

Committee on Natural Resources
Views and Estimates for Fiscal Year 2016
Rob Bishop, Chairman

Overview

The President's Budget for Fiscal Year 2016 is another missed opportunity to get our fiscal house in order, rein in spending, and encourage growth in our economy. Perhaps even more than in past years, this budget spends too much and taxes too much, while not doing enough to support long-term job creation and economic growth.

Rather than prioritizing and making difficult choices about how to best spend scarce taxpayer dollars, the budget request for the Department of the Interior dramatically increases spending by \$2.6 billion (about 16%) over 2015 enacted levels, and nearly \$2 billion (10%) more than was requested last year. The Administration continues to recklessly believe that spending more is the answer.

The House Committee on Natural Resources (the Committee) recognizes that real reductions in spending must occur in order to solve our budget crisis and reduce the national debt. While careful consideration must be given to ensure that valued federal activities and lands are protected and that necessary cuts do not impede economic growth, tough decisions have to be made. Wasteful, duplicative, and unnecessary spending should be eliminated.

In addition to spending cuts, the President's budget should also acknowledge that our public lands and natural resources are not only job creators, but economic boosters that bring new funds to the federal Treasury to help pay down the national debt. But imposing new taxes, new regulations, and new fees – as the President's budget does – will have the opposite effect. It will stifle growth, send American jobs overseas, and forfeit opportunities for new revenue.

Keeping public lands and waters open to public enjoyment and recreation, along with the smart management of our resources, is vital to a strong and healthy economy. This budget should focus on promoting new energy production, implementing active forest management, ensuring an abundance of water resources, and taking care of federal lands we already own. Instead it once again seeks to impose new taxes and new layers of red tape while blocking public access to our lands and resources.

Federal Land Conveyances

Current budget practices frequently create insurmountable barriers to achieving the goal of reducing the federal estate by conveying federal land to local, state, and tribal governments. These transfers both create jobs and reduce the size of the federal government, so it is imperative to include language in the budget resolution that will eliminate barriers that impede government-to-government land transfers.

The federal government already owns somewhere between 635-640 million acres of land – almost a third of the United States (incredibly, the federal government doesn't know exactly how much land it owns.) Under existing budget conventions, when legislation transfers federal land currently or potentially generating income (usually mineral receipts, grazing leases, timber sales, or concessionaire contracts), the conveyance is scored as a loss to the federal government. This is true even if the land is only predicted – as determined by a hostile federal bureaucracy loathe to give up a single acre – to create income.

If a local government or a tribe is managing the land, assuming liability risks and developing the resources, it should be entitled to the income generated by those efforts. The federal government would save significant management, maintenance, and repair costs. The better economic use of the land would generate not only state and local tax income, but federal income as well. Unfortunately, current budget practices do not fully recognize this fiscal benefit.

Federal lands create a burden for the surrounding states and communities. These lands cannot be taxed and are in disrepair (agencies estimate a \$22 billion dollar- and growing- maintenance backlog). Often mingled with private land, federal lands isolate communities, limit growth and adversely impact private property rights.

Some argue that selling federal lands resolves these budget difficulties. However, this is often an economic impossibility. In Daggett County, Utah, for example, the ability of the County to provide for its 900 residents is extremely limited, since the federal government owns 98% of the County land. This makes it extremely difficult for its residents to pay for teachers and firefighters and provide land for businesses to grow. Daggett County certainly doesn't have the funds to buy back the land that the territory of Utah gave for free to the federal government in 1896 (and was supposed to be returned), but it needs the income from the land to grow.

The solution is to convey land without strings to state, local, and tribal governments. We ask for you to include a provision to eliminate barriers for these conveyances in the budget resolution.

In addition, to allow for these conveyances to start immediately, we ask that you build in \$50 million into the budget to cover possible impacts on offsetting receipts. Their vitality will reduce the need for other taxpayer-funded federal support, either through Payments in Lieu of Taxes or other programs like Secure Rural Schools.

Department of the Interior

Bureau of Indian Affairs (BIA)

Contract Support Costs – Contract Support Costs (CSC) are the indirect and administrative costs incurred by a tribe in the administration of federal programs assumed pursuant to the Indian Self-Determination and Education Assistance Act (ISDEAA). Typically, these costs are for federally-mandated annual audits, liability insurance, and internal systems for financial management, personnel, property management and procurement.

On June 16, 2012, the Supreme Court held in *Salazar v. Ramah* that the federal government is liable for 100% of contract support costs on each tribal contract, so long as Congress appropriated enough to pay any individual contractor in full. However, despite the *Ramah* decision, the President's previous budget request for fiscal year 2014 did not seek sufficient funding to cover all CSC owed to tribal contractors, instead requesting specific line item amounts or limits for CSC for each contract. Congress has rejected this proposal, and instead fully appropriated need estimates for CSC.

The President's fiscal year 2016 budget includes a legislative proposal which would reclassify existing CSC program from discretionary to mandatory beginning in fiscal year 2017 for both the Bureau of Indian Affairs and the Indian Health Service (each agency can enter into contracts or compacts with tribes).

The Committee is very concerned with this approach, especially given that this Administration has not consulted Congress and appears to be circumventing the intent of the Supreme Court decision in 2012. Additionally, the Administration has not proposed any offsets for this new mandatory spending, or provided other options to resolve CSC besides creating a new entitlement.

Trust Management – Over the last several decades some of the costliest recurring items in the annual budget request of the Department of the Interior were for the management, probate, and consolidation of highly fractionated Indian lands. These functions are authorized by various Indian land leasing statutes, the Indian Land Consolidation Act, and the American Indian Probate Reform Act.

Consolidating highly fractionated Indian land remains a huge challenge. The Claims Resolution Act of 2010 provided a mandatory appropriation of \$1.9 billion to the Department for the Indian Land Consolidation Program for Tribal Nations (Buy-Back Program). To date, the Buy-Back Program has concluded transactions worth \$330 million, restoring the equivalent of 541,000 acres of land to tribal ownership. The Department has until 2022 to spend the remaining \$1.5 billion of appropriated funds for consolidating highly fractionated Indian lands before any unspent funds are returned to the U.S. Treasury.

While the Department has, after inexplicable delays, finally implemented a land consolidation plan, it is doubtful that spending \$1.9 billion on acquiring highly fractionated interests in Indian lands will do more than temporarily resolve the land fractionation problem. The Committee is concerned that without creative proposals to resolve this problem, the Department will seek additional appropriations within the next several years. Several tribes continue to have concerns regarding the approach and efforts put forth by the Department.

The Department should study, in close consultation with Indian tribes and authorizing committees in Congress, new ideas for consolidating or managing highly fractionated Indian lands for the most possible benefit for tribes and individual Indian lands owners, at minimal cost to taxpayers.

Economic Development – The Committee is concerned that the Department continues to display less interest in conventional energy resource leasing on Indian lands than on noncompetitive renewable energy development. Indian Country plays a key role in an all-of-the-above energy approach. Native lands hold an estimated ten percent of the Nation’s untapped energy resources. Given the federal budget deficit, scarce resources should be steered toward conventional energy development on Native lands as U.S. infrastructure to deliver these forms of power is highly developed already and these forms of energy are the most cost-competitive and marketable.

Bureau of Land Management (BLM)

Setting budget priorities that promote sound, multiple-use management of BLM lands will significantly contribute to the following goals: increased energy and resource security, a wide diversity of outdoor recreation, job creation, economic growth, reduced deficit spending, and increased national security.

BLM has received significant pressure to convert its traditional multiple-use mandate into one focused only on preservation with a mission more akin to the National Park Service. Unfortunately, this movement received a significant push forward with the creation of the National Landscape Conservation System (NLCS). As well as eroding the mission of BLM, NLCS has also become a duplicative office that imposes another layer of bureaucratic, centralized, and unnecessary management. The Committee recommends eliminating the Office of the NLCS and restoring management of “units” to BLM state offices.

In these times of constrained budgets, it is curious that BLM is talking about expanding its mission to landscape level planning. BLM needs to focus on its own land and how best to manage it for the full range of public benefits including jobs, recreation, conservation, national security, and economic growth. Opening up the vast energy and mineral potential on our public lands through sound stewardship is one way to accomplish this.

BLM has taken a significant step backward and is continuing to advance the goals outlined in the Secretarial Order on “Wild Lands.” While the “Wild Lands” title has been abandoned,

BLM is actively using the resource management planning process to reduce and eliminate acres of public lands that are currently available to responsible multiple use and energy production. This is clearly the wrong direction and hinders responsible development of needed domestic energy production. The Committee supports continuing the restriction on the use of funds to implement the Wild Lands policy and create *de facto* wilderness through administrative fiat, and further curtail executive overreach using climate change, landscape-level, critical habitat or litigation-driven decisions to manage America's public lands.

As with other areas of the Department's budget, BLM squeezes important existing needs to quench this Administration's thirst for more federal lands. BLM needs to provide balanced management of the more than 245 million acres already in its care. With our country's current fiscal challenges looming, BLM will have to forego ideas of mission creep and territorial expansion. Throughout the West, BLM ownership and policies should not be an obstacle to the growth and prosperity of neighboring communities whose viability depends on responsible access to federal land. The Committee also recommends that BLM create a searchable online database on its website of all lands that have been identified for disposal.

Ideology and litigation-driven policies are taking over the BLM's multiple-use mission. The Committee is concerned about BLM Sage Grouse conservation planning and interim decisions that lack data transparency, fail to adequately credit ongoing state and local activities, contradict science, and further conflict with the BLM's multiple-use mandate.

Countless resources have been and continue to be expended to meet arbitrary deadlines driven by litigation with two groups and a 2011 closed-door settlement that was absent consultation or consideration of any economic impacts on agency, state, and county budgets, including potential lost revenues from renewable energy, energy and mineral leasing, mineral exploration and mining, electric transmission, and grazing permits. Greater transparency is needed in the formulation of these settlements, the science, and regulatory policies that occur because of them. The Committee recommends a cap on the costs and greater transparency of the flawed science associated with litigation-driven policies. Further, while multiple time-consuming lawsuits and threats of litigation continue to delay and halt energy and mineral production on federal lands, BLM has taken no legitimate steps to prevent or minimize burdensome lawsuits that require significant federal resources to manage. [Note: The lengthy permitting timelines for any activity on federal lands is in part due to the agencies' (including Forest Service) efforts to try and create a litigation proof document. Secondly, how will the agency mitigate for litigation when there are 'Citizen Suit' provisions in all of our environmental laws?]

BLM has also proposed implementing an inspection fee for oil and natural gas facilities. It is disconcerting that while BLM continues to collect Application for Permit to Drill (APD) fees (taking significantly longer than states to approve APDs) it would institute another fee with little explanation as to why it is needed or how the funds will be used.

The BLM, in collaboration with the Office of Natural Resources Revenue, proposed regulations on January 6, 2015 to change the valuation for royalty purposes of oil, gas, and coal produced from federal onshore and offshore leases. BLM's proposed structure could cost oil, gas, and coal producers an estimated \$87.3 million per year. In addition to being untimely, this rule is aimed

at harming producers who are already suffering due to the onerous over-regulation by the federal government and the deflated cost of energy due to the current abundant supply of oil.

The rapidly increasing budget for the Wild Horses and Burros program is also of concern to the Committee. We continue to favor a critical re-examination of the program with the goal of maintaining a sustainable population of wild horses and burros compatible with the carrying capacity of the land and reality of budget constraints.

Mining Law Administration – Claim Location and Maintenance fees were adjusted according to the CPI for the FY-2014 – 2018 assessment years, increasing from \$34 to \$37 and \$140 to \$155 per claim. The increase in fees in concert with lower metal prices and long permitting timelines for mineral exploration and mine permitting projects (7-10 years or longer) resulted in a loss of 48,867 mining claims and a reduction in revenue of \$8.3 million dollars between FY-2013 and FY-2014. The fees are used as off-setting receipts for ‘Mining Law Administration.’

The U.S. currently receives between 7.5 and 8.0 percent of the world-wide mineral exploration budget, down from 20 percent in the early 1990s. Over time the U.S. has become increasingly dependent on foreign sources of mined materials essential to our National and Economic Security. For example 25 years ago the United States was dependent on foreign sources for 30 non-fuel mineral materials, 6 of which were entirely imported to meet the Nation’s requirements and another 16 of which were imported to meet more than 60 percent of the Nation’s needs. By 2013, the U.S. import dependence for non-fuel mineral materials more than doubled from 30 to 61 commodities, 19 commodities were imported entirely to meet the Nation’s requirements, and another 22 commodities required imports of more than 50 percent.

Bureau of Ocean Energy Management, Bureau of Safety and Environmental Enforcement

For Fiscal Year 2016, the Obama Administration has requested \$170.9 million for the Bureau of Ocean Energy Management, which reflects a net increase of \$1.1million over FY2015; and \$204.7 million for the Bureau of Safety and Environmental Enforcement, which reflects a net increase of \$47,000 over FY2015 levels. These budget estimates include offsetting receipts – in the form of significant rental fees and inspection fees that are levied upon the companies that choose to explore and develop in our waters.

While the President’s budget request for these two federal agencies that oversee energy production on over 1.7 billion acres of our nation’s Outer Continental Shelf claims to plan for a “sustainable energy future” for our nation, recent actions taken by these agencies seem to run contradictory to that goal. In reviewing statistical data published for the most recent five years on record (2009 to 2013), the Bureau of Ocean Energy Management and the Bureau of Safety and Environmental Enforcement have presided over a steady decline in offshore oil and gas production, as well as little progress in the establishment of commercially-viable offshore renewable energy development, aside from the several competitive offshore wind lease sales that have yielded small sums to the federal treasury.

The defined objectives of the Outer Continental Shelf Lands Act assert the outer Continental Shelf as a vital national resource that should be made available for expedition an orderly development. The recent issuance by the Bureau of Energy Management of their Draft Oil and Gas Leasing Program for 2017-2022 contained the lowest number of proposed lease sales in the history of the planning process, most of which are scheduled for the Gulf of Mexico – very few are directed towards accessing new acreage. The plan proposes one lease sale in the Atlantic late in the plan, further delaying the Virginia lease sale that had been included in a draft plan over fifteen years ago and scheduled to occur in 2011. The plan also imposes buffer zones on planning areas that in turn locks up millions of accessible, energy-rich acres for yet another five years. Of all the 14 sales included in the proposed plan, the Committee has serious questions as to how many of the sales will actually be retained in the final proposed program.

The Committee also has serious concerns regarding the oncoming avalanche of federal regulations that will soon be imposed upon existing leased acreage in the Gulf, such as the forthcoming well-containment rule aimed at regulating much of the safety technologies that are currently utilized for offshore exploration and production. Additionally, the forthcoming Arctic Rule will likely impose new restrictions on any federal offshore energy exploration and production in Alaska program areas. Finally, nine companies await geological and geophysical permits from the Bureau of Ocean Energy Management – a process that seems to be endlessly tied up in bureaucratic red tape between agencies. This important scientific research must be conducted prior to any leasing in the Atlantic – and the new regulations guiding these endeavors go well beyond the practices already utilized safely in the Gulf of Mexico. Should these Atlantic-specific regulations supplant existing guidance used in the Gulf of Mexico, it could have the overall effect of shutting down future exploration and production.

In order to write a realistic map towards a sustainable energy future for our nation that takes into full account our current and predicted needs of fossil fuels, one cannot ignore that our nation's outer Continental Shelf remains a vital source of domestic oil and gas production. Additionally, advancing policies that would reverse the overall offshore production declines would help our nation retain its competitive edge in a world where countries like Russia, China, Canada and Australia are all aggressively pursuing their own offshore energy resources. The committee would like to see the budget for BOEM and BSEE reflect our nation's energy needs and demonstrate a commitment to a more rigorous offshore leasing program and dedicate more resources to ensuring a safe but streamlined offshore permitting approach. Instead, these agencies have continued with the status quo while continuing a regulatory structure that only casts a shadow of regulatory uncertainty over our prodigious offshore resources.

Bureau of Reclamation (Reclamation)

The Bureau of Reclamation's dams and reservoirs provide water, emissions-free hydropower and numerous other benefits to the western United States. Irrigation water provided by the agency also provides a vital resource for national and international food supplies. Reclamation's historical water and power mission formed the basis for growth of the western United States, transforming arid land to some of the most productive farmland in the world and powering

communities with affordable, reliable, and renewable electricity. However, this legacy of abundance is being transformed to one of rationing decreasing water and power supplies.

The Administration's budgets are a symbol of this troubling transformation. While many of Reclamation's programs continue to run under the "beneficiary pays" policy where water and power ratepayers repay the initial and ongoing federal capital investment, the agency's programs are increasingly focused on taxpayer-financed programs that have a questionable federal nexus. In addition, the Administration does not seem to have a vision on returning to multi-purpose project construction; instead, such potential projects, particularly in parts of California seem to be mired in "paralysis-by-analysis" studies.

The situation facing California's San Joaquin Valley is symbolic of this Administration's lack of long-term planning to resolve water supply issues. Many farmers who rely on water delivered from the federal Central Valley Project may not get any of their historical water deliveries due to natural drought exacerbated by federal regulations that place the needs of a three-inch fish over communities.

U.S. Fish and Wildlife Service (FWS)

The Committee recognizes FWS's acknowledgment that it must better communicate with states, tribes and localities when it comes to current and future operations of the National Fish Hatchery System. The Committee will continue to oversee federal fish hatcheries over the course of the next fiscal year.

The Committee notes the proposed funding increase for "fish passage improvements" under the guise of helping "make communities and natural resources more resilient". There have been concerns that FWS has used its authority to mandate costly conditions on non-federal dams and to remove dams that have actually helped communities and the environment. It is concerning that the agency could not provide a list of proposed FY-2016 fish passage projects.

National Park Service (NPS)

The Committee is concerned that NPS is diverting funds away from critical needs of the existing majestic and historic park units and into projects that do not further the NPS' essential mission to serve visitors and to preserve these parks for the future. It is disappointing that despite increases to NPS' budget the maintenance backlog on existing parks continues to balloon and visitation continues to decline.

The President continues to propose hundreds of millions of dollars for land acquisition programs administered by NPS. These funds would be better directed toward maintenance projects addressing aging and neglected infrastructure.

After years of expanding budgets, NPS has done little to show for this in terms of increased public use and enjoyment of parks or reduction in the maintenance backlog. The Committee also notes that Obama NPS operations budgets continue to increase, which leads us to conclude that pleas of inadequate park funding may have more to do with management priorities than actual funding levels. President Obama's unilateral creation of new park units has only put us further behind in the effort to adequately maintain the system.

The Committee's strong support for our country's unparalleled system of parks notwithstanding, it is important to recognize the need, in coordination with NPS, to commit to finding areas of waste and lower priority spending within the budget.

Office of Insular Affairs (OIA)

OIA's budget falls under two categories – current and permanent appropriations. The majority of OIA's budget is made up of mandatory, permanently appropriated commitments to U.S.-affiliated insular areas. These territories include Guam, American Samoa, the U.S. Virgin Islands, the Commonwealth of the Northern Marianas Islands, Federated States of Micronesia, Republic of the Marshall Islands, and the Republic of Palau).

The U.S. — Palau Compact Agreement is an example of a mandatory commitment. The Compact expired in 2009, with a new agreement signed in September 2010. Annual funding extensions for the Compact have been included in subsequent appropriation bills; however, implementing legislation for the renegotiated Compact has languished due to the lack of an offset. The Administration has put this burden on the Department of the Interior, when benefits of the Compact also effect the Department of State and the Department of Defense. The Committee supports the revised Compact and would urge the Administration to work with the Committees of jurisdiction in the House by providing a viable offset for the renegotiated Compact.

The small portion of OIA's budget that is discretionary includes OIA grant programs and technical assistance for the territories. The Committee supports the competitive measures for certain grant programs to support and develop territorial governments that use prudent financial management practices. The Committee also supports ongoing efforts by OIA to institute measures to effectively monitor its grants and other funding programs to ensure federal funds are being used efficiently and effectively in the insular areas.

Office of Surface Mining, Reclamation, and Enforcement (OSM)

The Committee continues to be concerned with the millions of taxpayer dollars that are being spent on OSM's ongoing rewrite of the 2008 Stream Buffer Zone Rule. Since 2009 OSM has spent more than \$10 million on the rewrite of the rule – a rewrite that was prompted by litigation from notorious environmental groups. Six years later, OSM has yet to officially release a draft

rule. In February 2011, a draft of the EIS and rule were leaked to the press showing the proposed rule would cost 7,000 direct jobs and cause economic harm in 22 states. A Committee staff report released in September of 2012 exposed gross mismanagement of the rulemaking process, potential political interference, and detailed the widespread economic harm the proposed regulation would cause. The Committee passed legislation (H.R. 2824) in the 113th Congress to save taxpayer dollars and American jobs by stopping the Obama Administration from continuing with its reckless and unnecessary rulemaking process.

Of similar concern is OSM's proposal to create rules on the emissions of Nitrogen Oxides from blasting activities. This rulemaking process was instigated by a petition from a litigious environmental group and has received overwhelming oppositional comments from industry and technical experts. If OSM yields to the demands of the environmental petition, the new rule could have substantial consequences for surface coal mining across the nation.

OSM continues to be extorted by environmental special interest groups attempting to advance their war on coal.

The Committee does not support the Administration's proposed legislative changes in the FY-2016 Budget to take a billion dollars of unappropriated AML funds to plant orchards on reclaimed coal mines. Those funds should remain available to be appropriated to address priority 1 and 2 AML sites in historic coal mining districts.

Payments In Lieu of Taxes (PILT)

As with previous years, the President emphasizes policies to expand the federal estate over meeting federal obligations and the active management and use of federal lands to benefit local communities and counties nationwide. The President's Budget calls for the establishment of a nearly billion dollar annual land acquisition program and new mandatory spending to address a departmental maintenance backlog in the billions of dollars, yet he fails to plan beyond one year to meet the federal obligation to counties for the payments in lieu of taxes program, or PILT. Without a sustainable long-term funding solution for PILT, it is time to reconsider how the federal government can be more responsive to the needs of the nation's counties and provide for them a greater say over how these lands in their backyards are governed.

Department of Commerce

National Oceanic and Atmospheric Administration (NOAA)

At a time when the President himself has proposed moving NOAA entirely to the Department of the Interior, the Committee is concerned with large increases to NOAA's FY 2016 total budget

request—\$550 million in federal spending above last year’s levels to a total of nearly \$6 billion. The proposal generally focuses too much on satellites, atmospheric, and regulatory programs, while at the same time failing to produce adequate data and science important to the sustainability of commercial and recreational fisheries in each of the nation’s coastal regions. At the same time, it would create more opportunities for vague “climate resiliency” programs to adversely impact a host of economic activities on the ocean and inland on rivers and streams. For example, NOAA proposes increases of \$45 million and \$21 million, respectively, for Regional Coastal Resilience Grants and the Integrated Ocean Acidification Program. As NOAA itself points out, it is responsible for the management of 469 federally-managed fish stocks, as well as other marine mammals and other species. This budget request would not balance the needs of those fisheries or the communities dependent on them, but would continue to provide funding for further internal growth at NOAA. In the past two years alone, NOAA has increased its overall full-time federal employee workforce by nearly 1,000, including increases to regulatory and enforcement functions.

Adequate Science Necessary for Management Decisions –Despite NOAA’s slight increase to the “expand annual stock assessments” account, fishery surveys and other basic fisheries research, in addition to stock assessments, continue to be inadequately factored in the budget. The result: use of outdated or inadequate data, more regulations, rules, and closures, and ultimately, loss of jobs and severe economic impacts to coastal communities. Better data and stock assessments are necessary for the sustainable management of fishery resources that provide the economic underpinning of many of the Nation’s coastal communities. Increased funding for electronic monitoring does not provide comfort to these areas.

Habitat “Focus Areas,” National Ocean Policy and Coastal and Marine Spatial Planning – While the FY 2016 budget request does not request specific funds for implementation of the National Ocean Policy, NOAA continues to fund these activities. In addition, the Committee is concerned with vague new plans to expand marine sanctuaries and protected areas and to establish prioritized “habitat focus areas” around the nation with expanded missions and funding requirements. Implementation of these initiatives requires funding, which will be taken from existing programs. The initiatives, being coordinated out of the White House and the Council on Environmental Quality, will result in coastal, marine, and inland zoning by a number of federal agencies and will further erode the ability of coastal and ocean-dependent users to conduct their activities, either recreational or commercial. These broad federal initiatives will require any agency with authority over programs that might affect the health of the ocean or Great Lakes ecosystems to adhere to new guidelines, which will be developed without public comment by unelected agency personnel. This initiative does not have specific statutory authority. No funds have been specifically requested for this initiative; however, NOAA continues to move forward with this initiative by using funds from other Congressionally-appropriated activities.

National Catch Share Program –The Committee continues to be concerned that NOAA advocates for over \$2 million for new catch shares in regions where this type of management system is not requested, and may quite simply be unhelpful. In past years, NOAA has indicated that it intended to increase the number of catch share programs by more than double, even in fisheries where fishermen are not interested. This push for new catch share programs from the top down is inappropriate.

Department of Agriculture

U.S. Forest Service (USFS)

The Committee is concerned that USFS, faced with serious threats to forest health from fires, beetle infestations, and the demise of significant local wood products based employment is not seriously addressing the challenges. While the Administration has proposed an extremely modest increase in treating acres, it does not begin to address years of neglect. Properly managed, our national forests can contribute to our national well-being, while providing economic opportunities that flow to surrounding communities and keep the forests healthy, productive, and disease free. In fact, vast swaths of our forests are dying as the scourge of beetle infestation and risk of catastrophic wildfire grow unchecked. As the forests are dying so is the economic vitality of rural communities.

Given this backdrop and the lack of active management on forest lands within the agency's existing responsibility, the Committee cannot support acquiring more lands until basic stewardship responsibilities are met on existing lands.

The Committee recommends eliminating funds that would otherwise go to well-funded and litigious groups in the form of Equal Access to Justice Act payments. The pattern is now well established. The majority of timber sales are contested by activists, with the attorney costs being picked up by the taxpayer. The Committee wants an end to the litigation-induced downward spiral in the condition of the taxpayers' forests and the injustice of forcing taxpayers to fund the attack.

Rural counties are again faced with the expiration of funding under the Secure Rural Schools and Community Self-Determination Act. Thus far the Administration has only proposed to phase out the program with dwindling payments and has offered no solution for otherwise increasing revenues from national forest receipts. While Secure Rural Schools has provided a much-needed backstop for essential county services, it has done nothing to put timber communities back to work. The Committee has reported, and the House of Representatives has passed, bipartisan legislation that creates a new program that would provide more financially secure funding from environmentally sound increased forest management. This would result in healthy, sustainable, more fire resistant forests and high paying employment for rural America.

The Committee remains concerned about the minimal attention given to the agency's ability to contribute to the nation's energy independence and communications infrastructure. The agency manages ten percent of the continental United States land base and has significant oil, gas, coal, transmission, and hydropower resources- yet is proposing to decrease investment in energy project review and continues to succumb to environmental road blocks in the approval of energy development and transmission.

The budget proposal combines previously separate accounting categories for wildlife management, planning, and forest management in one pool of funds and makes accountability difficult to understand or track. It is difficult to understand where forest management projects

will occur. Instead of investing in contentious Forest plans which are essentially controversial zoning documents, the administration should be focusing on accomplishing more on the ground projects which would improve the health of the nation's forests and rural communities.

The Committee does understand the challenges presented to agency management given the current fire suppression funding scenario whereby emergency funding needs can deplete regular appropriations. Annually this can cause significant upheavals in the agency's ability to fund important programs. The Committee is supportive of a resolution to this funding quagmire.

In summary, while there is the beginning of understanding of what neglect has meant to the forests and rural America, the budget outlined does not address basic stewardship responsibilities or other national priorities such as energy and telecommunications and instead provides significant funding for acquiring more private land and contentious forest planning efforts of limited value.

Department of Energy

The Power Marketing Administrations

The four Power Marketing Administrations (PMAs) deliver hydropower generated at federal dams to wholesale power customers at the lowest cost consistent with sound business principles. Over the last seven years there has been a troubling trend to change the missions of the PMAs through former Department of Energy Secretary Steven Chu's March 16, 2012 Memorandum, micromanagement of regional autonomy and a new borrowing authority included in the so-called Stimulus law, among others. In addition, there has been a sizable increase in the Western Area Power Administration's (WAPA) central staffing that has left some of the agency's ratepayers questioning these costs. While these agencies are self-financing through ratepayer collections, the Committee will closely monitor the PMAs activities to ensure that ratepayers will not bear any undue costs over this and coming fiscal years.