

**Statement of
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U.S. Department of the Interior
Before the
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Subcommittee on Energy and Mineral Resources
Hearing on the FY 2009 Budget Request
of the Bureau of Land Management
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Mr. Chairman and Members of the Subcommittee, thank you for the opportunity to appear here today to discuss the President's Fiscal Year (FY) 2009 Budget request for the Bureau of Land Management (BLM) in the Department of the Interior (DOI).

Background

The Bureau of Land Management is dedicated to ensuring that the American public benefits from the Agency's multiple-use mandate. As stewards of approximately 258 million acres, the BLM manages these public lands in accordance with the 1976 Federal Land Policy and Management Act. These public lands contain a myriad of resources and provide for a variety of our Nation's needs, including those related to outdoor recreation, domestic energy, minerals, wildlife habitat, livestock grazing, timber, and other natural, cultural, and historical resources. With the rapid population growth in the west – from nearly 20 million people in 1950 to more than 65 million today – the pressures to meet complex and sometimes competing demands for public land resources also has grown exponentially. Today, over 4,100 communities, with a combined population of over 57 million people, are located within 25 miles of BLM-managed public lands.

Recognizing these challenges, the BLM's FY 2009 Budget request focuses on the following six emphasis areas: Land Health; Southwest Border; National Landscape Conservation System (NLCS); Energy Security; Community Growth; and Non-Energy Commodity Use. These emphasis areas embody the highest priority work facing the BLM. By addressing them in a comprehensive and interdisciplinary way, the BLM can ensure continued use of the public lands for both traditional uses and other needs that support community growth and expansion.

At the core of this work is the Healthy Lands Initiative (HLI). HLI is a multi-year program, initiated in FY 2007, which focuses on implementing landscape-scale habitat restoration and conservation projects across both public and private lands. The goal of the Healthy Lands Initiative is to conserve and restore damaged and threatened landscapes in an effort to prevent species from being listed so that we can continue to provide access for multiple uses. The HLI does not relieve the energy industry of its obligations to manage oil and gas operations in an environmentally-sensitive manner or to fund reclamation and remediation when required. To date, we have had many success stories that illustrate HLI's ability to preserve the diversity and productivity of the public lands. For example, near Roswell, New Mexico, the BLM is working closely with private, state, and other Federal partners to restore desert grasslands that are being supplanted with invasive mesquite. Removing the mesquite from these landscapes reduces

habitat fragmentation for important species such as the Lesser Prairie Chicken and Aplomado Falcon and improves the overall natural biodiversity of desert grasslands. In 2007, 52,013 acres of Federal lands and 9,043 acres of private and State land were successfully treated in this area. A key to this and similar successes across Utah, Idaho, Nevada and Wyoming, is the partnership aspect of HLI and working closely with our neighbors to initiate landscape level restoration work that allows for continued healthy, working landscapes. The BLM leverages appropriated funding with matching funds provided by other Federal agencies, State, local and tribal governments; philanthropic organizations; advocacy groups; and energy industry partners. By building on these successes, in FY 2009 the BLM plans to expand HLI to parts of California and Colorado.

Budget Overview

The BLM's FY 2009 Budget request is \$1.002 billion for the BLM's major appropriations. This represents a net decrease of \$5.7 million from the FY 2008 enacted level. With respect to the BLM's two main operating accounts, Management of Lands and Resources and Oregon and California Grant Lands, the BLM is requesting a \$10.6 million increase over the FY 2008 enacted level of funding and is retaining some increases in several key programs that were provided by the Congress in FY 2008. Including the proposed cancellation of \$24.7 million in unobligated balances, the net FY 2009 Budget request for current appropriations is \$977.4 million. When permanent accounts are included, the BLM's total budget request is approximately \$1.2 billion.

As one of the Nation's oldest land management agencies, the BLM delivers value on a daily basis to the American public. The BLM manages programs that provide significant revenues to the Federal Treasury and to State and local governments. Royalties collected from energy leasing, and fees collected from grazing permits and timber sales, among others, all serve to benefit the taxpayer. In 2009, public lands will generate an estimated \$6.2 billion in revenues, mostly from energy development. Approximately 44 percent of these receipts are provided directly to States and counties to support roads, schools, and other community needs.

FY 2009 Budget Emphasis Areas

The FY 2009 Budget request advances the BLM's top priorities within the scope of the six emphasis areas. Addressing these specific areas enables the BLM to fulfill its multiple-use mission in the most effective and efficient way possible. It also enables us to continue allowing for traditional uses of the public lands, such as grazing and mining, while also addressing various needs that are associated with growth, including increased demands for recreation, law enforcement, land restoration, and land use authorizations. The six emphasis areas are as follows:

Land Health - The Land Health emphasis area recognizes the need for a holistic, landscape-level approach to managing the public lands. The long term goal of this emphasis area is to sustain natural resources and to keep species healthy and resilient in light of increasing pressures. Land restoration efforts will be targeted toward priority watersheds to achieve various resource objectives, including resource protection, rehabilitation, and biological diversity. As discussed above, HLI is a key component of this emphasis area.

In FY 2009, the BLM is requesting a \$10.0 million increase over the FY 2008 enacted level of funding of \$4.9 million, for a total of \$14.9 million for HLI. The BLM proposes to expand HLI from the six initial project areas located in New Mexico, Utah, South-central Idaho, Southwest Wyoming, Southeast Oregon-Southwest Idaho-Northern Nevada, and Western Colorado, to California. The Colorado project area will also be expanded to the northwestern part of the State in 2009. At this level of funding, the BLM proposes to apply approximately 357,000 acres of restoration treatments. BLM partners are expected to contribute \$3.4 million in FY 2008. Since BLM does not yet have data to estimate partner contributions in 2009, the budget assumes partner contributions in 2009 will be at the same level as 2008.

Another important component of the Land Health emphasis area is addressing the population of wild horses and burros on the public lands. In order to maintain healthy rangelands, the BLM works to remove excess horses from the range. In FY 2009, the BLM proposes an increase of \$678,000 for the Wild Horse and Burro program. A portion of the funds will be used to remove approximately 3,300 animals from the range in an effort to bring the number of wild horses and burros closer to appropriate management levels. The funding will also be used to care for and feed horses in holding facilities.

Southwest Border – The BLM is responsible for managing over 8.8 million acres of public lands in Arizona, California, and New Mexico that are within 100 miles of the Mexican border. These lands are severely impacted by activities associated with illegal immigration and drug smuggling, creating a hazardous environment for BLM employees and the public. In addition to public health and safety issues, illegal activities have resulted in significant resource damages. To address these issues, the BLM's FY 2009 Budget request includes an increase of \$1.0 million for resource mitigation efforts.

Through the Safe Borderlands Initiative, funding will be used to improve communications equipment and infrastructure, and to hire and equip additional law enforcement officers with the necessary communication devices. This will allow the BLM to improve law enforcement capabilities and coordinate more efficiently with other agencies, including the Department of Homeland Security. The requested increase of \$1.0 million will be used to mitigate resource damages, remove thousands of pounds of litter (including abandoned vehicles and bicycles), develop signage, and close abandoned mines.

Energy Security - The Energy Security emphasis area recognizes that BLM-managed resources will continue to play a critical role in meeting the Nation's energy needs. After taking into consideration overall program increases and offsetting cost recovery fees, the net program funding increase for the Oil and Gas Management program from all funding sources is \$7.8 million over the FY 2008 enacted level. This includes an increase of \$21.9 million in requested appropriations in the Oil and Gas Management program to partially restore base funding that Congress shifted to offsetting collections in 2008 through the imposition of a statutory APD fee that expires at the end of 2008. These funds will be directed toward developing reliable energy sources in an environmentally-responsible manner, expanding collaborative rehabilitation efforts, and improving access for energy development. Key changes that support these priorities include:

- An \$11.2 million increase to remediate the Atigaru legacy well site on Alaska's North Slope;
- A \$376,000 increase for the North Slope Science Initiative multi-governmental collaborative effort to address research, inventory, and monitoring needs related to energy development;
- A \$2.0 million reduction in oil shale management, reflecting the fact that most portions of the programmatic environmental impact statement will be completed in 2008; and
- An additional \$400,000 in base funding will be redirected from the oil shale program to oil and gas inspection activities to further ensure environmentally-sound oil and gas operations.

The FY 2009 Budget request also proposes to amend Section 365 of the Energy Policy Act of 2005 to allow the BLM to undertake a rulemaking to permanently institute cost recovery fees on applications for permits to drill and to authorize a \$4,150 interim fee while such rulemaking is under development. This fee is expected to generate \$34 million in FY 2009 and effectively makes permanent the intent of the 2008 Congressional action with respect to charging a fee to APD applicants. The proposal would also return to the Treasury the mineral leasing rental revenues that Section 365 diverted to a new BLM Permit Processing Improvement Fund.

National Landscape Conservation System (NLCS) - The NLCS emphasis area recognizes the BLM's responsibility to manage a system of 680 Wilderness and Wilderness Study Areas, 12 National Scenic and Historic Trails, 38 National Wild and Scenic Rivers, 15 National Monuments and 12 National Conservation Areas for unique conservation objectives. In recognition and demonstration of the importance of these areas, the BLM's FY 2009 Budget request proposes to:

- prioritize protection and restoration of NLCS landscapes by retaining \$3.0 million of the one-time \$4.9 million increase provided by Congress in FY 2008.
- better manage and increase transparency for the National Monuments and National Conservation Areas, by establishing new budget subactivities in the Management of Lands and Resources and Oregon and California Grant Lands accounts called National Monuments and National Conservation Areas to complement the existing NLCS Wilderness subactivity. Approximately \$19.3 million in base funding will be permanently redirected from other programs that currently fund these units.
- target \$3.0 million in Challenge Cost Share program funds to NLCS units for high priority work with partnership matching funds.

Community Growth – Efforts under the Community Growth emphasis area will directly focus on addressing the programmatic demands placed on the BLM in support of community expansion. As indicated earlier, the population increase in the West is placing greater demands on BLM field offices in highly populated areas. To address these challenges, the BLM proposes to redirect \$8.0 million in base funding from field offices in areas less affected by population growth to BLM offices in areas experiencing impacts

from rapid population growth. The funding shifts would occur wholly within states, not between states, and would focus on the highest priority needs. The funds would support programmatic functions associated with recreation, particularly off-highway-vehicle use, hazardous materials cleanup, protection of important natural and cultural resources, law enforcement, and the realty actions that go along with increased land use authorizations.

Non-Energy Commodity Use – The Non-Energy Commodity Use emphasis area recognizes the BLM’s importance in contributing to working landscapes and its role in supporting the traditional uses of the public lands, particularly in rural communities. Local governments, small businesses, and BLM permittees all benefit when BLM provides timely grazing permit renewals, makes forest woodland products available for commercial production, and makes available non-energy minerals such as sand and gravel. In support of these efforts, the BLM is revising its western Oregon resource management plans in part to meet its commitment to offer timber for sale as agreed to in the Northwest Forest Plan Settlement Agreement. We also recognize the importance of woody biomass and other mineral resources that support rural communities, and we will continue to focus our efforts on providing those resources.

Other Budget Changes

To help fund higher priorities, the budget proposes several programmatic decreases. Select decreases include reductions of approximately \$5.0 million for Resource Management Planning (\$4.0 million in MLR and \$1.0 million in O&C); approximately \$10.0 million in Deferred Maintenance; \$1.9 million in Construction; \$3.8 million in Land Acquisition; and \$3.1 million for the Alaska Conveyance program. Cost savings totaling \$4.0 million will also be achieved by reducing travel costs and improving our contracting efficiencies. In part, these reductions take into account savings that can be achieved due to past programmatic accomplishments.

Finally, we are also realizing savings of approximately \$4.7 million through Managing for Excellence, the BLM’s strategic reorganization effort. These savings are the result of efficiencies and reduced costs in the Washington Office and the consolidation of certain operations through the centralization of personnel and information technology services.

In a departure from prior year budgets, starting in FY 2009, DOI proposes to permanently move the Interior Wildland Fire Management appropriation to the Department in order to enhance program oversight and accountability. This does not impact ongoing fire operations and the program will continue to be conducted collaboratively among DOI bureaus and with the Forest Service.

Conclusion

The BLM’s FY 2009 Budget is a responsible approach in light of the vast land management challenges we face and the cost savings we are realizing through organizational and administrative reorganization. Mr. Chairman, thank you for the opportunity to testify. I will be pleased to answer any questions you may have.