedness Division engineering staff by leading much of the research on traditional, alternative, and emerging spill response technologies at the Ohmsett facility. Through enhancement and operationalization of response technologies, spill cleanups can be done more effectively and efficiently resulting in safer field oil recovery and treatment activities, with less impact to the environment, and a quicker return of platforms to production operations. BSEE will focus on priority research activities that align with the OCS safety and environmental risk reduction goals and objectives of the Administration.

Question 9: The Fiscal Year 2019 budget request includes a $1 billion reduction of funding for the Environmental Studies Program at the Bureau of Ocean Energy Management.

At a time when the Department of the Interior is promoting and expanding offshore oil and gas development and therefore increasing the likelihood of environmental impacts, how do you justify reducing funding for scientific knowledge about the nation's marine and coastal environment?

Response: Environmental studies support and inform BOEM's science and policy decisions. BOEM also utilizes the information collected to inform environmental reviews and consultations with tribes, states, and natural resource agencies. In FY 2019, BOEM will utilize less funding for general studies within the Environmental Studies Program in order to offset the additional funding for specific scientific research and environmental assessments needed to support the new National OCS Oil and Gas Leasing Program.

Question 10: **The Fiscal Year 2019 budget request includes a 13% reduction of funding for offshore renewable energy. The budget documents speak of "advancing energy dominance" and "sustaining the current pace of renewable energy development."**

How will that occur if you cut the funding for offshore renewable energy?

Response: Renewable energy, like offshore wind, is one tool in the all-of-the-above toolbox that will help power America with domestic energy, securing energy independence, and bolstering the economy. In recognition of the role renewable energy can play in securing the Nation's energy independence and supporting economic growth, BOEM will continue to advance renewable energy through its leasing program and by streamlining its permitting and National Environmental Policy Act (NEPA) processes.

Questions from Senator Barrasso

Question 1: The Wyoming Pipeline Corridor Initiative (WPCI) is a first-of-its-kind pipeline right-of-way network on federal lands designed to connect sources of carbon dioxide to existing oil fields for enhanced oil recovery. By establishing the WPCI, companies that wish to build carbon dioxide pipelines within the right of way network will be able to do so on much shorter time tables. The WPCI represents a tremendous economic and environmental opportunity. It will grow Wyoming's economy, create vital jobs in rural communities, and serve as a model for the expansion of carbon capture, utilization, and storage technology across our country. Governor Mead and I have both written letters urging the BLM to begin the environmental review process for WPCI. To my knowledge, this has not happened.

Mr. Secretary, when does the Department plan to begin the review process for the WPCI?

Response: The Department is committed to strengthening America's energy infrastructure by responsibly permitting transmission and pipeline development plans that bring power to growing communities. The Bureau of Land Management's Wyoming State Office has completed a number of necessary pre-planning steps and is continuing progress toward a final review of the proposal.

Question 2: I have heard from landowners in Wyoming that the BLM does not fully take into account their perspectives when permitting for subsurface federal minerals development. For example, the Pumpkin Buttes area of Campbell County, Wyoming has a three-mile "view shed" protection requirement. So, if a private landowner near the Pumpkin Buttes seeks to develop federally-owned minerals under the surface of their property, the BLM may deny or impose conditions on the private development on the basis that it impacts the view shed. These landowners are concerned that the BLM does not have a clear policy for determining impact on view shed.

Mr. Secretary, please explain your vision for how the BLM should balance landowner rights with other interests when permitting energy development on private land

Response: The The Department strongly supports restoring collaboration, coordination, and trust with local communities and making the Department a better neighbor. The BLM Buffalo Field Office has been working to develop a Programmatic Agreement with several Tribes to discuss the Traditional Cultural Property (TCP) that overlaps an area of active development in the Pumpkin Buttes area. In order to maximize engagement with private landowners in the area, the BLM has put the Programmatic Agreement on hold while the Buffalo Field Office visits with local landowners and elected officials.

Questions from Senator Wyden

Question 1: On February 28, 2018, Deputy Secretary Bernhardt wrote you a memo regarding the BLM's 2015 sage-grouse plans. On page 4 of that memo, he wrote, "Going forward, the President's budget proposes significant resources for efforts that are expected to benefit the sage grouse, albeit at a reduced rate."

What would this reduced rate be?

And why, given all of the efforts entered into by farmers and ranchers throughout the West for the successful survival of the sage grouse, would the President's budget decrease support?

Response: The budget request for Sage Grouse activities includes $51 million across Interior's bureaus, most of which is within the Bureau of Land Management. The Department's approach to managing sage grouse is consistent with the Secretary's priority and commitment to working closely with states to craft solutions. The Department continues to work with states and stakeholders closest to the lands managed by the Department on how best to strike a balance between development and conservation.

Question 2: The President's budget request proposes to consolidate the Wildlife Management and Threatened & Endangered Species Management programs.

Under your proposed consolidation, how will the BLM continue to further the missions of the two original programs for Wildlife Management and the Threatened & Endangered Species Management Program?

What specific allocations within this new program would be dedicated to sage grouse?

What other impacts would this consolidation have on sage-grouse conservation?

Response: The proposed new Wildlife Habitat Management subactivity will include Threatened and Endangered Species programs that will support highest priority efforts to aid federally-listed species recovery, while pursuing conservation and other preemptive actions as necessary. The proposed consolidation allows for better management and greater flexibility in managing resources and responding to emerging needs on BLM lands and in neighboring communities.With regard to sagebrush habitat, BLM plans to focus on monitoring of priority habitat areas, maintaining data sets and geospatial information to meet the assessment & monitoring commitments made in the land use plans, providing information to State partners and the public, increasing transparency to ensure strategic implementation of restoration actions, travel and transportation planning, partnership development, and training. Work to promote habitat resiliency and connectivity will be directed to the highest priority areas where our partners are available to leverage and increase capacity.

<u>Question 3</u>: December 27, 2017, the BLM revised a policy related to oil and gas drilling on sage-grouse habitat.

How many leases have been offered for sale by the Trump administration that are located within Priority Habitat Management Areas?

How many Applications for Permits to Drill have been granted?

What due diligence is done before an Application for Permit to Drill is granted?

Response: Since publishing its revised policy on oil and gas drilling in sage-grouse habitat on December 27, 2017, BLM has offered 124 parcels for lease and approved seven APDs within Priority Habitat Management Areas.

Prior to approval, APDs undergo a rigorous evaluation process. Initially BLM reviews APDs to ensure administrative completeness, after which technical surface and downhole reviews take place.

The surface review includes an onsite visit to the proposed well location to evaluate site suitability and site specific NEPA, which evaluates locally relevant resources. The BLM also ensures that the approval of an APD is consistent with the BLM's approved land use plan and any other applicable management decisions, while appropriately coordinating with other government agencies, tribes, local landowners, and other interested parties. The downhole review ensures that the APD adequately protects aquifers, that the proposed equipment is sufficient for the operation, and that appropriate safety measures are in place.

<u>Question 4</u>: During the hearing, you acknowledged to my colleague, Senator Cantwell, that the state of Washington is "deeply, passionately opposed to oil and gas drilling off their coast."

Do you acknowledge that the state of Oregon is similarly opposed to oil and gas drilling off our coast?

Response: I believe I know where every state is with regard to the potential for oil and gas development off their respective coasts. This includes the state of Oregon. Furthermore, I have committed that the interests of states will be reflected in the Administration's proposed program.

<u>Question 5</u>: Every year visitors spend $1.8 billion on the Oregon coast and Fisheries generate over $150 million in revenues. Like Florida, Oregon's economy is reliant on tourism, recreation, and the fishing industry. Offshore oil drilling endangers this and many other components of Oregon's coastal economy.

What actions will the Department of the Interior take to prevent damage to Oregon's coast and economies, and all the coasts of the United States?

Response: The 2019 BSEE budget fully supports the safe and environmentally responsible development of the Nation's vast offshore energy resources. Funds will be used to support and recruit expert engineers, geoscientists, inspectors, and oil spill planning, prevention, and response specialists to support the development of strong scientific information and the timely and thorough review of permits. BSEE will continue to fulfill its mission through a well-developed and measured application of its programs including efficient permitting, appropriate standards and regulations, effective compliance monitoring and enforcement, technical assessments, inspections, and incident investigations, resource conservation, and preparedness planning.

Question 6: During the hearing today, you said that oil and gas industries are doing very well. And yet royalty reductions are still on the table.

What was the rationale for the oil industry to continue receiving significant public subsidy dollars every year, at the same time Interior is proposing to increase the entrance fee at National Parks across the country, making the enjoyment of our public lands more costly for hardworking families?

Response: The Department recently announced that, due to the success of the President's America-First energy strategy and the positive market conditions that have accompanied it, royalty rates for future offshore oil and gas lease sales would not be lowered at this time. The Department is committed to investing in our parks, wildlife refuges, and Bureau of Indian Education schools and supports the use of additional energy revenue to address their backlog issues.

Question 7: In today's hearing you spoke about advancing America's Energy Dominance, speaking highly about oil and natural gas production being at 10.6 million barrels a day. You also noted an "all of the above" approach, increasing funding for oil and gas, expanding coal, whereas the renewable energy program is the only energy program facing budget cuts.

What is the economic justification for a reduction in renewable energy funds when the solar industry alone is creating US jobs at 17 times the rate of the national economy?

How does reduced funding of renewable energy in the proposed budget impact America's energy security?

Response: Interior plays a significant role in the Administration's objective to achieve America's energy dominance, and it is unlocking America's domestic energy resources to advance both the Nation's economic and national security position by reducing dependence on other nations for energy. The Department is the steward and manager of America's natural resources including oil, gas, coal, and hydropower and renewable energy sources. Paired with policies that foster growth and local input, American energy resources create jobs and generate significant revenue for the U.S. Treasury, States, and local economies. Renewable energy is one tool in the all-of-the-above toolbox that will help power America with domestic energy, securing energy dominance, and bolstering the economy. The 2019 Budget proposes $792 million in current and permanent funding for energy related programs across the Department. Interior's 2019 Budget continues to support an "all-of-the-above" energy development strategy, one that supports a level playing field for all sources of energy.

<u>Question 8</u>: The 2019 Interior budget proposes cuts the Bureau of Indian Affairs (BIA) by over $450 million, or a roughly 15 percent decrease, including cuts to programs for forestry and education. This affects tribal sovereignty and self sufficiency.

Which tribes, if any, did you consult prior to pushing significant cuts to BIA? Please list the specific tribes with which you consulted.

Response: During the budget process, the Department worked with the Tribal Interior Budget Council and others to inform the annual budget requests for Indian Affairs programs. The 2019 budget addresses federal responsibilities and tribal needs related to education, social services, infrastructure, and stewardship of land, water, and other natural resources, and it prioritizes support for programs that serve the broadest service population rather than initiatives that are more narrowly focused.

<u>Question 9</u>: On SRS, I expect you to be engaged and helpful in reauthorizing this important program. As you know, I authored the original Secure Rural Schools bill because counties were struggling, and it is just as important today as it was then. Faced with continued budget shortfalls, rural counties are forced to make difficult cuts to libraries, schools, and infrastructure projects, and do more with less. I understand that many of my colleagues will need to see forest management reforms as part of any long term SRS solution. I want to be clear that I take a back seat to no one when it comes to tackling tough forestry issues, including increasing timber harvest, which is what my O&C bill did. But it must be done in a sustainable way that does not stomp on our bedrock environmental laws. Tying the well-being of rural economies to unsustainable logging levels is a dead-end, leading the counties to exactly the same position they're facing now, while depleting our nation's forests.

Secretary Zinke, short term reauthorizations of SRS are simply not adequate for rural counties working to manage budgets each year. Will you commit to working with Congress towards a long term solution for SRS?

Response: The Department is committed to working with Congress to achieve meaningful forest management reforms.

Question 10: In September 2017, Senator Merkley and I wrote to the Secretary of Interior about the Sagebrush in Prisons project, a contract that allows prison inmates to grow sagebrush seed for habitat restoration. We have yet to receive a response to this letter. In February, we, again, wrote a letter following up on our original request. Fire on rangeland habitat is one of the key risks for the bird, and yet the administration is withholding funds. I would like to know the process and timeline for ensuring that critical restoration work is occurring on the ground.

Response: The Bureau of Land Management, on behalf of Secretary Zinke, responded to your September 22, 2017, letter on December 20, 2017. A copy of that letter is attached to these responses.

Question 11: Why has DOI been so reluctant and slow to respond to information requests from the public regarding reorganization and staff reassignments?

Response: The Department has responded to numerous questions about the proposed reorganization at several hearings on the hill over the past year, including a hearing before this Committee on July 19, 2018. With regard to the Senior Executive Service reassignments, information has been collected in response to a number of Freedom of Information Act (FOIA) requests and made available in the Office of the Secretary's FOIA library at: https://www.doi.gov/foia/os/ses-reassignments

Question 12: Are DOI scientists free to attend conferences and talk about their work? Do they enjoy the freedoms expressed explicitly in the DOI scientific integrity policy?

Response: Secretary Zinke and the senior staff at the Department of the Interior have been clear in their strong support of and respect for scientific integrity and the work that our scientists carry out at the Department of the Interior.

Question 13: Have there been any DOI scientific integrity complaints from or to DOI staff since this administration took over? How many? How were they resolved? Will you ensure transparency going forward?

Response: Secretary Zinke and the senior staff at the Department of the Interior have respect for scientific integrity and are strong supporters of the Department's scientists and the work that they carry out at the Department of the Interior. The Department's scientific integrity web page, found here: https://www.doi.gov/scientificintegrity/, contains a searchable database of summaries of closed matters in which formal complaints alleging scientific misconduct or loss of scientific integrity were filed pursuant to the Department's Scientific and Scholarly Integrity Policy.

Question 14: I believe it's absolutely crucial to get the ShakeAlert West Coast early warning system up and running. In his written testimony at a January Energy and Natural Resources Committee hearing, USGS Associate Director Applegate said, "an earthquake early warning system would be able to provide an additional layer of safety from inevitable

large earthquakes." This program could save lives. However, the President's budget request cuts the ShakeAlert program again, for the second year in a row.

Are you willing to work with members of Congress and the West Coast Delegation to get the ShakeAlert system up and running?

Response: The President's Fiscal Year 2019 budget did not request continued funding for ShakeAlert. The Administration's request includes $51 million for earthquake hazards, which aims to preserve core USGS functions, including critical monitoring capabilities and heavily used public information products. The USGS has always worked with Congress to address concerns about our mission and budget priorities, and USGS will maintain that commitment going forward, including working to determine the appropriate federal, state and local cost share associated with any future ShakeAlert developments.

Committee on Energy and Natural Resources
Hearing on FY 2019 Budget Request
March 13, 2018

Questions from Senator Sanders

Renewable Energy

<u>Question 1</u>: During your nomination hearing, you told me that you were committed to an "all of the above" strategy on energy, and you would "absolutely encourage" renewable sources of power like wind and solar. You have also stated "I am not oil and gas centric, I am American energy centric."
In <u>your FY 2019 proposed budget</u>, renewable energy is the only energy program that is facing cuts despite the fact that the cost of new solar and wind power has dropped by 70 and 25 percent, respectively, since 2010. Additionally, solar energy is now responsible for one in every 50 new jobs created in the United States. Since renewable sources of energy are clearly successful sources of "American energy," how are your proposed budget cuts consistent with your claim of being "American energy centric"?

Response: Interior plays a significant role in the Administration's objective to achieve America's energy dominance, and it is unlocking America's domestic energy resources to advance both the Nation's economic and national security position by reducing dependence on other nations for energy. The Department is the steward and manager of many of America's natural resources including oil, gas, coal, and hydropower and renewable energy sources. Paired with policies that foster growth and local input, American energy resources create jobs and generate significant revenue for the U.S. Treasury, States, and local economies. Renewable energy is one tool in the all-of-the-above toolbox that will help power America with domestic energy, securing energy dominance, and bolstering the economy. The 2019 Budget proposes $792 million in current and permanent funding for energy related programs across the Department. Interior's 2019 Budget continues to support an "all-of-the-above" energy development strategy, one that supports a level playing field for all sources of energy.

<u>Question 2</u>: You have claimed that wind energy <u>has a significant carbon footprint</u>, when in reality, wind's carbon footprint is less than 3% of the emissions from coal and less than 7% of the emissions from natural gas. Since your statement is inconsistent with mainstream science on the carbon emissions of wind power relative to all fossil fuel sources, please explain your plan, including a timeline, for publically rescinding your statement.

Response: This Administration's energy policy relies on both conventional and renewable sources of energy. We recognize that there are consequences and impacts from development of all sources of energy, including wind, and believe that we have to have a national dialogue and an understanding of these impacts to determine where energy development on public land of any kind is appropriate.

Native Rights

<u>Question 3</u>: During your address to the National Congress of American Indians 2017 Mid Year Conference and Marketplace on June 13th, 2017, you made the following statement:

> ***Sovereignty has to mean something, it has to be more than a name, it has to be that tribes decide for themselves what is right. Not only should the (Department of Interior) meet our treaty obligations, but exceed our treaty obligations. I'm honored to be your champion.***

The Gwich'in People in Alaska have been very clear that drilling for oil in the "1002 area" of the Arctic National Wildlife Refuge is a clear violation of not only their sovereignty, but also their tribal treaty rights. Since you claim to be a champion of indigenous sovereignty, please explain your plan, including a timeline, for abandoning plans to open the 1002 area for oil extraction.

Response: The Tax Act directs the Department to implement an oil and gas development program in the coastal plain of the Arctic National Wildlife Refuge. Deputy Secretary Bernhardt and Assistant Secretary Balash were recently in the State to engage local communities, Alaska Natives, and stakeholders as the Department begins to lay out its framework for responsible exploration and development in the 1002 Area. The Department hosted multiple public scoping meetings to get public input—including that from Alaska Natives—to inform the BLM's preparation draft Environmental Impact Statement (EIS) for the leasing program. The scoping period ended in June and BLM has prepared a scoping report of the comments received.

<u>Question 4</u>: During a press call on June 12th, 2017 regarding the proposal to slash the boundaries of the Bears Ears National Monument, you stated:

> ***I've met with the tribes, I've talked to tribes...I think, talking to tribes, they're very happy (with the proposal to roll back the Bears Ears National Monument)...(I've) talked to all parties, and they're pretty happy and willing to work with us.***

Please list the individuals and their tribal affiliation with which you met regarding the decision to slash the boundaries of Bears Ears National Monument prior to President Trump's executive order regarding national monuments.

Since the Hopi, Navajo Nation, Ute Mountain Ute Tribe, Pueblo of Zuni, and Ute Indian tribes oppose this plan, and you failed to talk to those tribes, please explain your plan, including a timeline, for consulting those tribes. Should you find, after talking to these tribes, that they do oppose any plan to shrink or in any way alter the Bears Ears monument, will you commit to abandoning your proposal to alter the Bears Ears monument?

Response: Secretary Zinke has indicated that he listened to all sides throughout the review of national monument designations. With regard to the Intertribal Coalition, he had meetings with the coalition as a whole and with multiple members, both here in Washington and in the field, and Associate Deputy Secretary Jim Cason held follow-up meetings with the Bears Ears Commission, the InterTribal Coalition, and individual tribes.

Public Lands

Question 5: In your nomination hearing on January 17th, 2017, you and I discussed your philosophy on public lands:

> ***Sen. Sanders: Some of my conservative friends believe that the day should come when we privatize our national park system. What's your feeling on that?***
>
> ***Mr. Zinke: I want to be clear on this point: I am absolutely against transfer or sale of public land.***
>
> ***Sen. Sanders: Good, that's a clear answer.***
>
> ***Mr. Zinke: I can't be any more clear.***
>
> ***Sen. Sanders: No you can't, thank you.***

Unfortunately, contrary to your statements to me, you instead conducted the largest rollback of federal land protection in our nation's history by proposing to slash the boundaries of the Bears Ears and Grand Staircase-Escalante National Monuments by more than two million acres. You have proposed to open up the majority of U.S. coastal waters to oil and gas drilling in the largest offshore lease sale ever. You ordered the largest ever lease sale of the National Petroleum Reserve. And, you approved a land swap deal that will allow a controversial road to be built through the Izembek National Wildlife Refuge in Alaska.

In light of your decision to go against what you told me you would do to protect public lands, do you believe it is appropriate for cabinet nominees to lie to United States Senators during their constitutionally-mandated confirmation process?

Would you like to, for the Congressional Record, alter your testimony from during your nomination hearing?

If you do not wish to alter your testimony, please outline your plan, including a timeline, to uphold your promise to me by revising your efforts to transfer, sell, or lease lands which were previously part of the Bears Ears and Grand Staircase-Escalante National Monuments.

Please also detail your plans, including a timeline, to cancel the lease sales of U.S. coastal waters and publically oppose any future proposals to transfer, sell or lease any part of these waters.

Furthermore, please outline your plans, including a timeline, to cancel the lease sales of the Natural Petroleum Reserve and publically oppose any future proposals to transfer, sell, or lease any part of these public lands.

Finally, please detail your plans, including a timeline, to cancel the land swap deal that would allow a controversial road to be built through the Izembek National Wildlife Refuge in Alaska and publically oppose any future proposals to transfer, sell or lease any land in this refuge.

Response: My position of keeping federal lands federal has not changed. Determining the most appropriate management of these lands, including where monument boundaries lie, to ensure public access to these lands is my priority. A centerpiece of the budget request is a historic proposal to dedicate up to $18 billion of the revenues the Department collects from all forms of energy development to address the multi-billion deferred maintenance backlog for national parks, national wildlife refuges and Indian schools to meet our treaty obligations to 48,000 Native American children. This proposal reflects my view that energy production on federal lands should produce benefits for these national treasures.

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Questions from Senator Lee

Question 1: I am concerned with the National Park Service's proposal to increase entry fees at 17 national parks, including four in Utah, because it continues the unfair and inefficient practice of redistributing funds from parks that could use the additional funds to address their massive maintenance backlogs to parks that either aren't increasing their fees or charge no fees at all. To me, it makes little sense to hike fees at Zion National Park—which has a maintenance backlog of over $70 million—only to send 20 percent of the revenue elsewhere. Has the National Park Service considered other proposals to address the inequitable park fee structure or make the National Park System more self-sufficient, such as by establishing entry fees at sites that do not currently charge fees?

Response: After carefully considering the public comments provided on the National Park Service's 2017 fee proposal, the National Park Service revised its proposal and developed a balanced plan that implements modest increases at the 117 fee-charging parks as opposed to larger increases proposed for 17 highly-visited national parks. As you know, under the Federal Lands Recreation Enhancement Act (FLREA) each of these fee-charging parks will keep 80 percent of the revenue collected, which means those dollars will be spent at the park to enhance and preserve the visitor experience. The $11.6 billion maintenance backlog is not going to be solved overnight and will require a multi-tiered approach as we work to provide badly needed revenue to repair infrastructure.

Question 2: Lake Powell became infested with quagga mussels in 2013 and inspections of exiting watercraft have largely been performed by the state of Utah, with assistance from the National Park Service. Utah funds about two-thirds of the work despite Lake Powell being a federally-managed waterbody. The "Safeguarding the West" initiative spearheaded by the Department of Interior has directed federal agencies to become more engaged in mussel prevention efforts. What actions has the department taken so far to support states like Utah in their efforts to eradicate invasive mussels in federally managed waters?

Response: In Fiscal Year 2017, Interior spent $8.6 million to address invasive mussels nationwide. This includes an additional $1 million for the Bureau of Reclamation to establish watercraft decontamination stations, provide educational materials, and continue monitoring efforts. Interior is currently working on more than four dozen actions to address invasive mussels including preventing the spread of the species to uninfested waters, such as those in the Columbia River Basin in the Pacific Northwest, and containing and controlling them where they are established, such as in Lake Powell and the Lower Colorado River region.
On February 28th, the Department released a report highlighting the progress made in the fight against invasive zebra and quagga mussels. This report can be viewed at the following link: https:www.doi.govsitesdoi.govfilesuploadssafeguarding_the_west_progress_report_february_2018_final.pdf. This is progress, but there is more work to do and we are committed to continuing these efforts and the Administration's budget proposal supports these goals. For FY19, the Administration is requesting $103 million across Interior for invasive species work and $12 million to address invasive mussels specifically.

Question 3: Utah is home to only about six percent of the greater sage-grouse population but the state has poured millions of dollars into a highly successful conservation strategy. The Obama administration regrettably discarded Utah's plan in favor of its own unworkable plan. Needless to say, the state of Utah is eager to work with you to align the federal sage-grouse RMPs more closely with the state's plan. Will you commit to continue working closely with Utah resolve inconsistencies between the federal and state plans?

Response: The Department is committed to continue working closely with Utah, as well as other Western states, and with interested organizations regarding the sage grouse planning effort.

Question 4: Will you commit to defend the conclusions of Solicitor's Opinion M-37051 which states that lands within the former Uncompahgre Reservation are not available for restoration and are subject to all public land laws?

Response: Yes, we commit to defend the conclusions of this opinion, which concludes that section 3 of the Indian Reorganization Act does not provide authority to transfer the lands in question to be held in trust for the Tribe.

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Questions from Senator Stabenow

Question 1: The Forest Service is a joint land manager, with the BLM, of the Bears Ears National Monument which included 289,000 acres of the Manti-La Sal National Forest upon the monument's establishment on December 28, 2016. On December 4, 2017, a Presidential Proclamation reduced the Bears Ears National Monument by nearly 85% of its total area, including a reduction of much of the original Forest Service acreage. During last year's Senate Agriculture, Nutrition and Forestry Committee's consideration of Stephen Vaden's nomination to be General Counsel of the U.S. Department of Agriculture, Mr. Vaden stated that in the course of USDA's role in your national monument review, "no specific (Forest Service) acres were recommended for removal."

If USDA's Forest Service – the manager of the land in question – didn't recommend removing Forest Service acreage from the Bears Ears National Monument, then why did you recommend to the President that significant amount of Forest Service acreage be removed anyway?

Response: The final report outlining the Secretary's recommendations was made in accordance with the President's Executive Order 13792, which directed the Secretary to review and provide recommendations of all monuments designated from 1996 to present that (1) are 100,000 acres or greater in size or (2) were made without adequate public consultation. The recommendations were submitted to the President with the concurrence of the Secretary of Agriculture and the Secretary of Commerce, as detailed in the final report.

Question 2: You mentioned in your testimony that conservation is a key emphasis in the Fiscal Year 2019 budget request, and when you appeared before the Committee in 2017 and when we met in my office prior to your confirmation hearing, you expressed strong support for the Land and Water Conservation Fund.

Over the past 50 years, the LWCF has benefited nearly every county in the nation and over 42,000 projects – ranging from local recreation centers to hunting, fishing, and hiking projects on federal lands. In Michigan, we've used LWCF to protect Sleeping Bear Dunes National Lakeshore, Pictured Rocks National Lakeshore, and our beautiful national forests as well as private working forests, endangered species habitat, and many state and local park projects. Moreover, investments from LWCF have been vital to improving public access to the outdoors, which is critical to Michigan's outdoor economy that generates $26 billion in consumer spending each year and supports over 230,000 jobs in my state.

Can you please explain how you can express support for the LWCF program publically and in our private meeting, and then turn around and support a budget that requests draconian cuts to LWCF funding?

Response: The President's budget supports the LWCF and calls for its reauthorization. The budget did not request funding for new Federal land acquisition projects because the Department places a high priority on taking care of the land and assets that we currently manage rather than adding to the federal estate. However, the budget does include State-side funding derived from the LWCF to ensure that States continue their implementation of LWCF programs.

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Questions from Senator Manchin

<u>Question 1</u>: President Trump's budget called for discretionary funding for the Payments in Lieu of Taxes (PILT) program at $465 million. Since 1977, the Department of the Interior has distributed over $7.5 billion in PILT payments. The FY2018 budget proposal requested $397 million in discretionary funding, a reduction of $68 million dollars. Counties have flexibility to use the payments for any governmental purpose, which is determined by the state. In West Virginia, we have numerous counties such as Pocahontas and Hardy County, whose representatives have written me letters imploring me to help them ensure that their modest budgets are not gutted because of reductions to PILT. West Virginia is a largely rural state and the expiration of these programs will have a huge impact on these communities - specifically West Virginia has 1.2 million acres of PILT eligible land.

Secretary Zinke, what are your thoughts on securing mandatory sources of funds for PILT?

<u>Question 2</u>: Would the Department support such a proposal?

Response to Q. 1 and 2: The FY 2019 Budget supports this important program while balancing Departmental-funding priorities in a constrained budget environment. The proposed $465 million proposed for PILT, including $68.1 million provided in the Budget Policy Addendum for 2019, which is not reflected in the 2019 President's Budget documents.

<u>Question 3</u>: The President's budget proposes eliminating the Abandoned Mine Lands Economic Development Pilot Program - a part of the POWER Initiative. I was disappointed to see this because these funds go towards economic revitalization in West Virginia, Pennsylvania and Kentucky to support education for unemployed miners, investing in new infrastructure and advancing business development. A shining example of how successful this program can be is Refresh Appalachia in southern West Virginia – the area hit the hardest by the downturn in coal production. Refresh Appalachia is developing an aquaponics facility in Mingo County. The project will use solar and geothermal energy from a reclaimed abandoned coal mine to power its aquaponics facility. So you get sustainable fish and vegetables for local customers and employment and training opportunities for out of work miners. Furthermore, the remediation of the land, the construction of the facility and the solar installation supports on the job training and creates jobs. These Power Plus initiatives – although still in their infancy - are working and giving hope to out-of-work coal miners and their communities. But they are additive to AML grants. I introduced the RECLAIM Act to accelerate the deployment of AML funds for abandoned mine clean-up. The RECLAIM Act and the Power Plus Initiative together would help Appalachia even more in clean up of abandoned mines with an eye towards job creation and economic development.

In that context, can you explained the proposed elimination of this successful program?

Response: This Administration has made it a priority to put our miners back to work and has lifted the moratorium on federal coal leasing. The pilot program overlaps with the existing mandatory AML grants, but the budget proposes to maintain important Abandoned Mine Land funding to coal country, expected to be $328 million in 2019, thus fulfilling the AML Reclamation Program's statutory goal.

Question 4: Will you commit to working with me to find ways to promote the economic revitalization of West Virginia?

Response: Yes.

Question 5: Secretary Zinke, in Tucker County, West Virginia, we have the Canaan National Wildlife Refuge, a 17,000 acre wildlife refuge that was established in 1994. In fact, it was the 500th established Wildlife Refuge. The headquarters of the Refuge is a 7,000 square foot facility originally constructed in 1975. The building used to be a complex containing a restaurant and apartments, and was converted to be used as the Refuge headquarters after it was acquired in 1999. The building is in subpar condition to serve as an adequate headquarters building for the Refuge—it even experienced a fire sometime before the building was acquired and is not up to current codes. The building has undergone an assessment to determine the cost and scale of the work needed to rehabilitate the building so that it is up to code. But, after reviewing the assessment and seeing the building in person, it is clear that a new building is the best option that will be cheaper for taxpayers. You have shown your commitment to addressing the issues of deferred maintenance in the Interior Department, and I mostly want to take this moment to remind you that this is a shovel ready project and the longer we drag this out the more it will cost taxpayers.

I would love to hear your thoughts on what can be done, can you please tell me what you might have in mind?

Response: The construction of a new headquarters building at Canaan Valley NWR is one of the Service's highest priority projects. The Department is aware of the language in the FY18 omnibus report and we are working to determine the most efficient path forward for the project.

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Questions from Senator Heinrich

<u>Question 1</u>: In 2014, Congress made improvements to sec. 365 of the Energy Policy Act of 2005 to provide additional resources to seven of BLM's busiest field offices to hire and support sufficient staff to meet current demands. Subsection 365(e) requires BLM to report to Congress annually on the allocation of the additional funds among the seven Project offices and the accomplishments of each office. The first annual report, due February 2016, has never been submitted to Congress as required by law. The second report was due in February 2017. The third was due last month. In response to my inquiry last year you stated, "the BLM is now in the process of developing and finalizing the reports." When will the department comply with the law and provide the long-overdue reports to Congress?

Response: The reports are in development and will be submitted to Congress once they are complete.

<u>Question 2</u>: I was grateful to hear the news that the BLM will defer leasing on lands in the Greater Chaco region in northwestern New Mexico. However, I continue to hear from worried constituents with questions about what is next in this process. Now that these leases have been deferred, can you explain the process you expect from here on out? Will you commit to working with affected tribes to complete cultural surveys before making any decision about future leases?

Response: The BLM continues to work through the process of tribal consultation, completion of a cultural resources report, and outreach to all consulting parties. The BLM is committed to tribal consultation and compliance with Section 106 of the National Historic Preservation Act as it completes the process for determining the ultimate disposition of the deferred lease parcels.

<u>Question 3</u>: Are the Bureau of Indian Affairs and Bureau of Indian Education included in your reorganization plans for the department? What is the tribal consultation schedule for the reorganization? How will multi-state tribes, like the Navajo Nation, be handled in the reorganization? Do you plan to abolish the Navajo Region of the BIA?

Response: The Office of the Assistant Secretary – Indian Affairs has been leading a process of consultation with Indian tribes regarding this proposed reorganization. Consultation sessions have been scheduled at various locations throughout this summer, and tribes are being asked for their input on our internal reorganization and whether Indian Country should "opt in" by making changes to the existing Indian Affairs regions. At the end of this process, the Department will review the information that tribes provide to determine the appropriate level of involvement of Indian Affairs programs. More information about this process, including the updated schedule with dates and locations, can be found here: https://www.bia.gov/as-ia/raca/doi-reorganization.

<u>Question 4</u>: In 2016, the Bureau of Indian Affairs adopted new regulations regarding rights of way on Indian land. The regulations require a county to obtain a bond before conducting road maintenance on roads that cross tribal lands. Over the past ten months,

McKinley County has sent four letters to the BIA requesting waivers on several priority projects that will use FEMA funds to repair flood-damaged roads. To date, the county has not received a response from the BIA. Can you assure me that the BIA will contact McKinley County and work to resolve this matter?

Response: Yes.

Questions from Senator Hirono

Question 1: It is my understanding that many or all grant programs within DOI are currently under additional review. For example, historically USGS grants totaling over $1,000,000 required a review at the Department level. Then, last year, the requirement was changed to grants totaling over $100,000. Then, again this year, the requirement was changed to grants totaling over $50,000. This review creates significant delays to non-federal partners, such as universities and state agencies.

Why is the Department requiring additional reviews? Who within DOI is conducting these reviews? What timeline has your Department put in place for these reviews, and what percentage of all DOI grants warrant additional review?

Response: Interior distributes over $5.5 billion in grants and cooperative agreements every year. Secretary Zinke's review of the Department's financial assistance programs, which included examination of 83 audits by the Department's Inspector General over the last 5 years, illustrated over $88 million in questionable disbursements. The IG also made 419 recommendations for corrective action. In addition to these audits, numerous IG investigations were conducted revealing waste, fraud, and abuse in these programs, including the lack of a competitive process, conflict of interest abuses, and the lack of adequate processes related to the acquisition of federal interests in lands with financial assistance, among other things. In addition, there was no Department-wide system in place to manage these awards.

To ensure proper management and implementation, guidance was provided to bureaus setting forth an approval process for discretionary financial assistance programs, and a Senior Advisor to the Assistant Secretary for Policy, Management and Budget was tasked to work with each Bureau to set clear expectations and develop an organized implementation plan. We are prioritizing the review of mission critical grants and cooperative agreements where taxpayers' money is used most efficiently to accomplish our priorities and missions, and we are paying overdue attention to high-risk grant making.

Guidance provides that the review process may be simplified to address programs that demonstrate sound management. We are regularly adapting our process to strengthen grants review while still protecting the public interest. It is important to note, however, that the Department's reviews and guidance do not apply to mandatory grant programs; we are fully committed to implementing the laws passed by Congress.

Question 2: Last year, the Department of the Interior was undergoing a Department-wide review of its youth programs. These programs include the National Park Service's Junior Ranger program, which last year alone provided training for 59 youth at Hawaii Volcanoes National Park, and also provided important support through the Youth Conservation Corps to groups in Hawaii, such as Kupu.

Is that review complete? If so, what are the results? If not, when does the Department expect to complete its review of youth programs?

The FY19 budget proposes cuts to every youth program within the department. Examples include a $5,000,000 cut, half of the FY17 enacted level, to the Park Service's Youth Partnership Program, and a cut of $2 million and 11 positions from Fish and Wildlife Service's Youth and Careers in Nature Program. The Department's justification for these cuts is that "The Service is not requesting funding for this activity in order to support higher priorities."

Do you consider educating our youth to become the next generation of stewards for our land to be a priority of the department?

Response: Yes, it is important to get our children and grandchildren out to our parks and public lands to experience our collective heritage. By focusing on priorities to ensure that we take care of the assets we currently own, as this budget does, we make sure that these lands will be maintained and available for future generations.

Question 3: The FY18 budget proposal sought to cut funding to the USGS Climate Science Centers and consolidate the existing 8 regional centers, one of which is located at the University of Hawaii, down to 4. At that time, I asked you if the Pacific Island regional center at the University of Hawaii would close, and your response was "No decision has been made about which centers may be consolidated, but such a decision would be based on competition to determine how to refocus work on the highest priority needs of Interior bureaus and states."
The FY19 budget again seeks to cut funding to the USGS Climate Science Centers and now consolidates the existing 8 regional centers down to 3. I assume that there is some specific motivation for the department to consolidate from 8, to 4, to 3, since to an outsider, these numbers seem arbitrary.

Once again, which centers does the Department envision closing? Also, can you clarify what you mean in your response by "competition"?

The Department's reorganization plan places a heavy emphasis on more regional representation for the different bureaus, and you have made multiple mentions of moving assets to the front lines. Does consolidating the USGS Climate Science Centers from 8 to 3 run counter to that plan?

Response: The FY 2019 budget includes $12.989 million in funding for the National and Regional Climate Adaptation Science Centers. The Climate Science Centers (CSCs) were established to conduct research to address challenges resulting from climate and land-use changes and to work regionally with resource managers to provide science and information for adaptation planning. The budget proposal continues this work, while realigning the CSCs to refocus resources on the highest priority needs of Interior bureaus and other stakeholders. As you noted in your question, the USGS has not made any final determination on which centers may be consolidated, but each CSC will be evaluated as part of this determination.

Question 4: Last year, I asked you about the Department's proposal to defund US Fish and Wildlife Service's "State of the Birds" program, which has helped to bring back some of Hawaii's most critically endangered bird species from the brink of extinction. In your written response, you indicated that "Preventing extinction and achieving recovery of listed species has always been, and will continue to be, one of FWS' highest priorities."

In FY2019, the Department again proposes eliminating funding for the State of the Birds program "in order to support higher priorities", but that "Staff will continue collaborating to promote species recovery."

How does the Department intend to bring species like the Hawaiian Crow, or Alala, from extinction given that the bird only exists in captivity, in facilities supported by the State of the Birds program? Moreover, how will Department staff continue to work collaboratively to support species recovery when the Department proposes zeroing out funding for programs like the Cooperative Endangered Species Conservation Fund?

Response: Conservation success stories almost always involve partnerships between the Service and others – states, tribes, territories, local governments, private landowners, and other Federal agencies. Partnership efforts guided by the FWS have led to several recent decisions to delist species due to recovery. The Administration's budget proposal represents a fiscally responsible budget that focuses resources on the Department's core mission. The Budget proposes to eliminate the Cooperative Endangered Species grants program because most of these grants have supported land acquisition, which is not a departmental priority due to our deferred maintenance backlog. Our ability to succeed in conservation efforts is also dependent on our people on the ground, who need to have the skills and ability to work with landowners and agencies on solutions that serve the needs of both the species and the landowners. Our Partners for Fish and Wildlife program and Joint Ventures programs have been great models for that approach, and we would like to see those kinds of relationships with landowners and local communities reflected more broadly throughout the Department.

Question 5: The President's FY2019 budget again proposes cutting the USGS Natural Hazards Program by more than $27 million over the FY17 enacted level. This cut specifically removes $5.8 million from the Volcano Hazards Program.

Will you commit that these proposed cuts to the Volcano Hazards Program will not impact USGS' ability to warning and forecast capabilities for volcanic activity on Mauna Loa and Kilauea?

Response: For 2019, the Administration identified areas where the federal government could reduce spending and also areas for investment, such as addressing the maintenance backlog across the national park system and increasing domestic energy production on federal lands. In regards to volcano hazards, the 2019 budget request focuses on core USGS capabilities to provide forecasts and warnings of hazardous volcanic activity with current monitoring networks, including Hawaii; produce updated hazard assessments for high-threat volcanoes; and to revise the national volcano threat level assessment. The budget maintains support for robust national and regional earthquake monitoring and reporting, including Hawaii.

<u>Question 6</u>: The President's FY2019 Budget proposes eliminating funding for Habitat Conservation Planning Assistance Grants, and Habitat Conservation Planning Land Acquisition to States. Habitat Conservation Plans allow for permits to be issued to private entities and businesses undertaking projects that might otherwise result in the destruction of endangered or threatened species. Ultimately, these grants enable Hawaii to prevent delays in mitigation and conservation action for imperiled species.

Last year, I asked you about the President's FY2018 proposal to cut Habitat Conservation Planning Assistance Grants by 30%. You responded that the cut was justified as a result of fluctuating demand for habitat conservation plans, and that the FY2018 level aligned with anticipated demand.

Could you provide further information on the fluctuating demand for Habitat Conservation Planning Assistance Grants in recent years?

The FY2019 budget proposal states that these programs will be eliminated so that FWS can focus on supporting higher priorities. Has the Department conducted any analysis on how eliminating funds for these programs will impact the ability of local governments and private entities to acquire necessary permits when making land use decisions, and obtaining permits for projects that would otherwise result in the taking of endangered or threatened species?

Response: The Administration's budget proposal represents a fiscally responsible budget that focuses resources on the Department's core mission. The Budget proposes to eliminate the Cooperative Endangered Species grant program because most of these grants s have supported land acquisition, which is not a priority given the deferred maintenance backlog . My focus is on directing resources to identifying and preserving wildlife corridors, protecting watersheds and expanding public access where appropriate.

<u>Question 7</u>: The National Park Service is charged with not only protecting our nation's natural resources, but also the cultural and historic resources that tell the story of our country. I am disappointed to see that the Administration has yet again proposed eliminating funding for the National Park Service's Japanese American Confinement Sites Grant Program, which has helped to tell the story of Japanese internment during World War II at sites like Honouliuli.

How will the Department continue to preserve historic Japanese American confinement sites and the history behind them given the Administration's proposal to eliminate funds for the Japanese American Confinement Sites Grant program?

Response: The National Park Service is a tireless steward of the natural, cultural and historic sites that the agency is charged with preserving. The FY19 budget request includes funding for the management of the Japanese American Internment sites that are either independent or part of larger parks. Sites such as Tule Lake National Monument, Minidoka National Historic Site, and Manzanar National Historic Site will continue to interpret the stories and impacts of this significant period of our history. Visitors will continue to receive high quality interpretive experiences while on site and collaboration with local schools will ensure that new generations of Americans have the opportunity to learn about their history through class trips. In addition, on April 13, 2018, the National Park Service awarded $1.3 million in grants for preservation of Japanese American Confinement Sites.

Question 8: I wanted to follow up on my question to you during the hearing regarding the Department's Public Lands Infrastructure Fund proposal. In our exchange you noted that you believed, as a best guess, that the Department could generate $18 billion over 8 years on new energy receipts. However, in the FY19 budget proposal, the Department indicated that while the fund would be capped at $18 billion, that "The budget estimates this initiative will result in $6.8 billion in expenditures from the Fund over 10 years." Based on the budget proposal, the expected energy receipts would generate roughly $680 million per year for the fund, while your statement during the hearing would mean roughly $2.25 billion per year would be placed into the fund. These figures are very different.

To help me and other members of this committee better understand your rationale and expectation for this fund, I ask that you provide: 1. The calculations used by the Department to arrive at the $6.8 billion and $18 billion figures, 2. The rationale behind these estimates as a funding source for deferred maintenance on our public lands, 3. An outline, in both technical and laymen's terms, illustrating the reliability of these funds on an annual basis, and 4. How construction projects, which often require multi-year funding due to the time required for procurement and contracting, could rely on this funding source that is based on annual projections.

Response: The proposal caps the funds that could be deposited into the Public Lands Infrastructure Fund at $18 billion. The Budget estimated that there would be $6.8 billion in expenditures from the Fund over the course of that 10 years. However, the fund is not limited to $6.8 billion. The cap of $18 billion roughly mirrors the Department's backlog needs. Importantly, because the deposited funds would be available without further appropriation, this fund would be consequential for facilities that currently must rely on annual appropriations to address the maintenance backlog at national parks, wildlife refuges, and BIE schools.

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March 13, 2018

Question from Senator King

Question: Under this budget proposal for Fiscal Year 2019, you are proposing to essentially eliminate the Land and Water Conservation Fund (LWCF), a program that you have been an outspoken supporter of in the past. In fact, it was a major topic of discussion during your confirmation hearing, where you assured myself and members of this Committee of your position. This is a critical program for land conservation across the country and in Maine where it has supported $183 million of conservation and recreation projects in local communities. Can you explain these cuts and your position on the future of the LWCF?

Response: The President's budget supports the LWCF and calls for its reauthorization. The budget did not request funding for new Federal land acquisition projects because the Department places a high priority on taking care of the land and assets that we currently manage rather than adding to the federal estate. However, the budget does include State-side funding derived from the LWCF to ensure that States continue their implementation of LWCF programs.

Committee on Energy and Natural Resources
Hearing on FY 2019 Budget Request
March 13, 2018

Questions from Senator Hoeven

<u>Question 1</u>: Under the Clean Air Act, the Environmental Protection Agency (EPA), in partnership with individual states, is tasked with regulating air quality, which includes methane emissions. In fact, states like my state of North Dakota, currently have a regulatory system in place to govern oil and gas emissions.

The North Dakota Industrial Commission has put in place flaring requirements that have successfully reduced the flaring rate from 36 percent to 15 percent in January (the most recent data available).

Still, more work needs to be done, especially on the Fort Berthold Reservation, where the natural gas flaring has increased over the last several months. In January, the rate was 19 percent – with 22 percent on Trust lands.

North Dakota is looking for help to permit gas gathering lines on the Fort Berthold Reservation.

- **Will you commit to working with us to help streamline the rights-of-way permitting process on the reservation?**
- **What is the status of BLM's Methane Rule review?**

Response: Permitting rights-of-way for gathering lines and related infrastructure is important to reduce natural gas flaring. The Department is committed to improving the permitting process so that natural gas can be captured and transported for beneficial use.

The BLM published the draft "Waste Prevention, Production Subject to Royalties and Resource Conservation: Rescission or Revision of Certain Requirements" rule on February 22, 2018. The 60 day public comment period ended on April 23 and the comments received are under review. Litigation of the Waste Prevention Rule in the U.S. District Court for the District of Wyoming has been stayed pending finalization or withdrawal of the BLM's proposed revision rule.

<u>Question 2</u>: The President's 2019 Budget request for the U.S. Geological Survey totals $859.7 million, with $84.1 million directed to the Energy and Minerals Mission Area. This division is dedicated to conducting research and assessments on the location, quantity, and quality of mineral and energy resources – along with the economic and environmental effects of resource extraction and use.

I have asked USGS to update their Bakken resource estimate. Last week, I received assurances from both Dr. James Reilly, the nominee for Director of USGS, as well as from Acting Director William Werkheiser, when I invited him to Bismarck last August, that USGS will work with state officials and industry to gather the latest resource data.

The good work of the Interior Department and USGS in compiling these resource estimates has been instrumental in providing the state, industry, residents, and other stakeholders a better picture of the resource potential of our state.

- **Can I also receive your assurance that Interior and USGS will conduct a new comprehensive, broad-based resource estimate for the Williston Basin?**

Response: USGS science plays a vital role in serving to underpin the responsible development of our domestic resources. The Energy Resources Program assesses oil and gas resource potential through in-depth studies of geology and resources in various petroleum provinces throughout the United States. We are looking to update our assessment of the Williston Basin's resources.

<u>Question 3</u>: **You outline in your testimony the administration's legislative proposal to better facilitate the title transfer of Bureau of Reclamation (BOR) facilities to non-Federal entities when such transfers are beneficial.**

I have introduced two conveyance bills that would allow North Dakota homeowners around Lake Patterson and the Jamestown Reservoir to purchase the lots on which their homes stand.

On February 28th Alan Mikkelsen, Senior Advisor to the Secretary for Water and Western Resource Issues, said in his testimony before the Senate Subcommittee on Water and Power that the Department's title transfer legislative proposal would streamline the transfer process for appropriate title transfers, like the Jamestown Reservoir Bill I introduced.

- **Will the Department continue to work with me on these two pieces of legislation?**

Response: Yes. The Department appreciates the opportunity to work with you and your staff on the Lake Patterson (S. 440) and Jamestown Reservoir (S. 2074) bills, and we look forward to continued engagement to make refinements to both bills. As for the Department's title transfer legislative proposal, absent the development of transfer criteria as required under the legislative proposal, the Department cannot determine with certainty whether the lands described in S. 440 and S. 2074 would be subject to this new authority. However, as a general matter, Reclamation believes that Congress should retain the ability to approve complicated title transfers.

Questions from Senator Duckworth

<u>Question 1</u>: Although Illinois has not experienced the wildfires that our western neighbors have endured, we have been working to help solve the problems that allow these historic wildfires to persist. Part of this effort has been focused on reviving native plants under the Plant Conservation Program, which is administered by the Department of Interior (DOI).

The Chicago Botanic Garden has been at the forefront of this effort.

I am concerned that despite having been selected for a competitive award for this work, your office is not approving expenditures of these funds. In fact, I am hearing that your office is holding numerous awards.

Secretary Zinke, can you please explain to me what authority you are using to withhold these funds?

Response: The review of grants and cooperative agreements is being carried out so that Department leadership has a better understanding of how funds are being utilized. The grant review process is intended to re-establish accountability and ensure taxpayer money is spent wisely while furthering the Department's mission.

<u>Question 2</u>: The Department of the Interior has been an important partner in my State's efforts to restore and protect the Great Lakes.

For example, the U.S. Fish and Wildlife Service's work has resulted in 15 populations of native aquatic species becoming self-sustaining in the wild. The U.S. Geological Survey's work in developing targeted piscicides could lead to breakthroughs in detecting and controlling Asian carp and the National Park Service has restored 200 acres of wetlands in the Great Lakes and is set to restore and additional 400 acres next year.

All of this work is supported by the Great Lakes Restoration Initiative, a program the Trump Administration proposes to virtually eliminate. Your budget seeks to cut all the agencies that are contributing to our success.

Can you explain what you are doing to make sure the National Park Service, U.S. Fish and Wildlife Service and USGS can maintain their work to protect and restore the Great Lakes?

Response: Interior receives funding through EPA's Great Lakes Restoration Initiative, but this program is housed within EPA's budget. In 2017, we received roughly $64 million from EPA for work in the Great Lakes. Interior's budget request includes about $65 million for operations, resource management and science in the Great Lakes, including over $13 million to combat Asian Carp, much of which is directed toward preventing carp from reaching the Great Lakes.

Questions from Senator Cortez Masto

<u>Question 1</u>: The Administration's budget allocates $18 million to begin the process of reorganization of the Department of the Interior along 13 different regional offices, yet the Department has provided little information to Congress and little opportunity for Congressional offices to weigh in on any proposals. Will you commit to providing timely information to this committee in its entirety as well as to the offices of all those states impacted by this decision, regardless of party?

A. **Would you please provide an organizational chart and position descriptions (as well as authorities for those positions)?**

B. **Also, I would like your commitment to personally return to this Committee to provide me and my colleagues a full briefing of the details in your plan. Can I have your personal commitment to do that?**

Response: The Department has responded to numerous questions about the proposed reorganization at several hearings on the hill over the past year, including before this Committee on July 19, 2018. As we have indicated, the Department will listen to all stakeholders, including Members of Congress, as the final plan takes shape.

<u>Question 2</u>: What studies or analyses has been done in order to determine if there are needs for reorganization? Has any analyses been prepared on how the proposed changes will correct identified needs? If so, can you share those with us?

Response: Please see the response to the previous question.

<u>Question 3</u>: When you were a Congressman, you signed a joint letter with your colleagues in May 2015 expressing concerns over the prospect of minimizing state involvement through division of state operations, and for all practical purposes, doing exactly what your reorganization plan now proposes. How do you reconcile your view from just a few years ago where you were opposed to a proposal to consolidate management operations of just one agency within a couple states, to now pushing for a plan that consolidates multi-agency operations within 13 regions throughout the entire country?

Response: As the Secretary has indicated, the goal of this reorganization is to improve coordination across bureaus and other agencies and to shift resources to the field so there is less emphasis on Washington, D.C.

<u>Question 4</u>: Nevada is proposed to be separated into more than one of the joint management areas. How is this division intended to improve important coordination and consultation with the state, given the significant federal management footprint that BLM and other federal agencies have in the state?

Response: While the proposal is still under review and options are still being evaluated, the Department received input from career senior executives, Governors, Members of Congress, and other stakeholders and revised the proposed boundaries. The current draft map focuses on watersheds and ecosystems but sticks primarily to state and local boundaries. The exceptions are where there are overriding natural resource management benefits from having part of a state in a second region.

<u>Question 5</u>: Your proposal for reorganization and establishment of new administrative boundaries outside of state borders is not being accepted by many states or by stakeholders who will be impacted.

A. **What are your future plans for state and stakeholder consultation on the proposed boundary changes?**
B. **Did Interior evaluate the proposal's impact on the ability of its bureaus to consult and coordinate with those states that are split into multiple management areas?**
C.

Response: As noted in the previous response, while the proposal is still under review and options are still being evaluated, the Department received input from career senior executives, Governors, Members of Congress, and other stakeholders and revised the proposed boundaries. The current draft map focuses on watersheds and ecosystems but sticks primarily to state and local boundaries. The exceptions are where there are overriding natural resource management benefits from having part of a state in a second region.

<u>Question 6</u>: Nevada contains the highest percentage of public lands in the United States, why not give Nevada its own Region instead of pairing it with California and lopping off the bottom?

A. **As you know, the Southern Nevada Public Land Management Act (SNPLMA) became law in 1998. It allows BLM to sell public land within a specific boundary around Las Vegas, Nevada. The revenue derived from land sales is split between the State of Nevada General Education Fund (5%), the Southern Nevada Water Authority (10%), and a special account that improves conservation and public land management projects around the State. In a state where 87 percent of the land is managed by federal agencies, it is vital that a program like this exists to help in our land management needs. One issue where this reorganization plan concerns me is that with Nevada being split into multiple management areas, SNPLMA decisions could very well be made in a headquarters outside of the State. Can I have your commitment to reevaluate how Nevada is managed under your plan?**

Response: As indicated at the hearing, the proposal is under review and options are still being evaluated, but the Department will listen to all stakeholders, including Members of Congress, as the final plan takes shape.

<u>Question 7</u>: Interior's Budget requests a 17 percent cut to BLM, a 7 percent cut to National Parks (while reducing the workforce by 1,800 people), a 20 percent cut to USGS, the scientific arm of the Department (while eliminating 1,200 positions), and a 19 percent cut to the Fish and Wildlife Service. At the same time, you have proposed raising the cost

of entrance to many National Parks, and you propose lowering the royalty rates that oil and gas companies pay to drill on public lands.

A. **Wouldn't creating new administrative regions create one more layer of bureaucracy for local governments and stakeholders to navigate, increasing confusion and decision-making backlogs? How will this proposed reorganization ensure that local government and stakeholders have more of a voice in federal land use decisions?**

Response: The goal of this reorganization is to improve coordination across bureaus and other agencies and to shift resources to the field so there is less emphasis on Washington, D.C..

Question 8: The review conducted by Interior on monuments created by the Antiquities Act over the past twenty years and the subsequent Presidential decision to remove protections from large swaths of Bears Ears and Grand Staircase-Escalante National Monuments were shrouded in secrecy. Is there active work being done in the Department to pursue your recommendations made in the Monuments Review in regard to Gold Butte, or any other sites that were on your list?

Response: The final report outlining the Secretary's recommendations in accordance with the President's Executive Order 13792 was submitted to the President in December, 2017. Any final decisions on monuments rest solely with the President.

Question 9: Can you clarify what the next steps are for the remaining national monuments (of the 27 identified for "review" under the late April 2017 Executive Order) that have not been "pardoned" or altered?

Response: As noted above, all final decisions on the national monuments rest solely with the President.

Question 10: The public submitted more than 2.8 comments to Interior over the summer during the public comment period for your review of our national monuments. An analysis showed 99.2% of the comments opposed the review – including 92 percent of Nevadans who weighed in. What role did this overwhelming public response play in your decision to initiate the changes that have already been made to some monuments and to make recommended changes to others?

Response: In conducting the review, I visited eight monuments in six different states and personally hosted more than 60 meetings attended by hundreds of local stakeholders. Attendees included individuals and organizations representing all sides of the debate ranging from environmental organizations like the Wilderness Society and the Nature Conservancy to county commissioners, residents and ranchers who prefer multiple use of the land. In addition, I made it a point to meet with you and your colleagues in Congress as well as Governors and Tribal representatives to receive input. These meetings and the public comments received were considered in formulating the final report submitted to the President in December, 2017.

Question 11: You might have seen that Ryan Bundy, who goes without saying is a very vocal opponent to federal land management and to the creation of Gold Butte National Monument, which neighbors his family's ranch, recently announced his intention to run for Nevada's governor. Do you think it would be proper for this Administration to make any changes to Gold Butte while such a candidate is seeking elected office, knowing that any such changes would personally benefit such a vocal opponent of the monument?

Response: As noted above, any final decisions on national monuments rest solely with the President.

Question 12: Secretary Zinke, as you know, in my home state of Nevada, the federal government manages 87 percent of the land throughout the entire state, the majority of which is land managed by the Department of the Interior. Our population centers are essentially land locked by land managed by federal agencies. My state is also home to a large swatch of unresolved checkerboard lands created in the 1800s that also causes a lot of private and public land management issues.

In order to do any sort of economic expansion, housing development, or land management consolidation, it undoubtedly takes some degree of release of federal property, an act of Congress, and compromise with local and national stakeholders. We have a successful system where any sort of release is accompanied by investments in conservation and public access. This has been very successful in my state, and Nevadans are proud to engage in this process and have such a direct role in the management of their public lands.

Continuing in this tradition, on February 7, 2018, this committee held a legislative hearing that included the Pershing County, Nevada Lands Bill. This is a widely supported bill in my state bringing together local elected leaders, industry leaders, land owners, agriculture interests, and the conservation community. However, DOI released its witness testimony that indicated that you do not personally support "wide-scale sale or transfer of Federal lands," but that "the Department supports the completion of land exchanges and transfers that further the public interest, consolidate ownership of scattered tracts of land to make them more manageable, and advance public policy objectives." This dichotomy seems to indicate that you might not fully understand the history or purpose of specific land conveyance bills, such as those that are particular to the growth and conservation pertaining to the State of Nevada.

Understanding that more like-minded public lands legislative efforts will undoubtedly be discussed in the future – for the sake of economic growth and conservation efforts in Nevada – would you care to take the opportunity to clarify where you stand on public lands bills that take a very surgical and focused approach to land transfers in relation to a state like my own?

Response: The Secretary has stated on multiple occasions his position that he does not support the large-scale sale or transfer of federal lands. The Department supports the completion of land exchanges and transfers that further the public interest, consolidate ownership of scattered tracts of land to make them more manageable, and advance public policy objectives such as recreational access. The Department strongly supports restoring full collaboration and coordination with local communities and making the Department a better neighbor.

Question 13: SNPLMA is an important program for Nevada that has large bipartisan support throughout the state. Since its enactment, the SNPLMA has funded over 1,200 projects, with notable investments across Southern Nevada, Lake Tahoe and Lake Mead. It is a critical program that represents a successful compromise by Nevadans to allow the Department to sell public land and invest that money in public works and conservation projects. The Administration's proposed budget cancels SNPLMA's $230 million in account balances, which I believe is an affront to a state's ability to compromise and improve its economy.

A. **Do you believe the Administration is undermining a successful compromise by Nevadans?**

B. **Otherwise, what is your plan to back-fill the major holes in funding for Nevada's parks and recreation areas important to my constituents?**

Response: The SNPLMA program is not proposed for elimination; the proposal would only reduce a portion of the over $600 million in remaining balances. The reduction will not affect any projects currently identified for support.

Question 14: The U.S. Forest Service (within USDA) is currently undergoing an analysis to respond to an expression of interest to review a proposal to make 54,000 acres of National Forest Lands in the Ruby Mountains in Elko County available to oil and gas leasing, that would be managed by the BLM (in the Interior Department). This area has been referred to as "the Swiss Alps of Nevada," so you can imagine how beloved and beautiful this area of my state is in, particular. The overwhelming majority of people who have submitted comments are opposed to any drilling. Can you tell me whether BLM is actively involved in this review being performed by USFS and its current status?

Response: On National Forest System lands, the U.S. Forest Service has approval authority for the surface use portion of Federal oil and gas operations. The BLM advises the FS is currently conducting an environmental assessment of the area, and that a decision document is expected in the next several months.

Question 15: After several years, stakeholders from across the spectrum (including Western Governors, sportsmen, ranchers, mining companies, oil and gas companies, local elected officials, conservationists, and local business owners), found common ground in 2015 that kept the west open for business and the sage grouse and the sagebrush ecosystem healthy and robust. The sage grouse plans were an unprecedented collaborative to develop federal and state plans that protect enough habitat and keep the bird from being listed

under the Endangered Species Act. Last week, Interior released their scoping report outlining the changes they plan to make to the sage grouse plans. The report claims to summarize the public comments received but ignored almost 100,000 comments that were submitted to BLM. BLM later said the comments were missing due to a "breakdown in technology" and the vast majority of comments were "form letters and e-petitions," and that an addendum would be filed that includes the missing comments.

A. **Now that these comments have been found, will this affect your further review of this initiative?**

B. **How will you ensure this breakdown in technology has not happened before and will not happen in future comment periods?**

Response: BLM has verified that comments not initially included in the scoping report were incorporated into the review. While BLM does not know at this time where the technical glitch occurred, it has determined the web and email systems involved did not malfunction internally during sage-grouse public scoping. The BLM's email and ePlanning site remain open and ready to receive and record future comments submitted on the Draft EISes.

As part of our commitment to improving the trust among American taxpayers, the Department places a high value on public involvement and will continue to do so throughout the sage-grouse planning effort, and all processes in which public comments are collected.

<u>Question 16</u>: You previously deferred to the Utah delegation on national monuments, and you previously deferred to Florida Governor Rick Scott when you announced that Florida would be exempt from the OCS drilling plan. However, with the Greater sage-grouse, several western governors, including the Governor of Nevada, have publicly asked you not to make any wholesale changes to BLM's management plans. Will your record of local deference affect whether you reconsider the wholesale changes you've been considering thus far?

Response: The Department's approach to managing sage grouse has been and is consistent with my priority to work closely with states and tribes to craft durable solutions to land management and conservation challenges. We will continue to engage with states, tribes and all interested stakeholders closest to our lands on how to strike the appropriate balance between development and conservation.

<u>Question 17</u>: The President's Budget includes increased funding for "mineral and energy resources" (increasing to $84.1 million, up from $73.1 million) for USGS, while also proposing a 20 percent cut at the agency overall and eliminating 15 percent (1200 positions) of the workforce. Among the programmatic reductions—some by more than 30 percent—are the ecosystem, water resources, core science systems, natural hazards, and climate science investments. These are very important areas of science. People across the country rely on this science to make decisions that affect people at every level of local government

and, in many cases, their professions and livelihood. How do you intend to prioritize these other areas of science?

Response: The President's FY 2019 budget request aims to strike the appropriate balance between maintaining USGS' core capabilities and identifying ways to ensure taxpayer money is spent wisely and efficiently. While certain mission areas experienced a reduction in proposed resources for FY 2019, the Energy and Mineral Resources mission area experienced an increase in proposed funding.

Question 18: With the proposed cuts to these core science programs, how does that fall in line with USGS' mission to protecting the public from natural disasters, assessing water quality, providing geospatial data, and conducting the science necessary to manage the nation's living, mineral and energy resources?

Response: The President's FY 2019 budget request aims to strike the appropriate balance between maintaining USGS' core capabilities and identifying ways to ensure taxpayer money is spent wisely and efficiently. While certain mission areas experienced a reduction in proposed resources for FY 2019, the Energy and Mineral Resources mission area experienced an increase in proposed funding.

Question 19: USGS has well over 200 program offices, laboratories, field stations, and different facilities across the country, with numerous partnerships with universities and other educational institutions. Can you share your thoughts on the important role these partnerships – with universities or otherwise – have on the work and products created by USGS?

Response: USGS relies a vast array of partners throughout the country in order to fulfill its mission. USGS partners with State Geological Surveys and universities to carry out geological mapping, other federal agencies such as NASA to carry out the Sustainable Land Imaging program, federal and state land managers to provide information to sustain recreation opportunities for the public, universities to monitor natural hazards and state and local governments to maintain and manage the National Streamflow Network. These are just a few examples of the many ways USGS works with its partners to leverage federal investment in USGS activities.

Question 20: Cooperative Research Units (CRU) is a cost-shared program between the U.S. Department of the Interior through USGS, state natural resource agencies, and leading universities across the country. This highly successful, cooperative program was established in the 1930s and has been sustained for more than 60 years. Currently, 39 Cooperative Fish and Wildlife Research Units are located on university campuses in 37 states. Although one does not currently exist in the State of Nevada, I am aware of local interest in working with USGS to create one. However, I am very concerned that the President's Budget request zeroes out this program. Do you not think this collaborative network with scientific institutions is of benefit to the federal government and the decision-makers and resource managers that USGS works with?

Response: As noted in our previous answer, the USGS relies upon partners to meet Interior's mission, key Administration priorities and the needs of the American people. Scientific institutions, along with State geological surveys, universities, municipal governments, other Federal agencies, and foreign governments are critical partners of the USGS. The Cooperative Research Units have had a long history of conservation achievements, serving federal, state, and private interests in this country through research and technical guidance, and developing the conservation workforce of the future. In regards to the Cooperative Research Units, the FY 2019 focuses resources on other Departmental priorities.

Question 21: Natural hazardous events, like earthquakes, landslides, or wildfires can create a lot of damage to our infrastructure, and can have disastrous effects on people's lives and well-being. USGS has an office, the Office of Environmental Health that studies these events on their impacts on people's health in particular, but the Budget proposes to eliminate all funding for this program ($21 million). Can you describe the factors USGS studies in how people's health is effected? Why is this not considered important by the Department?

A. **Couldn't preparedness and response efforts be improved if this kind of study was maintained?**

B. **If preparedness and response could be improved if further study was made before a disaster occurs, don't you think this would be an important area of research for USGS?**

Response: For 2019, the Administration identified areas where the federal government could reduce spending and also areas for investment, such as addressing the maintenance backlog across the national park system and increasing domestic energy production on federal lands. The 2019 budget request focuses on core capabilities to provide forecasts and warnings of hazardous volcanic activity with current monitoring networks; produce updated hazard assessments for high-threat volcanoes; and to revise the national volcano threat level assessment. The budget maintains support for robust national and regional earthquake monitoring and reporting.

Question 22: Just last month, Interior's Royalty Policy Committee recommended that offshore oil and gas royalties be cut by one third. It seems to me that action would have an enormous effect on the budget we are here to talk about today and runs contrary to your stated efforts of raising funds for your Department through oil and gas revenues. Has the Department done any analysis on the fiscal result of such a policy?

Response: The Department recently announced that, due to the success of the President's America-First energy strategy and the positive market conditions that have accompanied it, royalty rates for future offshore oil and gas lease sales would not be lowered at this time.

The Department is committed to investing in our parks, wildlife refuges, and Bureau of Indian Education schools and support the use of additional energy revenue to address their backlog issues.

Question 23: The Administration proposes to terminate the 25 percent share of revenue distribution for geothermal royalties that is provided to counties. The result would be 50 percent of revenues going to the state and the remaining 50 percent to the Treasury. This provision would raise $37 million over 10 years. Nevada is second in the nation in the amount of geothermal power produced and has the country's largest untapped geothermal resources. However, for the second year in a row, the Administration's budget repeals revenue share that provides up to 10 revenues to counties in Nevada. This repeal would be harmful to our local economies. Again, 87 percent of my state is made up of public lands managed by federal agencies. Our local governments don't have inherent tax bases available like other parts of the country that contribute toward everyday services. What this really does is hurt rural communities.

A. **Why is the Administration repealing these payments?**

B. **Can you address these concerns that my local county commissioners would face if they were to lose these revenues?**

Response: The budget proposal to eliminate the geothermal revenue payments to counties is intended to restore the historic formula for the disposition of federal geothermal leasing revenues, which is 50 percent to the states and 50 percent to the Treasury. In almost all other situations where leasing revenues are generated on Federal lands, the receipts are split between the Federal Government and the affected State. The extra 25 percent in county payments are inconsistent with this long standing revenue-sharing approach, and effectively reduce the return to Federal taxpayers from geothermal leases on Federal lands.

Question 24: Your Department has proposed significantly raising the entrance fees for American families to many of our most visited National Parks. I'm concerned about the impact this will have on the local communities that rely on tourism to our parks. Has your Department undertaken any analysis of how this might impact the economies of the gateway communities that surround these parks, many of which are in rural areas that thrive in part to their proximity to nearby parks and attractions?

Response: After carefully considering the public comments provided on the National Park Service's 2017 fee proposal, the National Park Service revised its proposal and developed a balanced plan that implements modest increases at the 117 fee-charging parks as opposed to larger increases proposed for 17 highly-visited national parks. Importantly, under the Federal Lands Recreation Enhancement Act (FLREA) each of these fee-charging parks will keep 80 percent of the revenue collected, which means those dollars will be spent at the park to enhance and preserve the visitor experience. The $11.6 billion maintenance backlog is not going to be solved overnight and will require a multi-tiered approach as we work to provide badly needed revenue to repair infrastructure.

Question 25: Outdoor recreation as a whole brings $14.9 billion in consumer spending to Nevada, with well over half the population recreating outside each year. At Lake Mead alone, visitors spent over $312 million in 2016. Without question, parks are a boon to local economies with over 330 million visits and nearly $35 billion to the national economy last year. Despite this growth, and the need for federal support, I see that the administration's budget slashes funding for the National Park Service by $113,000 and proposes to eliminate 1,800 jobs. Why cut funding when parks are so clearly beneficial to our national economy? At a time when we have an immensely large maintenance backlog, but also see record numbers of visitors, is it not more advantageous to invest more in our parks and the people that work for them?

Response: As demonstrated in the President's budget, it is important that we take care of the assets that we own. In this regard, the President's budget, including the addendum, funds National Park Service operations level with 2017, and would not require a reduction in employees. The Secretary believes that we need to realign our employees to make sure that the focus is at the field level, rather than in layers of bureaucracy. This type of realignment will support the proposals contained in the 2019 budget.

Question 26: As you know, Cliven Bundy owes America's taxpayers more than $1 million in grazing fees and fines. Do you have any plans to collect those fees and to hold Mr. Bundy accountable for illegally grazing his cattle on federal land?

Response: As this matter is still in litigation, the Department cannot comment at this time.
Questions from Senator Portman

Question 1: Providing for a reliable funding stream for the Centennial Challenge fund and the Park Foundation's endowment are crucial pieces of my National Park Service Centennial Act that was signed into law in December 2016. The National Park Service Centennial Act required a change in the senior pass fee to fund the Centennial Challenge fund. How much has the Centennial Challenge Fund received as a result of the senior pass to date?

Response: $1,112,000 has been deposited in the NPS Centennial Challenge Fund from Senior Pass sales to date. This includes the deposits into the fund beginning with the enactment of the Centennial Act through FY17.

Question 2: I understand that the President's FY2019 budget does not request discretionary funding for the Centennial Challenge fund, and estimates that $15 million will be deposited into fund in FY2019 from the senior pass. If the senior pass does not achieve the Department's estimates, would the Department support and request continued appropriations for the Centennial Challenge fund?

Response: If funds deposited in the Centennial Challenge fund do not meet expectations, the Department will carefully consider appropriate actions at that time.

<u>Question 3</u>: I am aware that the President's budget nearly eliminates funding for LWCF. However, LWCF is currently funded at $400 million in the current FY2018 CR. The LWCF is also of particular interest in my home state of Ohio. As you may know, two factory buildings at the Dayton Aviation Heritage site were included on the list of LWCF priorities in the previous budget request. These factory buildings were where the Wright Brothers built the first airplane, and are the oldest surviving aviation-related buildings in the U.S. If Congress continues to appropriate money for LWCF, will you support the activities of the LWCF program?

Response: Yes.

<u>Question 4:</u> Additionally, I was recently made aware that the Department of the Interior did not approve continued funding for the Countryside Conservancy, which operates a cooperative agreement with the Cuyahoga Valley National Park to manage an agricultural leasing program and a farmers market within the park. I have been told that the Department has not provided an explanation for why funding was not approved. Could you provide an explanation as to why funding was not approved for the Countryside Conservancy?

Response: We are reviewing, Department-wide, grants and cooperative agreements awarded by all bureaus of the Department to ensure there is appropriate review and oversight and to ensure that taxpayers' funds are used in the most efficient and appropriate manner.

<u>Question 5</u>: Another issue I've been working on is the implementation of my World War II Memorial Prayer Act, which was signed into law by President Obama on June 30, 2014. This Act requires the Interior Department to install a plaque at the World War II Memorial in Washington, D.C. with the prayer that President Roosevelt gave to the nation on the morning of D-Day.

I understand that the site for the plaque has been approved, but that the design of the plaque is still being reviewed by the Commission of Fine Arts and the National Capital Planning Commission. I have written to the Park Service to encourage them to move as quickly as possible to complete this project. Can you make the completion of this project a priority for the National Park Service?

Response: Yes. I support the placement of this plaque, and the sacrifices of all our men and women who defend our nation.

Committee on Energy and Natural Resources
Hearing on FY 2019 Budget Request
March 13, 2018

Questions from Senator mith

Question 1: Mr. Secretary, thank you for agreeing to work with me on the Lewis and Clark Regional Water System. The President's fiscal year 2019 budget proposed only $100,000 for this project. As was acknowledged during the hearing, this is clearly not a serious proposal for a critically needed rural water project. Can you explain how the administration arrived at this figure, and will you commit to reconsidering this proposal?

Response: Rural water projects help to build strong, secure rural communities and help ensure safe, reliable sources of drinking water for rural and tribal residents. The FY 2019 budget proposes $34 million for rural water projects. Reclamation recognizes that current and projected funding levels may not be sufficient to expeditiously complete the federal funding portion of every project, such as the Lewis and Clark Regional Water System, and that it must prioritize the allocation of available funding. Reclamation applies objective funding criteria to guide decision-making in allocating budgetary resources towards rural water projects.

Question 2: As you know, the 1966 National Historic Preservation Act mandates that states perform historic preservation reviews of certain federal projects, but failed to provide them the resources necessary to carry out that mandate. The Historic Preservation Fund was created in 1976 to solve this problem. The President's budget proposed cutting the Historic Preservation Fund by about $48 million, or 60 percent. If Congress approves this proposal, are you concerned that State Historic Preservation Offices would be unable to complete the historic preservation reviews that they are required to do under the National Historic Preservation Act in a timely manner?

Response: The Department is committed to preserving U.S. and tribal history and heritage. The 2019 budget request for the Historic Preservation fund prioritizes funding within the core grants-in-aid programs to States and Tribes, and provides resources for State and Tribal Historic Preservation Offices to meet the preservation responsibilities required by the National Historic Preservation Act.

Question 3: Right now in Minnesota a lot of farmers and ranchers are concerned, and rightfully so, about losing their livestock to wolves. The 2014 court decision that returned the gray wolf to the Endangered Species list has resulted in the loss of state wolf management programs. Without those we need federal funding to help prevent wolf-livestock conflicts. Why is it then that the Fish and Wildlife Service has proposed to discontinue funding for the Wolf Livestock Loss Demonstration Program in its fiscal year 2019 budget? Other available programs may provide indemnity payments after a loss has been incurred; however, this valuable program—which is zeroed out in the budget—allows livestock producers to be proactive and employ strategies to help prevent wolf attacks from occurring in the first place.

Response: While a court decision overturned the U.S. Fish and Wildlife Service's delisting rule, the FWS has determined and maintains the gray wolf in the Western Great Lakes is biologically recovered. In addition the Department has testified in support of legislation that would reinstate science-based rules that resulted from a public rulemaking process to delist the gray wolf and we continue to support you and your colleagues' efforts to that end. The Department is not requesting funding for this activity in order to support higher conservation priorities. The FWS along with the Department of Agriculture Wildlife Services is committed to minimizing the economic impact wolves can have on livestock producers. We have taken a proactive approach to working with affected stakeholders to find innovative solutions as well as to provide clear guidance on how to obtain technical assistance and preventative measures like depredation permits.

United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Washington, D.C. 20240
http://www.blm.gov

DEC 20 2017

The Honorable Jeffery A. Merkley
United States Senate
Washington, DC 20510

Dear Senator Merkley:

Thank you for your September 22, 2017, letter to Secretary of the Interior Ryan Zinke cosigned by Senator Merkley regarding the cooperative agreement between the Bureau of Land Management (BLM) and the Institute of Applied Ecology for the Sagebrush in Prisons Project. The Secretary asked me to respond on his behalf.

The BLM has approved over $207.2 million involving 1,124 cooperative agreements during Fiscal Year 2017. In an effort to fulfill its mission on behalf of the American people and prevent fraud, waste, and abuse, the BLM has worked to ensure that all approved agreements align with the Administration's priorities and are an appropriate use of the American taxpayers' money.

The agreement you have inquired about with the Institute of Applied Ecology for the Sagebrush in Prisons Project was not funded in 2017. We are continuing to look at this and similar agreements, as well as new opportunities, to determine which ones will maximize our opportunities to succeed in 2018. We understand the importance and challenges involved in restoring fragile habitats on the rangeland, especially after the incidence of wildfires on the landscape, as many of our cooperative agreements support programs involving wildland fire, wild horses and burros, and rangeland resources. We value all of our partners who have worked with us over the years to help us develop processes to manage and maintain those resources for current and future public use.

The BLM posts numerous funding opportunities on Grants.gov each year that assist us in managing our public lands in a way that can benefit the public. We both welcome and look forward to cooperating with those partners on other projects as they are announced for potential funding opportunities and partnerships in the future. A similar letter is being sent to Senator Wyden.

Sincerely,

Brian C. Steed

Brian C. Steed
Deputy Director, Policy and Programs
Exercising the Authority of the Director

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BUREAU OF LAND MANAGEMENT
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DEC 2 0 2017

The Honorable Ron Wyden
United States Senate
Washington, DC 20510

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Sincerely,

Brian C. Steed
Deputy Director, Policy and Programs
Exercising the Authority of the Director

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 28 2018

The Honorable Rob Bishop
Chairman
Committee on Natural Resources
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Bishop:

Enclosed are responses to questions received following the March 6, 2018, oversight hearing before your committee. These responses were prepared by the National Park Service.

Thank you for the opportunity to respond to you on these matters.

Sincerely,

for Christopher P. Salotti
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosures

cc: The Honorable Raul Grijalva
Ranking Member

House Committee on Natural Resources
Oversight Hearing on "Exploring Innovative Solutions to Reduce the Department of the Interior's Maintenance Backlog"
March 6, 2018
Questions for the Record Submitted to Mr. P. Daniel Smith

Questions from Chairman Rob Bishop

Question 1: How much has the National Park Service spent on deferred maintenance each year for the past three fiscal years, (combining all federal fund sources)?

Response: The NPS spent about $1 billion per year on all NPS maintenance including deferred maintenance (DM), cyclic maintenance, and day-to-day maintenance activities, in each fiscal year between 2006 and 2015. The NPS measures progress on reducing the deferred maintenance backlog not by dollars spent on projects, but by closed work orders. The table below shows the dollar value of DM work accomplished through DM work orders that are closed, as recorded in our Facility Management Software System and reported in the Department of the Interior Annual Performance Plan and Report (APP&R). This report can be viewed online at https://www.doi.gov/sites/doi.gov/files/uploads/doi_appr_-_final.pdf. Below are the totals for the last three fiscal years of retired DM work orders:

Value of NPS deferred maintenance work orders closed. [1, 2]		
2015	**2016**	**2017**
$508,000,000	$854,000,000	$664,000,000

[1] Amounts reflect DM that was retired and removed from the NPS DM backlog, but do not reflect the net change in backlog, due to new amounts of DM work orders being added.
[2] DM work orders can exist as a component of any project regardless of fund source, so this reflects projects from all sources of Federal funds.

Questions from Representative Ruben Gallego

Fully Implementing the NPS Four-Tier Fee Structure Instead of Unmanageable Fee Hikes

Question 1: The administration proposed nearly tripling entrance fees in a handful of parks during peak season instead of fully implementing the existing fee structure the park service has. Currently, eighty percent of fees collected at parks stay in the park where it is collected and twenty percent goes to a fund for other parks. Fifty-five of this eighty percent of in-park fees collected goes to fund deferred maintenance projects. Fees increases should be a part of the conversation, but as part of a methodical and thoughtful structure that both benefits the parks and retains the accessibility of parks to all visitors. It is striking that this structure already exists within the park service but has not yet been fully implemented. Before we do something drastic, shouldn't we implement the well-thought-out, demographically-informed plan we have in place?

Response: After carefully considering the public comments provided on the 2017 fee proposal, the NPS revised its proposal and developed a balanced plan that implements modest increases at the 117 fee-charging parks as opposed to larger increases proposed for 17 highly-visited national parks. As part of this plan, the NPS will also fully implement the four-tier existing fee structure by 2020.

Question 2: Please detail how the four-tier structure is designed to work, and what factors it considers.

Response: The four-tier structure groups units of the National Park System based on legislative designation and park attributes and sets fee rates to provide pricing consistency within each particular tier. There are four price points within each tier: per person, per vehicle, per motorcycle, and per park specific annual pass. The per vehicle rate is twice the per person rate and the park specific annual pass is twice the per vehicle rate. The motorcycle rate falls between the per person and per vehicle rate.

Question 3: How much revenue would be generated for deferred maintenance if all parks participating in the four-tier structure charged what is permissible under the existing regime?

Response: We estimate that bringing all nonconforming parks into alignment with the four-tier structure would generate approximately $7.7 million in additional revenue. A little over half (55%) of that amount would be required to be spent on deferred maintenance.

Questions from Representative Bruce Westerman

Question 1: Mr. Smith, the NPS FY 2017 report[1] on deferred maintenance lists the Arkansas total deferred maintenance at $37.6 million dollars. Could you please provide a comprehensive breakdown of this total, including a delineation between structural and transportation deferred maintenance across all park units?

Response: Attachment #1 contains two tables showing the asset count and deferred maintenance (DM), respectively, by asset category for each of the seven national park units in Arkansas as of the end of Fiscal Year 2017. The bottom row in each table provides a percentage breakout of Arkansas asset counts and DM by asset category. There are notes below the tables providing further detail on several asset categories.

[1] https://cms.nps.gov/subjects/infrastructure/upload/FY17-NPS-Deferred-Maintenance-by-State-and-Park_508.pdf

Question 2: Additionally, for each individual park unit listed in the report; could you please provide the following statistics:

a. Visitation numbers for each of the past 5 years
b. Overnight Stays for each of the past 5 years
c. Current entrance fee
d. Site net revenue for the past 5 years
e. Total number of concession contracts, historic leasing contracts, and any other third-party use contracts at each site
f. Total acreage of each site
g. Number of structures at each site

Response: Visitation numbers, overnight stays, total acreage, and a variety of other statistics are available for all NPS units separately or grouped by state can be viewed on line at: https://irma. nps. gov/Stats/Reports/National. The information to your specific items are found in either in the charts below or attachments to this question for the record.

The following charts include the statistics regarding subquestions a-g:

a. Visitation numbers for each of the past 5 years

	2013	2014	2015	2016	2017
Arkansas Post National Memorial	36,420	30,860	38,702	34,405	36,079
Buffalo National River	1,125,227	1,357,057	1,463,304	1,785,359	1,471,330
Fort Smith National Historic Site	69,584	88,790	111,469	163,636	141,914
Hot Springs National Park	1,325,719	1,424,484	1,418,162	1,544,300	1,561,616
Little Rock Central High School National Historic Site	114,144	115,908	125,956	129,540	170,413
Pea Ridge National Military Park	95,251	104,686	114,578	119,490	121,163
President William	9,838	11,113	10,463	10,468	10,177

Jefferson Clinton Birthplace Home National Historic Site

b. Overnight Stays for each of the past 5 years

	2013	2014	2015	2016	2017
Arkansas Post National Memorial	0	0	0	0	0
Buffalo National River	66,578	92,414	101,545	98,413	105,334
Fort Smith National Historic Site	0	0	0	0	0
Hot Springs National Park	15,100	19,606	24,148	24,021	24,010
Little Rock Central High School National Historic Site	0	0	0	0	0
Pea Ridge National Military Park	0	0	0	0	0
President William Jefferson Clinton Birthplace Home National Historic Site	0	0	0	0	0

c. Current Entrance Fees

Arkansas Post National Memorial	$0
Buffalo National River	$0
Fort Smith National Historic Site	$7 per person (age 16 and above) to view exhibits
Hot Springs National Park	$0
Little Rock Central High School National Historic Site	$0
Pea Ridge National Military Park	$15 per vehicle, $10 per motorcycle
President William Jefferson Clinton Birthplace	$0

Home National Historic Site

d. Site net revenue for the past 5 years for the two Arkansas sites which collect fees						
	FY17	**FY16**	**FY15**	**FY14**	**FY13**	**Average**
Fort Smith National Historic Site	$64,717	$62,457	$56,909	$50,489	$53,305	$57,575
Pea Ridge National Military Park	$72,509	$81,778	$73,957	$74,361	$71,280	$74,777

e. Information on concession contracts, historic leasing contracts, and any other third-party use contracts at each site is included in Attachment #2.

f. Total acreage of each site	
Arkansas Post National Memorial	663.91
Buffalo National River	91,807.04
Fort Smith National Historic Site	37.96
Hot Springs National Park	4,998.10
Little Rock Central High School National Historic Site	2.22
Pea Ridge National Military Park	4,278.75
President William Jefferson Clinton Birthplace Home National Historic Site	0.68

g. Number of structures at each site	
Arkansas Post National Memorial	11
Buffalo National River	225
Fort Smith National Historic Site	4
Hot Springs National Park	65
Little Rock Central High School National Historic Site	2

Pea Ridge National Military Park	12
President William Jefferson Clinton Birthplace Home National Historic Site	3

Question 3: Mr. Smith, as you know, the National Park Service comprises only a portion of the deferred maintenance at the Department of the Interior. Could you please provide me a breakdown, much like the aforementioned report, of each of the deferred maintenance totals at each of the different federal lands units within Arkansas? I'm eager to see the total number for my state, and the breakdown between the different land management agencies.

Response: For Fiscal Year 2017, the following information is reported for the bureaus within the Department of the Interior:

- there is no Bureau of Land Management deferred maintenance in Arkansas;
- the total deferred maintenance for NPS sites in Arkansas is $37,617,654;
- the total deferred maintenance for U.S. Fish and Wildlife Service National Wildlife Refuges and National Fish Hatcheries is $28,402,983; and
- for information about deferred maintenance on lands managed by the U.S. Forest Service, we defer to the U.S. Department of Agriculture.

Question 4: Finally, can you provide detailed statistics on the success of the Historic Leasing Contracts at Hot Springs National Park, and other parks utilizing those contracts around the country? Have they reduced the overall maintenance backlog at their respective parks, and how much do each of those contracts contribute to the revenue of each individual park unit?

Response: Currently, five buildings are leased at Hot Springs National Park. The park does not have statistics that would gauge the success of those leases in reducing the maintenance backlog, but the program has been successful in stabilizing, restoring, and utilizing the majority of structures in the park.

Servicewide, the NPS has approximately 350 facilities under lease agreements, and last year, over $9.3 million in revenue was generated through leasing. More information on the Servicewide leasing program may be found in Attachment #3, which is a letter sent to the Senate Appropriations Committee on March 29, 2018, containing a list of the currently leased buildings broken down by State, park, and facility name.

Questions from Representative Don Young

Question 1: Historic leasing is a tool that can be used to lease structures to qualified non-federal parties for a variety of uses, including for commercial, educational, and residential purposes. Under those leases, the lessee has the duty to restore, rehabilitate and maintain the buildings. Do you agree that NPS should be using this tool aggressively to reduce the maintenance backlog and to prevent structures from coming onto the backlog in future?

Response: The NPS authority to lease historic structures is a valuable tool to generate funding that can help reduce the maintenance backlog and to provide the preventive and corrective maintenance needed to avoid adding to the backlog. We are actively using this authority as allowed by our laws, regulations, and policies.

Question 2: There is an old NPS attitude that the Service should not use leases or similar tools for any structure in a national park because it results in less than total control by the local park staff. Do you ascribe to that attitude?

Response: The NPS supports the use of the leasing authority. There are cases where the NPS is unable to use this authority due to legal or financial viability reasons, however the NPS does not avoid its use because of any perceived loss of control.

Question 3: What is NPS doing to explore the use of historic leasing throughout the Park System? How many historic leases have been issued by NPS and for what parks and what uses?

Response: We currently have approximately 350 facilities under lease agreements throughout the National Park System and we continue to identify new potential facilities on an ongoing basis. By law, a park has to determine, among other things, that a structure is not needed for park purposes before it can be offered for lease. Attachment #3 is a letter sent to the Senate Appropriations Committee on March 29, 2018, which contains a list of the currently leased buildings broken down by State, park, and the facility name.

Question 4: Are there any units of the National Park System where historic leasing is specifically prohibited or ruled out as an option by any rules, policies, or planning documents? If so, what is the basis for that action by NPS?

Response: There are no units of the NPS that specifically prohibit or rule out the option of leasing. However, by law (54 USC 102102) and regulation (36 CFR 18) the NPS is prohibited from entering into a lease where the proposed activities are subject to authorization through a concession contract, commercial use authorization, or similar instrument.

Questions from Delegate Gregorio Sablan

Question 1: In the Northern Marianas, American Memorial Park was badly damaged by Typhoon Soudelor in August 2015. It has been over two years and recovery work is still underway. Ongoing issues include debris removal, repair of the riprap at the marina, and replanting of trees were uprooted by the storm. Can you provide a list of items still requiring repair/replacement and an action timeline?

Response: Work to restore facilities and grounds of American Memorial Park is ongoing. Over $500,000 was expended in the first 18 months after the storm to accomplish the most urgent repairs including replacing lighting and walkways. Additional projects have been identified and are being reviewed for funding in future fiscal years. The American Memorial

Park staff are continuing to clean up and dispose of the remaining vegetative debris. The Saipan Mayor's office has been providing support to the park to rehabilitate the area north of the pathway to Micro Beach. The NPS is very appreciative of the Mayor's continued support and assistance as the park continues to recover from the typhoon.

Typhoon-related repair/replacement items in progress and identified for American Memorial Park include:

- Replace Landscape Lighting Damaged by Typhoon Soudelor: New lights will be installed by park staff in early fall 2018.
- Replace Rusted Culvert & Concrete Walkway at Reconstructed Wetland with Bridge: Design underway, construction contract to be awarded in early 2019.
- Rehabilitate Walkway & Seating Area at Amphitheater to Improve Visitor Experience & Safety: Design underway.
- Resurface Tennis Court Play Surface.
- Install Roll-out pavers on unpaved Access Roads.
- Replace Four Flagpoles at the Court of Honor.
- Install Asphaltic Concrete Pavement on Micro Beach Loop Road.
- Repair Shoreline Barriers at Smiling Cove & Outer Cove.
- Rehabilitate/Seal Leaks in Concrete Structure at Administrative Offices.
- Revegetate Area North of Micro Beach Damaged by Typhoon Soudelor.

Question 2: At my request, and under P. L. 113-291, the Park Service is undergoing a study of the unique natural and cultural resources of the island on Rota in the Northern Marianas to determine the national significance of the area and the suitability and feasibility of designating the area as a unit of the National Park System. Public Meetings on Rota were held in February of last year. Can you provide an update on the progress of the study and a timeline for its conclusion?

Response: The study team is preparing preliminary findings (resource significance, suitability, feasibility, and need for NPS management) for review by NPS. After this review, we will share the preliminary findings and any alternatives by NPS leadership, with local leadership and the people of Rota. After that, the study will be finalized, and then transmitted to Congress. We expect this process to take at least another year and a half.

Questions from Representative Jim Costa

Question 1: In 2017, Secretary Zinke indicated that the Department of Interior (Department) would study allowing private enterprise to expand their current management of certain campgrounds throughout the National Parks System (NPS). Has the Department considered or modeled the impacts of the additional contract fees and/or additional revenues that could be gained through this modification of policy and how this might help address the issue of maintenance backlog?

Response: Currently, analysis of campground management and decisions about contracting with concessioners for additional campground operations are made at the park level. NPS commercial services experts help individual parks determine whether converting an NPS-operated campground to a concessioner-operated campground would improve the facilities, financial sustainability, visitor experiences, etc. National Park System units that have recently converted NPS-operated campgrounds to concessioner-operated facilities include Denali National Park, Everglades National Park, and Olympic National Park.

Question 2: Secretary Zinke proposed increasing fees considerably at 17 highly visited national parks, including Yosemite National Park, during peak visitor seasons. There was an overwhelming outcry from the public opposing the proposed fee increases. Can you tell us the status of the analysis of those public comments and the Administration's next steps?

Response: After carefully considering the public comments provided on the 2017 fee proposal, the NPS revised its proposal and developed a balanced plan that implements modest increases at the 117 fee-charging parks as opposed to larger increases proposed for 17 highly-visited national parks. As part of this plan, the NPS will also fully implement the four-tier existing fee structure by 2020.

Questions from Representative Tom McClintock

Question 1: At its current capacity, how much annual funding could the National Park Service expend towards the completion of deferred maintenance projects?

Response: The NPS Denver Service Center (DSC) provides project management, quality assurance, compliance, permitting, and technical support services for projects, which include deferred maintenance on existing facilities, historic structures, and infrastructure systems. In Fiscal Year 2017, the Design and Construction division managed 281 projects worth more than $1.7 billion, which is an indicator of NPS capacity to address maintenance needs under our current funding levels.

For transportation projects that involve roads, bridges, tunnels, etc., the NPS utilizes a 1983 Interagency Agreement with the Federal Highway Administration (FHWA) to provide technical engineering services and project construction awards, and construction management through the Federal Lands Highway Program. Consequently, the NPS capacity to manage these projects also relies on that of the FHWA.

Question 2: With substantially more funding available through the Infrastructure Fund, how long would it take the park service to ramp up its project planning and operations capacity to take on more deferred maintenance projects?

Response: To implement the Fund, the NPS would move quickly to leverage resources and expertise Department-wide to speed up construction capabilities. The number and type of FTE or contracted staff that would be needed to accomplish deferred maintenance projects would depend on the amount of additional funding made available, but the NPS would mobilize to strengthen short-term capacity in procurement, project planning and project management. Several projects within the NPS five year plans could be accelerated if additional funds are available and the NPS is working to develop a longer list of shovel ready projects should the Fund be enacted. Typical recurring maintenance projects accomplished with one year funds can take up to a year to complete while larger projects through multi or no year fund sources can take up to four or more years to complete. Should legislation become law, the Park Service is confident that it can expend the increased resources in an efficient and capable manner to help resolve our maintenance backlog.

Question 3: Klondike Gold Rush National Historical Park in Skagway, Alaska is a successful example of the Historic Leasing Program. Historic buildings are leased to local business that provide visitor services. What steps can be taken to expand this revenue generating program to provide additional funding for the National Park Service that could be put to address the deferred maintenance backlog?

Response: Attachment #3 is a letter to the Senate Appropriations Committee dated March 29, 2018, which discusses regulatory impediments to expanded use of leasing authority.

Question 4: One-half of the NPS maintenance backlog is paved roads, bridges, and tunnels (50. 8% according to latest FY 2017 NPS report). Considering that some National Park Service owned parkways, such as George Washington Memorial Parkway, are essentially busy commuter highways, do you believe that tolling could play a role in generating funds to repair these roads and bridges?

Response: The NPS does not currently have authority to levy tolls. Such authority would have to come from Congressional action. A comprehensive analysis including mission, policy, cultural resource impacts, technology alternatives, staffing, and financial sustainability would be required to determine whether tolling would be a cost effective way to generate repair funds.

Question 5: Mr. Smith, NPS's contracting authority was expanded under recent law, which authorizes management contracts rather than the traditional concession contracting process in certain situations. We have heard concerns that such a move would be outside NPS's expertise, could expose the federal government to additional financial risk, and could exacerbate the current NPS capital funding problems.

Response: The Visitor Experience Improvements Authority (VEIA), enacted in 2016 as part of the National Park Service Centennial Act (P.L.114-289), provides the Secretary with additional flexibility to expand, modernize and improve commercial services contracts for the operation and expansion of commercial visitor facilities and visitor services programs in units of the national park system. To the extent that there are risks in using the VEIA authority, the risks are minimized by the fact that this authority is time-limited through 2023; it can only be used for contracts lasting 10 years or less; it cannot be used for contracts that have a preferential right of renewal or contracts for outfitter and guide services; and it will not provide any leasehold surrender interest or other compensation to the contractor at the termination of a VEIA contract. In addition, NPS has hired a consultant with expertise in this field to assist in the development and implementation of sound VEIA business models that would not create undue financial risks. The NPS intends to use the VEIA authority, as appropriate, in addition to continuing to use the concession authority provided by the Concessions Management Improvement Act of 1998 to provide the greatest benefits to the parks and visitors.

Question 6: Are you aware of ongoing work within NPS to move away from concession contracts?

Response: The NPS is committed to using the range of authorities it has to provide the best visitor services possible. Using VEIA, along with traditional concession contracts, commercial use authorizations, and leasing, will allow the NPS to find the right tool to provide the best visitor experience.

Question 7: What is your position on a transition from concession contracts to the use of management contracts?

Response: At this time, the NPS is developing operating procedures and regulations for VEIA and has not yet began to utilizing these types of contracts. However, we believe that management contracts have the potential to greatly benefit the NPS by increasing revenues, increasing competition for contracts, improving the quality of commercial services and improving customer service and satisfaction.

Additional Information Provided for the Record

Several questions were asked of Deputy Director Smith during the hearing that required follow up information. That information is provided below.

Representative LaMalfa asked how many parks have had fires in the last 15-20 years.

Answer: Over the 20-year period of 1998-2017, 216 National Park Service (NPS) units have had at least one fire on lands within their park boundaries. This number includes both wildland fires and prescribed burns.

Representative McClintock asked how much of the backlog maintenance cost is due to regulations.

Answer: The current estimated $11.6 billion NPS maintenance backlog reflects the labor and material costs associated with maintenance work that has been deferred for at least one year. The costs for completing National Environmental Policy Act and National Historic Preservation Act (NEPA/NHPA) compliance, planning, design, construction management services, and construction contingency are not included in the $11.6 billion figure. These costs are developed at the project formulation stage and applied on a project-by-project basis.

The deferred maintenance backlog estimate also does not include non-deferred maintenance costs. Most projects, however, include both deferred and non-deferred maintenance components. Correcting code deficiencies is an example of a non-deferred maintenance activity. The activity does not relate to the failure to perform scheduled maintenance (resulting in a deferral), but relates to upgrades needed to meet evolving code compliance.

As an example, at Yosemite National Park, the Fiscal Year 2018 Line Item Construction (LIC) project to rehabilitate the Wawona Wastewater Treatment Plant includes both deferred maintenance and code compliance components. Much of the work involves constructing new systems needed to prevent effluent discharge in the Merced River as the State will no longer permit such discharge. The project's total net construction amount is $18.286 million, of which 20% is deferred maintenance. After construction contingency and construction management services are included, the Fiscal Year 2018 LIC budget request is $21.578 million.

As another example, at Mammoth Cave National Park, the Fiscal Year 2018 LIC project to Reconstruct Unsafe Cave Trails has a net construction value of $11.775 million, of which, 90% is deferred maintenance. The only non-deferred maintenance component relates to the addition of handrails, stairs, and ramps in some areas to enhance safety. After construction contingency and construction management services are included, the Fiscal Year 2018 LIC budget request is $13.894 million.

The LIC program typically budgets 22% of the estimated net construction costs for compliance, and planning and design, which are ideally funded one to two years prior to the construction budget request. Because these costs are calculated for projects that combine deferred and non-deferred maintenance elements, we are not able to determine the portion of these costs that are associated only with the deferred maintenance components of NPS projects.

Delegate Bordallo asked about a requirement regarding local hiring in the enabling legislation for the War in the Pacific National Historical Park.

Answer: The requirement regarding local hiring is referenced in the Park's legislation and it directs the NPS to employ and train residents of Guam or of the Northern Mariana Islands to develop, maintain and administer the park. Delegate Bordallo was interested in what efforts the NPS has undertaken to meet this requirement in recruiting qualified Guam residents for vacancies at the War in the Pacific National Historical Park.

Employing residents is integral to accomplishing the mission for War in the Pacific National Historical Park. Residents know the local cultures and languages, which is critical to developing appropriate education and outreach programs. They also know local experts with whom the park can partner to accomplish projects. Of the 24 War in the Pacific National Historical Park employees on Guam, 18, or 75% of the park's workforce, are Guam residents.

The park has been very successful in using student-hiring authorities to recruit Guam's youth into the NPS and uses the Pathways program frequently, converting many student hires into permanent positions. Six employees (29% of the park's workforce) began their careers as student interns and are now permanent employees. The park also uses the Veterans' Recruitment Appointment hiring authority, and presently has five veterans on staff, all of whom are Guam residents.

Although seasonal hiring authority is not used often, the park has hired local residents to help during the summer when education programs and other events are scheduled. The park has used temporary or term appointments to provide some flexibility in their staffing strategy for larger projects, such as facility repair or rehabilitation.

Rep. Bruce Westerman Attachment 1:

Table 1. Arkansas Assets by Park and Asset Category

Park	Buildings	Housing*	Camp-grounds	Trails	Waste Water Systems	Water Systems	Unpaved Roads†	Paved Roads‡	All Others§	Total Assets
Arkansas Post National Memorial (ARPO)	9	2	-	7	1	1	1	9	20	**50**
Buffalo National River (BUFF)	212	13	17	35	31	22	94	71	94	**589**
Fort Smith National Historic Site (FOSM)	4	-	-	1	-	-	-	8	8	**21**
Hot Springs National Park (HOSP)	64	1	1	25	1	6	4	37	36	**175**
Little Rock Central High School National Historic Site (CHSC)	2	-	-	-	1	1	-	2	3	**9**
Pea Ridge National Military Park (PERI)	12	-	-	4	4	1	5	16	23	**65**
President William Jefferson Clinton Birthplace Home National Historic Site (WICL)	3	-	-	-	-	1	-	-	5	**9**
Total Assets	**306**	**16**	**18**	**72**	**38**	**32**	**104**	**143**	**189**	**918**
% of Total Assets	**33%**	**2%**	**2%**	**8%**	**4%**	**3%**	**11%**	**16%**	**21%**	**100%**

* Housing is defined as buildings that are associated with the NPS Employee Housing Program/DOI Quarters Program, including support buildings (e.g., detached garages, shower and laundry facilities, storage).
† Unpaved Roads includes unpaved parking areas and unpaved roadways.
‡ Paved Roads includes bridges, tunnels, paved parking areas and paved roadways.
§ All Other assets include utility systems, dams, constructed waterways, marinas, aviation systems, railroads, ships, monuments, fortifications, towers, interpretive media and amphitheaters.

Table 2. Arkansas DM by Park and Asset Category										
Park	Buildings	Housing*	Camp-grounds	Trails	Waste Water Systems	Water Systems	Unpaved Roads†	Paved Roads‡	All Others§	Total DM
Arkansas Post National Memorial (ARPO)	$266 K	$ 0	$ 0	$203 K	$497 K	$191 K	$ 0	$806 K	$986 K	**$2,948 K**
Buffalo National River (BUFF)	$1,748 K	$245 K	$762 K	$268 K	$1,106 K	$574 K	$2,808 K	$6,000 K	$1,072 K	**$14,585K**
Fort Smith National Historic Site (FOSM)	$1,775 K	$ 0	$ 0	$142 K	$ 0	$ 0	$ 0	$193 K	$529 K	**$2,638 K**
Hot Springs National Park (HOSP)	$3,732 K	$36 K	$228 K	$1,546K	$ 0	$943 K	$ 0	$3,370 K	$2,505 K	**$12,360 K**
Little Rock Central High School National Historic Site (CHSC)	$175 K	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$109 K	$83 K	**$368 K**
Pea Ridge National Military Park (PERI)	$1,265 K	$ 0	$ 0	$11 K	$ 0	$318 K	$23 K	$2,376 K	$189 K	**$4,181 K**
President William Jefferson Clinton Birthplace Home National Historic Site (WICL)	$475 K	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$63 K	**$538 K**
Total DM	**$9,435 K**	**$281 K**	**$990 K**	**$2,170 K**	**$1,603 K**	**$2,026 K**	**$2,831 K**	**$12,854 K**	**$5,427 K**	**$37,618 K**
% of Total DM	**25%**	**1%**	**3%**	**6%**	**4%**	**5%**	**8%**	**34%**	**14%**	**100%**

* Housing is defined as buildings that are associated with the NPS Employee Housing Program/DOI Quarters Program, including support buildings (e.g., detached garages, shower and laundry facilities, storage).
† Unpaved Roads includes unpaved parking areas and unpaved roadways.
‡ Paved Roads includes bridges, tunnels, paved parking areas and paved roadways.
§ All Other assets include utility systems, dams, constructed waterways, marinas, aviation systems, railroads, ships, monuments, fortifications, towers, interpretive media and amphitheaters..

Rep. Bruce Westerman Attachments 2:

Park Unit	Authorzation Type	Operator	Servcies
Arkansas Post National Memorial	Coop. Ass., Concession	Eastern National	Interpretative merchandise, convenience items
Buffalo National River	Concession	Buffalo Point Concession	Lodging, food and beverage, convenience items and merchandise retail, catering services
Buffalo National River	Concession	Lost Valley Canoe and Lodging, Inc.	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Gordon Motel, Inc.	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Silver Hill Float Service	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Buffalo River Outfitters	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Buffalo River Outdoor Center	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Riverview Motel Canoe Rental	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Crockett's Canoe Rental	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Buffalo Camping and Canoeing, Inc.	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Buffalo River Float Service, Inc.	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Buffalo River Canoes, LLC	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Concession	Dirst Canoe Rental	Canoe rental and transportation, kayak, raft and tube rental and transportation
Buffalo National River	Coop. Ass., Concession	Eastern National	Interpretative merchandise, convenience items
Buffalo National River	CUA	Arkansauce	Retail Sales
Buffalo National River	CUA	Buffalo River Float Service	Fishing - spin or fly
Buffalo National River	CUA	Camp Sabra	Camping - backcountry
Buffalo National River	CUA	Cotter Trout Dock	Fishing - spin or fly
Buffalo National River	CUA	Crockett's Country Store	Food and Beverage
Buffalo National River	CUA	Dally's Ozark Fly Fisher	Fishing - spin or fly

Buffalo National River	CUA	Explore Austin	Other - describe in comments
Buffalo National River	CUA	Harmony	Retail Sales
Buffalo National River	CUA	Kanakuk Kamps Ministries	Other - describe in comments
Buffalo National River	CUA	Leader Treks	Camping - backcountry
Buffalo National River	CUA	Leader Treks	Other - describe in comments
Buffalo National River	CUA	Mary's Little Lambs	Retail Sales
Buffalo National River	CUA	Meramec Adventure - Great Circle	Camping - backcountry
Buffalo National River	CUA	Misty's Shell	Food and Beverage
Buffalo National River	CUA	National Park Radio	Retail Sales
Buffalo National River	CUA	Newland's Float Trips	Fishing - spin or fly
Buffalo National River	CUA	Outdoor Leader Trainers of America	Camping - backcountry
Buffalo National River	CUA	Ozark Mtn Takers Hiking Adventures	Hiking - backcountry
Buffalo National River	CUA	Ozark Society	Other - describe in comments
Buffalo National River	CUA	Paddle Arkansas	Retail Sales
Buffalo National River	CUA	Rose Trout Dock	Fishing - spin or fly
Buffalo National River	CUA	Ruby's Diner	Food and Beverage
Buffalo National River	CUA	Sierra Club	Other - describe in comments
Buffalo National River	CUA	SOAR	Other - describe in comments
Buffalo National River	CUA	Texas A&M University	Other - describe in comments
Buffalo National River	CUA	Tim Ernst	Photography Instruction
Buffalo National River	CUA	Townhouse Café	Food and Beverage
Buffalo National River	CUA	Western Kentucky University	Environmental Education - birding classes, biology courses, etc.
Buffalo National River	CUA	White Buffalo Resort	Fishing - spin or fly
Buffalo National River	CUA	Wild Bill's Outfitter	Fishing - spin or fly
Buffalo National River	Lease	Boxley Valley Grist Mill	Science Education
Fort Smith Historic Site	Coop. Ass., Concession	Eastern National	Interpretative merchandise, convenience items
Hot Springs National Park	Concession	HSMT, LLC	Observation tower access with interpretation, merchandise retail and limited food and beverage snack items, coin-operated scenic viewers and special events
Hot Springs National Park	Concession	Buckstaff Bath House Company	Traditional bathhouse, massage therapy, spa services, merchandise retail,

Hot Springs National Park	Coop. Ass., Concession	Eastern National	Interpretative merchandise, convenience items
Hot Springs National Park	CUA	Dexter Williams - Dogs on the Run	Food and Beverage
Hot Springs National Park	CUA	Hollie Henderson Photography	Photography - portraits
Hot Springs National Park	CUA	Hot Springs Taxi	Transport (non-tour) - road, air, water based
Hot Springs National Park	CUA	Pam Hayes - Fitness	Fitness
Hot Springs National Park	Lease	Quapaw Bath House	Bathhouse
Hot Springs National Park	Lease	Medical Doctor's House	Office Space
Hot Springs National Park	Lease	Hale Bath House	Boutique Hotel
Hot Springs National Park	Lease	Superior Bath House	Brewery / Restaurant
Hot Springs National Park	Lease	Headquater's Building, Second Floor	Office Space
Pea Ridge National Military Park	Coop. Ass., Concession	Eastern National	Interpretative merchandise, convenience items
Pea Ridge National Military Park	Lease	Storage facility and hay	Agricultual Lease (Hay)

Rep. Don Young Attachment 3:

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

MAR 2 9 2018

The Honorable Lisa Murkowski
Chairman, Subcommittee on Interior,
Environment, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Murkowski:

This letter is in response to the Subcommittee's request to provide a report on the National Park Service's use of leasing authority for historic structures. Language contained in House Report 114-632 accompanying the Department of the Interior, Environment and Related Agencies Appropriation Bill, 2017 (H.R. 5538) is included in the Joint Explanatory Statement that accompanied the Consolidated Appropriations Act, 2017. The language from House Report 114-632 is as follows:

> *Leasing of Historic Buildings.—Leasing of historic park buildings has proven to be an effective public-private partnership that has brought private investment to the repair and maintenance of historic park resources. In previous Committee reports, the Committee has encouraged the Service to make expanded use of leasing authority. The Committee commends the Service for recent steps it has taken to increase the utilization of this tool, including establishing a leasing manager to oversee and expand the historic leasing program. The Committee renews its previous request that directs the Service to provide a report, within six months of enactment of this Act, detailing its progress towards expanding use of this authority. Included in this report should be (1) a list of structures the Service considers high-priority candidates for leasing, (2) a list of structures currently under a lease arrangement, (3) an estimate of the number of leases that have enabled private sector investments using the Service-administered historic tax credit, and (4) any statutory or regulatory impediments that now inhibit the enhanced use of leasing of historic structures.*

The National Park Service (NPS) has authority to lease historic and other buildings and associated property under the National Historic Preservation Act and the National Park Omnibus Management Act of 1998. The NPS continues to make progress toward increasing the number of public-private partnerships through leasing. In the last 18 months the NPS has executed a master residential lease at First State National Monument; a lease with Navajo Nation Hospitality Enterprises, a wholly owned subsidiary of the Navajo Nation, at Canyon De Chelly National Monument; and executed an Inter-Agency Agreement with the United States Forest Service to lease two buildings at Fort Vancouver National Historic Site.

In addition, the NPS is currently preparing to enter into negotiations with a potential lessee for the Riis Beach Bathhouse at Gateway National Recreation Area; is working on an agreement with the Bureau of Indian Affairs to occupy one of the buildings at Fort Vancouver National Historic Site; and recently issued a request for proposal for the Maurice bathhouse at Hot Springs National Park. The leasing program staff is also continuing to develop formal training for NPS staff to expand capacity across the NPS to initiate and manage park-level leasing programs. As part of that effort, the NPS has integrated a leasing section into the annual Commercial Services Training for Superintendents curriculum.

House Report 114-632 requested that the following information be included as part of this report:

- **A list of structures that the Service considers high-priority candidates for leasing**

See enclosed list. The NPS prioritizes eligible properties for leasing based on knowledge that park staff have regarding local market demand for facilities, along with direction from the servicewide leasing program office. The enclosed list reflects those properties for which parks and regions are actively working on leasing. The list contains properties under a range of situations, including those for which the NPS expects to issue a Request for Proposal within the next two years, those for which a Request for Proposal received no responses, and those that were under life tenancy and have recently transferred to NPS control.

- **A list of structures currently under a lease arrangement**

See enclosed list, which includes properties reported by parks through regional leasing and concession staff. This information has been checked against the NPS facility management database.

- **An estimate of the number of leases that have enabled private sector investments using the Service-administered historic tax**

While the NPS does not include language in its leases that would prevent a lessee from taking advantage of the historic preservation tax credit, there are requirements for obtaining historic preservation certification from the National Park Service and the State Historic Preservation Office, as well as Internal Revenue Service regulations governing the tax credits for rehabilitation that must be met before the tax credit can be utilized by the lessee.

The NPS is currently aware of three lessees that have taken advantage of the benefits offered by this program: Cavallo Point Lodge at Fort Baker, the Argonaut Hotel in Golden Gate National Recreation Area, and the Quapaw Bathhouse at Hot Springs National Park. It is possible that other lessees have used the historic tax program previously, but NPS records do not cover a number of the early years of the tax-credit program.

- **Are there any statutory or regulatory impediments that now inhibit the enhanced use of leasing of historic structures?**

The NPS has authority to enter into a lease with any "... person or government entity ... " (54 U.S.C. § 102102(a)). Other agencies, with some exceptions, generally do not have such authority, which is instead vested with the General Services Administration (GSA) (40 U.S.C. §

585). Therefore, other federal agencies are often reluctant to execute agreements with the NPS to occupy facilities that are administered by the NPS without going through the General Services Administration. So, while the NPS is authorized to lease structures to any governmental entity, other agencies do not have clear, specific authority to enter into a lease with the NPS without going through GSA. However, under the Service First authority (43 U.S.C. § 1703), the NPS can enter into leases with other agencies within the Department of the Interior and the Department of Agriculture, without consultation of GSA.

In general, market conditions and demand pose the greatest challenge to expanding the current leasing program. Investors are often more interested in purchasing outright 'fee title' property, rather than investing in the rehabilitation of a property that is owned by, and possession of which will eventually be returned to, the federal government. Also, the lease opportunities available within parks may not provide a viable business opportunity given the higher costs associated with the restoration or rehabilitation of the structures compared to the relatively low rents available in local areas, many of which are rural and sparsely populated. In more urban areas, there appears to be a greater demand from the public to lease facilities in parks for residential use, office space, or other commercial activity.

Additionally, NPS has limited resources available to conduct the up-front planning necessary to determine fair market value rent, and to develop the required Request for Proposal to lease historic facilities. Without such work, the NPS cannot accurately gauge the level of private sector interest in its properties.

The NPS greatly appreciates the Committee's support throughout the appropriations process and looks forward to collaborating to find creative ways to utilize public-private partnerships to help preserve and maintain historic assets for future generations to use and enjoy.

A similar letter has been sent to the Honorable Tom Udall, Ranking Minority Member, Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, United States Senate; the Honorable Ken Calvert, Chairman, Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives; and the Honorable Betty McCollum, Ranking Minority Member, Subcommittee on Interior, Environment, and Related Agencies, Committee on Appropriations, House of Representatives.

Sincerely,

Olivia B. Ferriter

Olivia B. Ferriter
Deputy Assistant Secretary
Budget, Finance, Performance, and Acquisition

Enclosures

High Priority Candidates for Leasing		
State	**National Park System Unit**	**Facility Name**
Arkansas	Hot Springs National Park	Maurice
California	Santa Monica Mountains National Recreation Area	Peter Strauss Ranch House
Texas	Amistad National Recreation Area	Diablo East Marina Store
		Diablo East Marina
		Maintenance Yard
		Maintenance Building
		Rough Canyon Marina
	San Antonio Missions National Historical Park	Kuntz Store and Saloon (Sisson House)
Illinois	Lincoln Home National Historical Site	Robinson House
		Shutt House
Kentucky	Mammoth Cave National Park	General Store and Service Station Building
Massachusetts	Minute Man National Historical Park	Gowing-Clark House
Michigan	Keweenaw National Historical Park	Quincey Mining Company Pay Office
	Sleeping Bear Dunes National Lake Shore	Sleeping Bear Inn
		Sleeping Bear Inn Garage
Mississippi	Natchez Trace Parkway	101 Drive 665
		106 Drive 665
		116 Drive 665
		140 Drive 665
		152 Drive 665
		168 Drive 665
		House #7 Drive 665
		186 Drive 665
Pennsylvania	Delaware Water Gap National Recreation Area	Zimmerman House
	Gettysburg National Military Park	Bushman House
	Valley Forge National Historical Park	Maurice Stephens House
New Hampshire	Saint-Gaudens National Historical Park	Blow Me Down Farms
New Jersey	Gateway National Recreation Area	Fort Hancock-Captains' Quarters 09
		Fort Hancock-Captains' Quarters 10
		Fort Hancock-Captains' Quarters 11
		Fort Hancock-Captains' Quarters 13
		Fort Hancock-Captains' Quarters 14
		Fort Hancock-Captains' Quarters 15
		Fort Hancock-Commanding Officer's Quarters 12
		Fort Hancock-Lieutenants' Quarters 02
		Fort Hancock-Lieutenants' Quarters 03
		Fort Hancock-Lieutenants' Quarters 04
		Fort Hancock-Lieutenants' Quarters 05
		Fort Hancock-Lieutenants' Quarters 06
		Fort Hancock-Lieutenants' Quarters 08
		Fort Hancock-Lieutenants' Quarters 16
		Fort Hancock-Lieutenants' Quarters 17

High Priority Candidates for Leasing (continued)		
State	**National Park System Unit**	**Facility Name**
New York	Gateway National Recreation Area	Jacob Riis Park - Bathhouse - Beach Pavilion
		Jacob Riis Park - Bathhouse - Entrance Pavilion
		Jacob Riis Park - Bathhouse - West Wing Pavilion
Washington	Ebey's Landing National Historical Reserve	Farmland & Other
	Fort Vancouver National Historical Site	BLDG 728 Finance Office East

Facilities Currently Leased by the NPS		
State	**National Park System Unit**	**Facility Name**
Alaska	Klondike Goldrush National Historical Park	Lynch & Kennedy
		Verbauwhede Bldg
		Hern Clipper
		Red Front
		Boas Bldg
	Wrangell St. Elias National Park & Preserve	Recreation Hall
Arizona	Canyon De Chelly National Monument	Motel Units (42 Rooms) - CACH 001 343 CPSO
		Cafeteria - CACH 001 350 CPSO
		Office & Curio Shop - CACH 001 353 CPS
		Motel Units 24-35 - CACH 001 343 CPSO
		Managers Residence
		Residence/ House # 2
		Residence/ House # 3
		Residence/ House # 1
		Lodge Rooms 6 & 8 - CACH 001 295 CPSO
		Lodge Room 9
		Lodge Room 10 & 11
		Motel Units 14-23
		Maintenance and Laundry Building
		Passenger Loading Shelter
Arkansas	Buffalo National River	Boxley Valley Grist Mill
	Pea Ridge National Military Park	Storage facility and hay
	Hot Springs National Park	Quapaw Bathhouse
		Medical Director's House
		Hale Bathhouse
		Superior Bathhouse
		Headquarters building, 2nd Floor
California	Golden Gate National Recreation Area	Quarters 607 FB-607 FBRG
		Quarters 549 FB-549 FBRG
		Quarters 547 FB-547 FBRG
		Quarters 546 FB-546 FBRG
		Post Hospital Garage FB-556 FBRG
		Post Headquarters FB-603 FBRG
		Post Exchange & Gymnasium FB-623 FBRG
		Officers Quarters FB-629 FBRG
		Officers Quarters FB-606 FBRG
		Officers Quarters FB-605 FBRG
		NCO Quarters FB-530 FBRG
		NCO Quarters FB-529 FBRG
		NCO Quarters FB-523 FBRG

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
California (continued)	Golden Gate National Recreation Area (continued)	Warehouse Laundry FB-407 FBRG
		Hospital Stewards Quarters FB-522 FBRG
		Hospital FB-533 FBRG
		Guardhouse, Fort Baker (FB 615) FBRG
		Garage FB-564 FBRG
		Garage FB-545 FBRG
		Garage FB-543 FBRG
		Garage FB-534 FBRG
		Enlisted Men's Barracks (FB-601) FBRG
		Commanding Officers Quarters (FB-604) FBRG
		Chapel, (FB-519) FBRG
		Building 602, Restaurant FBRG
		Officers Quarters 631 (FB-631) FBRG
		Building 568 (FB-568) FBRG
		Building 1562 West #16 (FB1562) FBRG
		Building 1561 West #16 (FB1561) FBRG
		Building 1560 West #12 (FB1560) FBRG
		Building 1550 East #12 (FB1550) FBRG
		Building 1552 East #10 (FB1552) FBRG
		Building 1553 East #9 (FB1553) FBRG
		Building 1554 East #8 (FB1554) FBRG
		Building 1555 East #7 (FB1555) FBRG
		Building 1556 East #6 (FB1556) FBRG
		Building 1557 East #5 (FB1557) FBRG
		Building 1558 East #4 (FB1558) FBRG
		Building 1559 East #3 (FB1559) FBRG
		Renegade Ranch
		Horse Barn - Renegade Ranch
		Water Distribution System - Renegade Ranch
		Waste Water System - Renegade Ranch
		Electrical System - Renegade Ranch
		Moss Beach Ranch
		Water Distribution System - Moss Beach Ranch
		Waste Water System - Moss Beach Ranch
		Electrical System - Moss Beach Ranch
		Ocean View Farms
		Horse Barn- Ocean View Farms
		House - Ocean View Farms
		Water Distribution System - Ocean View Farms
		Waste Water System - Ocean View Farms

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
California (continued)	Golden Gate National Recreation Area (continued)	Electrical System - Ocean View Farms
California (continued)	Golden Gate National Recreation Area (continued)	Ember Ridge Equestrian Center
California (continued)	Golden Gate National Recreation Area (continued)	Horse Barn - Ember Ridge Equestrian Center
California (continued)	Golden Gate National Recreation Area (continued)	Water Distribution System - Ember Ridge Equestrian Center
California (continued)	Golden Gate National Recreation Area (continued)	Waste Water System - Ember Ridge Equestrian Center
California (continued)	Golden Gate National Recreation Area (continued)	Electrical System - Ember Ridge Equestrian Center
California (continued)	Golden Gate National Recreation Area (continued)	Golden Gate Dairy Hay Barn MB-102 MB Stables
California (continued)	Golden Gate National Recreation Area (continued)	Golden Gate Dairy Sanitary Barn MB-104 MB Stables
California (continued)	Golden Gate National Recreation Area (continued)	Golden Gate Dairy Shed MB-105 MB Stables
California (continued)	Golden Gate National Recreation Area (continued)	Barn TV-21
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Covered Riding Ring TV-109
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Horse Stalls and Storage TV-105
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Sanitary Barn TV-106
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Stable TV-107
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Residence #1 TV-101
California (continued)	Golden Gate National Recreation Area (continued)	Miwok Residence #2 TV-102
California (continued)	Golden Gate National Recreation Area (continued)	Stable (PRC) East FA-902
California (continued)	Golden Gate National Recreation Area (continued)	Stable (PRC) West FA-901
California (continued)	Golden Gate National Recreation Area (continued)	Officers Club (FM-1) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Chapel (FM-230) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Building A, Lower Fort Mason (FM-308) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Building B, Lower Fort Mason (FM-310) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Building C, Lower Fort Mason (FM-312) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Building D, Lower Fort Mason (FM314) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Guard Station (FM303) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Pier 2 Shed, Lower Fort Mason (FM-319) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Pier 3 Shed, Lower Fort Mason (FM-321) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Provost Marshalls Office (Gatehouse) (FM-0302) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Fire Station & Transformer Vault (FM309) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Fort Mason Storage Shed (FM305) FMC
California (continued)	Golden Gate National Recreation Area (continued)	Sutro Historic District Restaurant
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 2 (Brooks House) (FM-2) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 3 (Haskell House)(FM-3) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 4 (Palmer House) (FM-4) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Garage (FM-5)
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 7 (FM-7) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 9 (FM-9) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Brooks House Garage (FM-11)
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 231 (FM-231) Residential Lease
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 232 (FM-232) Residential Lease

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
California (continued)	Golden Gate National Recreation Area (continued)	Quarters 234 (FM-234) Residential Lease
		Quarters 235(FM-235) Residential Lease
		Quarters 238 (FM-238) Residential Lease
		Quarters 239 (FM-239) Residential Lease
		Building 36 (FM-36) Residential Lease
		Building 38 (FM-38) Residential Lease
		Building 39 (FM-39) Residential Lease
		Quarters 41 (FM-41) Residential Lease
		Quarters 42 (FM-42) Residential Lease
		Quarters 43 (FM-43) Residential Lease
		Quarters 44 (FM-44) Residential Lease
		Quarters 46 (FM-46) Residential Lease
		Quarters 47 (FM-47) Residential Lease
		Quarters 48 (FM-48)
		Quarters 49 (FM-49) Residential Lease
		Quarters 50 (FM-0050) Residential Lease
		Fort Barry 955
		Fort Barry 956
		Quarters 17 (PB-008) Residential Lease
		Quarters 18 (PB-009)
		Quarters 19 (PB-010)
		Garage (PB-6)
	San Francisco Maritime National Historical Park	Haslett Warehouse
Delaware	First State National Historical Park	100 Ramsey Road Garage
		137A Beaver Valley Rd Spring House
		140 Beaver Valley Rd Barn
		400 Ramsey Rd Garage
		404 Ramsey Rd Garage
		406 Ramsey Rd Barn
		4700 Thompson Bridge Rd Shed
		4700 Thompson Bridge Rd Bank Barn
		4700 Thompson Bridge Rd Garage
		4700 Thompson Bridge Rd Pole Barn
		500 Woodlawn Garage
		502 Woodlawn Garage
		800 Beaver Valley Garage
		800 Beaver Valley Rd Spring House
		810 Beaver Valley Rd Spring House
		100 Ramsey Road
		137 Beaver Valley Rd

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
Delaware (continued)	First State National Historical Park (continued)	140 Beaver Valley Rd
		400 Ramsey Rd
		404 Ramsey Rd
		406 Ramsey Rd
		4700 Thompson Bridge Rd
		498 Woodlawn
		500 Woodlawn Rd
		502 Woodlawn Rd
		503 Beaver Valley Rd
		601 Beaver Valley Rd
		601A Beaver Valley Rd
		701 Beaver Valley Rd
		800 Beaver Valley Rd
		810 Beaver Valley Rd
		Ramsey House
District of Columbia	Chesapeake & Ohio Canal National Historical Park	Washington Canoe Club
Georgia	Fort Pulaski National Monument	Cockspur Island Pilot House
	Martin Luther King, Jr. National Historic Site	445 Edgewood Ave. NE
		53 Blvd
		55 Blvd
		54-A Howell St
		54B Howell St
		54C Howell St
		472 Auburn Avenue
		474 Auburn Avenue
		476 Auburn Avenue
		478 Auburn Avenue
		480 Auburn Avenue
		484 Auburn Avenue
		488 Auburn Avenue
		492 Auburn Avenue
		506 1A Auburn Avenue
		506 2B Auburn Avenue
		506 3C Auburn Avenue
		506D Auburn Avenue
		509 1A Auburn Avenue
		509 2A Auburn Avenue
		509 3A Auburn Avenue
		509 4A Auburn Avenue
		509 5B Auburn Avenue

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
Georgia (continued)	Martin Luther King, Jr. National Historic Site (continued)	509 6B Auburn Avenue
		509 7B Auburn Avenue
		510 Auburn Avenue
		514A Auburn Avenue
		514 B Auburn Avenue
		522 Auburn Avenue
		535 Auburn Avenue
		540-A Auburn Avenue
		540-B Auburn Avenue
		546-A Auburn Avenue
		546B Auburn Avenue
		550-A Auburn Avenue
		550B Auburn Avenue
		550C Auburn Avenue
		550 D Auburn Avenue
Hawaii	Hawaii Volcanoes National Park	1877 Volcano House
Illinois	Lincoln Home National Historic Site	Sarah Cook House
Indiana	Indiana Dunes National Lakeshore	Armco-Ferro
		Cypress Log Cabin and Guest House
		Florida Tropical House
		Lindstrom/Wahl Farm
		House of Tomorrow
		Jacob Luston House
		Oscar and Irene Nelson Site
		Wiebold-Rostone
Iowa	Herbert Hoover National Historical Site	Post Office
Kansas	Brown v. Board of Education National Historical Site	Former Monroe Elementary School
Maryland	Antietam National Battlefield	Piper Farm Part 1
	Chesapeake & Ohio Canal National Historical Park	West House Site
		Cooper House
		Reitzell House
		Myers House Stable and Barn
Ohio	Cuyahoga Valley National Park	Point Biro Farm House
		Point Biro Farm Garage
		Point Biro Farm Barn
		Point Biro Farm Shed
		Welton Farm House
		Welton Farm Barn
		Welton Farm Shed
		Schmidt-Foster Farm House

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
Ohio (continued)	Cuyahoga Valley National Park (continued)	Schmidt-Foster Farm Barn
		Edgar Farm
		Holland Farm House
		Martin Farm House
		Martin Farm Shed
		Benedict
		Happy Days, Hines Hill Conference Center and Stone Cottage
		Vaughn Farm
		Wallace Farm-Inn
		Conrad Botzum Farmstead
		Garvey Farm House
		Grether Farm House
		Gleeson Farm House
		Parry Farm
Maine	Acadia National Park	B-299C Bear Island Light Station - Boat House
		B-299 Bear Island Light Station - Keepers House
		B-299A Bear Island Light Station - Light Tower
		B-299B Bear Island Light Station- Barn
		Bear Island Historic Landscape
Massachusetts	Boston National Historical Park	Building 32
		Building 125
		Constitution Museum-Gift Shop
	Cape Cod National Seashore	Kugel-Gips House
		Ahearn House
		Higgins House
		Rider House
		Hatch House
		McKay House
		Boule House
		Sirna House
		Fluerent Dune Shack
		Watson-Schmid Dune Shack
		Weidlinger House
		Bartlett
		Driver-Brady
		Highland House Museum
		Pamet River Coast Guard Station
	Lowell National Historical Site	Market Mills
		Old City Hall
	New Bedford Whaling National Historical Park	21-25 Water Street

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
Massachusetts (continued)	Minute Man National Historical Park	Elisha Jones House
		Swartz House
Michigan	Keweenaw National Historical Park	Quincy Mine Office
		Quincy Mining Company Pay Office
New Jersey	Gateway National Recreation Area	Building 335
		Sandy Hook Building 21
		Sandy Hook Building 22
		Sandy Hook Chapel
		Sandy Hook Theater
	Morristown National Historical Park	Reynolds House
New York	Federal Hall National Memorial	Federal Hall (EVENTS)
	Martin Van Buren National Historical Site	Roxbury Farm
		Farm Cottage
	Statue of Liberty National Monument	Laundry/Hospital Outbuilding
	Home of Franklin D Roosevelt National Historical Site	Drive In
		Red House
	Fire Island National Seashore	Bay and Garbo Houses
	Gateway National Recreation Area	Building 74 - Land Lease
		Hangars 1 and 2
		Fort Tilden T-4 Theatre
		Rockaway Little League (Building T-158)
		JABA BU-NSFB-C Riding Academy Main/Arena Bldg
		JABA BU-NSFB-C Riding Academy Isolation Bldg
		Bergen Beach Stables
		JABA BU-BP-P-RPYC Rockaway Point Yacht Club
		D-BP-P RPYC Rockaway Point Yacht Club Dock
		JABA PK-BP-P RPYC Rockaway Point Yacht Club Parking Lot
		GR-BP Rockaway Point Maintained Landscape
		BU-BP-P-RPYC Rockaway Point Shower House
		BU-BP-P-RPYC Rockaway Point Oar House
		BU-BP-P-RPYC Rockaway Point Gazebo
		Riis Beach Bay 9 West Mall Building, Suite 1
		Riis Beach Bays 2
		Riis Beach Bays 14
		Riis Beach Suite 3

Facilities Currently Leased by the NPS (continued)		
State	**National Park System Unit**	**Facility Name**
Pennsylvania	Delaware Water Gap National Recreation Area	Cliff Park Buchanan Clubhouse
		Cliff Park 2 story Maintenance Building
		Cliff Park 1 story Maintenance/Mower Shop
		Cliff Park Maintenance Building
		Concrete Shed
		Dutch Reform Church
		Altman House
		Virginia Kidd House
	Independence National Historical Park	Thomas Bond House
		2nd St Parking Garage
		IVC Parking Garage
		314/316 Market St
	Gettysburg National Military Park	Sherfy House
	Johnstown Flood National Memorial	Annex Building, Apartment 1
		Annex Building, Apartment 2
		Annex Building, Apartment 3
		Annex Building, Apartment 4
	Valley Forge National Historical Park	David Walker - Main House
		David Walker - Barn
		David Walker - Root Cellar
		David Walker - Cottage
		Kennedy Supplee Carriage House
		Log Cabin and School House
		Philander Chase Knox
		Post Office
Virginia	Fort Monroe National Monument	Bay Breeze
		RV Park
	Colonial National Historical Park	Somerewell House
Washington	Ebey's Landing National Historical Reserve	Ebey's Landing
	Fort Vancouver National Historic Site	Pearson Airfield
		East and South Vancouver Building 404
		Building 987
West Virginia	New River Gorge National River	Camp Brookside

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG - 7 2018

The Honorable Tom McClintock
Chairman
Subcommittee on Federal Lands
Committee on Natural Resources
United States House of Representatives
Washington, D.C. 20515

Dear Chairman McClintock:

Enclosed are responses to follow-up questions from the legislative hearing held on the May 22, 2018, on H.R. 5751. These responses were prepared by the National Park Service.

Thank you for the opportunity to respond to you on these matters.

Sincerely,

Christopher P. Salotti
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosure

cc: The Honorable Coleen Hanabusa
Ranking Member

Questions for the Record
Subcommittee on Federal Lands
Committee on Natural Resources
Legislative Hearing Held on May 22, 2018

Question from Rep. McEachin for Deputy Director P. Daniel Smith:

1. I am extremely displeased with the National Park Service's announcement yesterday that it is proposing to roll back a regulation prohibiting inhumane and scientifically unjustified methods of hunting on National Preserve lands in Alaska. I have opposed attempts to roll back this regulation and continue to believe that these hunting methods have no place on federal lands. NPS is statutorily mandated to conserve wildlife species on National Preserve lands and in 2015, after an extensive, multi-year engagement process, NPS implemented the current commonsense wildlife management regulations. Please explain how the Service can disregard all of that work and do a complete 180 on its position.

Response:

Since the 2015 final rule (Alaska; Hunting and Trapping in National Preserves, 80 FR 64325) was implemented, Secretary Zinke has issued two Secretarial Orders (3347, 3356) regarding how the Department should manage recreational hunting and trapping in the lands and waters it administers. These orders include direction representing the Secretary's desire to better collaborate with state, tribal, and territorial partners.

The proposed changes to regulations (Alaska; Hunting and Trapping in National Preserves, Docket Number 1024-AE38), are part of the National Park Service's (NPS) efforts to work cooperatively with the state of Alaska to ensure that hunting regulations for adjacent lands and waters are complementary. Taking into account the Secretarial Orders described above, NPS has re-considered its earlier conclusions and has proposed allowing these previously prohibited practices, consistent with the goal of aligning its rules with those of the State.

The proposed rule was published in the Federal Register on May 22, 2018, and is currently open for public comment. NPS will also be conducting an environmental assessment of the proposed changes, pursuant to the National Environmental Policy Act. Once the public comment period ends and the environmental assessment is completed, the NPS will review the comments and that input will inform the final rule, which would also be published in the Federal Register. The final rule would be effective 30 days after this publication.