



**Opening Statement**  
**Hearing on the Interior Department's FY 2017 Budget Request**  
**Chairman Lisa Murkowski**  
**February 23, 2016**

Good morning, everyone. The hearing will come to order, as we meet to review the budget request for the Department of the Interior for Fiscal Year 2017.

Secretary Jewell, welcome back. You and I have had many discussions over your tenure in the Department. As has been the case for the past eight years, I am very troubled by the approach that Interior is trying to take for Alaska and the rest of our nation. But as you and I have discussed there we need to figure out how we can find those opportunities for us to work together. I think there is agreement there are many opportunities for us to work together.

There are plenty of areas where it should be possible to find agreement – yet, based on the request before us, we are off to a rocky start in the final year of this Administration.

For example, Interior's proposal to assist Alaskans impacted by climate change through a new resiliency fund, it appears to be modeled after a provision of a bill that I wrote, the OPENS Act, and that our committee reported last July. And they say that imitation is the greatest form of flattery, but unfortunately you did not carry the full idea as far as the paid-for is concern.

I'm glad to see this idea picked up. But the problem is how Interior would pay for it: by depriving the Gulf States of revenue sharing from offshore production. That would upend a deal that 71 Senators supported, and take money away from states that are counting on it to protect their coastlines.

The effort to repeal revenue sharing is not going anywhere. In terms of paying for this new fund, a much better option is to increase domestic energy production and use those revenues to help communities in need. That would allow us to create jobs and reduce our foreign dependence – instead of simply re-dividing the pie.

The Administration also claims that this budget "...invests in Alaska's long-term economic and environmental well-being." But time and again, I have looked through this

budget proposal and unfortunately what I see is a continuation of blocking effort, a preemption in our ability to safely develop our vast resources, and taken away our best opportunities to grow and prosper.

One of the areas that I am going to be asking you about is the Alaska land conveyances. We are sitting here 57 years after statehood, 45 years after the passage of Alaska Native Land Claims Settlement Act. And we are still dealing with our land conveyances. I think it is fair to note that BLM made progress in 2015. But what we are seeing within this proposal is more than a 20% decrease from last year's level. We still have about 5.3 million acres to convey. In our questioning we will have an opportunity to discuss how the methodologies and how they are being used to provide for the surveys. This is something that has lingered for so long. But when you think about any state's ability to develop their lands, you cannot do it without title being conveyed.

Other areas that we look at being restrictive, in terms of the federal government limiting opportunities for a state, are the proposed regulations coming out of the National Park Service and the U.S. Fish and Wildlife Service. Controversial within the state but certainly but also nationwide. It looks that the Department is intent on overriding state management of fish and wildlife within their borders, inconsistent with ANILCA. But again we will have an opportunity to discuss this during questions.

Of course, it's not just Alaska. On top of all the regulations and restrictions we have seen, this budget would repeal a number of tax provisions that help maintain domestic energy production. It would impose an ambiguous new \$10.25 per barrel tax on oil that will hurt families and businesses. I was out in Bethel last week with five other member of this Committee, and if you asked any member of that community if they think it is a smart thing to increase the price of oil makes sense, they would probably say no. It seeks to impose new fees on energy producers, and a new royalty on hardrock miners.

At a time when energy and commodity prices are low, I expect Interior to be looking for practical ways to make our energy and mining industries more competitive. Yet, based on this budget, it looks like the goal is to drive them away from our federal lands and waters.

With regards to the miners out in the 40 Mile District you ask them if these are MPs that make it any easier on them to pursue what they have spent an entire life time trying to pursue as small operators out there—it is very tough to make that argument. And then at a time when we are recognizing that when we talk about energy insecurity that also includes the insecurity that comes from relying on others for our minerals. When we look at new fees and new taxes on top of already slow permitting within the industry, it makes me question how this helps us when it comes to mineral security, which in turn leads to economic security and national security.

Legacy wells. This is an issue that you and I have discussed at great length over the years. We have suggested that it is at the height of double standards, that the government would be allowed to basically take a pass in terms of cleanup, when the private sector would be sued until the sun sets--if they had done the same thing that the federal government has done. It is an ongoing environmental insult that the government should never tolerate and I think we recognize the budget here is far short of what is needed. We are at \$2.8 million.

If I understand what it is costing us on a per well basis, it is costing us pretty much \$3 million to close each well, as we have gotten beyond the easy ones. There has been a lot of news just this past week in Alaska, about the \$50 million that I was able to secure through the Helium Stewardship Act which BLM is now using to cleanup about 40% of the legacy wells. I think you and I agree this gets us on track, but we need to make sure that we are on a path to move forward with cleanup, that it is critically important, particularly since we are looking at 29 wells to be cleaned up after that.

The \$50 million I secured through the Helium Stewardship Act, which BLM is now using to clean up 40 percent of the legacy wells in the NPR-A, shows why a larger request will do the most good – rather than the drips and drabs that will ensure this travesty persists for decades.

And, beyond energy, there is King Cove. 26 months ago today, you rejected a life-saving road for this remote community. At the time, you promised to help local residents. Yet, again, we see nothing in this request to protect those whose lives remain in needless danger.

More broadly, the Administration continues to ignore budget realities and propose billions in mandatory spending – including for proposals that have been rejected in the past for very valid reasons.

For example, the Department is proposing full funding for the Land and Water Conservation Fund without any offset and without reforms. This is fiscally irresponsible, especially at a time when the Department should be focused on taking better care of the lands it already controls. I think we will have an opportunity to speak more to this later, but when we recognize the substantial backlog in the federal government, it sort of begs the question why we need to acquire additional lands.

Having said all of that, there are a couple important issues where I hope we can forge common ground despite the budget proposals offered here.

We have a serious wildfire problem to tackle both in terms of budgeting and actual forest management. I noted in the news yesterday in Alaska that we have our first wild fire in BLM lands outside of Delta. That has been contained, but that is reminder that the season

is coming a lot sooner. Our committee is going to dedicate much of March to finding a solution to these twin challenges.

A second area where collaboration is possible is the National Park Service Centennial. I know this is a priority of yours. I have said the Administration's proposal is unrealistic at \$1.5 billion in mandatory spending, but I do think there is no better time to put the Park Service on a path to long-term viability than its 100th birthday. This is an opportunity for us to figure out how we can work through the backlog, so that we have a park system that we can all be proud of. That would be a legacy for us all.

Again, thank you Madame Secretary for being here. We all look forward to your comments.

I'll now turn to Ranking Member Cantwell.

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