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HOUSE COMMITTEE ON RESOURCES
SUBCOMMITTEE ON PARKS, RECREATION AND PUBLIC LANDS
OVERSIGHT HEARING ON BLM'S FISCAL YEAR 2005 BUDGET & ONGOING
EFFORTS TO REDUCE THE MAINTENANCE BACKLOG
FEBRUARY 26, 2004**

Mr. Chairman and members of the Subcommittee, I am pleased to appear before you today to discuss the Bureau of Land Management's (BLM) FY 2005 Budget Request and on-going efforts to reduce the Agency's maintenance backlog.

I would like to begin by discussing my ongoing vision for the BLM and its future. It is the mission of the BLM to sustain the health, diversity and productivity of the public lands for the use and enjoyment of present and future generations. The public lands contribute in many different ways to the wealth of the nation and to the quality of life of every American citizen. For example, we provide recreation opportunities; we provide access to resources; and we protect some of the Nation's most significant cultural, historic, and natural places. And, we serve communities through science, wildland firefighting, and law enforcement. The BLM also continues to be one of the few Federal agencies whose actions generate more money than it spends to operate.

Across the country, the BLM is responsible for the management of 261 million surface acres of public land -- more than any other Federal agency and represents one of every five acres in the inter-mountain West -- as well as over 700 million acres of subsurface Federal mineral estate. Our employees, who number over 10,000, have a lot of ground to cover and face new challenges every day. These new challenges are the same challenges that the communities in which we work are facing.

The population of the West has grown from 17 million to 63 million over the past 50 years. That trend will continue as people move West for the quality of life, including access to the great outdoors. Today, more than 22 million people live within 25 miles of the public lands. The growing wildland urban interface means we will continue to face growing challenges in managing our forests, woodlands and grasslands to reduce the threat of catastrophic wildfires. But we are dealing with more than just population growth. We are also dealing with changes in the way people use the public lands and different kinds of conflicts over changing priorities and values.

The changing condition of the public lands is another challenge facing the agency. Drought, wildland fire, invasive species, and development on adjacent lands have an impact on proper functioning ecosystems. The BLM is responding to these conditions in a variety of ways in order to sustain the health, diversity, and productivity of the public lands for current and future generations.

BLM-managed lands play a pivotal role in addressing the Nation's increasing demand for energy production. The BLM continues to aggressively implement the President's National Energy Policy, and assist in modernizing the Nation's energy infrastructure in order to meet increased demands for the development and delivery of renewable and non-renewable energies. BLM lands provide 11 percent of the Nation's natural gas and five percent of the Nation's oil. Furthermore, ninety percent of the oil and gas pipelines and electric transmission rights-of-ways in the West cross BLM lands. The development of alternative energy sources -- such as wind, hydropower, and geothermal -- continues to be an important component in the President's National Energy Policy and BLM's diverse portfolio of energy resources.

I believe we can successfully face these challenges and enhance the quality of life for all citizens through the balanced stewardship of America's public lands. The BLM strives to improve the health and productivity of the land to support BLM's multiple-use mission. BLM initiatives to accomplish this include: implementing the National Fire Plan, a 10-year comprehensive strategy to reduce the risk of catastrophic wildfires; implementing the Healthy Forests Restoration Act, which promotes restoration and hazardous fuels reduction on Federal forests and rangelands; supporting the President's National Energy Policy to promote dependable and environmentally-sound energy for the future; sustaining working landscapes through grazing regulation reforms; and improving recreational opportunities on the public lands.

The BLM is also cultivating community-based conservation, citizen-centered stewardship, and partnerships. We are an "open door" agency and we try to emphasize bringing people into the land management process. This is the philosophy behind the President's direction to develop policies based on common sense and common ground and the philosophy behind the Secretary's Four Cs – consultation, cooperation, and communication, all in the service of conservation. For example, the BLM now works to bring states, counties and tribes into the planning and National Environmental Policy Act (NEPA) processes through developing Cooperating Agency relationships. We believe decisions made with local input are decisions that work best.

FY 2005 BLM Budget Overview

The BLM's FY 2005 Budget Request reflects the trend in changing demographics of the West and addresses many challenges in cooperation with partners to assure healthy forests and rangelands; protection from and prevention of catastrophic wildfires; and the development of renewable and non-renewable energy sources. Inherent in the BLM's mission is the need to provide for public health and safety, and as in past years, the BLM's FY 2005 budget also reflects efforts to continue addressing the deferred maintenance backlog on public lands.

The BLM's FY 2005 Budget Request is \$1.8 billion for the BLM's major appropriations, including Management of Lands and Resources, Construction, Land Acquisition, Oregon and California Grant Lands, Range Improvements and Miscellaneous Trust Funds. The BLM's budget also includes requests for funding for the Department of the Interior's

Wildland Fire Management and the Department's Central Hazardous Materials Fund. This represents an increase of \$64.5 million, or 4 percent, over the FY 2004 enacted level of funding. The BLM's total appropriation is \$3 billion when you include receipt-based accounts.

Initiatives to Restore, Maintain, and Improve the Health of the Land – In 2005, the BLM will focus on restoring fish and wildlife habitat, removing excess wild horses and burros from public lands, improving rangeland conditions, and increasing monitoring efforts to assure that desired resource objectives are met. By taking these actions, the BLM hopes to prevent litigation, improve species habitat, and allow for the continued multiple use of public lands. The initiatives for which we are requesting funding increases include:

- **Healthy Forests Initiative** – The FY 2005 BLM Budget Request proposes an increase in funding for improving forest health and implementing the President's Healthy Forests Initiative and the recently passed Healthy Forests Restoration Act. The BLM is proposing an increase in funding of \$788,000 in the Oregon and California Grant Lands Appropriation, combined with a redirection of \$3.7 million within the Jobs in the Woods Program, to increase thinning in late successional reserves (LSR) in western Oregon. The BLM plans to produce an additional 30 million board feet of timber that will help promote old growth timber characteristics in LSR's while at the same time increasing economic benefits in timber dependent communities in western Oregon. An additional \$500,000 in the Jobs in the Woods Program will be refocused and used for precommercial thinning activities in LSR's that will also will improve the resource conditions.

Outside of western Oregon the BLM is requesting an increase of \$1 million to promote healthy forests by completing 1,500 acres of forest restoration treatments on public domain forest lands using all the Healthy Forests Restoration Act tools, including stewardship contracts. An estimated 7 million board feet of timber will be produced, including biomass for energy production. In addition to improving forest health, the projects will provide job opportunities in local communities and will help stimulate the development of markets for small-diameter wood byproducts and the nascent biomass industry.

The 2005 budget reflects the Administration's continued commitment to implementing the National Fire Plan and reducing the loss of life and property and environmental damage caused by catastrophic wild fires. In FY 2005, the BLM, on behalf of the Department of the Interior (DOI), is requesting programmatic increases totaling \$55.2 million - \$25 million for hazardous fuels reduction projects; \$28.6 million for fire suppression activities; and \$6.5 million for fire preparedness activities. These increases will allow DOI to address an additional 45,000 acres of fuels build-up in the wildland urban interface; improve and enhance fire preparedness and readiness capabilities; assure that all personnel and resources are ready to respond to fire emergencies; and fund suppression at the 10-year average. The Wildland Fire Management budget also includes a proposed decrease in

funding of \$4.9 million for the Rural Fire Assistance Program in recognition of the significant expansion of the Federal Emergency Management Administration's local fire assistance program.

- ***Sage Grouse & Sagebrush Habitat Conservation*** – The BLM is proposing an increase of \$3.2 million to implement actions to improve habitat for the sage grouse and other species dependent on sagebrush ecosystems. By taking aggressive management actions to improve land health by conserving and restoring habitat for the sage grouse and other species, the BLM can help curb the decline of the population of these species and possibly prevent their listing under the Endangered Species Act.
- ***Challenge Cost Share (CCS)/Cooperative Conservation Initiative (CCI)*** – The BLM's CCS and CCI Programs leverage appropriated funds with private and state funds to conduct conservation efforts that benefit the public lands. CCI principally focuses on on-the-ground restoration activities, while CCS projects focus on all other conservation initiatives. The BLM has partnered with over 100 national and local-level conservation groups in efforts to restore the health of the land. In FY 2003, the BLM funded 486 CCS projects and obtained \$23 million in cash and in-kind contributions of labor and services. The BLM also funded 87 CCI projects and obtained \$10.8 million in cash and in-kind contributions. The BLM's FY 2005 budget builds on these past successes and proposes an increase of \$2.2 for CCS and an increase of \$2.6 million for CCI. These activities are an important element of BLM's efforts to maintain and restore the public lands in cooperation with partners.
- ***Wild Horses & Burros*** – The FY 2005 Budget Request includes a proposed increase of \$12.8 million for the management of wild horses and burros. Currently, there are approximately 36,000 wild horses and burros on public lands, and another 24,000 animals are being cared for in long and short-term holding facilities. This condition is neither ecologically nor financially sustainable over the long-term, and the situation will only worsen if the BLM does not take immediate steps to reach an appropriate management level (AML) of 25,000 animals on the public lands. If left unchecked, the populations of these animals will double every five years. A majority of the requested funding, \$10.5 million, will be reallocated from other BLM resource programs, many of which will benefit in the long-term from reduced animal populations on the range. With the proposed redirection of funds, the BLM anticipates meeting AML by 2006.
- ***Columbia Basin Fish Habitat Restoration*** – The BLM is proposing an increase of \$1 million to continue restoration actions on an additional 25 miles of riparian habitat in the tributaries of the Columbia River basin.

Initiatives to Monitor & Develop Land Use Plans for Effective Land Management- Beginning in 2001, the BLM began a major initiative to update and amend its land use plans in an effort to ensure that it was effectively responding to local needs, national priorities, and changing demands of the public land users. The BLM's FY 2005 Budget

Request includes a proposed increase to ensure that updated land use plans and the activities they authorize are meeting their intended goals.

- **Monitoring** – A proposed increase of \$4 million is requested to complement and expand on existing on-the-ground monitoring activities by providing a consistent framework for assessing land health conditions, and developing a plan to coordinate and consolidate, whenever possible, existing monitoring data. The goals of this effort will be to develop a broader perspective on the state of land health across BLM, to better quantify the impacts of alternative management options, and to identify data gaps for planning future monitoring work.
- **Land Use Planning in Western Oregon** – In order to settle a long-standing lawsuit, the BLM has committed to revising the six land-use plans that provide management direction for lands in western Oregon. These plans, initially developed as part of the Northwest Forest Plan, have led to various lawsuits and prolonged litigation preventing the BLM from reaching key goals of the Northwest Forest Plan, including planned timber harvest levels. The FY 2005 Budget Request proposes an increase of \$7 million to begin the plan revision process, including public scoping, preparing scientific studies, evaluating current plans, and beginning Endangered Species Act consultations.

Utilization of Public Land Resources & Services – The BLM has a major role, and a major workload, in implementing the President’s National Energy Policy, especially its goal of improving access to energy resources located on public lands while continuing to assure the safe, environmentally-sound development of these resources. The BLM is undertaking efforts to more effectively and efficiently respond to these increased demands and provide for public needs and improved customer service.

- **Energy Development** – In recent years, the BLM’s Energy and Minerals Program has received significant increases in funding to respond to the increasing demand for natural gas, the workload associated with processing applications for permits to drill (APD), and inspection and enforcement activities. The BLM’s FY 2005 budget request maintains the program at the FY 2004 level through a combination of appropriated funds and cost recovery. The BLM will continue to emphasize processing APDs, monitoring to ensure environmentally-sound practices, and implementing the second phase of an inventory of oil and gas resources on Federal lands (the “EPCA inventory”) while beginning to utilize the findings of the initial EPCA study.

The BLM has a major role in developing and delivering the Nation’s renewable and non-renewable sources. The FY 2005 Budget Request includes a proposed increase of \$250,000 to continue studies and processing applications for wind energy and other renewable energy projects on public lands. The request also includes an increase of \$550,000 for processing rights-of-ways for renewable energy projects.

The BLM's FY 2005 Budget Request also includes a proposed decrease of \$4 million in the Energy and Minerals Program for cost recovery efforts. The BLM will implement regulations to increase current fees to better reflect the costs of the services provided. These regulations are anticipated to raise an additional \$4 million in revenues in FY 2005. The proposed reduction will not have a negative impact on the BLM's processing of applications.

Customer Service Initiatives – The BLM's FY 2005 Budget Request also proposes various increases for customer service initiatives that will allow the BLM to more efficiently respond to increased demands for BLM products and services. For example, in support of the President's "E-Gov initiative," the BLM is standardizing external websites, developing NEPA and land use planning software and systems (called "E-Planning"), and implementing electronic forms for filing of various applications.

Other Proposed Changes in the FY 2005 BLM Budget –

- **Land Acquisition** – The BLM proposes an increase of \$5.6 million for land acquisition for 14 projects in 9 states. These acquisitions are all on-going projects with willing sellers that focus on access issues and the preservation of critical habitats for fish and wildlife.

FY 2005 BLM Receipts

As mentioned earlier, the BLM continues to be one of the few Federal agencies whose actions generate more money than it spends to operate. In FY 2005, the BLM estimates that it will produce over \$3.6 billion in receipts. In addition, a portion of the receipts that the BLM collects are distributed to local communities and are a significant source of support for rural communities in the West. The largest receipt generating activity continues to be from the production of BLM onshore mineral leasing. Bonuses, rents, and royalties from these activities will generate approximately \$2.3 billion in FY 2005; however, these receipts are reflected in the Minerals Management Service (MMS) budget.

The sale of public lands and materials, and in particular, land sales under the Southern Nevada Public Land Management Act (SNPLMA), is the second largest generator of receipts. SNPLMA allows BLM to sell public lands in the Las Vegas Valley, and to use the proceeds to address critical environmental and educational needs in Clark County, Nevada and elsewhere in the State. In FY 2005, the BLM estimates that it will collect over \$1 billion in receipts from the sale of public lands. Of this amount, SNPLMA will generate over \$900 million. Since its inception in 1998, SNPLMA has generated over \$690 million in receipts. Of the \$900 million expected to be collected in FY 2005, approximately \$149.3 million will be distributed back to the State of Nevada for its use.

The balance of BLM's estimated FY 2005 receipts, approximately \$350 million, is collected from a variety of other sources and activities, including grazing fees (\$13.2 million); sales of timber and vegetative materials (\$36.6 million); recreation use permits (\$11.2 million); the sale of helium (\$134.5 million); mining claims and holding fees

(\$25.9 million); National Petroleum Reserve – Alaska (\$38.1 million, collected by MMS and transferred to the BLM); mineral leasing in the Naval Oil Shale Reserve in Colorado (\$16.4 million); and various other collections, such as filing fees, earnings on investments, and service charges (\$77.1 million).

Deferred Maintenance

Finally, the BLM continues to work to reduce the backlog of deferred maintenance projects, including conducting condition assessments of facilities. These projects include repair work on such things as buildings and administrative facilities, recreation sites, roads, trails, bridges and dams. Currently, the BLM maintains 4,009 buildings and structures, 687 administrative sites, 2,129 recreation sites, 78,123 miles of roads, 896 bridges, 15,457 miles of trails, and 732 dams.

The President and the Congress have committed significant funds to address both the repair and management aspects of BLM's deferred maintenance efforts. The FY 2005 funding request for BLM's Operations, Annual Maintenance, Deferred Maintenance and Infrastructure Improvement activities is \$76.5 million. Currently, the BLM is planning to spend more than \$40 million on Public Land and O&C Land deferred maintenance annually over a five-year period, for a total of \$200 million. In addition, the BLM is planning to expend \$47 million annually -- or \$235 million over 5 years -- for scheduled and preventive maintenance and operations.

Funds provided to date are achieving tangible results, as the BLM has begun to improve the condition of hundreds of public land assets. In the past 4 years, the BLM has completed or has underway over 450 repair and rehabilitation projects at various BLM sites. These projects, including 60 fire safety projects, have enhanced visitor and employee safety. They also have improved health protection by upgrading and repairing 186 water, wastewater, and sewer facilities. These investments have made BLM buildings safer, more efficient and more enjoyable for visitors and employees alike. The BLM also is working to improve its roads -- 90 percent of which are unpaved -- and bridges.

In an effort to move toward improving maintenance decision-making, BLM initiated our Stewardship Strategy in FY 2002. This includes implementation of the Facility Asset Management System (FAMS) to plan and track facility-specific maintenance needs and costs, to prioritize and monitor maintenance activities, and to prevent a recurrence of maintenance backlogs in the future. The FAMS maintenance data management system was rolled out in 2003. Once fully underway, FAMS will support the Stewardship Strategy by creating a more proactive approach to BLM maintenance, recording individual facilities maintenance histories, and documenting annual maintenance needs and costs. FAMS will also greatly improve the data available to BLM to evaluate life-cycle costs for facility investments.

In the second prong of the Stewardship Strategy, in FY 2003, the BLM began a comprehensive, Bureau-wide facilities condition assessment program. We expect to complete a full inventory, condition assessment, and costing of all BLM administrative and recreation sites in the first quarter of FY 2005. Importantly, these condition

assessments will provide new and updated information to refine BLM's estimates of our national maintenance backlog.

Finally, the BLM is expanding the condition assessment and deferred maintenance remedy costing of roads and trails. The Bureau has taken a leadership role in working with the Department of the Interior and other agencies to develop a useful facility condition index for our transportation assets. We will also begin condition assessments of BLM's dams and bridges this fiscal year.

Conclusion

Mr. Chairman, thank you again for the opportunity to discuss the Bureau's 2005 Budget request, our vision of enhancing access to the public lands, and the condition of public land facilities. We look forward to continuing to work with your Subcommittee on these and other issues in Fiscal Years 2004 and 2005.