

**STATEMENT OF RYAN ZINKE
SECRETARY OF THE INTERIOR
BEFORE THE
SENATE ENERGY AND NATURAL RESOURCES COMMITTEE
ON THE 2019 PRESIDENT'S BUDGET REQUEST
MARCH 13, 2018**

Chairman Murkowski, Ranking Member Cantwell, and Members of the Committee, I am pleased to appear before you today to discuss the 2019 President's Budget for the Department of the Interior. The 2019 Budget Request for Interior is \$11.7 billion. The President's budget also proposes to transfer \$111.0 million of discretionary funding from the Department of Defense to support the 2010 Compact Review Agreement with Palau, increasing Interior's total 2019 request to \$11.8 billion.

2019 Budget Priorities

Interior's 2019 budget prioritizes American interests with targeted investments to advance American energy dominance, enhance public access to public lands, and strengthen the economy through infrastructure investment, regulatory relief, and fiscal responsibility. The Department's 2019 budget reflects the Administration's commitment to strike the right balance of development and conservation of America's resources to advance important national objectives.

A major component of the 2019 budget is the Public Lands Infrastructure legislative proposal, which will provide up to \$18 billion to address Interior's deferred maintenance backlog in the national parks, national wildlife refuges, and Bureau of Indian Education-funded schools. The investment in the Interior's infrastructure will be funded by federal revenues derived from rents, rights of ways for energy purposes, and royalties collected by the Department of the Interior. The proposal complements the President's national infrastructure investment initiative and recognizes the strategic importance of long-term investment in America's treasures.

GENERATING REVENUE AND UTILIZING NATURAL RESOURCES

Growing America's Economy

Across Interior's diverse mission, the 2019 budget emphasizes the Department's crucial role in promoting economic growth for America. America's lands hold tremendous job-creating assets. Interior supports \$254 billion in estimated economic benefit, while direct grants and payments to States, Tribes, and local communities provide an estimated \$10 billion in economic benefit. In 2017, the Department collected \$9.6 billion from energy, mineral, grazing, and forestry activities on behalf of the American people. Interior also supports the economy by eliminating unnecessary and burdensome Federal regulatory requirements. For example, in 2017, Interior initiated 21 deregulatory actions all with significant associated savings for the taxpayer, once enacted.

The 2019 budget maintains support for Interior programs that play a critical role in encouraging national infrastructure development. The 2019 budget includes \$98.8 million for the Fish and

Wildlife Service's planning and consultation activities to support development while avoiding species conflicts. This request enables FWS to meet legal consultation requirements and avoid logjams that could delay infrastructure projects and associated economic benefits to communities, States, Tribes, and companies. The request includes \$118.7 million for the Bureau of Reclamation's construction of water delivery systems for Tribes and local communities. In addition, Reclamation continues to explore future water storage opportunities. The budget also includes \$48.3 million for the Bureau of Land Management's cadastral program, which maps and surveys the lands and resources needed to permit rights-of-way and other infrastructure project requirements in a timely fashion.

Advancing Energy Dominance

Interior plays a significant role in the Administration's objective to achieve America's energy dominance. The budget proposes \$792.0 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, increasing funding for onshore and offshore oil and gas, expanding coal activities, and sustaining the current pace of renewable energy development.

A large portion of Interior's energy development activities occur on the Outer Continental Shelf. The 2019 request includes support from offsetting collections for a total offshore energy development and safety program of \$379.2 million. The budget includes a total of \$179.3 million for offshore oil, gas, and renewable energy development activities managed by the Bureau of Ocean Energy Management. It includes \$9.4 million for BOEM to prepare the 2019-2024 National OCS Oil and Gas Leasing Program. The request for BOEM also includes \$28.1 million for Renewable Energy activities across the Bureau. The 2019 budget includes \$199.9 million for the Bureau of Safety and Environmental Enforcement's programs to streamline the permitting process, conduct inspections, evaluate emerging offshore technologies, improve safety, conduct training, and maintain up-to-date policies, standards, and guidelines.

Onshore, the budget includes \$176.3 million in current and permanent funding for the BLM oil and gas management program which generated \$348.9 million from bonus bids derived from onshore oil and gas lease sales in 2017. The 2019 budget includes \$137.2 million in appropriated funds for BLM oil and gas management and oversight, including leasing, permitting, and inspections. This funding will be used to expand areas available for leasing, expedite permitting, and improve various aspects of program management. The budget includes \$19.5 million for the BLM coal management program to help reduce processing times, simplify the lease application process, and improve the timeliness to complete lease sale fair market value determinations. The budget includes \$16.0 million for BLM to support onshore Renewable Energy development.

An important component of Interior's natural resource programs is the collection and disbursement of receipts from development. The 2019 budget includes \$137.5 million for the Office of Natural Resources Revenue. In 2017, Interior held the first meeting of the re-established Royalty Policy Committee, which includes 20 members representing local, tribal, and State governments and other stakeholders. The RPC advises the Secretary on the fair market

value and revenue collection from Federal and Indian mineral and energy leases, including from renewable energy sources.

Increasing Natural Resource Development

Interior manages a wealth of additional natural resource assets that require balanced stewardship and management. Maintaining healthy and productive forests requires active management. The 2019 budget includes \$9.5 million for BLM's Public Domain Forestry program and \$90.0 million for the Oregon and California grant lands. Both programs support jobs and local economies through timber and timber product sales. The programs also maintain and improve the productivity and resilience of forest and woodland ecosystems through sales and forest development projects such as density management and reforestation.

The BLM actively manages rangeland and grazing activities on public lands in the West which remain a vital part of local western economies. The 2019 budget includes \$82.1 million for the Rangeland Management program. The BLM manages nearly 18,000 livestock grazing permits and leases on the public lands.

Another example is the U.S. Geological Survey Mineral Resources program which conducts assessments to identify critical minerals and estimate potential supplies. A recent Secretarial Order directs all Interior bureaus to identify a list of critical minerals, identify domestic sources, and streamline permitting to encourage domestic production of these critical minerals. The 2019 budget for USGS includes \$19.1 million to support this Administration priority. With this funding, USGS will accelerate nationwide geological, geophysical, and topographical surveys of the United States to locate domestic critical mineral sources.

CONSERVING OUR LAND AND WATER AND EXPANDING OUTDOOR ACCESS

Interior is the steward of America's public lands and cultural resources for the benefit of current and future generations. Taking care of the resources we have rather than acquiring new Federal lands continues to be a top priority in the 2019 budget. To administer ongoing projects, the budget for land acquisition programs across the Department is \$8.1 million.

The 2019 budget includes \$4.6 billion for operating programs in the three primary land management bureaus—BLM, FWS, and the National Park Service. This funding supports the day-to-day management of the natural resources and public amenities of America's national parks, national wildlife refuges, and BLM-managed public areas, including its national conservation lands. Within this request is funding to support visitor services and safety, law enforcement, and maintenance of facilities. Early eradication and control of invasive species is an example of a core stewardship activity shared Department-wide, which is funded through land management operations. Across Interior, the 2019 budget includes a total of \$101.1 million for invasive species activities to address significant issues such as the spread of invasive mussels and Asian Carp.

The Land and Water Conservation Fund matching grants provided to States, and through States to local governments, support the acquisition and development of public outdoor recreation areas and facilities all across the Nation. The 2019 budget continues a funding shift that began in 2018

for NPS State Assistance grants from discretionary to mandatory funding. Starting in 2009, discretionary LWCF appropriations for the State Assistance program were supplemented by revenues from certain oil and gas leases in the Gulf of Mexico, as authorized by Section 105 of the Gulf of Mexico Energy Security Act. Under existing law, this permanent funding for NPS State Assistance grants is expected to reach \$89.3 million in 2019.

Ensuring the availability of water is central to the Department's resource stewardship mission and is vitally important to communities across the West. The 2019 budget includes \$1.0 billion for Reclamation's water resource programs to ensure millions of customers continue to receive the water and power essential for daily life, healthy local economies, and land management. The 2019 budget includes funding to continue the WaterSMART water conservation grants and funds Title XVI water recycling reuse research grants to support local innovation efforts to stretch water supplies.

The 2019 budget maintains an important commitment to Interior's neighboring communities, by including \$465.0 million in the discretionary request for the Payments in Lieu of Taxes program. The PILT payments offset the loss in property tax revenue for communities with significant Federal lands in their jurisdictions.

FULFILLING OUR TRUST AND INSULAR RESPONSIBILITIES

The Department of the Interior upholds the Federal government's unique trust responsibilities by fostering government-to-government relationships between the Federal government and federally recognized Tribes, American Indians, and Alaska Natives. The U.S. also has important relationships with the affiliated insular areas including the territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. Interior administers and oversees Federal assistance to the three Freely Associated States: the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

The 2019 budget addresses Federal responsibilities and tribal needs related to education, social services, infrastructure, and stewardship of land, water, and other natural resources. The budget prioritizes support for programs that serve the broadest service population rather than initiatives that are more narrowly focused. The President's budget maintains the Administration's strong support for the principle of tribal self-determination and efforts to strengthen tribal communities across Indian Country. The budget calls for full funding for Contract Support Costs and Tribal Grant Support Costs that Tribes incur from managing Federal Indian programs.

The Bureau of Indian Affairs also undertakes initiatives to promote resilient tribal communities. The 2019 budget includes \$2.5 million to address the opioid crisis, which has been particularly devastating in Indian Country. The funding will support BIA participation in intra- and interagency initiatives that support opioid and substance abuse prevention efforts. The BIA liaisons will align, leverage, and coordinate Federal efforts and resources to assist American Indian and Alaska Native communities in achieving their goals to reduce the supply of drugs, provide opioid addiction prevention assistance, and otherwise combat the opioid crisis, which is an Administration priority.

The 2019 budget includes \$173.0 million across the Department to honor Indian land and water Settlement commitments. This includes \$127.3 million in Reclamation and \$45.6 million in BIA. The budget continues to meet Federal responsibilities outlined in enacted land and water rights claim settlements with Indian Tribes to ensure they have access to land and water to meet domestic, economic, and cultural needs.

In 2019, the Office of Insular Affairs will continue to execute activities which bolster healthcare capacity, strengthen island economies, and fulfill U.S. compact obligations. The proposed 2019 OIA budget is \$608.0 million, with \$84.1 million in current appropriations. The President's budget also proposes \$111.0 million in discretionary Department of Defense appropriations as a transfer to the Department of the Interior to fund the 2010 Compact Review Agreement with Palau.

PROTECTING OUR PEOPLE AND THE BORDER

A key component of Interior's land stewardship and public safety goals is management of wildland fire. The 2019 budget provides \$388.1 million for wildfire suppression. The budget responsibly funds 100 percent of the rolling 10-year average cost for wildfire suppression in the Departments of Agriculture and the Interior within discretionary budget caps, and proposes a separate annual cap adjustment for wildfire suppression operations to ensure adequate resource availability during severe fire seasons.

Over 12.5 million acres under Interior's jurisdiction are within 50 miles of the United States-Mexico border. More than 40 percent of the border, or 820 linear miles, is managed by Interior's land management agencies and the U.S. Forest Service. Interior is engaged with the Department of Homeland Security to increase security on the Southwest border, including 74 border miles on tribal lands primarily made up of lands located on and managed by the Tohono O'odham Nation in Arizona. The budget includes \$1.8 million to continue implementation of the Department's Southwest Border Radio Demonstration Project, which is an example of the coordination which occurs to help protect our border. The project was developed in cooperation with BLM, FWS, NPS, and the U.S. Forest Service in the Southwest border region to address Office of Inspector General-identified material deficiencies in the land mobile radio program and infrastructure, and ensure continuity of communications essential for safety, law enforcement, and resource management in the area.

Interior also plays an important role in preparation for and addressing the aftermath of natural hazard events. The 2019 budget includes \$117.3 million for the USGS Natural Hazards programs to maintain important nationwide monitoring networks, including volcano and earthquake networks, which provide vital scientific information to emergency managers.

MODERNIZING OUR ORGANIZATION AND INFRASTRUCTURE FOR THE NEXT 100 YEARS

Infrastructure Management

Interior manages an infrastructure asset portfolio with a replacement value exceeding \$300 billion, ranging from elementary and secondary schools serving Indian children in the West, to

highways and bridges serving the daily commuting needs of the Washington, D.C., metropolitan area. Many of these assets are deteriorating, with older assets becoming more expensive to repair and maintain in good condition. Taking care of this significant asset portfolio is a persistent challenge.

Interior's deferred maintenance backlog has grown to over \$16 billion in 2017 of which over \$11 billion belongs to NPS. In addition to funding proposed in the Administration's Public Lands Infrastructure Fund, the 2019 budget for NPS includes \$256.5 million in current funding for construction and deferred maintenance projects. Construction and maintenance funding across the Department totals over \$1.3 billion in 2019, excluding Reclamation.

Management and Reforms

During the peak summer seasons, the Department of the Interior has nearly 70,000 employees in 2,400 locations across the United States, Puerto Rico, U.S. Territories, and Freely Associated States. Interior is also taking bold steps to better position itself for the next 100 years. In response to the President's *Executive Order on a Comprehensive Plan for Reorganizing the Executive Branch*, Interior is working to reorganize its operating structure to establish unified regional boundaries to provide better coordination across the Department to improve mission delivery and focus resources in the field. The 2019 budget includes a total of \$17.5 million for this effort. The budget also proposes additional shifts to better align functions within the Department and respond to Congressional direction related to the Office of the Special Trustee for American Indians. The Department is continuing to evaluate the advantages and disadvantages of BOEM and BSEE being separate organizations with the understanding that revenue collection activities need to be separate from safety.

The Department annually spends nearly \$3 billion to procure goods and services, over \$1 billion on information technology, and over \$300 million to administer acquisition and human resources services. In 2019, Interior will work to achieve cost savings of \$52.7 million across the Department, through more aggressive use of shared services and use of multiagency "Best in Class" procurement vehicles, such as shared contracting with other bureaus and Federal agencies.

Bureau Highlights

Bureau of Land Management – The 2019 budget request for BLM is \$1.0 billion. The budget proposes \$930.6 million for the Management of Lands and Resources appropriation and \$90.0 million for the Oregon and California Grant Lands appropriation – BLM's two operating accounts. The BLM budget proposes to restructure several budget lines to provide greater management flexibility and improve coordination of program activities.

Through BLM's multiple-use mandate, the 2019 budget advances energy resource development which generates revenues for Federal and State treasuries and local economies. The budget includes \$137.2 million in Oil and Gas appropriated programs to strengthen overall program capacity, improve management, and expedite permitting to facilitate increased environmentally responsible energy development. Within the total, \$9.5 million will establish a competitive

leasing program in the 1002 Area of the Alaska North Slope, as required by the recently enacted Tax Cuts and Jobs Act, and bolster BLM's capacity for permitting activities in the National Petroleum Reserve-Alaska. The budget also includes \$19.5 million to strengthen BLM's Coal Management program and \$16.0 million to meet anticipated market demand in the Renewable Energy program.

To maintain the BLM's land stewardship responsibilities, the budget includes \$82.1 million for Rangeland Management and \$66.7 million for the Wild Horse and Burro Management program. The budget also proposes \$53.2 million for Recreation Resources Management and \$26.3 million to continue support for the National Conservation Land areas.

The budget includes \$90.0 million for the Oregon and California Grant Lands programs. At this level, the BLM will focus resources on timber harvests as it pursues the timber sale targets specified in the 2016 resource management plans.

Bureau of Ocean Energy Management – The 2019 budget request for BOEM is \$179.3 million, including \$129.5 million in current appropriations and \$49.8 million in offsetting collections from rental receipts and cost recoveries. The budget proposes to offset a decline in offsetting collections with an increase in direct appropriations. The 2019 budget includes \$9.4 million to facilitate the development of a new National Outer Continental Shelf Oil and Gas Leasing Program.

Bureau of Safety and Environmental Enforcement – The 2019 budget request for BSEE is \$199.9 million, including \$132.1 million in current appropriations and \$67.9 million in offsetting collections from rental receipts, cost recoveries, and inspection fees. The budget proposes to offset the decline in offsetting collections with an increase in direct appropriations. The budget proposes \$12.7 million for Oil Spill Research.

Office of Surface Mining Reclamation and Enforcement – The 2019 budget request for OSMRE is \$121.7 million in current appropriations. The budget includes \$52.4 million for State and tribal regulatory grants, a level consistent with anticipated State and tribal program obligations.

Bureau of Reclamation – The 2019 budget includes \$1.0 billion for Reclamation's water resource programs to ensure millions of customers continue to receive water and power essential for daily life, healthy local economies, and land management.

The 2019 budget includes a total of \$447.0 million for construction, planning, and management of water and energy projects and programs. Funding for these activities supports water supply, drought preparedness and response, land management including recreation areas, and promotes water reliability by addressing the impacts of Reclamation projects on fish and wildlife. The budget also provides a total of \$444.0 million for water and power facility operations, maintenance, and rehabilitation activities. Reclamation emphasizes safe, efficient, economic, and reliable operation of facilities, ensuring systems and safety measures are in place to protect the facilities, Reclamation's employees, and the public.

The 2019 budget continues support to address America's water reliability and availability by investing to modernize existing water infrastructure. The 2019 budget includes \$10.0 million to continue the WaterSMART water conservation grants and \$3.0 million for Title XVI water recycling reuse research grants that support local innovation efforts to stretch water supplies. The 2019 budget continues to support water technology innovation by incentivizing research through Reclamation's Water and Power Technology Prize Competitions. Reclamation's prize competitions target difficult scientific and technological problems related to infrastructure, water availability, and environmental compliance that affects water delivery and hydropower generation. The budget also includes \$7.6 million for Reclamation to proactively stop the spread of invasive mussels in the West, including preventing the spread of zebra and quagga mussels into the Columbia River Basin.

U.S. Geological Survey – The 2019 budget request for the USGS is \$859.7 million. The budget includes \$72.9 million for satellite operations, which includes \$31.9 million to continue development of the Landsat 9 ground system component for launch in 2021.

The request emphasizes science to inform energy and mineral development with \$84.1 million for the Energy and Minerals Mission Area, including \$19.1 million to locate domestic critical mineral sources. These commodities are those minerals with important uses particularly in technology, and no viable substitutes, yet face potential disruption in supply. This funding will support the Administration's initiative to spur critical mineral resource development in the United States.

The budget for Natural Hazards is \$117.3 million to support essential hazards monitoring, and provide scientific information needed by resource managers and policy makers. The budget maintains support for nationwide networks of more than 8,200 streamgages and nearly 3,000 earthquake sensors. The 2019 budget includes \$96.1 million for Ecosystems programs, focusing on nationally significant priorities, including detecting and responding to invasive species and wildlife disease, research supporting the conservation and recovery of species at-risk or protected by law, and science supporting biological resource management. The budget provides for continued collection of high-resolution elevation and hydrography data for the Nation, including modernizing maps for Alaska and complete national lidar coverage by 2033.

Fish and Wildlife Service – The 2019 President's budget requests \$1.2 billion for FWS programs of which \$1.1 billion supports FWS operations. The budget prioritizes funding to maintain operations and maintenance for the National Wildlife Refuge System at \$473.1 million and includes \$50.0 million for the National Fish Hatchery System.

Ecological Services programs are funded at \$211.8 million and the budget prioritizes funding for Planning and Consultation and species Recovery activities. The budget is \$74.8 million for FWS conservation grants including \$31.3 million for State and Tribal Wildlife Grants, \$33.6 million for the North American Wetlands Conservation Fund, \$6.0 million for the Multinational Species Conservation Fund, and \$3.9 million for Neotropical Migratory Bird Conservation. The budget proposes \$7.0 million for FWS land acquisition activities, which includes \$12.0 million in new budget authority and a \$5.0 million proposed cancellation of prior year balances.

National Park Service – The 2019 budget request for NPS is \$2.7 billion which includes \$299.0 million provided in the Budget Policy Addendum for 2019.

The budget proposes \$2.4 billion for NPS operations. Within this account funding is prioritized for the care and maintenance of existing resources, including repair and rehabilitation projects, which addresses the deferred maintenance backlog, and cyclic maintenance projects, which ensure maintenance is conducted in a timely fashion to avoid increasing the deferred maintenance backlog. The budget proposes \$241.3 million for the Construction account, which includes \$157.0 million for line-item construction activities.

The request provides \$32.2 million for National Recreation and Preservation programs to support local community efforts to preserve natural and cultural resources. The 2019 budget includes \$32.7 million for the Historic Preservation Fund core grants-in-aid programs. The budget assumes funding for Land and Water Conservation Fund State Assistance Grants shift from discretionary to mandatory funding from offshore oil and gas receipts, estimated to support an \$89.3 million program. The budget requests \$8.8 million to administer both ongoing Federal land acquisition projects and American Battlefield Protection grants, and includes a \$10.0 million cancellation in available prior year balances, for a net total of -\$1.2 million for Land Acquisition and State Assistance.

Indian Affairs – The 2019 budget request for Indian Affairs is \$2.4 billion. Funding for Operation of Indian Programs totals \$2.0 billion. In 2019, priority is given to programs serving the broadest audience rather than initiatives or pilots. Within this total is \$741.9 million for Bureau of Indian Education programs where funding focuses on direct school operations and full funding for Tribal Grant Support Costs. The main operating account also includes \$350.1 million for Public Safety and Justice programs including \$2.5 million to address the opioid crisis which has been particularly devastating in Indian Country. The budget includes \$258.9 million for Trust Services programs to fulfill key fiduciary trust responsibilities.

The budget fully funds Contract Support Costs at \$231.0 million, which will cover all anticipated tribal program administration requirements at the requested program funding level. The budget requests \$133.3 million for Construction programs and prioritizes dams, irrigation projects, and irrigation systems which deliver water to aid economic development as well as protect lives, resources, and property. The budget prioritizes funding within education construction for improvement and repair of existing facilities. The budget also includes \$45.6 million to provide payments to ongoing Indian Land and Water settlements and \$6.7 million for the Indian Guaranteed Loan Program.

Departmental Offices

Office of the Secretary – The 2019 budget request for Departmental Operations is \$134.7 million. The budget reflects the proposed transfer of \$140.5 million associated with the Office of Natural Resources Revenue to a new appropriation within Department-wide Programs.

Office of Insular Affairs – The 2019 budget request for OIA is \$84.1 million of which \$81.0 million is for Assistance to Territories and \$3.1 million is for Compact of Free Association programs. Separately, the President’s budget proposes to transfer \$111.0 million from the Department of Defense to support the enacted 2010 Compact Agreement with Palau.

Office of the Solicitor – The 2019 budget proposes \$65.7 million for the Office of the Solicitor to provide legal counsel, administer the Department’s ethics program, and help resolve legal issues among bureaus and offices as they fulfill their duties.

Office of Inspector General – The 2019 budget proposes \$52.5 million for the Office of Inspector General to continue support for audit and investigations across the Department. The budget supports the need for case management system maintenance, OPM security clearances, continuous data monitoring, and information technology systems assistance.

Office of the Special Trustee for American Indians – The 2018 budget requests \$107.1 million for OST. The budget proposes several organizational changes including to realign OST under the Assistant Secretary – Indian Affairs; to shift Land Buy Back Program for Tribal Nations to OST; and proposes OST assume coordination of certain functions of the Office of Navajo and Hopi Indian Relocation.

Department-wide Programs

Payments in Lieu of Taxes – The 2019 budget proposes \$465.0 million in discretionary funding for PILT. This amount includes \$68.1 million provided in the Budget Policy Addendum for 2019.

Office of Natural Resources Revenue – The 2019 budget request includes \$137.5 million for ONRR’s receipts management programs as a separate appropriation to increase transparency of the program. The request includes \$3.7 million for anticipated contract cost increases to maintain the Minerals Revenue Management Support System.

Central Hazardous Materials Fund – The 2019 budget requests \$2.0 million for the Central Hazardous Materials Fund to support program management and legal staff. The program will fund highest priority remediation projects based on the availability of recoveries and focus resources on remediation projects with potentially responsible parties.

Wildland Fire Management – The 2019 budget request for the Wildland Fire Management Program is \$870.4 million. The request provides \$388.1 million for Suppression Operations to fully fund the 10-year average. Separately the Administration proposes an annual cap adjustment for wildfire suppression operations during severe fire seasons. The budget includes \$322.2 million for wildland fire Preparedness activities to support Interior’s firefighting capabilities. To maintain proper stewardship of public lands and address wildfire risk, Fuels Management activities the budget includes \$150.6 million. The budget includes \$9.5 million to support high priority restoration of public lands damaged by wildfire.

Natural Resource Damage Assessment and Restoration – The 2019 request for NRDAR is \$4.6 million. The budget includes funding needed for ongoing damage assessments and restoration activities.

Working Capital Fund – The 2019 budget proposes \$56.7 million for the appropriated portion of the Department’s Working Capital Fund. The request includes \$46.8 million for the Financial and Business Management System and \$9.9 million for Department-wide Cybersecurity needs.

Legislative Proposals

Public Lands Infrastructure Fund – The 2019 budget launches the Administration’s Public Lands Infrastructure Fund (PLIF) to address repairs and improvements in national parks, national wildlife refuges, and BIE-funded schools. The PLIF would dedicate 50 percent of the Department’s incoming, unallocated energy development revenues that exceed the 2018 budget baseline estimates, for the National Park Service, Fish Wildlife Service and Bureau of Indian Education infrastructure needs. These revenues will be deposited into the Fund for 10 years and will be capped at a total of \$18.0 billion.

Bureau of Reclamation Title Transfer – The Administration has recently submitted to the Congress a proposal to better facilitate title transfer of Reclamation facilities to non-Federal entities when such transfers are beneficial. This proposal will allow local water managers to make their own decisions to improve water management at the local level, while allowing Reclamation to focus management efforts on projects with a greater Federal nexus.

Cancel Southern Nevada Public Land Management Act Account Balances – The budget proposes legislation to cancel \$230.0 million in unobligated balances from the Southern Nevada Public Land Management Act program over three years. This would redirect a portion of program balances to the Treasury for broader taxpayer use. The SNPLMA program is not proposed for elimination and viable conservation efforts will continue to be supported.

Land and Water Conservation Fund – The LWCF receipts authorization expires at the end of fiscal year 2018 and the Administration will review options for reauthorization.

Reauthorize the Federal Land Transaction Facilitation Act – The budget assumes permanent reauthorization of FLTFA’s land sale authority, allowing Interior to dispose of lands with low conservation value and use the proceeds to acquire lands with higher conservation values, consistent with the original FLTFA mandate.

Recreation Fee Program – The budget proposes to permanently reauthorize the Federal Lands Recreation Enhancement Act, set to expire in September 2019. As a precaution, appropriations language is also submitted proposing a two-year extension through September 2021. The revenues collected by Interior from these recreation fees – nearly \$318.8 million in 2017 – are an important source of funding for land management operations, maintenance, and improvements to recreation facilities on public lands.

Termination of EPO Act Geothermal Payments to Counties – The budget proposes to restore Federal geothermal leasing revenue allocations to the historical formula of 50 percent to the States and 50 percent to the U.S. Treasury by repealing Section 224(b) of the Energy Policy Act of 2005.

Wildland Fire Suppression Disaster Cap Adjustment – The budget responsibly funds 100 percent of the rolling 10-year average cost of wildfire suppression in the Departments of Agriculture and the Interior within discretionary budget caps, and proposes a separate annual cap adjustment for

wildfire suppression operations in severe fire seasons, similar to how unanticipated funding needs for other natural disasters are addressed.

Conclusion

Thank you for the opportunity to testify on the President's 2019 Budget Request for the Department of the Interior. This budget maintains core functions important to the American people and supports transformation the Department needs to accomplish more effective management over the next 100 years. It reflects tough choices to prioritize and focus limited resources where investments have the most impact while continuing to deliver access and services that are critical to Americans. Achieving success in all of Interior's important responsibilities for the American people is the Department's primary focus and Interior is committed to take action to better accomplish our mission. Thank you again for your continued support of the Department's mission. This concludes my written statement and I look forward to your questions on this budget.