



DEPARTMENT OF THE INTERIOR

Funding Highlights:

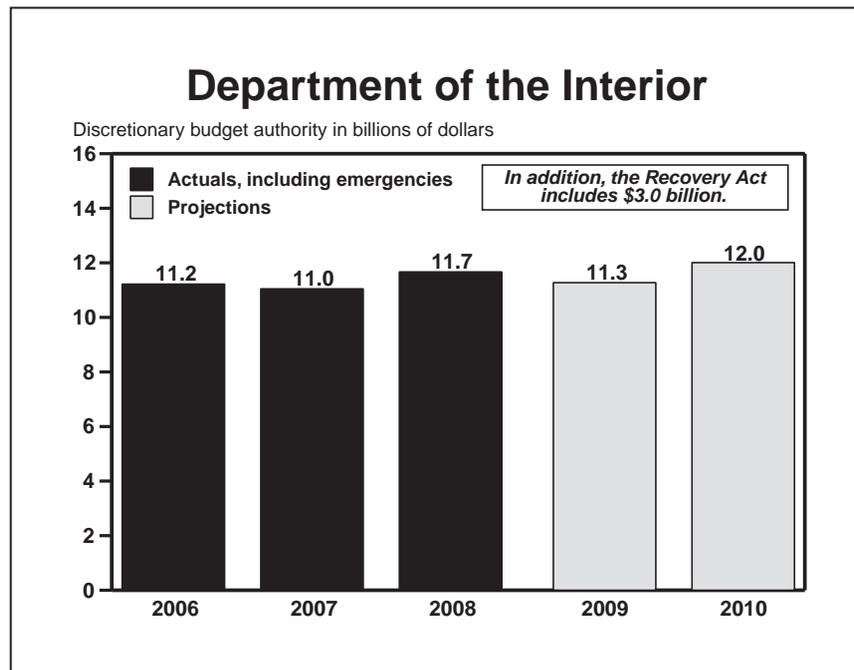
- Protects national parks with \$100 million in additional funds to operate and maintain park facilities and resources and \$25 million to leverage private donations for park projects.
- Conserves new Federal and State lands and protects endangered species with appropriations of about \$420 million from the Land and Water Conservation Fund, with annual increases to reach full funding of \$900 million by 2014.
- Assists State and Federal land management agencies with over \$130 million in additional funding to monitor, adaptively manage and assess the impacts of climate change on the Nation's lands, fish and wildlife.
- Creates educational and job opportunities for young people through expanded environmental education activities and new programs to encourage them to hunt and fish responsibly.
- Strengthens Native American communities through an increase of over \$100 million for enhanced law enforcement and education.
- Anticipates future costs for catastrophic wildfires with a new contingent funding reserve of \$75 million for the Department of the Interior.
- Invests over \$50 million to promote renewable energy projects on Federal lands and waters.
- Encourages responsible development of oil and gas resources and closes loopholes that have given oil companies excessive royalty relief for offshore leases.

The President's 2010 Budget includes \$12 billion for the Department of the Interior (DOI) to undertake initiatives to protect and preserve America's national parks and public lands, conserve wetlands and wildlife habitat, strengthen Native American communities, enhance outdoor opportunities for young people, and promote energy security with a focus on clean renewable sources and strategies to address climate change.

Protects National Parks. The President is committed to preserving the Nation's national parks, with a \$100 million increase in park oper-

ations (plus inflation) to protect the investments made through the American Recovery and Reinvestment Act of 2009, and maintain facilities and natural resources. An additional \$25 million will provide matching funds to leverage private donations in preparation for the 100th anniversary of the National Park Service.

Conserves New Lands. While Americans can take great pride in our existing national parks and other public lands, there are many landscapes and ecosystems that do not have adequate protection. One way to protect these



landscapes is to increase funding through the Land and Water Conservation Fund (LWCF) to acquire and conserve new parks and public lands, with a focus on ecosystems that do not yet have the protection they deserve. The Budget increases LWCF funding for DOI by over \$80 million, bringing the total request for the Departments of Agriculture and the Interior to approximately \$420 million in 2010. This will put the Administration on track to fully fund LWCF programs at \$900 million by 2014.

Assesses and Responds to the Impact of Climate Change on Wildlife. Climate change poses a threat to America's fish and wildlife, as natural habitats are modified more rapidly than plants and animals can adjust. Scientific analyses are needed to understand the breadth of these changes. Federal land management agencies, States, and Tribes all need to update land management and species recovery plans to reflect the impacts of climate change on wildlife. They also need to monitor how wildlife is adapting and accelerate projects, such as protecting migration corridors, to help wildlife adjust. The Budget includes increases of more than \$130 million, of which \$40 million is shared with the States for wildlife adaptation. Additionally, the Budget increases funds by \$10 million for North American Wetlands Conserva-

tion Act (NAWCA) activities to acquire, restore, or protect wetlands used by migratory waterfowl and other birds. This is the first step in fully funding NAWCA at \$75 million by 2012.

Encourages Youth Education and Involvement. The President is keenly aware of the important role that hunters and anglers play in the conservation of the Nation's wildlife and natural habitats. The Administration seeks to forge a broad coalition to address great conservation challenges, and America's hunters and anglers play an important part. To help preserve the national traditions of hunting and fishing shared by families across the country, the Budget provides funding to help States establish creative programs and strategies to encourage young people and minority populations to responsibly hunt and fish. The Budget also expands opportunities for youth education including internships to instill environmental awareness. These programs will receive increases of over \$50 million.

Strengthens Native American Communities. The Administration supports the principle of tribal self-determination and will work to improve tribal law enforcement and education. The Budget includes over \$100 million in increased funding to the Bureau of Indian Affairs for law

enforcement and education. Additional funding is also available through the Departments of Justice and Education. These funds will strengthen tribal courts, detention centers, and police programs to help Native Americans protect their communities. The Budget also increases funding for tribal colleges and scholarships and provides funding earlier in the academic year, giving the colleges greater financial security.

Establishes a Dedicated Fund to Fight Wildfires. The Budget establishes a dedicated fund for catastrophic wildfires and fully funds the 10-year average suppression costs, coupled with program reforms that ensure fire management resources are focused where they will do the most good. This \$75 million discretionary contingent reserve provides funding that is only available for fighting catastrophic wildfires after the appropriated 10-year average is exhausted. This funding and the associated reforms provided in the Budget will improve wildfire operations and promote safe, cost-effective and accountable results from investments made in managing fire on landscapes.

Invests in a Clean Energy Future. DOI will play a central role in achieving the President's vision for a clean energy future — advancing our national security, environmental security, and economic opportunity. The Department will help lead the way when it comes to enhancing the Nation's domestic energy supply and moving toward a clean energy economy. Our public lands, and the offshore resources that we control already provide close to one-third of our entire domestic supply of oil and gas resources. The Budget includes over \$50 million in increases to conduct the environmental evaluations and technical studies needed to spur development of renewable energy projects, assess available alternative resources, and mitigate the impacts of development.

Ensures Responsible Production of Energy on Federal Lands. DOI will take steps to ensure that oil and gas companies diligently develop their oil and gas leases or risk losing them ("use or lose"). One step is to charge a new fee on non-producing leases in the Gulf of Mexico. This

provides an added incentive for oil companies to either start producing or relinquish the leases so that others may bid on them.

Provides a Better Return to Taxpayers from Mineral Development. The public receives over \$12 billion annually from fees, royalties, and other Federal payments related to oil, gas, coal, and other mineral development. Yet, that return could be improved by closing loopholes, charging appropriate fees, and reforming how royalties are set. The Budget proposes a number of actions to ensure that Federal taxpayers receive their fair share, such as:

- Using a new excise tax on offshore oil and gas production in the Gulf of Mexico to close loopholes that have given oil companies excessive royalty relief. This new tax will begin in 2011, after the economy has had time to recover.
- Terminating payments to coal-producing States that no longer need funds to clean up abandoned coal mines.
- Charging user fees to oil companies for processing oil and gas drilling permits on Federal lands.
- Increasing the return from oil and gas production on Federal lands through administrative actions, such as reforming royalties and adjusting rates.

Conserves Western Water. The Bureau of Reclamation and the Bureau of Indian Affairs support the development, management and restoration of water and related natural resources in 17 Western States and tribal lands while balancing competing uses of water. Consistent with this objective, the Budget provides funding in 2010 for a western water conservation initiative, which includes the Bureau of Reclamation's water reuse and recycling (Title XVI) program. The goal of this effort is to assist local communities' availability of water by encouraging voluntary water banks, wastewater treatment, and other market-based conservation measures.



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Promotes renewable energy development on Federal lands and waters with the goal of permitting at least 9,000 megawatts of energy capacity on Department of the Interior lands by the end of 2011.
- Stays on track to fully fund Land and Water Conservation Fund programs by 2014 by providing nearly \$620 million to acquire new lands for national parks, forests and refuges, protect endangered species habitat, and promote outdoor recreation.
- Helps Federal land managers address the impact of climate change by expanding the Department's science capability to develop vital decision support tools.
- Improves the return to taxpayers from U.S. mineral production through royalty reforms and industry fees.
- Strengthens Native American communities with funds to enhance the management capacity of tribal governments and improve coordination between Federal agencies on law enforcement.
- Prepares responsibly for wildfires with full funding for suppression and a contingency reserve fund.
- Promotes water conservation and science while balancing competing water resource needs.

The Department of the Interior (DOI) is committed to fulfilling its mission to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated Island Communities. The President's 2011 Budget provides \$12 billion to DOI to achieve these goals, while reforming inefficient programs and generating mandatory savings of about \$2.7 billion over 10 years.

Invests in a Clean Energy Future. DOI plays a key role in supporting the President's plan to create a clean energy future that holds the promise of an improved environment, enhanced energy security, and green jobs in new industries. DOI already manages public lands and offshore resources that provide about one-third of the domestic supply of fossil fuel resources. The Department is now expanding on that role to become a leader in promoting clean, renewable energy on Federal lands. The 2011 Budget adds \$14 million—on top of \$50 million in 2010 increases—to build agency capacity to review and permit renewable energy projects on Federal

lands. This includes conducting the environmental evaluations and technical studies needed to spur development of renewable energy projects, assess available alternative resources, and mitigate the impacts of development. DOI has set a goal to permit at least 9,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2011.

Conserves Landscapes and Ecosystems.

The Administration continues its commitment to acquire and conserve landscapes and ecosystems that lack adequate protection with increased funding from the Land and Water Conservation Fund (LWCF). The Budget provides an increase of \$106 million, or 31 percent, for LWCF programs in DOI that protect Federal lands for wildlife and public enjoyment and provide State grants for park and recreational improvements. Total LWCF funding for the Departments of Agriculture and the Interior is nearly \$620 million, keeping the Administration on track to fully fund LWCF programs at \$900 million by 2014. In addition, the Budget proposes to reauthorize and expand DOI's authority under the Federal Land Transaction Facilitation Act, so that the proceeds from the sale of low-conservation value lands may be used to acquire additional high-priority conservation lands.

Establishes Climate Science Centers.

Managing ecosystems and wildlife habitat that are facing the impact of climate change requires reliable data on changes, supporting science, and tools to bring these together to inform land management decisions. DOI is establishing a framework, which includes Climate Science Centers that will focus on the impact of climate change on a broad array of Departmental resources. The Budget includes an increase of \$14 million for these Centers to provide land managers with vital decision support tools based on the latest science.

Provides a Better Return to Taxpayers from Mineral Development. The public received about \$10 billion in 2009 from fees, royalties, and other Federal payments related to oil,

gas, coal, and other mineral development. Yet a number of recent studies by the Government Accountability Office and DOI's Inspector General have found that this return could be improved through more rigorous oversight and policy changes, such as charging appropriate fees and reforming how royalties are set. The Budget proposes a number of actions to ensure that Federal taxpayers receive a fair return from the development of U.S. mineral resources:

- Terminating payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines.
- Extending the practice of having States with mineral revenue payments help to defray the Federal costs in managing the mineral leases that generate the revenue.
- Charging user fees to oil companies for processing oil and gas drilling permits and inspecting operations on Federal lands and waters.
- Establishing fees for new non-producing oil and gas leases (both onshore and offshore) to encourage more timely production.
- Making administrative changes to Federal oil and gas royalties, such as adjusting royalty rates and terminating the royalty-in-kind program.

Empowers Tribal Nations. The Administration supports tribal self-determination and will assist tribal governments in enhancing their management capacity. The Budget provides increased funding to better compensate Tribes for the work they perform in managing Federal programs under self-determination contracts and self-governance compacts. In addition, the Budget includes proposals to foster better coordination between the Departments of the Interior and Justice on Indian law enforcement issues.

Prepares Responsibly for Wildfires. The Budget continues the long-standing practice of fully funding the 10-year average cost of wild-land fire suppression operations. To reduce the need for emergency appropriations, the Budget

for DOI includes an additional \$75 million funding reserve to be used only as a contingency when regular suppression funding is exhausted. The Budget also targets hazardous fuels reduction funding for activities in the wildland-urban interface where they are most effective. Priority is given to projects in communities that have met “Firewise” standards, identified acres to be treated, and invested in local solutions to protect against wildland fire.

Invests in Water Resources Infrastructure and Science. The Budget continues to focus resources on the Department’s Water Conservation initiative, which assists local communities in increasing water availability by encouraging voluntary water banks, reuse of treated wastewater,

and other market-based conservation measures. The initiative also includes the Bureau of Reclamation’s water reuse and recycling (Title XVI) program and invests an additional \$9 million in a multi-year, nationwide study of water availability and use by the U.S. Geological Survey. Moreover, in coordination with other Federal agencies and the State of California, the Department is also participating in activities and dedicating resources to foster continued progress in the restoration of a number of sensitive ecosystems, including the California Bay-Delta. The Department will work with Federal interagency working groups to develop performance measures and tools to identify those restoration activities that yield the highest returns to taxpayers.

Department of the Interior
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
Spending			
Discretionary Budget Authority:			
Bureau of Land Management	1,062	1,143	1,151
Minerals Management Service	163	181	190
Office of Surface Mining	164	163	146
Bureau of Reclamation/CUPCA	1,124	1,129	1,108
U.S. Geological Survey	1,044	1,112	1,133
Fish and Wildlife Service	1,443	1,647	1,642
National Park Service	2,558	2,791	2,759
Bureau of Indian Affairs	2,379	2,619	2,566
Office of the Special Trustee	182	186	160
All other	1,133	1,183	1,250
<i>Wildland Fire (non-add)</i>	<i>859</i>	<i>856</i>	<i>934</i>
Subtotal, Gross discretionary budget authority	11,252	12,154	12,105
Mandatory Savings Proposals	—	—	-70
Total, Discretionary budget authority	11,252	12,154	12,035
<i>Memorandum:</i>			
<i>Budget authority from American Recovery and Reinvestment Act</i>	<i>3,005</i>	—	—
<i>Budget authority from supplementals</i>	<i>50</i>	—	—
Total, Discretionary outlays	11,298	12,387	12,439

Department of the Interior—Continued
(In millions of dollars)

	Actual 2009	Estimate	
		2010	2011
<i>Memorandum: Outlays from American Recovery and Reinvestment Act</i>	168	1,255	1,128
Mandatory Outlays:			
Cobell Settlement			
Legislative proposal, Payments from the Judgment Fund	—	-2,000	—
Legislative proposal, Payments for Trust Land Purchasing	—	100	400
All other			
Existing law	485	420	334
Legislative proposals	—	—	-96
Total, Mandatory outlays	485	-1,480	638
Total, Outlays	11,783	10,907	13,077
Credit activity			
Guaranteed Loan Commitments:			
Indian Guaranteed Loan Program	78	134	132
Total, Guaranteed loan commitments	78	134	132



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Provides \$12 billion, which is roughly the same as in previous years. This reflects increases in land and water conservation programs as well as increased funding for oversight of offshore oil and gas drilling. Savings are achieved through decreases in the U.S. Geological Survey, significant reductions to construction programs across the Department, and some tribal program reductions.
- Supports the development of new solar, wind, and geothermal electricity generation capacity, which can create jobs, drive growth and mitigate the effects of climate change.
- Promotes water conservation through programs like the water reuse and recycling effort and WaterSMART, and continues restoration of sensitive ecosystems such as the California Bay-Delta.
- Provides over \$500 million to restructure the Bureau of Ocean Energy Management, Regulation and Enforcement and strengthen oversight of offshore oil and gas operations in the aftermath of the unprecedented Deepwater Horizon explosion and oil spill.
- Improves the return to taxpayers from mineral production on Federal lands and waters through royalty reforms and industry fees.
- Conserves landscapes and promotes outdoor recreation and youth employment in national parks, refuges, and on other public lands through the America's Great Outdoors initiative.
- Reduces the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines.
- Strengthens Native American communities through the Tribal Law and Order Act of 2010 with funding to reduce crime and protect natural resources.

The Department of the Interior's (DOI) mission is to protect and manage the Nation's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities or special commitments to American Indians, Alaska Natives, and Insular areas. With this function in mind, as the Nation's economy continues to grow,

the President's 2012 Budget provides \$12 billion for DOI, which is roughly the same as in previous years, and includes mandatory proposals that would save the Treasury about \$3 billion over 10 years. This reflects a continued increase in land and water conservation programs—an Administration priority—and an increase for offshore oil drilling oversight in the wake of the Gulf Coast oil spill. As with all Departments, cuts had to be made in other worthy areas including construction programs for tribal facilities, national parks, wildlife refuges, and public lands.

Invests in Clean Energy Development and Natural Resources for Economic Growth

Funds the Development of Clean Energy and Tackles the Challenges of a Changing Climate. To enhance energy security, create green jobs in new industries, and mitigate the effects of climate change, the Administration proposes key funding increases for renewable energy development and Federal natural resource stewardship. The Budget includes \$73 million to maintain capacity to review and permit new renewable energy projects on Federal lands, with the goal of permitting at least 9,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2011. The Administration proposes funding for a framework of climate science centers and landscape conservation cooperatives that will assist Federal land managers and other affected land, water and wildlife professionals to respond to changes in water resources and habitat due to climate change. The Budget proposes \$48 million for the U.S. Geological Survey to take charge of the Landsat satellite program, which collects remote sensing data that are invaluable for many purposes, including natural resource management and climate research.

Protects and Restores Water Resources and Infrastructure. The Administration continues to focus resources on the Department's Water Conservation activities, including the Bureau of Reclamation's water reuse and recycling (Title

XVI) and WaterSMART grant programs. The Bureau of Reclamation is also helping to bring reliable water supplies through its rural water program to a number of Western States. Moreover, in coordination with other Federal agencies, States, and other stakeholders, the Department is also participating in activities and dedicating resources to foster continued progress in the restoration of a number of sensitive ecosystems, including the California Bay-Delta.

The Administration's water policy goals are dependent upon Federal agencies working together and with State and local governments, Tribes, industry, and the agriculture sector. This outreach and cooperation enables Federal agencies to better identify gaps in information, incorporate stakeholder input, reduce barriers to effective action, and eliminate redundancies. This cooperation has led to numerous actions the Administration has taken to improve national water policy, including: reducing the environmental impacts of surface mining in Appalachia and developing a national framework of reliable, unbiased and current data on freshwater resources. In 2012, the Administration implements the Claims Resolution Act of 2010 with funding for newly enacted water settlements.

Improves the Way Federal Dollars Are Spent

Reorganizes and Reforms the Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) to Increase Oversight of Offshore Drilling. In the wake of the Deepwater Horizon disaster and subsequent oil spill, the Administration has initiated comprehensive reforms in BOEMRE, the agency that manages offshore oil and gas drilling on the Nation's Outer Continental Shelf (OCS). In addition to establishing greater independence for a new safety and environmental enforcement agency being created as a result of the incident, the Administration is aggressively implementing management reforms to strengthen oversight of OCS oil and gas operations. These investments are consistent with recommendations for stron-

ger oversight made by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling in their January 2011 report. The Budget proposes over \$500 million to restructure BOEMRE; hire new oil and gas inspectors, engineers, scientists, and other key staff to oversee industry operations; establish real-time monitoring of key drilling activities; conduct detailed engineering reviews of offshore drilling and production safety systems; and implement more aggressive reviews of company oil spill response plans. These reforms will also facilitate the timely review of offshore oil and gas permits.

Reduces Funding for Construction Projects. As with all Departments, cuts had to be made in other worthy areas including construction programs for tribal facilities, national parks, wildlife refuges, and public lands. In total, construction costs are reduced from 2010 levels by 36 percent in order to target funds for the highest priority programs.

Provides a Better Return to Taxpayers from Mineral Development. The public received about \$9 billion in 2010 from fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters. A number of recent studies by the Government Accountability Office and DOI's Inspector General have found that taxpayers could earn a better return through more rigorous oversight and policy changes, such as charging appropriate fees and reforming how royalties are set. The Budget proposes a number of actions to receive a fair return from the development of U.S. mineral resources:

- Charging a royalty on select hardrock minerals (such as silver, gold and copper).
- Terminating unwarranted payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines.
- Extending net receipts sharing, where States receiving mineral revenue payments

help defray the costs of managing the mineral leases that generate the revenue.

- Charging user fees to oil companies for processing oil and gas drilling permits and inspecting operations on Federal lands and waters.
- Establishing fees for new non-producing oil and gas leases (both onshore and offshore) to encourage more timely production.
- Making administrative changes to Federal oil and gas royalties, such as adjusting royalty rates and terminating the royalty-in-kind program.

Protects America's Natural Resources and Heritage

Conserves Landscapes and Ecosystems and Promotes Outdoor Recreation. The America's Great Outdoors (AGO) initiative supports Federal, State, local, and tribal conservation efforts while reconnecting Americans, particularly young people, to the outdoors. DOI plays a critical role in AGO by conserving natural and cultural resources, protecting wildlife, and providing recreational opportunities in national parks, refuges, and public lands. The Administration maintains support for land management operations, and fully funds at \$900 million the Land and Water Conservation Fund (LWCF) programs in the Departments of the Interior and Agriculture. The 2012 Budget leverages and integrates efforts of the Fish and Wildlife Service, the National Park Service, the Bureau of Land Management, and the U.S. Forest Service, along with States, Tribes and others, to conserve the most critical landscapes. This includes \$200 million for State LWCF grants, some of which will be competitively awarded to address priorities and leverage resources for urban parks and public-private conservation projects. The Administration also proposes funding for key grant and partnership programs, such as the Challenge Cost Share and historic preservation programs, and reauthorizes DOI's authority

under the Federal Land Transaction Facilitation Act to use proceeds from the sale of low-conservation value lands to acquire additional high-priority conservation lands.

Reduces the Environmental Impacts of Mining. The Budget mitigates the environmental impacts of mining by dedicating and prioritizing funds to clean up abandoned mines and by strengthening the regulation of active coal mining. For abandoned coal mines, DOI currently charges industry an abandoned mine land (AML) fee and allocates receipts to States based on production, rather than on reclamation needs. The Administration proposes to target these coal AML fee receipts at the most hazardous sites through a new competitive allocation process with State participation. It also proposes to establish a new AML fee on hardrock mining, with receipts allocated through a competitive process to reclaim abandoned hardrock mines, so that the hardrock mining industry is held responsible in the same manner as the coal mining industry. As for current coal mining, the Administration

proposes increased funding for DOI to improve oversight, as part of an interagency effort to reduce the environmental impacts of surface coal mining in Appalachia.

Strengthens Tribal Nations. In support of tribal self-determination, the Administration increases funding to compensate Tribes for the work they perform in managing Federal programs under self-determination contracts and self-governance compacts. The Administration continues to focus attention on combating crime in Indian Country through cooperative efforts by Federal, State and tribal entities. In July 2010, the President signed the Tribal Law and Order Act, which addresses many of the public safety challenges that confront tribal communities. In support of these efforts, the Administration proposes funding to operate six new detention centers that were constructed with Recovery Act funds. It also increases funds for tribal courts and additional law enforcement officers, coordinates community policy programs to reduce crime, and protects natural resources in Indian Country.

Department of the Interior
(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
Spending			
Discretionary Budget Authority:			
Bureau of Land Management	1,156		1,132
Bureau of Ocean Energy Management, Regulation and Enforcement	191		132
Office of Surface Mining	163		146
Bureau of Reclamation/CUPCA	1,140		1,051
United States Geological Survey	1,112		1,118
United States Fish and Wildlife Service	1,651		1,695
National Park Service	2,781		2,922
Bureau of Indian Affairs	2,619		2,501
Office of the Special Trustee	186		152
All other	1,150		1,280
<i>Wildland Fire (non-add)</i>	858		822
Subtotal, Gross discretionary budget authority	12,149	12,086	12,129
Mandatory Savings Proposals			-72

Department of the Interior
(In millions of dollars)

	Actual 2010	Estimate	
		2011	2012
Total, Discretionary budget authority.....	12,149	12,086	12,057
<i>Memorandum:</i>			
<i>Budget authority from supplementals</i>	16	—	—
<i>American Recovery and Reinvestment Act rescission</i>	-7	—	—
Total, Discretionary outlays	12,877	14,062	13,102
Mandatory Outlays:			
Cobell Settlement			
Payments from the Judgment Fund	—	-2,000	—
Payments for Trust Land Purchasing.....	—	100	—
All other			
Existing law	423	936	923
Legislative proposals.....	—	—	-113
Total, Mandatory outlays	423	-964	810
Total, Outlays	13,300	13,098	13,912
Credit activity			
Guaranteed Loan Commitments:			
Indian Guaranteed Loan Program	119	108	45
Total, Guaranteed loan commitments	119	108	45



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Provides \$11.4 billion in discretionary funding, an increase of about one percent above the 2012 enacted level. This reflects an ongoing commitment to critical landscapes and infrastructure, as well as savings achieved through administrative efficiencies and reductions in construction funding to focus on projects necessary for health and safety.
- Invests in the safety, reliability, and efficiency of America's water infrastructure and in the protection and restoration of fragile aquatic ecosystems.
- Conserves landscapes and promotes outdoor recreation in national parks, refuges, and on other public lands through the America's Great Outdoors initiative.
- Invests \$386 million to strengthen oversight of offshore oil and gas operations so that energy development can proceed in a safe and sustainable manner.
- Supports tribal priorities in Indian Country by increasing funding for public safety and justice, natural resources, and compensation to Tribes that assume responsibility for managing Federal programs.
- Reforms mining oversight and reduces the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines and by evaluating integration of activities between bureaus.
- Continues the Administration's commitment to land conservation by providing \$450 million for the Land and Water Conservation Fund.
- Improves the return to taxpayers from mineral production on Federal lands and waters through royalty reforms and industry fees.
- Saves over \$200 million from 2010 levels through administrative efficiencies and reduced spending in travel, printing, supplies, and advisory services.

- Reduces construction funding by \$49.4 million, or 16 percent.
- Continues efforts to restore significant ecosystems such as the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast, helping to promote their ecological sustainability and resilience.

The Department of the Interior's (DOI's) mission is to protect and manage America's natural resources and cultural heritage; provide scientific and other information about those resources; and honor its trust responsibilities and special commitments to American Indians, Alaska Natives, and Insular areas. In support of this mission, the President's 2013 Budget provides \$11.4 billion for DOI, about a one percent increase over the 2012 enacted level. This is close to the average for the past five years, and in light of the tight discretionary budget caps, a sign of the Administration's commitment to these priorities. To free up resources, the Budget also includes legislative proposals that would save a net total of approximately \$2 billion over 10 years, including reforms to fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters.

Promotes Economic Growth by Investing in Our Natural Heritage and Energy Resources

Protects and Restores Water Resources and Infrastructure. The Budget invests in the safety, reliability, and efficiency of our water infrastructure, to ensure the continued delivery of water and power to millions of customers and serve as a foundation for a healthy economy, especially in the arid West. The Budget continues investments in the protection and restoration of fragile aquatic ecosystems, such as California's Bay-Delta, to ensure that such environmental treasures are available for future generations. These investments are made possible by making difficult choices elsewhere, finding savings and consolidations, and reaping the benefits of smart choices made in previous years. Both study of

new projects and construction of ongoing projects have been severely curtailed; the Budget proposes to merge the Central Utah Project Completion Act Office (CUPCA) with the Bureau of Reclamation; and water reuse, recycling and conservation programs are emphasized over new construction.

Makes Public Lands Available for Private Investments for the Development of Clean Energy. To enhance energy security and create green jobs in new industries, the Administration proposes key funding increases for renewable energy development and Federal natural resource stewardship. The Budget includes \$86 million to maintain capacity to review and permit new renewable energy projects on Federal lands and waters, with the goal of permitting 11,000 megawatts of new solar, wind, and geothermal electricity generation capacity on DOI-managed lands by the end of 2013.

Funds Development of the Nation's Offshore Oil and Gas Resources. The Administration proposes \$164 million and \$222 million, respectively, to fund the new Bureau of Ocean Energy Management (BOEM) and Bureau of Safety and Environmental Enforcement (BSEE). Together, BOEM and BSEE will work to aggressively—but responsibly—conduct the remaining Gulf of Mexico lease sale pursuant to the 2007-2012 Outer Continental Shelf Five-Year Oil and Gas Leasing Program. In addition, the Bureaus will work to finalize and begin implementation of the Administration's proposed 2012-2017 leasing program, which would make more than 75 percent of undiscovered technically recoverable oil and gas resources estimated on the Outer Continental Shelf (OCS) available for development.

Conserves Landscapes, Creates Jobs, and Promotes Outdoor Recreation. The America's Great Outdoors (AGO) initiative supports Federal, State, local, and tribal conservation efforts while reconnecting Americans, particularly young people, to the outdoors. Investments for AGO programs support conservation and outdoor recreation activities nationwide that create millions of jobs, generate hundreds of millions of dollars in tax revenue, and spur billions in total national economic activity. These programs include operating national parks, refuges, and public lands, which are critical for conserving natural and cultural resources; protecting wildlife; and drawing recreational tourists from across the country and the world. They also include grant programs that assist States, Tribes, local governments, landowners, and private groups (such as sportsmen) in preserving wildlife habitat, wetlands, historic battlefields, regional parks, and the countless other sites that form the mosaic of our cultural and natural legacy. The Budget provides \$450 million for the Land and Water Conservation Fund (LWCF), programs in the Departments of the Interior and Agriculture. Of this amount, \$270 million is proposed to conserve lands within national parks public lands, refuges, and forests, including \$109 million in collaborative funds for Interior and the U.S. Forest Service to jointly and strategically conserve the most critical landscapes. In addition, reauthorization of the Federal Land Transaction Facilitation Act would allow DOI to use proceeds from the sale of low-conservation value lands to acquire additional high-priority conservation lands.

Protects Communities and Ecosystems from Wildfire Damage. The Budget continues the long-standing practice of fully funding the 10-year average cost of wildland fire suppression operations. The Budget also continues the practice of targeting hazardous fuels reduction funding for activities near communities (known as the "wildland-urban interface") where they are most effective. Priority is given to projects in communities that have met "Firewise" standards (or the equivalent), identified acres to be treated, and invested in local solutions to protect against wildland fire.

Strengthens Tribal Nations. The Administration supports the principle of tribal self-determination and improved outcomes with a \$9 million increase to compensate Tribes when they manage Federal programs themselves under self-determination contracts and self-governance compacts. Administration efforts to combat crime in Indian Country through cooperation among Federal, State and tribal entities are making progress, as demonstrated by a pilot program to reduce violent crime on selected reservations. The Budget builds on this progress with increased funds for operating tribal courts, staffing new detention centers, and coordinating community policing programs to reduce crime. The Budget also includes increases to meet the needs due to growing enrollment in tribal colleges and to protect natural resources in Indian Country.

Improves Oversight and the Use of Federal Dollars

Reorganizes and Reforms the Management and Oversight of Offshore Drilling. In the wake of the Deepwater Horizon disaster and subsequent oil spill, the Administration has initiated comprehensive reforms to the management of offshore oil and gas drilling on the OCS. In addition to establishing greater independence for safety regulators through the creation of a separate Bureau of Safety and Environmental Enforcement, the Administration is aggressively implementing management reforms to strengthen oversight of OCS oil and gas operations. These investments are consistent with recommendations for stronger oversight made by the National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling in its January 2011 report. The Budget includes \$386 million, a \$28 million increase over the 2012 enacted level, to complete reforms to the two bureaus that now oversee offshore oil and gas development. This includes funding to hire new oil and gas inspectors, engineers, scientists, and other staff to oversee industry operations; establish real-time monitoring of key drilling activities; conduct detailed engineering reviews of offshore drilling and production safety systems; improve

oil spill research and development activities; and implement more aggressive reviews of company oil spill response plans. These reforms will also facilitate the timely review of offshore oil and gas permits.

Reforms Mining Operations and Reduces the Environmental Impacts of Mining. The Budget addresses the environmental impacts of past mining by dedicating and prioritizing funds to clean up abandoned mines. Currently, DOI charges the coal industry an abandoned mine lands (AML) fee and allocates receipts to States based on production, rather than on the most pressing needs for cleaning up abandoned mines. The Administration proposes to target these coal AML fee receipts at the most hazardous sites through a new competitive allocation process with State participation. It also proposes to establish a new AML fee on hardrock mining, with receipts allocated through a competitive process to reclaim abandoned hardrock mines, so that the hardrock mining industry is held responsible in the same manner as the coal mining industry. The Administration is also evaluating a better alignment of mining oversight and cleanup operations by integrating certain functions of the Office of Surface Mining and Bureau of Land Management. A new organizational structure would allow the two bureaus to gain efficiencies through shared administrative costs, while building on their respective strengths.

Provides a Better Return to Taxpayers from Mineral Development. The public received above \$10 billion in 2011 from fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters. A number of recent studies by the Government Accountability Office and DOI's Inspector General have found that taxpayers could earn a better return through more rigorous oversight and policy changes, such as charging appropriate fees and reforming how royalties are set. The Budget proposes a number of actions to ensure that taxpayers receive a fair return from the development of U.S. mineral resources:

- Charging a royalty on select hardrock minerals (such as silver, gold and copper);
- Terminating unwarranted payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines;
- Extending net receipts sharing, where States receiving mineral revenue payments help defray the costs of managing the mineral leases that generate the revenue;
- Charging user fees to oil companies for processing oil and gas drilling permits and inspecting operations on Federal lands and waters;
- Establishing fees for new non-producing oil and gas leases (both onshore and offshore) to encourage more timely production; and
- Making administrative changes to Federal oil and gas royalties, such as adjusting royalty rates and terminating the royalty-in-kind program.

Department of the Interior
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Spending			
Discretionary Budget Authority:			
Bureau of Land Management (BLM).....	1,100	1,098	1,146
Bureau of Ocean Energy Management	161	161	164
Bureau of Safety and Environmental Enforcement (BSEE)	145	197	222
Office of Surface Mining.....	162	150	141
Bureau of Reclamation/CUPCA.....	1,045	1,024	994
U.S. Geological Survey	1,084	1,068	1,102
Fish and Wildlife Service.....	1,505	1,476	1,548
National Park Service	2,641	2,610	2,609
Bureau of Indian Affairs	2,594	2,531	2,527
Office of the Special Trustee	161	152	146
Wildland Fire	779	575	818
All other.....	472	500	502
Subtotal, Discretionary budget authority.....	11,849	11,542	11,919
Discretionary Changes in Mandatory Programs (<i>non-add in 2012</i>): ¹			
LWCF Contract Authority		-30	-30
Coastal Impact Assistance Program Balances		—	-200
Net Receipts Sharing		-42	-40
Palau Compact Extension.....		14	—
Subtotal, Discretionary changes in mandatory programs		-58	-270
Receipts and Collections:			
Offsetting OCS Collections (rents/cost recovery)	-155	-160	-162
OCS Inspection Fees (BSEE).....	-10	-62	-65
Onshore Oil and Gas Inspection Fees (BLM)	—	—	-48
Total, Discretionary budget authority.....	11,684	11,320	11,374
Total, Discretionary outlays	13,121	12,416	12,258
Mandatory Outlays:			
Existing law	558	-1,101	938
Legislative proposals		29	254
Total, Mandatory outlays.....	558	-1,072	1,192
Total, Outlays	13,679	11,344	13,450

Department of the Interior—Continued
(In millions of dollars)

	Actual 2011	Estimate	
		2012	2013
Credit activity			
Guaranteed Loan Disbursements by Private Lenders:			
Indian Guaranteed Loan Program	84	73	73
Total, Guaranteed loan disbursements by private lenders	84	73	73

¹ The 2012 amounts reflect OMB's scoring of the 2012 Appropriations acts (P.L. 112-55 and 112-74) as transmitted to the Congress. These amounts are displayed as non-add entries because they have been rebased as mandatory and are not included in any 2012 discretionary levels in the 2013 Budget.



DEPARTMENT OF THE INTERIOR

Funding Highlights:

- Provides \$11.7 billion in discretionary funding for the Department of the Interior, an increase of over four percent above the 2012 enacted level. This funding level reflects an ongoing commitment to protect critical landscapes and infrastructure, partially paid for with savings achieved through administrative efficiencies.
- Promotes job creation and economic growth by conserving landscapes and promoting outdoor recreation in national parks, refuges, and on other public lands through the America's Great Outdoors initiative.
- Proposes for the first time a dedicated source of long-term funding—reaching \$900 million by 2015—for Land and Water Conservation Fund programs to support land conservation and resource protection, in collaboration with Federal, State, and local partners.
- Invests in the safety, reliability, and efficiency of America's water infrastructure and in the protection and restoration of fragile aquatic ecosystems.
- Continues efforts to manage and promote the ecological sustainability and resilience of ecosystems on a landscape and watershed scale such as the California Bay-Delta, the Everglades, the Great Lakes, Chesapeake Bay, and the Gulf Coast.
- Proposes oil and gas management reforms to save \$2.5 billion over 10 years by building on the Administration's efforts to encourage diligent development of Federal energy resources while improving the return to taxpayers from royalty reforms.
- Provides robust support for energy development on Federal lands and waters and continues investments to strengthen safety oversight for offshore oil and gas operations.
- Supports tribal priorities in Indian Country by increasing funding for public safety and justice, natural resources, and assistance for Tribes that assume responsibility for managing Federal programs.
- Reforms oversight of mining on Federal lands and reduces the environmental impacts of coal and hardrock mining by dedicating and prioritizing funds to reclaim abandoned mines.
- Invests in science to support decision-making in the Department's resource management and trust responsibilities.

- Saves over \$200 million from 2010 levels through administrative efficiencies and reduced spending in travel, printing, supplies, and advisory services.

The Department of the Interior's (DOI's) mission is to protect America's natural resources and cultural heritage; manage development of energy and mineral resources on Federal lands and waters; provide scientific and other information about those resources; and honor its trust responsibilities and special commitments to American Indians, Alaska Natives, and Insular areas. In support of this mission, the Budget provides \$11.7 billion for DOI, a four percent increase over the 2012 enacted level. The Budget represents an unprecedented commitment to America's natural heritage by proposing mandatory funds for Land and Water Conservation Fund (LWCF) programs. This funding will provide the stability needed for agencies and States to make strategic, long-term investments in our natural infrastructure and outdoor economy to support jobs, preserve natural and cultural resources, bolster outdoor recreation opportunities, and protect wildlife. The Budget also includes legislative proposals that will save taxpayers more than \$3 billion over the next 10 years, including reforms to fees, royalties, and other payments related to oil, gas, coal, and other mineral development on Federal lands and waters.

Promotes Economic Growth by Investing in Our Natural and Energy Resources

Creates Jobs Through Conservation and Recreation. The America's Great Outdoors (AGO) initiative supports Federal, State, local, and tribal conservation efforts, while reconnecting Americans, particularly young people, to the outdoors. Investments for AGO programs support conservation and outdoor recreation activities nationwide that create and maintain millions of jobs, generate hundreds of millions of dollars in tax revenue, and spur billions in total national economic activity. For the first time ever, the Budget proposes mandatory funding for LWCF programs in the Departments of the Interior and Agriculture, including \$200 million in manda-

tory funds out of \$600 million overall for LWCF programs in 2014. Starting in 2015, the Budget proposes \$900 million annually in mandatory funding, which is equal to the amount of oil and gas receipts deposited in the LWCF each year. In 2014, \$356 million is proposed to conserve lands in or near national parks, refuges, forests, and other public lands, including \$169 million in collaborative LWCF funds for DOI and the U.S. Forest Service to jointly and strategically conserve the most critical landscapes. The Budget also proposes \$15 million in LWCF funding to revive the Urban Parks Recreation and Recovery Program, which can help revitalize urban parks and increase access to trails, green space, and other recreational areas in the most underserved urban communities. Other AGO programs include grant programs that assist States, Tribes, local governments, landowners, and private groups (such as sportsmen) in preserving wildlife habitat, wetlands, historic battlefields, regional parks, and the countless other sites that form the mosaic of our cultural and natural legacy. They also include funds for operating national parks, refuges, and public lands, which are critical for conserving natural and cultural resources, protecting wildlife, and drawing recreational tourists from across the United States and the world.

Protects and Restores Water Resources and Infrastructure. The Budget invests in the safety, reliability, efficiency, and ecological sustainability of our water infrastructure, to ensure the continued delivery of water and power to millions of customers and serve as a foundation for a healthy economy, especially in the arid West. The Budget continues investments in the protection and restoration of fragile aquatic ecosystems, such as California's Bay-Delta and the San Joaquin River, to ensure that such environmental treasures are available for future generations. These investments are made possible by making difficult choices elsewhere, finding savings and consolidations, and reaping the benefits of smart choices made in previous years. Examples

of difficult choices include severely curtailing the study of new projects and construction of ongoing projects, proposing to merge the Central Utah Project Completion Act Office with the Bureau of Reclamation, and emphasizing water reuse, recycling, and conservation programs over new construction.

Makes Public Lands Available for Clean Energy Infrastructure Projects. To enhance energy security and create green jobs in new industries, the Budget proposes key funding increases for DOI renewable energy development activities and related transmission infrastructure. This funding includes \$100 million to maintain capacity to review and permit new renewable energy projects on Federal lands and waters.

Continues Support for Responsible Development of the Nation's Oil and Gas Resources. The Budget proposes \$169 million and \$222 million, respectively, to fund the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement, which share responsibility for overseeing development of oil and gas resources on the Outer Continental Shelf (OCS). The current OCS five-year leasing program will make more than 75 percent of estimated undiscovered technically recoverable oil and gas resources on the OCS available for development. Funding increases will support continued reforms to strengthen oversight of industry operations following the 2010 Deepwater Horizon oil spill, with an additional emphasis on ensuring the safe and responsible development of Arctic OCS resources.

The Budget also provides robust support for onshore energy permitting and oversight on Federal lands, with a more than 20 percent increase over the 2012 enacted level in discretionary funding for the oil and gas program of the Bureau of Land Management (BLM). Combined with an extended and revamped permitting pilot office authority and ongoing administrative efforts, these resources will facilitate improved responsiveness to permit requests and will strengthen oversight and enforcement of industry operations. BLM's costs would be partially offset through new inspection

fees totaling \$48 million in 2014, requiring the onshore industry to bear a greater share of the cost of managing the program from which it benefits, just as the offshore industry does.

Protects Communities and Ecosystems from Wildfire Damage. The Budget continues the long-standing practice of fully funding the 10-year average cost of wildland fire suppression operations. The Budget also targets funding for reducing hazardous fuels near communities where these treatments are most effective at reducing risks. Priority is given to projects in communities that have met "Firewise" standards (or the equivalent), identified acres to be treated, and invested in local solutions to protect against wildland fire. In response to last year's severe fire season, the Budget increases funding for burned area rehabilitation.

Strengthens Tribal Nations. The Administration supports the principle of tribal self-determination and improved outcomes with a \$10 million increase over the 2012 enacted level to assist Tribes when they manage Federal programs themselves under self-determination contracts and self-governance compacts. Funding for Contract Support Costs (CSC) is an important part of self-determination, but it must be balanced with funding for other tribal program services. In 2012, the Supreme Court ruled in *Salazar v. Ramah Navajo Chapter* that past appropriations language was not sufficiently constructed to execute the longstanding policy of managing CSC costs. The Court identified five remedies, ranging from changing payments for CSC through amendments to underlying self-determination authorities, to enacting line-item appropriations for each contract, to paying the full estimates for CSC. Consistent with one of the remedies identified in the Supreme Court ruling, the Budget proposes a short-term approach for CSC, along with funding increases for the Bureau of Indian Affairs and the Indian Health Service, to continue the policy of supporting self-determination while protecting funding for other tribal program services. The Administration looks forward to working with Tribes and the Congress to develop a balanced, long-term solution.

Administration efforts to combat crime in Indian Country through cooperation between Federal, State, and tribal entities are making progress, as demonstrated by a pilot program to reduce violent crime on selected reservations. The Budget builds on this progress with increased funds for operating tribal courts, staffing new detention centers, and coordinating community policing programs to reduce crime. The Budget also includes increases to meet needs due to growing enrollment at tribal colleges and to promote economic development and job growth in Indian Country through technical and scientific support for natural resources management and renewable energy potential.

Improves Oversight and Use of Federal Dollars

Reforms Federal Oil and Gas Management.

The U.S. Treasury received over \$9 billion in 2012 from fees, royalties, and other payments related to oil and gas development on Federal lands and waters. A number of recent studies by the Government Accountability Office and DOI's Inspector General have found that taxpayers could earn a better return through policy changes and more rigorous oversight. The Budget proposes a package of legislative reforms to bolster administrative actions being taken to reform the management of DOI's onshore and offshore oil and gas programs, with a key focus on improving the return to taxpayers from the sale of these Federal resources and on improving transparency and oversight. Proposed statutory and administrative changes fall into three general categories: advancing royalty reforms; encouraging diligent development of oil and gas leases; and improving revenue collection processes.

Royalty reforms include establishing minimum royalty rates for oil, gas, and similar products; increasing the standard onshore oil and gas royalty rate; piloting a price-based sliding scale royalty rate; and repealing legislatively-mandated royalty relief. Diligent development requirements include shorter primary lease terms, stricter enforcement of lease terms, and monetary incen-

tives to get leases into production (e.g., a new per-acre fee on nonproducing leases). Revenue collection improvements include simplification of the royalty valuation process, elimination of interest accruals on company overpayments of royalties, and permanent repeal of DOI's authority to accept in-kind royalty payments. Collectively, these reforms will generate roughly \$2.5 billion in net revenue to the Treasury over 10 years. Many States will also benefit from higher Federal revenue sharing payments as a result of these reforms.

Reforms Mining Operations and Reduces the Environmental Impacts of Mining.

The Budget addresses the environmental impacts of past mining by dedicating and prioritizing funds to clean up abandoned mines. Currently, DOI collects from the coal industry an abandoned mine lands (AML) fee for cleaning up abandoned mines. The Budget proposes to establish a new AML fee on hardrock mining, with receipts used by States, Tribes, and Federal agencies to restore the most hazardous hardrock AML sites on both public and private lands. For non-Federal lands, each State and Tribe would select its own priority projects according to national criteria, similar to how coal AML funds are allocated. A hardrock AML fee would hold the hardrock mining industry accountable for legacy sites in the same manner as the coal mining industry is held accountable today.

Eliminates Wasteful Spending and Provides a Fair Return to Taxpayers from Mineral Development.

The Budget proposes a number of other actions that eliminate wasteful spending and ensure taxpayers receive a fair return from mining on Federal lands, including:

- Charging a royalty on select hardrock minerals, such as silver, gold and copper;
- Terminating unwarranted payments to coal-producing States and Tribes that no longer need funds to clean up abandoned coal mines;
- Extending net receipts sharing, where States receiving mineral revenue payments

help defray the costs of managing the mineral leases that generate the revenue; and Reauthorizing the Helium Fund and encouraging the development of a fair-market price for helium sales.

Increases Investments in Science and Evaluation to Support Decision-Making.

The Budget provides strong support for basic and applied science in support of decision-making, including over \$960 million for research and development, an 18 percent increase over the 2012 enacted level. This funding supports scientific monitoring, research, and analysis to assist decision-making in resource management and the special trust responsibilities of DOI and other federally mandated and nationally-significant programs. Specific activities supported include energy permitting, ecosystem management, oil spill restoration, Earth observations (such as water and wildlife monitoring), and tribal natural resource management.

The Budget also funds four independent evaluations to increase the use of evidence and analysis to promote rigor, transparency, and independence

in decision-making at DOI. The Bureau of Indian Education (BIE) will commission an independent evaluation to examine the role of BIE and guide future reforms to improve educational opportunities for Native American children. DOI will also conduct a comprehensive evaluation of Federal policy and engagement on Indian water rights issues that analyzes options to improve policies, programs, and budgetary coordination. This evaluation will help to strengthen the oversight, management and analytical capabilities of the Indian Water Rights Office and other bureaus and offices that work on these issues. The Budget supports the Bureau of Reclamation's in-house analytical capabilities to allow for more rigorous economic and evidence-based evaluation of Reclamation's programs, projects, and operations. Finally, DOI will commission an independent, public evaluation of the Payments in Lieu of Taxes (PILT) program, which expires at the end of 2013 and is proposed for a one-year extension. The evaluation will look at PILT—in both concept and practice—with a goal of developing options to put the program on a sustainable long-term funding path.