

CONNOR, ROBINSON, AND BINZ NOMINATIONS

HEARING BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

TO

THE NOMINATIONS OF MR. MICHAEL L. CONNOR TO BE DEPUTY SECRETARY OF INTERIOR, MS. ELIZABETH M. ROBINSON TO BE UNDER SECRETARY OF ENERGY, AND MR. RONALD J. BINZ TO BE A COMMISSIONER OF THE FEDERAL ENERGY REGULATORY COMMISSION

SEPTEMBER 17, 2013



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CONNOR, ROBINSON, AND BINZ NOMINATIONS

TUESDAY, SEPTEMBER 17, 2013

U.S. SENATE,
COMMITTEE ON ENERGY AND NATURAL RESOURCES,
Washington, DC.

The committee met, pursuant to notice, at 9:40 a.m. in room SD-366, Dirksen Senate Office Building, Hon. Ron Wyden, chairman presiding.

OPENING STATEMENT OF HON. RON WYDEN, U.S. SENATOR FROM OREGON

The CHAIRMAN. The committee will come to order.

Today's business is, of course, to consider the views of 3 very well-qualified nominees. Also when we have a quorum, we will do a short business meeting that Senator Murkowski and I anticipate can be dealt with in a manner of minutes.

With respect to the 3 nominees.

Mike Connor, the President's choice to be Deputy Secretary of the Interior, is well known to many of us on the committee. He ably staffed the committee on water issues for 8 years from 2001 to 2009. Before joining our staff, Mike got his start in the Solicitor's Honors program at the Department of the Interior.

After 5 years in the Solicitor's Office, he was appointed Director of the Secretary of the Interior's Indian Water Rights Office where he served for 3 more years until Senator Bingaman hired him away to serve our committee.

For the past 4 years since leaving the committee, Mike has been Commissioner of Reclamation, a position to which he was confirmed by the Senate in 2009. The Bureau of Reclamation is the largest wholesaler of water in the country bringing water to more than 31 million people in 17 Western States. It is the second largest producer of hydroelectric power, operating 58 hydroelectric power plants and generating more than 40 billion kilowatt hours of power per year. Leading the Bureau is an enormous responsibility and one that Mike has discharged with great distinction and acclaim.

Both on the staff of the committee and as Commissioner of Reclamation, Mike has demonstrated his integrity, his knowledge, his commitment to public service, and his ability to bring people together and to solve problems.

Our next nominee is Beth Robinson. She's the President's choice to be the Under Secretary of Energy. She, too, is very well qualified.

She currently serves as the Chief Financial Officer of the National Aeronautics and Space Administration, a position she was confirmed by the Senate for in 2009. As the Chief Financial Officer at NASA, Dr. Robinson has managed the budget of major Federal agencies which like the Department of Energy, is on the forefront of scientific research and technological development.

Before joining NASA she was the Assistant Director of Budget at the Office of Management and Budget where she was the most senior career official.

Before that she was the Deputy Director of the Congressional Budget Office from 2003 to 2005.

Still earlier in her career she was at the Office of Technology Assessment where she was a Project Examiner and Branch Chief.

That background should serve Dr. Robinson well.

This summer Secretary Moniz reorganized the Department of Energy to consolidate its support offices with its environmental cleanup and legacy management functions under the Under Secretary, who is responsible for project management and performance across the Department. The Under Secretary for Management and Performance is being given an enormously important and challenging portfolio. Dr. Robinson brings a quarter century of experience with Federal budget and science and technology issues to the job.

Ron Binz, who the President has chosen to fill Jon Wellinoff's seat on the Federal Energy Regulatory Commission, is no stranger to public utility issues. In 2007 to 2011, Mr. Binz chaired Colorado's Public Utility Commission where he led the effort to implement Colorado's new energy economy. He has also been a member of the National Association of Regulatory Utility Commissioners, the Secretary of Energy State Energy Advisory Board, the Electric Power Research Institute's Advisory Council and the Harvard Electricity Policy Group.

Before chairing the Public Utility Commission in Colorado, he was the consumer counsel there for a decade, served as the President of a nonprofit organization that promoted competition in telecommunications and energy, and ran his own policy consulting firm. Since leaving the Public Utility Commission he has returned to his public policy consulting practice. Like our other 2 nominees, he brings enormous experience gained over the course of a professional lifetime to the position for which he has been nominated.

In considering the Binz nomination I'll briefly describe the authorities of the Federal Energy Regulatory Commission.

FERC's primary tasks have been overseeing the orderly development of the nation's water power resources and protecting electric rate payers and natural gas consumers from unjust and unreasonable electric and gas prices.

More recently it has been handed the task of protecting electric and gas markets from manipulation and ensuring the reliability of the electric grid.

FERC has no authority to regulate coal. That means no authority over the leasing of Federal coal fields, the issuance of coal mining permits or mine safety. That means it has no authority to regulate or license coal burning electric generating plants or authorities to tell utilities which fuels to use to generate electricity.

Most importantly, it has no authority to impose unjust or unreasonable rates or impose discriminatory or preferential charges on coal or coal-generated electricity. That means no back door taxes on coal or coal-generated electricity. Now having just gotten back from the natural gas fields in the Bakken with Senator Hoeven, I do want to note that FERC actually does have the authority to permit interstate natural gas pipelines and to ensure competitive gas rates.

I'm especially interested in Mr. Binz's views of this authority because natural gas, with 50 percent less carbon than other fossil fuels, is giving American consumers and American businesses a pricing advantage in a tough, global economy. As I saw in North Dakota, the key to keeping that gas affordable and accessible is getting it to market. That brings us to the pipeline issue.

Pipelines are key to the infrastructure that gets the gas to market. My hope for future, new pipelines is that America gets a win/win situation. Not just more pipelines, but better, new pipelines that save consumers and businesses money as they save energy and offer an added boost by emitting less methane.

I intend this morning to ask Mr. Binz for his ideas about potential win/win solutions on natural gas.

So we have 3 nominees who are highly qualified for the positions they've been nominated for. I know that Senators have a number of questions that they wish to pursue. We've got a long bipartisan tradition of making sure that nominees, who are asked questions and all Senators who ask them, are treated fairly. We're going to maintain that today.

Now I note we have a quorum. We can do this 1 of 2 ways.

We can have Senator Murkowski make her opening statement, or we can go right to the short business meeting and then we'll have Senator Murkowski.

Senator MURKOWSKI. Business meeting.

The CHAIRMAN. Alright.

[RECESS]

The CHAIRMAN. We now turn to the 3 pending nominations. We will have Senator Murkowski's opening statement and then we're very pleased to have our colleagues and also Chairman Bingaman, who returns. It's become almost mandatory for Chairman Bingaman to introduce a nominee if we have a nominee's hearing. But we're glad that he's here.

Let us now have Senator Murkowski's opening remarks.

**STATEMENT OF HON. LISA MURKOWSKI, U.S. SENATOR
FROM ALASKA**

Senator MURKOWSKI. Thank you, Mr. Chairman.

I, too, would like to welcome our friend and colleague and distinguished former chairman back to the committee. It's always good to see you here.

Mr. Connor, I kind of feel like you are still a part of the committee. You've been a familiar face around here for so many years. So welcome back to this room as well.

You clearly know the significance of the—that the Department of the Interior has to Western States. In particular, you know firsthand the impact that it can have on our lives, our lands. I'm

pleased to say that on the basis of your prior service, the opportunity that I have had to observe your work for a period of time, I'm pleased to be able to support your nomination today.

I'll look forward to the questions that my colleagues will have of you. But pleased that you have agreed to step forward in this capacity.

Dr. Robinson, I'd like to welcome you before our committee. I appreciate the time that you took to meet with my staff last week so that we could ask some questions. I do look forward to learning a little bit more about your work as the Chief Financial Officer there at NASA, as well as hearing your ideas for improving contracting and environmental management within DOE.

Finally to Mr. Binz, welcome also to the committee. I appreciated meeting with you last week. We had an opportunity to discuss at that time that there has been a fair amount of attention, I think it's fair to say, about your nomination. Not only coming on as a member of the Commission, but as the Chair of the Commission, so a little extra added scrutiny there and I think appropriately so.

I would suggest, Mr. Chairman, that most of these people in the room and that were waiting outside were not here for the business meeting.

The CHAIRMAN. You think?

Senator MURKOWSKI. So I think it speaks to the significance of the nomination that we have here today to be chairman of the FERC.

We recognize that FERC is independent by law and by design. It is clearly, clearly distinct from executive agencies that carry out policy directives from the White House. According to the Organic Act governing FERC commissioners and this is their quote, "shall be individuals who by demonstrated ability, background, training or experience are specifically qualified to assess fairly the needs and concerns of all interests affected by Federal energy policy." So again, emphasis on the true independence that the FERC as an entity should have.

Mr. Binz, this committee clearly has a role there for to ensure FERC's continued independence. It's against this standard that is provided in the Organic Act that I will express my concerns about your nomination to the committee.

Specifically I'm concerned about your role, your view of the role, of regulators and how you would lead the Commission, if confirmed. You've written and spoken extensively about that role. At this point I am not convinced that your views are compatible with FERC's mission.

It is critically, and I will emphasize that, critically important for us to enable the agency and its professional, non partisan employees, who report to the chairman as their CEO, to maintain its strong culture as an expert agency, free of undo political influence.

There's a lot at stake with FERC, probably more so than most people would realize. By one rough measure of economic impact the energy transmitted over FERC related pipes and wires is worth well over \$400 billion per year. Most Americans actually feel that impact to FERC's decision in hundreds of individual cases and controversies. So ultimately what we're talking about here is money from their pockets and the quality of their energy service.

I will also raise my concerns about the coordination that we have seen between FERC professional staff, White House staff, a public relations firm that by its own admission has been retained for the benefit of your nomination by an interest group and lobbyists, at least one of whom I understood you to say you thought might be being paid by the same interest group to advance your nomination.

We may not have seen an effort like this before. I think for good reason.

Again, FERC is an independent agency. It must remain an independent agency.

So this kind of paid effort for and with the cooperation of the nominee should not become the new normal.

So I will look forward to hearing your response, Mr. Binz to the concerns that I have raised. I know others will raise issues as well. This is an important part of the process for any nominee to gather information, not only directly from you in the venue of the committee, but also from the questions that will be submitted to the record afterwards which I would also look forward to reviewing as well.

But I thought it only appropriate at this time to be able to raise my concerns so that we could have more fulsome conversation throughout the hearing.

With that, Mr. Chairman, I'm ready to go.

The CHAIRMAN. Thank you, Senator Murkowski.

Chairman Bingaman, you have once again been the recipient of bipartisan bouquet tossing. We are very glad that you're here. You're going to introduce Mike Connor.

Senator Domenici, who also chaired the committee before Chairman Bingaman had also wanted to introduce Mike Connor, he's unable to be here today because of a scheduling conflict. Senator Domenici submitted a written statement in support of Mike Connor's nomination.

Without objection it will be included in the record.

The CHAIRMAN. In addition, I note our friends and colleagues, Senator Udall of Colorado and Senator Bennet, have asked to introduce Mr. Binz. We welcome them.

So let us proceed to Chairman Bingaman to introduce Mike Connor. Then we'll call on Senator Udall and Senator Bennet to introduce Mr. Binz.

Tom Udall has just arrived and he is going to make some introductory remarks of Mike Connor as well.

So, Chairman Bingaman, we'll make your prepared remarks a part of the record. You just proceed.

STATEMENT OF HON. JEFF BINGAMAN, FORMER U.S. SENATOR

Senator BINGAMAN. Mr. Chairman and Senator Murkowski, thank you very much for your kind words. Thank you for allowing me to, once again, address the committee and all committee members.

I'm honored to be here with Senator Udall to strongly support the nomination of Mike Connor for the position of Deputy Secretary of the Department of the Interior.

I think as everyone in this committee knows the Deputy Secretary position in the Department of the Interior is a very impor-

tant position. It's a position which Senators, particularly Senators on this committee, have occasion to interact with on a pretty regular basis. So it's important that the President have a good person in that job and that the Congress have someone in that job that they can relate to.

The President, in my view, could not have chosen a better nominee for the position than Mike. Mike is eminently qualified, as pointed out by Chairman Wyden in his remarks and Senator Murkowski as well.

He graduated from New Mexico State University. Has a degree there in chemical engineering which Senator Heinrich, I know has a degree in engineering and as I recall there are not too many in the Congress that have that qualification. So it's great that Mike has that training.

Following that he graduated from the University of Colorado Law School. From 1993 until 2001 he was in the Solicitor's Office in the Department of the Interior and also the Director of the Secretary's Indian Water Rights Office.

Beginning in 2001 he did come to work with our own committee here, the Energy Committee. During his years on the Energy Committee staff he demonstrated, on numerous occasions, he was here on the staff for 8 years. He demonstrated on numerous occasions his ability to find solutions to very difficult problems and to find solutions that could gain the support of Democrats, Republicans and Independents alike.

His current position as Commissioner of the Bureau of Reclamation is a position in which he has also distinguished himself. He has demonstrated the ability to effectively manage and lead one of the most important agencies in our government.

Mike knows and understands the laws that the Department of the Interior is tasked with administering. He also, very much, for the interest of people from the West, such as myself and Senator Udall, he understands and knows the water laws that affect us in this country. He knows the on the ground challenges that come with managing our public lands.

He knows the crucial role that Congress plays in setting policy and in overseeing how that policy is carried out. He is a first rate manager. That's a skill which is essential in a large department such as the Department of the Interior.

As I indicated at the beginning, in my view, the President could not have chosen a better nominee for this position. I hope all Senators will support his nomination and quickly report that nomination to the Full Senate for consideration.

Thank you, Mr. Chairman for allowing me to speak. I know Senator Udall also has comments to make.

The CHAIRMAN. Senator Udall, welcome.

STATEMENT OF HON. TOM UDALL, U.S. SENATOR FROM NEW MEXICO

Senator UDALL. Thank you, Chairman Wyden and Ranking Member Murkowski and to the very distinguished Energy Committee here that does such good work on the Hill.

It's an honor to speak after Senator Bingaman. I think when Senator Bingaman expresses an opinion about an employee who

worked for him for 8 years, it's very important to take that into consideration because Mike Connor is somebody who has incredible integrity. He has the capacity, I think, to work across the aisle.

You all have seen, many of you that are on this committee, have seen that when Chairman Bingaman was in place. So it's an important thing to have somebody like that who understands the Hill. Who understands how things work in the Congress to be in these administrative positions.

I would just say that in this job at BOR that Mike Connor has held, water is an absolutely critical issue to the Nation and to the West. He is focused like a laser beam on the water issues. Many of the water issues we have in the West, as some of the Western Senators know, revolve around disputes, tribal disputes, State and Federal.

Mike Connor has been someone who has brought to the table the idea that you can resolve these disputes. You can implement settlements. I've seen, in our home State of New Mexico, Senator Bingaman, him do that on a regular basis. We've had some very, very good tribal settlements. They've mediated some very tough environmental disputes.

We all know, in terms of water, we're going to have this overlay of climate. You look at the big basins in the West and there's going to be less water. Mike is on top of that. He understands the issue. I think he will work with us to find common sense solutions.

I couldn't agree more with Senator Bingaman. I complement Secretary Jewell for her choice. I think he's an ideal person in order to carry out the duties of Deputy Secretary of the Interior. I would recommend him most highly.

Thank you. I yield back.

The CHAIRMAN. Thank you, Senator Udall. I very much appreciate you and Chairman Bingaman being here.

Just apropos of that water point that you were making Senator Udall. I listened carefully to the excellent speech that you gave on water conservation during the course of the Energy Efficiency debate. We very much appreciate your leadership and highlighting Mike's work on this as well.

Senator Udall.

Another Udall.

STATEMENT OF HON. MARK UDALL, U.S. SENATOR FROM COLORADO

Senator MARK UDALL. Thank you, Mr. Chairman.

Good morning, Mr. Chairman.

Good morning, Ranking Member Murkowski.

As you mentioned, Senator Bennet and I are here. We're very pleased to be able to introduce Ron Binz, who is the President's nominee to serve on the Federal Energy Regulatory Commission, which we fondly call the FERC. Through his commitment to promoting a fair and competitive business environment in Colorado, Ron has demonstrated that he's well qualified to help oversee the regulatory framework of America's energy infrastructure.

Mr. Chairman, I want to emphasize that Senator Bennet and I speak from long experience observing Mr. Binz in Colorado. He was known as a fair and impartial professional during these years of

public service in Colorado. I want to quote Lola Spradley, who is a prominent Republican and a former Speaker of our Colorado House of Representatives. She has said, "Binz is an experienced, balanced expert with more than 30 years of experience. During this time he's been able to offer bipartisan solutions on several issues."

Lola is one of the many people I've heard from across the political spectrum who support Ron; from utilities, consumer organizations, fuel suppliers, former FERC Commissioners and many other stakeholders. In Colorado, Ron was known as a consensus builder. He was a pragmatist. He was a go-to person when difficult problems demanded solutions. Our country needs more consensus builders like Ron.

He understands the vast array, and that we all know in this committee, it is a vast array of different stakeholders across all the many energy debates that we have. But more than that, he knows how to bring them to the table for constructive dialog. That's exactly what I saw him do in Colorado.

Let me give you an example.

He headed, Mr. Chairman as you mentioned, the Office of Consumer Council. He earned this reputation as a problem solver by bringing a thoughtful and a common sense average guy way of thinking to many, many tough debates. A specific example, he helped lead the negotiations on the settlement of several lawsuits surrounding what was then the troubled Fort St. Vrain nuclear power plant. That power plant was operational less than 15 percent of its 10 year life span, and it was a major problem in our State in the late 1980s.

But Ron got into the mix. He worked with the utilities involved, with stakeholders. They all found a compromise that resulted in that plant being decommissioned and then resolving in the process the issue of the rates for the consumers who were being delivered that power.

Here's the important part. The major stakeholders—the utilities, the regulators and the consumer advocates—all approved that final consensus driven deal. That deal led to \$102,000,000 in refunds and electrical rate reductions for consumers.

Today that power plant, the Fort St. Vrain power plant, is again generating power, though now it's powered by natural gas. It's a very interesting case study.

In addition, Ron understands and he's worked to implement a balanced energy strategy for the State of Colorado. By that I mean from natural gas to renewables, to coal. He's been at the helm of Colorado's pursuit of an economical, sustainable energy portfolio.

His efforts have helped create jobs and cement—and I guess I'm a little bit of a homer here—but our leadership in the new energy economy. I believe and I know he can do the same on a national scale.

Many of you have met with Ron already. Those of you who haven't I can tell you he's willing and ready to sit down with you at a minutes' notice. You will learn very quickly he's a good listener. That's a skill that will be critical for an incoming FERC Commissioner.

Now what a lot of people don't know about Ron is that he's quite a chef. He makes his own pickles, beer, wine, cheese. You name it.

He even won a blue ribbon at the Colorado State Fair for his bread and butter pickles.

But I guess I digress.

[Laughter.]

Senator Mark Udall: Between addressing our transmission challenges, expanding our natural gas pipeline infrastructure and working with energy stakeholders to ensure our cyber security, FERC faces immense challenges over the next 5 years. I believe Ron Binz is exceptionally qualified to ensure that our energy infrastructure is up to the challenge of the next decade.

Mr. Chairman, thank you.

The CHAIRMAN. Thank you, Senator Udall. We look forward to seeing you on this side of the dais here in a couple minutes.

Senator Bennet, welcome.

**STATEMENT OF HON. MICHAEL BENNET, U.S. SENATOR
FROM COLORADO**

Senator BENNET. Thank you, Mr. Chairman. I want to thank you very much for holding this hearing and for the Ranking Member Senator Murkowski as well. Thank you for your consideration of these nominees.

I'm very pleased to be here with my senior Senator today, Senator Udall. He and I spent the weekend together, a lot of it, traveling our State surveying the damage from the floods. Even as we meet here today we have first responders who are rescuing people still in Colorado today.

We're going to need the help of the members of this committee to rebuild. We look forward to working with you on that.

I'm here also with Senator Udall to introduce someone who I know always has Colorado on his mind as well. That's Ron Binz. I think Senator Udall did a great job of outlining Ron's past experience and credentials. Simply put, Ron has a long history of building consensus and finding solutions when presented with difficult problems.

In a recent letter to the Wall Street Journal an impressive bipartisan group of 12 former FERC Commissioners expressed their support for Ron. I think on the standard that the ranking member mentioned earlier actually.

As I read it, they said, "Mr. Binz has an impressive 34 year career in energy policy. If the Senate confirms him we think he will be a fair and impartial judge and further the public interest within the FERC's authority."

They went on to say. "Over Republican and Democratic administrations FERC has judiciously exercised the dual authority Congress has given it. FERC has a long nonpartisan tradition. Ron Binz fits squarely within that tradition."

I'd ask the chair to have the entirety of the letter in the record.

The CHAIRMAN. Without objection, so ordered.

Senator BENNET. Thank you.

Senator BENNET. It isn't just fellow regulators who support Ron, but it's also leaders of industries that FERC regulates.

For instance the CEO of Excel Energy, our utility in Colorado, said "our industry faces many challenges that require a careful balancing of interests and thoughtful solutions. Constructive ap-

proaches that benefit both customers and the environment should be applauded rather than chastised. Regulators such as Mr. Binz can play a key role in crafting such forward looking approaches and should be encouraged to do so.”

As Senator Udall mentioned Ron has a long career in public service in Colorado. He has built, he has earned a reputation as a good listener who can broker difficult compromises among stakeholders who might not necessarily see eye to eye on a given issue. Ron’s long experience combined with his very pragmatic temperament make him well suited to serve as the next Chairman of FERC.

With that, Mr. Chairman I say thank you for having this hearing. Thanks for letting Senator Udall and I come by.

The CHAIRMAN. Thank you, Senator Bennet.

I don’t believe any Senators have questions of these 4. Is that correct?

Alright, we’ll excuse all 4 of you at this time.

If our nominees will come forward? We have some business matters to address first.

Welcome to each of you.

The rules of the committee, which apply to all nominees, require that they be sworn in connection with their testimony.

Please stand and raise your right hand.

Do you solemnly swear the testimony you’re about to give is the truth, the whole truth and nothing but the truth, so help you God?

[Witnesses respond. I do.]

The CHAIRMAN. Before you begin your statement. I will ask 3 questions addressed to each nominee who comes before the committee.

Will you be available to appear before the committee and other Congressional Committees to represent departmental positions and respond to issues of concern to the Congress?

[Witnesses respond. I will.]

The CHAIRMAN. Are you aware of any personal holdings, investments or interests that could constitute a conflict of interest or create the appearance of such a conflict should you be confirmed and assume the office to which you’ve been nominated by the President?

Mr. BINZ. I do not, no.

Are you involved or do you have any assets held in a blind trust?

[Witnesses respond. No.]

The CHAIRMAN. Alright.

We always allow the nominees to introduce their family members. This is something we want to give each of you the opportunity to do.

Mr. BINZ. I’ll go first.

Senator, thank you very much, Senator Wyden and Ranking Member Murkowski.

The CHAIRMAN. Mr. Binz, this is just for introducing family members.

Mr. BINZ. Yes, I’m about to do that.

The CHAIRMAN. Oh, good. Alright.

[Laughter.]

Mr. BINZ. I’m pleased to be joined by a contingent from Little Rock, Arkansas.

First my father, Walter Binz and my mother, Elizabeth Ann Binz, who will next week celebrate their 65th wedding anniversary, next month I should say.

[Applause.]

The CHAIRMAN. Very good.

Mr. BINZ. With my parents is my baby sister, Shirley Binz Scott. I have 6 younger sisters and Shirley is the youngest of the 6. She came with them.

My fourth guest is my partner in life for 42 years, Mary Donahue from Denver, Colorado. She's my best friend and my biggest supporter.

So I'm very pleased that they are here with me today.

The CHAIRMAN. Very good.

Dr. Robinson.

Mr. ROBINSON. I have one guest, my fiance Douglas Holtz-Eakin.

The CHAIRMAN. We welcome him. Note that I have availed myself to his counsel over the years on a variety of issues.

Welcome.

Anyone else that you'd like to introduce?

Mr. ROBINSON. Nope, that's it.

The CHAIRMAN. Alright.

Mr. Connor.

Mr. CONNOR. Mr. Chairman, my wife and children have school and work commitments today. Quite frankly when I did this 4 years ago Senator Barrasso complimented my daughter on how well she was behaving. She was then 8 years old.

The CHAIRMAN. You didn't want to break the record.

Mr. CONNOR. Exactly. We didn't think it would get any better than that.

[Laughter.]

The CHAIRMAN. As the parent of 3 under 6, I got the drift.

[Laughter.]

Mr. CONNOR. With all due efforts they are hoping for the swearing in ceremony.

The CHAIRMAN. Very good.

Alright. We will then proceed to hear the opening remarks of each of you. I know the Senators have plenty of questions.

Let's begin with you, Mr. Connor.

**TESTIMONY OF MICHAEL L. CONNOR, NOMINEE TO BE
DEPUTY SECRETARY OF THE DEPARTMENT OF THE INTERIOR**

Mr. CONNOR. Thank you.

Mr. Chairman, Ranking Member Murkowski and members of the Committee, I'm honored to be appear before you today as President Obama's nominee to be the Deputy Secretary of the Interior. As I mentioned my family was unable to be here with me today, but none the less having served in the Obama Administration for over 4 years now I want to acknowledge the reality that most of the sacrifices of public service are made by our families. I remain grateful for their continuing support.

Of course, I am very appreciative that Senator Bingaman was gracious enough to return to the Capitol to make a statement on my behalf. I can't do justice in explaining how much it means to me to have his ongoing support other than to say I wouldn't be

here without it. That he remains the model for how I try and conduct myself during my time in public service.

As a New Mexican I'm also proud and appreciative that Senator Udall, given all of his responsibilities, joined us today to make a statement on my behalf. I certainly have enjoyed working with the Senator when he was—as his representation of New Mexico during my time on the committee and now as the Commissioner of the Bureau of Reclamation.

I'm also proud and appreciative that Senator Domenici has offered a statement on my behalf. He would have liked to have been here except for his annual public policy conference at New Mexico State University is taking place this week.

My service as the Commissioner of the Bureau of Reclamation at the Department of the Interior has been a tremendously rewarding experience. Through the commitment of Reclamation's employees, support from the Administration and Congress and the strong relationship that we have built with an array of stakeholders, we have accomplished a great deal during the last 4 and a half years. Something outlined in greater detail in my written statement.

I'm proud of this record. Not just for the needs that are addressed, but also because of the cooperation and collaboration necessary to achieve these results. I have directed the efforts of a team of over 5,000 Federal employees who epitomize the definition of public service demonstrating on a daily basis an ongoing commitment to develop and implement creative solutions to challenging water resource issues that further the interest of Reclamation's partners and the public. I have also worked closely and developed water management strategies with a diverse group of stakeholders including those in State and local governments, Indian tribes, agriculture and municipal water users, power users and environmental interests.

I am now afforded an incredible opportunity to serve at the Department in a new capacity as Deputy Secretary. I am honored that President Obama and Secretary Jewell have seen fit to nominate me for this important position. Of course, this opportunity would not exist but for the confidence placed in me by Secretary Salazar, who in 2009 recommended me for my present position. His support and leadership have been invaluable in preparing me for this new and significant challenge.

The Deputy Secretary position was most recently held by my friend and colleague David J. Hayes. His shoes are very large ones to fill. None the less I'm excited at the prospect and believe that my background provides me the experience needed to effectively carry out the important responsibilities of Deputy Secretary, the second highest ranking official in the Department and its Chief Operating Officer.

My background is set forth in greater detail in my written statement.

Without a doubt the best experience for the job I hope to assume is the job I presently have. Water sustains both the lives of our citizens and the economic activity that is the foundation of our communities. Its availability and clean and reliable quantities is critical to the use, management and enjoyment of other natural resources.

This relationship requires the Bureau of Reclamation to work across agency lines at Interior and closely with the States in carrying out its mission and serving the interests of the American people. Our facilities provide water and power for a large percentage of the population, but they have also impacted public resources and property interests that fall within the responsibility of other Interior bureaus. As a result in running the Bureau of Reclamation I've also gained significant insight and understanding into the missions of the U.S. Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs, U.S. Geological Survey, even the office of Surface Mining.

Obviously effectively managing a department with the breadth of Interior's responsibilities requires an even deeper understanding of the programs and activities of its individual bureaus. I am absolutely committed to that task, particularly given the fact that Interior's mission affects the lives of all Americans. Our public lands make significant economic contributions to this country through recreation activities, production of renewable and fossil fuel based energy resources, hard rock mineral production, forging and grazing activities, timber production and the delivery of water for agricultural, municipal and industrial purposes.

In Fiscal Year 2012 the activities contributed \$371 billion to the economy and supported 2.3 million jobs.

Interior is also entrusted with sacred trust responsibilities to Indian tribes and Alaska natives, the preservation of our history in those special places, the empowerment of insular communities and the protection and conservation of our wildlife resources. The changes taking place, not only in this country, but worldwide including climate change, population growth, shifts in the global economy and new technological developments present challenges and opportunities to all sectors of Interior's responsibilities.

I look forward to working closely with Secretary Jewell, our leadership team and Interior's dedicated career employees to continue a collaborative process informed by the best science to refine existing strategies and develop new initiatives to address ongoing changes and ensure continued success in carrying out Interior's critical missions.

At the end of the day I'm convinced that the vast majority of the American public simply wants their leaders in Washington, DC to work together and collaborate on solutions to the problems and challenges the country faces. I share this goal. If confirmed, will commit to this task with a sense of humility and a keen understanding of the need to work with the public, affected stakeholders and Congress to most effectively carry out the department's mission.

With just over 3 years left in this Administration, I'm well aware that progress on seemingly tractable issues will best come through cooperative efforts that are oriented toward achieving certainty and clarity on resource management issues. The Secretary has chartered the right course with her substantive engagement on the issues of the day and her clear commitment to ensure the department will be guided by transparency and integrity in carrying out its mission. I am equally committed to these principles and believe

we can make great progress in working on much needed solutions by adhering to this approach.

Thank you for the opportunity to address my nomination. I look forward to answering questions.

[The prepared statement of Mr. Connor follows:]

PREPARED STATEMENT OF MICHAEL CONNOR, NOMINEE FOR THE POSITION OF DEPUTY SECRETARY OF THE DEPARTMENT OF THE INTERIOR

Chairman Wyden, Ranking Member Murkowski, and members of the committee, I am honored to appear before you today as President Obama's nominee to be the Deputy Secretary of the Interior. Unfortunately, given work and school commitments, my family could not join me today. Nonetheless, having served in the Obama Administration for over 4 years now, I want to acknowledge the reality that most of the sacrifices of public service are made by our families and I remain grateful for the continuing support of my wife Shari and our children Matthew and Gabriela.

Of course, I greatly appreciate that Senator Bingaman was gracious enough to return to the Capital to make a statement on my behalf. I can't do justice in explaining how much it means to me to have his ongoing support - other than to say that I wouldn't be here without it and that he remains the model for how I conduct myself during my time in public service. As a New Mexican, I am also proud and appreciative that Senator Domenici has offered a statement on my behalf. He also would have been here today were it not for a conflict with this annual public policy conference at NMSU.

My service as the Commissioner of the Bureau of Reclamation at the Department of the Interior has been a tremendously rewarding experience. Through the commitment of Reclamation's employees, support from the Administration and Congress, and the strong relationship we have built with an array of stakeholders, we have accomplished a great deal during the last four and a half years. We have completed historic binational agreements with Mexico on the Colorado River; negotiated and begun implementation on five new Indian water rights settlements; and stood up a WaterSMART program that has increased water supply across the West by over 700,000 acre-feet per year on average. We completed several aquatic restoration projects that improve environmental conditions in a number of western rivers. In support of the President's commitment to renewable energy, we installed over 100 megawatts of new hydropower generating capacity on Reclamation facilities while also identifying opportunities for developing several hundred more.

I am proud of this record, not just for the needs that are being addressed but also because of the cooperation and collaboration necessary to achieve these results. I have directed the efforts of a team of over 5,000 federal employees who epitomize the definition of public service, demonstrating on a daily basis an ongoing commitment to develop and implement creative solutions to challenging water resource issues that further the interests of Reclamation's partners and the public. I have also worked closely and developed water management strategies with a diverse group of stakeholders, including those in state and local government, Indian tribes, agricultural and municipal water users, power users, and environmental interests.

I am now afforded an incredible opportunity to serve the Department in a new capacity, as Deputy Secretary. I am honored and appreciative that President Obama and Secretary Jewell have seen fit to nominate me for this important position. Of course, this opportunity would not exist but for the confidence placed in me by Secretary Salazar who in 2009 recommended me for my present position. His support and leadership have been invaluable in preparing me for this new and significant challenge.

The Deputy Secretary position was most recently held by my friend and colleague David J. Hayes and his shoes are very large ones to fill. Nonetheless, I am excited at the prospect and believe that my background provides me the experience needed to effectively carry out the important responsibilities of Deputy Secretary-the second highest ranking official in the Department and its Chief Operating Officer.

As I noted to this Committee during my 2009 confirmation hearing, I grew up in New Mexico, a state rich in natural resources (with the exception of water) and which has a land base that is slightly over one-third in federal ownership. It is a state where approximately ten percent of the population is Native-American and I am proud that my maternal grandfather was a leader within the Taos Pueblo. My childhood home, where my parents still live, is located across the street from a major irrigation canal that serves agricultural land within the Elephant Butte Irrigation District. It has been said that if you don't know where you are, you don't

know who you are. I would like to think that knowing and understanding where I am from has helped me better understand the responsibilities of the Department of the Interior and the people we serve.

I am also confident that my background as an engineer and lawyer has helped prepare me well for this position. As an engineer, I worked in the private sector for GE in its Power Generation Services business before going back to school to obtain my law degree. Upon graduation, I began my federal career at Interior in the Solicitor's Honors Program which afforded me an opportunity to serve as counsel for all of Interior's bureaus. I also ran the Secretary's Indian water rights office before moving to the United States Senate as Counsel to this Committee. As I said in 2009, my 8 years on the Energy and Natural Resources Committee staff were incredibly rewarding, productive, and educational, the highlight of my professional career at the time.

Without a doubt, however, the best experience for the job I hope to assume is the job I presently have. Water is a thread that runs through all our public and private lands and its availability in clean and reliable quantities is critical to the use, management, and enjoyment of other natural resources. Water sustains both the lives of our citizens and the economic activity that is the foundation for our communities. This relationship requires that the Bureau of Reclamation work across agency lines at Interior and closely with the states in carrying out its mission and serving the interests of the American people. Moreover, our facilities provide water and power for a large percentage of the population but they have also impacted public resources and property interests that are managed or fall within the responsibility of other Interior bureaus. As a result, in running the Bureau of Reclamation, I have also gained significant insight and understanding into the missions of the U.S. Fish and Wildlife Service, National Park Service, Bureau of Indian Affairs, U.S. Geological Survey, and even the Office of Surface Mining.

Obviously, effectively managing a Department with the breadth of Interior's responsibilities requires an even deeper understanding of the programs and activities of its individual bureaus. I am absolutely committed to that task—particularly given the fact that Interior's mission affects the lives of all Americans. Our public lands make significant economic contributions to this country through recreation activities, the production of renewable and fossil fuel based energy resources, hard rock mineral production, forage and grazing activities, timber production, and the delivery of water for agricultural, municipal, and industrial purposes. In fiscal year 2012, these activities contributed \$371 billion to the economy and supported 2.3 million jobs.

Interior is also entrusted with sacred trust responsibilities to Indian tribes and Alaska Natives, the preservation of our history and most special places, the empowerment of insular communities, and the protection and conservation of our wildlife resources. The changes taking place not only in this country but worldwide, including climate change, population growth, shifts in the global economy, and new technological developments, present challenges and opportunities to all sectors of Interior's responsibilities. I look forward to working closely with Secretary Jewell, our leadership team, and Interior's dedicated career employees to continue a collaborative process, informed by the best science, to refine existing strategies and develop new initiatives to address ongoing changes and ensure continued success in carrying out Interior's critical missions.

At the end of the day, I am convinced that the vast majority of the American public simply wants their leaders in Washington D.C. to work together and collaborate on solutions to the problems and challenges this country faces. I am absolutely committed to this goal and, if confirmed, will commit to this task with a sense of humility and a keen understanding of the need to work with the public, affected stakeholders, and Congress to most effectively carry out the Department's mission.

With just over 3 years left in this Administration, I am well aware that progress on seemingly intractable issues will best come through cooperative efforts grounded in a fundamental recognition of the legitimate interests of affected stakeholders and an unwavering commitment to achieving certainty and clarity on resource management issues. The Secretary has charted the right course with her substantive engagement on the issues of the day and her clear commitment to ensure the Department will be guided by transparency and integrity in carrying out its mission. I am equally committed to these principles and believe we can make great progress in working on much needed solutions by adhering to this approach.

Thank you for the opportunity to address my nomination. I look forward to continuing to work with you and will be happy to respond to questions at the appropriate time.

The CHAIRMAN. Mr. Connor, thank you. You'll have questions in a moment.

Dr. Robinson.

TESTIMONY OF ELIZABETH (BETH) ROBINSON, NOMINEE TO BE UNDER SECRETARY FOR MANAGEMENT AND PERFORMANCE, DEPARTMENT OF ENERGY

Ms. ROBINSON. Thank you.

I have a longer written statement which—

The CHAIRMAN. It will be put into the record without objection.

Ms. ROBINSON. Thank you. I'll just summarize it here.

The CHAIRMAN. Extra points for summarizing.

[Laughter.]

Ms. ROBINSON. Chairman Wyden, Ranking Member Murkowski and all the members of the committee, thank you for the opportunity to appear today. It is truly an honor. I also appreciate the time that members have already spent with me in meetings. I look forward to working with the committee to address the challenges that face the department's critical programs and missions.

I've worked on energy issues at many points in my career. Most recently I've focused on strategic planning, performance and project management. If confirmed I would seek to undertake the very important DOE mission in the most effective and efficient manner possible, especially during a time when there are other competing demands for our Nation's resources.

The position of Under Secretary for Management and Performance carries a tremendous responsibility as the pivotal point where operations, accountability, evaluation and sound management all reside. It also includes the environmental and legacy management programs which are responsible for cleaning up our World War II and cold war legacies and which are especially important to me and to many members of this committee.

DOE has faced challenges in the performance of its project management functions which demand continuous and focused efforts. If confirmed I will build upon the progress that DOE has made to improve the results for the agency and would work closely with all stakeholders. I would also make it a priority to pursue agency and Congressional clean up requirements and work with affected constituencies to understand their concerns.

I believe that public service is a duty, privilege and an honor. I have served as a career staff member and most recently as a political appointee for nearly 25 years in the Executive and Legislative branches of government. I believe in the importance of creative and tenacious leaders in Federal Government agencies. I'm enthusiastic about the opportunity, if confirmed, to serve as DOE's Under Secretary for Management and Performance.

Mr. Chairman and members of the committee, I thank you again for your consideration on my nomination. I look forward to answering any questions.

[The prepared statement of Ms. Robinson follows:]

PREPARED STATEMENT OF ELIZABETH (BETH) ROBINSON, NOMINEE TO BE UNDER SECRETARY FOR MANAGEMENT AND PERFORMANCE, U.S. DEPARTMENT OF ENERGY

Chairman Wyden, Ranking Member Murkowski, and Members of the Committee, thank you for the opportunity to appear before you today as you consider my nomination for the position of Under Secretary for Management and Performance at the Department of Energy (DOE). It is an honor to be here. I also appreciate the time Members of this Committee already have taken to meet with me, and, if confirmed, I look forward to working with the Committee to address the challenges of maintaining the Department's critical efforts to ensure America's security and prosperity by addressing its environmental, energy and nuclear issues through strong performance and management practices.

I am privileged to have been nominated by the President to this post. I have worked on energy issues at many points in my career. After growing up in Seattle, Washington, studying at the University of Washington, graduating from Reed College, and earning a PhD from the Massachusetts Institute of Technology, I started my career as a geophysicist focused on fluid dynamics in Earth processes. I eventually joined the staff of the House Committee on Science, Space and Technology, where I worked for Chairman George E. Brown of California—a very wise man and someone that I am very glad I came to know well before his untimely death. For the Committee, I covered energy R&D; and I later took that experience with me to the Office of Management and Budget (OMB) where my first position was as a budget examiner for the DOE portfolio.

More recently, I have focused my career—at OMB, then at the Congressional Budget Office and now the National Aeronautics and Space Administration (NASA)—on strategic planning, performance, and oversight of project management. Working with Secretary Moniz, Deputy Secretary Poneman, DOE's dedicated professionals, Congress, the White House, the private sector, and other key constituencies, I would strive to meet the President's and Nation's objectives for DOE. If confirmed I would also be keenly focused on undertaking the DOE mission in the most effective and efficient manner possible, especially during a time when there are other competing demands for our Nation's resources.

The position of Under Secretary for Management and Performance carries a tremendous responsibility as the pivotal point where operations, accountability, evaluation, and sound management all reside. This position also includes the Environmental and Legacy Management programs, which are responsible for cleaning up our World War II and Cold War legacy, and which I know is important to many members of this Committee.

I know that DOE has faced challenges in the performance of its project management functions, which demands continuous and focused efforts. If confirmed, I would build upon the progress that DOE has made and continue to improve the management, performance, and results for the agency.

Over my career, I am fortunate to have gained broad experience with management and performance issues and challenges. At OMB, I enjoyed a unique perspective from which to learn about, and participate in, large and significant planning, cost-estimating, and evaluation processes. At the House Science Committee and congressional Office of Technology Assessment, I gained valuable expertise in project planning, execution, and oversight, and, more importantly, how to work with the Congress on those issues. My executive experience in several agencies has also provided direct experience in the leadership of complex organizations.

If confirmed, I would make it a priority to work closely with DOE leadership, my staff, and each of the constituencies with which DOE's programs interface to understand the key management and performance issues that DOE and its component programs face. I would also make it a priority to pursue agency and congressional cleanup requirements, and work with affected constituencies to understand their concerns. I would work with my staff so that those issues receive the appropriate attention and resources to ensure agency success in meeting such challenges.

I believe public service is a duty, a privilege, and an honor. I have served as a career staff member for nearly 25 years in the executive and legislative branches of government, and I believe in the importance of creative and tenacious leaders in the Nation's government agencies. I am enthusiastic about the opportunity, if confirmed, to address the challenges of the position DOE Under Secretary for Management and Performance and to bring my energy policy, management, performance, and leadership experience into the service of DOE and the federal government.

Mr. Chairman and Members of the committee, I thank you, again, for your consideration of my nomination, and I look forward to answering any questions you may have.

The CHAIRMAN. Dr. Robinson, thank you.
Mr. Binz.

**TESTIMONY OF RONALD J. BINZ, NOMINEE TO BE A MEMBER
OF THE FEDERAL ENERGY REGULATORY COMMISSIONER**

Mr. BINZ. Thank you, Chairman Wyden, Ranking Member Murkowski and members of the committee. I'm greatly honored to be before you here today as a nominee to the Federal Energy Regulatory Commission.

I would like to thank President Obama for nominating me.

I was especially pleased to have Senators Udall and Bennet here as a support for me. I appreciate the kind words for my nomination.

I know that FERC has substantial responsibilities and Congress might even add more to those responsibilities as it considers energy legislation in the coming years. The agency is critical to strengthening the gas and electric infrastructure of this country to provide greater reliability, security and economic growth. As was mentioned earlier the energy industry has an incredibly large impact on this Nation's economy.

We need to enable new sources of energy to connect to the grid and promote fair and efficient markets to reduce costs to consumers. These are the kinds of things I've been doing for the last 34 years. I would welcome the opportunity to apply myself diligently to doing that in the new role, if I'm confirmed.

I believe that my background is well suited to meet many challenges that the FERC will be facing should I be confirmed. My tenure on the Colorado Public Utilities Commission and as a member and officer in the National Association of Regulatory Utilities Commissioners taught me much about working within a State environment and about collaboration with other regulatory professionals. I believe I have earned a reputation and was pleased to hear both Senators and Udall emphasize that I'm a pragmatic, problem solver. Under the leadership of Governor Ritter we searched for consensus solutions in Colorado that benefited our State's consumers.

My service as a NARUC leader deepened my respect and my understanding of our Nation's regional diversity with respect to energy resources and needs. Those experiences will help me enormously if I am confirmed to the FERC. I pledge to this committee that I will work with my colleagues on the Commission to work across regional, philosophical and party lines to make regulatory decisions that work best for our Nation's energy consumers and market participants.

FERC faces many challenges in protecting consumers from market manipulation, for ensuring reliability of the electric grid, enabling the development of energy infrastructure like gas pipelines, storage facilities, LNG facilities and terminals and ensuring the protection of those assets from cyber and physical threats. If confirmed I intend to pursue these issues. Again, pledge to work diligently with the Energy and Natural Resources Committee.

Thank you for the opportunity to appear before the committee today. This concludes my statement. I am pleased to answer any questions that you may have.

[The prepared statement of Mr. Binz follows:]

PREPARED STATEMENT OF RON BINZ, NOMINEE TO BE A MEMBER OF THE FEDERAL
ENERGY REGULATORY COMMISSION

Thank you Chairman Wyden, Ranking Member Murkowski and members of the Committee. I am greatly honored to be before you today as a nominee to the Federal Energy Regulatory Commission (FERC). I would like to thank President Obama for nominating me. I am especially pleased to acknowledge my own two Senators from Colorado. Senator Udall's and Senator Bennett's support means a great deal to me, and I appreciate their kind words regarding my nomination. Last, but most importantly, I want to acknowledge my family, who have been so supportive of my career in public service.

I know that FERC has with substantial responsibilities, and Congress could add even more as it takes up new energy bills. Issues before FERC in the coming years will be critical to strengthening electric and gas infrastructure for greater reliability, security, and economic growth; enabling new sources of energy to connect to the electric grid; and, promoting fair and efficient markets to reduce costs to consumers. I welcome the opportunity to apply myself diligently to these efforts if I am confirmed.

I believe my background is well-suited to meet many of the challenges FERC will be facing should I be confirmed. My tenure on the Colorado Commission and as a member of the National Association of Regulatory Utility Commissioners taught me much about working within a state environment and about collaboration with other regulatory professionals. I believe I earned a reputation as pragmatic problem solver under the leadership of Governor Ritter as we searched for consensus solutions that benefitted our state's consumers. Similarly, my service as a NARUC leader deepened my respect for and my understanding of our nation's regional diversity. Those experiences will help me enormously if I am confirmed to the FERC. And I pledge to the Committee that I will work with my colleagues on the Commission to work across regional, philosophical and party lines to make regulatory decisions that work best for our nation's energy consumers and market participants.

FERC faces many challenges in protecting consumers from energy market manipulation, ensuring the reliability of the electric grid, enabling the development of energy infrastructure like gas pipe lines, storage facilities and LNG terminals, and ensuring the protection of those assets from cyber and physical threats. If confirmed, I intend to pursue these issues and again pledge to work diligently with the Energy and Natural Resources Committee. Thank you for the opportunity to appear before the committee today. That concludes my statement. I am pleased to answer any questions you may have.

The CHAIRMAN. Mr. Binz, thank you. Thanks to all of you.

Let me start with you, Mr. Binz, if I might. Start with natural gas.

I just back from the Bakken at the invitation of Senator Hoeven. I can tell you this follows the visit I made to the gas fields with Senator Manchin and Senator Murkowski and I have visited with respect to these facilities as well. The visit to the Balkans, or excuse me, the Bakken reaffirms—

[Laughter.]

The CHAIRMAN. Know where we are? Take out the map.

[Laughter.]

The CHAIRMAN. The visit to the Bakken really reaffirms my support for tapping the potential of natural gas.

It's 50 percent cleaner than the other fossil fuels.

It gives our consumers and our businesses a pricing advantage. We've got it, the world wants it.

Those are my views with respect to natural gas.

I think it would be helpful as we start today if you laid out your views with respect to natural gas.

Mr. BINZ. Thank you, Senator.

To begin with I agree with you that the Balkans don't have enough natural gas and that maybe the Bakkens can send some gas there.

Seriously, I agree with the sentiment you expressed. In Colorado most recently I led an effort to move to the cleaner fuels from natural gas for the older plants which needed to be retired. The Nation has a great resource in natural gas that's getting larger by the minute as we discover more and more opportunities to develop shale gas.

I think it's a very important fuel. It is the near perfect fuel for the next couple decades. If we perfect capture and sequestration of carbon, it will be permanently good fuel for this country's use.

I think that the reliance on natural gas is an important step to clean up the air. With respect to criteria pollutants it has much lower emissions of all of those gases which EPA regulates long before they get to the question of carbon dioxide.

So I'm fully supportive of the development of natural gas resources. I've spoken to several LNG exporters. Have expressed my interest in making sure that applications for their terminals make it through the FERC as expeditiously as possible.

I also have spoken to many players in the natural gas industry. I'm fully committed to streamlining the FERC's processing of natural gas applications.

Finally I think the electric markets need to signal to the gas markets that more pipeline capacity is needed because the largest single use of natural gas is no longer space conditioning for residential customers, it's electric generation. That's an entirely—that's a new makeover of the gas system. FERC needs to respond to that.

The CHAIRMAN. On some of these past quotes on this topic, why don't you address those?

Mr. BINZ. I should take on directly the quote that has been repeated most often. That is that I expressed a concern that natural gas could be a dead end in 2035. What I was talking about is that if we take seriously the need to reduce carbon in our generation fleet natural gas is a very great fuel for doing that right now. It has half the carbon emissions of coal and oil. But eventually as we move forward and learn how to do sequestration that will benefit natural gas in the long run.

If I just sort of stopped my statement at that point and not used the dead end phrase I would probably be in a lot better shape right now. But what I—I fully embrace the use of natural gas. I've said that in many speeches over many years. I don't want something I said, probably uncarefully, to be taken out of context to mean something different.

The CHAIRMAN. Thank you.

I suspect those of us on this side of the dais have once in a while said something that we'd like to take back as well. I appreciate that.

Let me ask you next about something else this committee feels strongly about and that's making sure that the States have a wide berth in choosing which fuels they want to use to generate electricity. Do you agree that fuel choice for electricity generation is best left to the States?

Mr. BINZ. Senator Wyden, we have an expression that I've been using with my colleagues, future colleagues in the FERC, if I'm confirmed to the FERC. The FERC is fuel neutral, but it is not reli-

ability neutral. By that we mean that the agency has no role in selecting fuel for power plants. It does not site power plants.

Its role is to build out an energy infrastructure which all resources can access. So I absolutely agree this is the role that the State players play. As a former Commissioner from Colorado, I did that. I understood that was the State role.

If I'm confirmed to the FERC, I understand this is a different job. The FERC does not make resource selections nor should it. Its influence on resources is very—and the selection of resources is very indirect. It removes barriers for resources connecting to the electric grid. It removes barriers from the flow the natural gas to the places that it's needed for generation.

But the economics of those fuels, the policies of those States and frankly, the policies of this Congress are what's going to make a determination about which fuels are selected, not the FERC.

The CHAIRMAN. Another bipartisan tradition in this committee is steering clear of making decisions about fuel choice and basically leaving that to the markets.

Do you believe FERC ought to pick electricity generation winners and losers?

Mr. BINZ. No, I do not, Senator.

Again, there are other agencies which have to do with emissions. The EPA, of course, is the lead one on that.

I believe that the FERC's relationship there is to ensure that whatever agencies do with respect to this it happens in a way that respects the reliability of the grid. That's the FERC's responsibility. It is not to pick winners and losers.

If we go to places like the PJM or the MISO markets those are competitive markets where fuels are up or down. Producers are in or out depending upon their economics of their businesses. That's how it should be.

The agency should not put a thumb on the scale for any resources. It should ensure that we are able, in this country, to effectuate an all the above strategy. We are going to need all of these resources. We're going to need to move forward on research allowing the fossil resources to be lower carbon in the future.

The CHAIRMAN. One last question.

Mr. BINZ. That is not the role of the FERC. I haven't been auditioning for the FERC for all these years. I've been writing papers about what I think may happen to the energy sector. I know where the lines are drawn.

The CHAIRMAN. One last question for this round.

The Commission has siting authority over both hydro and interstate natural gas pipelines. On the gas side, things have moved a bit more quickly. Obviously there need to be some improvements. On the hydro side, the Commission is often slow to act because it waits for State approvals.

Clearly a more robust pipeline network and additional emission-free hydro are in the public interest.

Will you work with us, and I touched on it in my opening statement, to make the natural gas pipeline and hydro power processes more timely and more efficient? We believe you can do that consistent with environmental standards. Will you work with us?

Mr. BINZ. I will do that, sir.

The CHAIRMAN. Improving the approval process?

Mr. BINZ. Excuse me, I will do that, Senator. I would like to thank the members of the committee who I've had the opportunity to meet with me. I think I stressed that in every one of my meetings.

I see the FERC as key to building out energy infrastructure in this country which will help us with customer rates and will help us with environmental compliance. That's the role of the FERC.

The CHAIRMAN. Very good.

Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Mr. Binz, let's continue the questioning with you.

I'm trying to reconcile some things that were brought up in our meeting last week. Statements that you made that just don't seem to line up with information that I learned that same day.

When we met you assured me that the only team, and this was your words, the only team that you had in place to help with the nomination was comprised on FERC employees from their External Affairs Office. You gave me the impression that this public relations firm, Vinn Squared, had contacted you somewhat out of the blue to offer help to dispense some letters to the industry that you had put together. Nothing wrong with that.

You did though acknowledge that the PR firm was being paid for by Green Tech action fund which is in turn funded by the Energy Foundation which is your former client. You also admitted that you thought perhaps the Energy Foundation or an affiliate had hired a former Senate staffer, who is now a lobbyist, to help you with your nomination efforts. You weren't sure whether or not another lobbyist you mentioned was a volunteer or being paid for services, again by your former client.

So then I learned, again that same day, in emails that were released by FERC that this effort was apparently much more involved than you had indicated. We've got an email that came from the FERC dated July 8. FERC External Affairs, the White House nomination liaison as well as lobbyists or consultants from Cassidy and Associates, Vinn Squared, HAW Ink, PK Strategies, the Energy Foundation and the Hewlett Foundation were involved or certainly invited to participate in a meeting on your nomination.

Then the following day there's an email in which you ask the team and again, that's your word, and that includes everyone on the earlier email except the White House. So you ask them to review materials that were going to be sent to this committee as part of your formal nominations packet.

You then sought edits from this team to what you called "Binz bio document." That was to be and I presume actually was submitted to the committee by the FERC personnel as an attachment.

So what I'm trying to reconcile is you've effectively got a team, a shadow team of lobbyists, of PR experts, that have been helping throughout which again, as I suggested, I hate to think that this is going to be the new normal. But what I can't reconcile is your statement to me that said the only ones that you were working with. The only ones you were working with were the FERC External team. I don't—I'm not following how one lines up with the emails that again, were a part of this FOIA request.

Mr. BINZ. Sure, Senator. I'd be glad to respond to that.

I apologize if I left a different impression that what we now agree has happened. I, in fact, I had disclosed to your Chief Counsel the email prior to this that showed the presence of all those people in that meeting.

I've gone back and—I had been asked in my interview with your staff if I was aware of any coordination between Vinn Squared and the White House. I told them that I was not aware of that. Then I recalled that there had been this one meeting. I think I copied Mr. McCormick on an email about that.

I went back after our meeting with you to list every contact I've had with these folks. I think it's a grand total of 3 including the initial contact by Mr. Meehan that day and his staffs offered to send out my press materials. I had this conference call that you're just referencing and this is the one that I told Mr. McCormick about after my meeting with him last week. Then there was one more.

As far as I know I've had no contact with these folks since July the 15th. This is the Vinn Squared people. In fact I asked them to stop sending me material. I did not want to coordinate with them.

I have spoken to Mr. Miller, Chris Miller, a few times subsequently. I've relied on him for just—he's an old hand at these things. He worked on committee staff. I asked him for advice occasionally. But that's really it.

I have hired no one. I'm paying no one. I have and am a solo practitioner. I don't even have administrative support in my business.

When the nomination came up I was glad to accept some assistance in dealing with the press because that was—so again, I very much apologize. I would be glad to get together and talk further with your staff about this. I'm trying to be as open as a book on these things.

I also agree with you that this is an unfortunate situation if this is the new normal. As you can imagine when I was nominated for this position back in—when I was told by the White House I had the position. I predicted there was going to be a fight over this nomination because of my experience with these very same conservative organizations in Colorado. I had a running battle with them for 2 years.

Many of the same tactics that you've seen rolled out here were visited upon me in Colorado. I didn't ask anyone to hire anybody on my behalf. But it doesn't surprise me that people who saw what had happened in Colorado figured that on a prophylactic basis it made sense to get somebody involved in this.

That's what they did. I have attempted to operate as independently from anybody as possible with—but fully understanding the obligations that are impressed upon an appointee in a situation like this. So again, my apologies, Senator Murkowski. I would be very pleased to meet with your staff or yourself to iron out any misunderstandings we have.

I did not intentionally mean to mislead you about this if that's in fact what happened. I will again, I'll just be repeating myself. But I want to get past this with you. I do not want this to become a problem.

Senator MURKOWSKI. Mr. Binz, my time has expired. I do have other questions for you. But I'm sure that you can see the concern that I have when you sat in my office and assured me that there was no coordination with anyone outside of FERC. Then to read the series of emails albeit there weren't more than a handful, but directly contradicting what I had been told.

So I appreciate your explanation. But I think it does speak to the issue that I have raised which is ensuring that the FERC is absolutely independent and that the leadership at the top remains so.

Mr. BINZ. Senator, I would have it no other way.

The CHAIRMAN. Senator Udall.

Senator MARK UDALL. Thank you, Mr. Chairman.

As I listened to Senator Murkowski and Mr. Binz discuss their meeting I can't help but think about all of us who run for re-election and increasingly in the environment we find ourselves there are outside forces that come to bear over which we have no control, no connection. It's certainly frustrating I know for all of us as Senators and it's become more the norm frankly, it seems like and when you have high profile nominations and nominees. So I have been there, Mr. Binz. I know Senator Murkowski you've experienced some of those same outside forces at work on your campaigns.

Let me turn back to Colorado. I'm a home State booster. I make no apologies for that. I think we've got an all of the above strategy that's underway.

Mr. Binz, you've been a part of that. I mean, we've got renewables. We've got energy efficiency, technologies that are on the cutting edge. We've got small scale hydro. We're working on clean coal, natural gas.

Can you talk about Colorado and our mix of energy resources and the benefits of a diverse energy portfolio?

Mr. BINZ. Yes, thank you very much, Senator Udall.

Just to start at the end you might think from all the rhetoric that's been written about me that I personally went out and with a sledgehammer close coal plants in Colorado. In fact, Public Service of Colorado is still 40 percent coal. It's about 30 percent natural gas and the balance is a mix of hydro and other renewables.

Public Service of Colorado is the largest utility in the State. It has a very balanced portfolio. It's the leading utility in the country for wind energy on its system. That all happened, that transformation, happened over a period of only about 6 years beginning shortly before I came on the Commission through my term on the Commission.

Excel will tell you that they are now as pleased with the mix of portfolio they've got as they have ever been. They write articles about this.

Now that has had an impact on the State's economy as well. I want to be real clear about this. Colorado is a gas producing State. We produce twice as much as—well, we produce 3 times as much as we use in State. So we export two-thirds of the gas.

We have seen a boom in jobs in the gas industry in Colorado. We have seen a huge growth in the wind industry and in the solar industry in Colorado. Governor Ritter, when he was Governor, dubbed that the new energy economy. It's attracted a lot of jobs.

During the great downturn that was the only sector in Colorado that actually showed economic growth. The Governor was very proud of that.

The Commission and Senator Murkowski this really goes to your issue. The Commission and the Governor operated independently of each other. I was appointed, I think, by Bill Ritter because he knew of my theory of regulation, how I worked with people and what I cared about. I didn't take directions from the Governor's office.

I implemented legislation when it came across from the General Assembly. But we were an independent commission at the Public Utilities Commissions. Obviously I see the exact parallel at the Federal Energy Regulatory Commission, different duties, but same level of independence.

Senator Udall, I think the other point about Colorado that's really important. This growth and diversity of resources happened without a significant consumer rates impact. The renewable energy standard in Colorado caps in law rate increases at 2 percent because of renewables. We manage to that 2 percent at the Public Utilities Commission and working with the utilities.

Senator MARK UDALL. Thank you, Mr. Binz.

Let me ask you, I think it's a simple question. Does FERC or the FERC Chairman have any role in implementing the President's climate agenda?

Mr. BINZ. The FERC does not.

I want to be very clear about this. I was told by the White House that I would be the nominee on April the 4. I was vetted for a couple months. My appointment was not announced until the same week as the Climate Action Plan was announced.

As far as I'm concerned that was a coincidence because I've never spoken with anyone at the White House about the Climate Action Plan or any role that FERC—

Senator MARK UDALL. Never had a conversation with anybody in the White House about—

Mr. BINZ. Not about that.

Senator MARK UDALL. Climate agenda.

Mr. BINZ. My only substantive interview at the White House was in December. It was with Heather Zichal. But they have never asked me for any commitment about what I would do at the FERC with respect to the Climate Action Plan.

Senator MARK UDALL. So you haven't made any promises to the White House or anyone else about what you might do with regards to climate if you were to be confirmed?

Mr. BINZ. None.

Senator MARK UDALL. Thank you, Mr. Binz.

The CHAIRMAN. Senator Alexander.

Senator ALEXANDER. Thank you.

I want to thank the witnesses for being here. Thank you for the hearing.

Mr. Binz, I'd like to explore whether you're a high cost or a low cost regulator. This is what I mean. Senator Corker and I had a roundtable with the Tennessee Valley Authority this last Friday on the question of low rates.

In my experience whether we have more or less people working for coal plants or more or less people working for wind mills or more or less people working for natural gas plants is not where the jobs are. The jobs come when we have cheap electricity and Eastman Chemical stays in Tennessee instead of going to Asia or we have 1,000 other suppliers who are in Tennessee instead of Mexico. So we want clean, reliable, cheap electricity.

Now in many of your presentations and speeches you use Germany as an illustration. You don't say we should adopt Germany's policies, but you use it as an illustration. You talk in your comments about utility regulators that need to shift from backward looking focus on cost to forward looking emphasis on value and societal incomes.

So far as I can tell in the past you've supported wind and solar incentives. You supported the renewal electricity standard. All of which takes more transmission lines. All this adds to the cost.

I've been to Germany recently. They've subsidized wind. They've subsidized solar. They've closed their nuclear plants.

So the result is they're buying nuclear power from France. They're buying gas from a very unreliable partner, Russia. They are actually—they've adopted a cap and trade which we rejected. They're actually having to build coal plants in order to have enough electricity.

I asked the Economic Minister why their prices were the highest in Europe and what he would say to a manufacturing company that wanted to come to Germany. You'd said I'd go somewhere else because of the high prices.

Is that formula the kind of regulatory formula that you'd like to see the United States adopt?

Mr. BINZ. Not even close, Senator.

Senator ALEXANDER. But you support the renewable electricity standard, correct?

Mr. BINZ. I do.

Senator ALEXANDER. You testified on behalf of it.

Mr. BINZ. I did in Colorado.

Senator ALEXANDER. But you supported for wind and solar, right and the transmission lines to carry them and all those cost money, right?

Mr. BINZ. Senator, the regulation we did in Colorado, I told you, I told Senator Udall, had a very small impact on customer rates.

Senator ALEXANDER. But a national renewable electricity standard would have a large effect on electric rates, would it not?

Mr. BINZ. I don't know that, Senator.

But in Colorado rates for our residential customers went up less than the rate of inflation during the time that I was on the Commission. That means in real terms bills were actually lower at the time at the end of my term than they were at the beginning of the term.

The only use I've ever made of Germany is to talk about how poor their solar resources are. Germany and with all due respect, Senator Murkowski, Germany has about the solar insulation levels Alaska does. Yet they're pushing very hard on solar.

Now the point of me putting that slide in my presentation was tell the people of Michigan and the people of Colorado and the people of Arizona what a great resource they have.

Senator ALEXANDER. I only have about a minute left.

Do you favor the wind production tax credit?

Do you think it's time to repeal it after 22 years since it costs \$12 billion to renew it just for a single year?

Mr. BINZ. Senator, as I said to you in your office on our meeting, I think that proposals to phase that out are timely. Yes.

Senator ALEXANDER. Along that line one job of the FERC is to make sure the market is functioning properly, correct?

Mr. BINZ. Yes.

Senator ALEXANDER. Recently J.P. Morgan reached a settlement with FERC for market manipulation.

Mr. BINZ. Yes.

Senator ALEXANDER. There are a number of studies that showed that the wind production tax credit is allowing billions of dollars to go to wind producers. They, in effect, are making so much money that they pay the markets to take their wind creating a negative pricing phenomenon that in some areas affects 13 percent of all the hourly prices for wind. It's undermining, in the opinion of some studies, the reliability of our conventional base supplies of electricity like nuclear.

Would you be willing, if you were Chairman of the FERC, to look at that phenomenon of negative pricing caused by the wind production tax credit as a way of determining whether the market is functioning properly?

Mr. BINZ. Senator, I think that the organized markets have several challenges. I have been saying, loudly, that one of the early things I would like to do with the support of colleagues on the FERC, if I'm confirmed to the FERC, with the support of those colleagues, is to do a stem to stern review of the energy markets. The issue you've raised—

Senator ALEXANDER. Would that include the affected wind production tax credit?

Mr. BINZ. Yes, it would include that. Yes.

Senator ALEXANDER. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Alexander.

Most senators weren't here when I outlined the authority FERC has and doesn't have. On the point of a National Renewable Energy Standard, FERC would only have authority if the Congress gave it to them, if the Congress passed it into law.

Senator Franken.

Senator FRANKEN. Thank you, Mr. Chairman.

Mr. Binz, thank you for visiting my office last week. I enjoyed discussing a range of energy issues with you. I'd like to briefly discuss distributed energy with you today which we discussed.

In the United States up to 36 percent of the total energy we consume is lost from power plants, industrial facilities and buildings as waste heat. Combined heat and power or co-generation, as some people call it, and district energy systems are available. They're tested technologies that could be used to capture waste heat and put it to use in Minnesota, in the city of St. Paul. We have a biomass district energy system that's a great model on how to do this.

By using more of our abundant biomass more efficiently we can support more forest jobs. I know Senator Risch when we talk about wildfires has talked about all the hazardous waste that exists within our forests and that could be, it needs to be cleaned out in order to prevent fires. This can also provide environmental benefits.

My question is what role do you see for combined heat and power and other forms of distributed generation in enhancing power grid resilience?

Mr. BINZ. Thank you, Senator Franken.

Actually you ended where I was going to start. I think that the experience from super storm Sandy and other events like that have shown the merit of having local generation and its ability to recover quickly from disasters.

The economics of distributed generation vary from resource to resource. I'm not in a position to guess what the final balance will be. But I do understand the importance of those resources.

The FERC will not have a direct role in encouraging any particular resource including distributor resources. The FERC does have the following role, to make sure that these market structures and transmission policy are set in a way that allows the integration of all these resources. So again, it's more in the nature of removing barriers than it is actually pushing them forward.

I said this earlier. I have a strong belief that the economics and the physics for that matter of these resources should be determinative of what we deploy. But what we don't want is we don't want a grid or a pipeline system built for another era to interfere an access of these resources to the grid.

I have a lot of friends who talk a lot about distributive resources. I understand, especially CHP combined heat and power. I think that's a wasted resource in the U.S. in the sense that we're venting heat. We're dissipating heat which could be used for electricity.

So I'm supportive of that as an American citizen. I won't have a role as a FERC Chairman, per se, except as I described to make sure that the grid is able to accept all of those energy resources.

Senator FRANKEN. You mentioned Hurricane Sandy. There were some places that were—distributed energy systems that were operating in island mode. Because the rest of the transmission went down they were able to be resilient and keep producing power.

I want to talk—turn to Mr. Connor.

As the Commissioner of the Bureau of Reclamation you and I have discussed the Lewis and Clark regional water system many times. In the last budget request the Administration recommended that local project sponsors should consider increasing their local match beyond what is required in order to get projects completed on a reasonable time line. In fact, all of the State and local entities have virtually paid 100 percent of what they—was due. The Federal Government hasn't paid its part.

Local governments in Minnesota are beginning to consider that option and all the risks that it involves even if they put up more money though, there's no guarantee that Federal dollars will ever flow faster than they currently are. Are there any assurances that you can give me on behalf of my constituents that if local governments increase their contribution beyond what they're required to

give they will finally receive the funding that they were promised from the Federal Government?

As Deputy Secretary will you fight to make this funding more of a priority within the Administration than it has been in the past few years?

Mr. CONNOR. Senator Franken, thank you for the question. Yes, this is an ongoing dialog that you and I have had about the funding levels for these rural water programs.

Yes, I can assure you that we will continue within the budget resources we have to have as strong a rural water program as we can. The reality the last 2 cycles, the last cycle, the 2014 budget in particular and the reductions that we've had overall for Reclamation funding and given our priorities, that that program, in particular, took one of the largest hits. But at the same time we still are trying to maintain funding as robust as we can.

We will make good use of any additional funding that we have such as what's written into the Senate Energy and Water Appropriations bill and continue to try and make progress as best as possible, notwithstanding. Just for context where we can find the resources we do invest them in this program. Over the last 4 years we've invested \$512 million into—from the Administration's budgets and the Recovery Act into the rural water program. So even though there are reductions, given our priority system, we're trying to keep funding levels as high as we can. I will continue to advocate for the important role that that program plays.

Senator FRANKEN. Thank you.

The CHAIRMAN. We are going to have to move on.

Senator FRANKEN. Yes, thank you, Mr. Chairman.

Mr. Connor knows what a high priority this is for me and for the people of, especially of South Western Minnesota.

The CHAIRMAN. Alright. I share the Senator's views.

Senator BARRASSO.

Senator BARRASSO. Thank you very much, Mr. Chairman.

Mr. Connor, thanks so much for coming to my office for the visit. Please give your entire family my very best.

Dr. Robinson, congratulations.

Mr. Binz, congratulations to you as well.

I do have some questions, Mr. Binz.

One is obviously it's disturbing to many of us that telling Senator Murkowski something in private and then having emails come out that conflicts that afterwards is very concerning to many of us.

I do have questions specifically about natural gas. The U.S. has roughly 100 years worth of natural gas. Natural gas is going to be critical to ensuring American families and businesses have an affordable, reliable, secure supply of energy.

You've made comments about your previous statement that you may have said we're, I think, in artful. In March you stated in reference to natural gas that without carbon capture and storage, without carbon capture and storage, to clarify your remarks, that I think it's a dead end that will dead end in 2035 when we're going to have to be better on carbon than even natural gas, you said, will allow us to do.

I find the comments troubling and far outside the mainstream. Because to be clear you're saying that the future of natural gas, not

just coal, but natural gas depends on carbon capture and sequestration, a technology not currently available, not currently economically viable, not commercially viable, may never be for natural gas. So we're saying that under those circumstances if they can't make this technology economically, commercially viable that we would then leave 80 years worth of affordable natural gas in the ground.

I think the views are troubling because you've been nominated to lead FERC, the agency responsible for permitting the interstate natural gas pipelines, the natural gas storage facilities, the LNG export terminal facilities intended to be in place well beyond 2035. You're going to have to make those decisions today.

So if confirmed you'll be in an ideal position to act on the beliefs about the "dead end" for natural gas in 2035 by blocking permits that would be an extension, be there way beyond 2035 for the pipelines, the storage facilities, the export terminals. So given your belief that we should stop using natural gas by 2035 that it must dead end in 21 years if there is not this carbon capture and sequestration technology available at that time. Is it fair to say that your views fundamentally conflict with FERC's mission to support the use of natural gas?

Mr. BINZ. Senator, I cannot agree with your conclusion. I've already clarified today that I think this is a terrific fuel. It's needed right now and maybe in the permanent energy mix.

Now, Senator, behind all of this, as both of us know, is the assumption that we will decarbonize or significantly reduce carbon in the electric generation sector. That won't be up to me at the FERC. It won't be up to the FERC. It will probably be up to Congress and the EPA or some combination thereof or the courts.

But I'm just speaking as someone informed about the energy industry. My—aside from beside or excuse me, rather than being outside the mainstream I think they're very much in the mainstream. This is what the MIT research is saying. This is what the Electric Power Research Institute is saying. They're publishing all of these graphs showing the amount of carbon capture and sequestration is ramping up in order to meet a 2050 energy portfolio.

I think they're right. You may not agree with them or there may be others who don't agree with them. But if they're right, if we will have to reduce carbon then we're going to have to make plans at some point.

We've got 20 years to do it. I think there's a very good chance that the technology will be invented or perfected by that time.

Senator BARRASSO. But the decisions that you're going to make now, the decisions that you're going to make now in terms of natural gas pipelines, natural gas storage facilities and LNG export terminals, we're not going to know what that technology is going to be 20 years from now. You're going to be conducting the reviews today.

The EPA and the Sierra Club have argued that FERC should dramatically expand its environmental reviews for natural gas pipelines and LNG export terminals. They say FERC should consider the upstream impacts of natural gas pipelines and LNG export terminals such as, you know, hydraulic fracturing.

The Sierra Club is arguing that agencies like FERC should consider the downstream impacts of natural gas pipelines and LNG export terminals.

The Sierra Club's efforts are part of what is called, "beyond natural gas," their campaign to fight the production and use of natural gas.

So if confirmed will you expand FERC's environmental review process for natural gas pipelines and LNG export terminals specifically? Will you direct FERC to consider upstream impacts and downstream impacts such as greenhouse gas emissions?

Mr. BINZ. Senator, if I'm confirmed to the FERC that is not something which I would put on my agenda.

I want to reply to something else you said just prior to that. The notion that I will somehow allow my guess as to what the future is going to look like, again, not a FERC position, to affect the approval of natural gas pipelines, LNG facilities. That is wrong.

These facilities are needed today. These are facilities that are going to be built today. The LNG export facilities, the gentlemen in Louisiana have contracts with Puerto Rico and Africa and lots of other places to deliver gas.

I absolutely support that.

It will be up to the industry in total to decide what we do on a carbon basis going forward. This is not a FERC decision. So my, if I'm confirmed to the FERC, my jurisdiction or my authority will be to evaluate proposals brought to us on the basis of the merits of those proposals. It will not be to substitute my judgment for anyone else's judgment about whether these pipelines will be used 25 years from now.

Senator BARRASSO. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Barrasso.

Senator Heinrich.

Senator HEINRICH. Thank you, Mr. Chairman.

Commissioner Connor, I want to start with you. You will have my unreserved support, but I'd be remiss if I didn't ask you a question while I've got you. I certainly appreciate that an engineer may be holding this position in the future. I won't hold your law degree against you in that regard.

[Laughter.]

Senator HEINRICH. But one of the things I've been impressed with during your tenure at the Bureau of Reclamation is your willingness to look at innovative and out of the box ways of balancing the different things we need to do with our rivers and waterways, balancing fish and wildlife while still delivering water supplies to irrigators and municipalities, other water users that create jobs in our communities. One of the tools that I've seen used in a number of States to do that has been water leasing to allow farmers or other water users to voluntarily lease their water to provide more flexibility for all river water users.

In New Mexico, given the rains of the last week, we may or may not be coming out of a historic drought. We've certainly had historic rainfalls. I'm not ready to declare victory yet given how low our reservoirs are, as you well know.

But even in historic normal years which we haven't had for some time, our water resources tend to be stretched very thin. In your experience what role can water leasing play to make sure that farmers, cities and other water users have that flexibility while, you know, keeping some water in the river as well?

Mr. CONNOR. Thank you, Senator Heinrich for your support and thank you for the question.

Water leasing is absolutely one of those critical tools for addressing the challenges that we have in front of us with respect to water resources in the West. Given the water laws that exist and the priority of water rights, water in the West is filled with winners and losers, those who will continue to get their supply in times of shortage and others who will be short. So facilitating the movement of that water between users and also making it available for environmental purposes to address our responsibilities, I think improves the situation for all water users.

One of the things that I've tried to stress in my tenure at the Bureau of Reclamation is that to keep, maintain certainty and reliability as best possible with respect to water use and power generation requires that us to comply with and deal with the Federal environmental laws. That's a good thing. It's the right thing to do plus it improves the situation from a water perspective.

We're doing that in the Rio Grande. We're, I think, we're working with the Rio Grande Conservancy District, not only in their operations so that they'll move water at times it benefits species, but also now we anticipate getting a pilot project underway in 2014 to begin water leasing activity within the Rio Grande.

Senator HEINRICH. Great. I appreciate that.

I also want to say I appreciate the work that you're doing on general water efficiency. It's, you know, the one place where we can create new white water. It's—those efforts are very much appreciated in an arid State like New Mexico.

Dr. Robinson, I want to ask you a question or 2 with my remaining time, probably just have time for one. But I wanted to bring up Los Alamos National Lab cleanup. In 2013 the CR left the clean up legacy waste at Los Alamos short of funding, certainly short of what the President had requested.

I was very pleased that DOE's environmental management program was actually able to identify \$40 million this year to keep that work on schedule. As a result the removal of 37 hundred cubic meters of transuranic waste stored above ground remains on schedule to be completed in June. So we may be facing a similar situation this year.

I certainly want to work with you to make sure that DOE continues to meet its commitments to the State of New Mexico. Just wanted to get your thoughts on that and your willingness to work on those issues because we have a situation at Los Alamos where not only has a commitment been made to the State of New Mexico, but we also have ongoing issues with wildfire. The sooner we can move all of that above ground waste to someplace where we can all agree it's much more appropriate, the better folks back home will sleep at night.

So I would like to get your thoughts on that.

Mr. ROBINSON. Thank you for the question, Senator.

I'm aware of the situation of the waste at Los Alamos and the importance of removing it and safely storing it. I'm not intimately familiar with the funding and the challenges that it will face. But if I am confirmed, when I get to the department, it will certainly be a priority to resolve those funding situations and keep that project on track.

Senator HEINRICH. We look forward to working with you on the funding situation. I look forward to inviting you to come to New Mexico in particular to see the waste isolation pilot plant which is not unrelated to the issue, obviously. Appreciate your time.

Thank you, Mr. Chairman for the time.

The CHAIRMAN. Thank you, Senator Heinrich.

Senator Flake.

Senator FLAKE. Thank you, Mr. Chairman. Thank all of you for coming. I appreciate Mr. Connor coming to my office, also Mr. Binz, enjoyed that discussion.

Mr. Binz, following up on what Senator Barrasso was asking with regard to the statement the dead end fuel in 2035. You mentioned earlier in your testimony that you were concerned that the FERC isn't concerned about markets or fuels only about reliability. Is that accurate?

Mr. BINZ. Customer rates. There's several other things. But we do—the FERC does not take a position on fuel, Senator.

Senator FLAKE. But with regard to reliability if it's your position and you restated that you believe that that is the case that unless we have new technology with regard to sequestration and carbon capture that it is a dead end fuel then wouldn't that compel you, in terms of reliability, wouldn't that affect your decisionmaking today on permitting for natural gas, transport and facilities?

Mr. BINZ. No, Senator, I actually don't see that connection.

As I said, the short term is different than the long term here. When we receive at the FERC, if I'm confirmed at the FERC, when we would receive an application for a pipeline it will be judged on the merits of that pipeline. The applicant will have come forward with that. I would assume that if the applicant thinks that this pipeline—that the use of gas is not going to go past 2035 say, that that would be reflected in the application to us.

So I actually don't see that.

In terms of reliability we face these questions continuously every time the EPA issues a rule it will be up to this agency to assess the impact of the EPA rules on reliability.

So again, I admitted that that was a relatively in-artful of saying it. The full statement is if we're on a course to decarbonize the electric sector then you have a problem with 1,000 pounds per megawatt hour emissions at about 2035. I'm just really reporting in that statement what's being said by a lot of other entities including the Electric Power Research Institute.

We might well not reduce carbon. I mean, that's not a policy called at the FERC is responsible for. If you accept that then the arithmetic drives you to the conclusion that I had.

Senator FLAKE. In your conversation with Senator Alexander a minute ago you mentioned that you weren't sure if the renewable fuel standard, nationally, increases costs. That seems rather plain

if it didn't there would be no need for a renewable fuel standard. Of course it raises costs.

That just surprises me that—I mean you acknowledge that and you may make the case that it's worth the cost. The cost benefit analysis in terms of the environment or whatever else outweighs it. But to say that you're not sure if a renewable fuel standard raises costs. It does.

Wouldn't you agree?

Mr. BINZ. Senator, I could have answered more fully by saying I have not studied that. I can tell you that in Colorado the renewable portfolio standard of 30 percent has raised customer rates less than 2 percent. Now that's a short run measure. It may well, in the longer run, be lowering of costs.

At this point, with the economics of wind, when wind is added to the system in Colorado, costs go down. So I think it's really—I've done a couple studies of this for Colorado. But I haven't studied the national one. It would vary by region. There's all kinds of things that need to be said.

So while I'll agree with you that the thrust would be to pay more. It depends on the timeframe you're talking about and absolutely the regional differences.

Senator FLAKE. Thank you.

Mr. Connor, we spoke when you came to my office with regard to the Mexican wolf. The Fish and Wildlife Service has announced 2 proposed rulemakings.

First, the Grey Wolf will be delisted.

But the Mexican Wolf will continue. There's been a decision to expand the area and that significantly, as we talked about, affects Arizona. I mean significantly in the rural areas.

Yet, with regard to this proposed new rule Fish and Wildlife Service has said they're only going to hold hearings in Sacramento, Washington, DC and Albuquerque, completely leaving Arizona out. I can tell you that there are a lot of people impacted, property issues, safety issues, by this ruling. Will you commit to having a public hearing in Arizona in the affected areas?

Mr. CONNOR. We are actively considering the request. The door is closed to having an additional public hearing in Arizona. We're working through that issue with your staff. I expect we'll follow up very quickly.

Senator FLAKE. OK. I just have to say that I will have a hard time, as much as I, I mean, you worked wonderfully with our office, with my predecessor's office. Your knowledge on water issues and a whole host of issues facing Interior are broad and deep.

But this is an extremely important issue for Arizona. I just cannot imagine the Fish and Wildlife Service would go ahead with a proposed rulemaking without having a hearing, a public hearing, in Arizona where it's affected like no other place. To have one in Sacramento? Or in Washington, DC? But not Arizona where it's affected.

So I look forward to working with you on this. Like I said, I'll have a hard time supporting moving forward unless we can get this resolved.

Mr. CONNOR. Understood. I'll follow up with you, Senator.

Senator FLAKE. Thank you. Appreciate it.

The CHAIRMAN. Senator Johnson is next.

Because Senators have been coming in and out and may have missed the outline I gave of FERC's authority, what it can and can't do. Again, on the national Renewable Energy Standard which has come up several times, Mr. Binz would have absolutely no authority to do anything on this matter unless the Congress were to pass it and enact it into law.

Senator JOHNSON.

Senator JOHNSON. Thank you, Mr. Chairman. Congratulations to the entire panel on your nominations.

Mr. Connor, we have discussed rural water projects like the Lewis and Clark regional water system on numerous occasions in this committee. If confirmed to this new position do you foresee being able to raise the priority placed on rural water projects within the Department of the Interior's budget? Should the overall allocations to the agencies be revised to better meet those needs, given that water settlements are taking up an increasing portion of BOR's budget?

Mr. CONNOR. Yes, Senator Johnson. I think if confirmed for the position of Deputy Secretary I will be able to advocate on a higher level for the rural water program that exists.

Part of the advocacy, as you mentioned, is the increasing responsibilities we have in other areas and how that's creating stresses within the rural water program. It's an important program. I'll continue to be supportive.

Senator JOHNSON. Mr. Connor, I've been concerned about possible closures of fish hatcheries, especially the D.C. Booth Historic National Fish Hatchery in Spearfish, South Dakota.

While I, for one, would like to see a balanced approach to replacing sequestration but that will be a challenge. How do you plan to work with Congress to make sure we don't permanently lose key Federal sites while navigating budget pressures?

Mr. CONNOR. Senator Johnson, as I understand it the long term sustainability of funding for those hatcheries is an issue. I can tell you that the best approach that we have at the department right now is to buy us some more time to engage with the Members of Congress, members of the Senate, on this important issue. So at this point in time we have a short term strategy to maintain funding for those facilities. But we do absolutely need to work on a long term solution.

There's a variety of funding sources, as you know, for those facilities. Some of them are in good shape, but others are not.

Senator JOHNSON. Mr. Binz, expanding transmission has been a big hurdle to wind energy development in the Dakotas. What policy steps should we be taking to encourage transmission lines, and what are your views on the allocation of costs for building new transmission lines?

Mr. BINZ. Thank you for the question, Senator.

I think you know that the FERC has undertaken an initiative. It's known as Order 1000 which requires regions of the country to self select as regions and then to adopt a planning process for the construction of electric transmission lines. As part of that to also adopt and report back on a cost allocation agreement that they have.

So the FERC, in my view, with Order 1000 has understood the necessity of expanding the transmission system but doing it in a way so that costs are shared fairly.

The main principle in that requirement is that if costs are shared they're shared only to those who benefit from the lines. So my view on cost allocation is that if the regions can come up with a self imposed system which meets the rule that if you don't benefit, you don't pay. I am inclined, if I'm confirmed to the FERC, I would be inclined to agree to that system of cost allocation.

Now what's new about this is the emphasis that the FERC has placed on the regional planning. It's begun to happen naturally. But I think Order 1000 will spur along more activity.

I haven't spoken with the utility serving South Dakota about this. I'll be happy to go further and find out what the special issues there are.

The last thing I would say, Senator, is there has been a growth in what is called independent transmission company operations. We've got new companies. Clean Line Power is a good example of it, which are building merchant lines to bring energy across regions such as from South and North Dakota into markets.

So the FERC's policies as to how independent transmission companies are regulated and are treating is very important to this. I've educated myself on these issues. I've spoken to many developers of merchant transmission projects. I think I understand what is necessary to ensure that they have a healthy growth.

Senator JOHNSON. My time is expired.

The CHAIRMAN. Thank you, Senator Johnson.

Senator Risch is next.

Senator RISCH. Thank you, Mr. Chairman.

Mr. Connor, thank you for coming to see me in my office.

Senator Bingaman pointed out that you have a degree in engineering and admitted the fact that we don't have many engineers in the political process. I've discovered why actually. I used to recruit candidates for our local legislature.

When I talked to engineers they were shocked to hear that 2 plus 2 does not necessarily equal 4 in this business. So as a result of that they're not inclined to participate. So thank you for your participation.

I explained to you when we had lively discussion about the Sage Grouse issue in Idaho. I understand your commitment to the collaborative process. Again, I would encourage you to follow through on what the previous Secretary of Interior had invited the States to do and embrace, hopefully with glee, Idaho's plan that we have put together on a collaborative process.

It's a robust plan to save the Sage Grouse. As you know there are some issues within your Department that you and I talked about between a couple of different agencies. We would sincerely hope that in your senior management position you'd be able to straighten that out.

Have you had any chance to look into that any further since our meeting?

Mr. CONNOR. Yes, absolutely. I've become even better informed on the Sage Grouse planning process. I very much appreciated our

discussion. I think it was good context for highlighting the opportunity that we have here.

We have an opportunity with Idaho which also we've engaged with Wyoming and the other States to conserve the species. Through that effort avoid the need for listing, have on the ground conservation efforts that people are invested in, believe in. Be able to conduct a lot of other business and activities.

So this is—we are moving forward. We are incorporating, the BLM is incorporating the Idaho plan into its EIS process. That's a good first start to get to the place where I think both of us would like to be at the end of the day. I commit to you this is a very high priority, these plans, developing in the timeframe and avoiding the need for listing the species so that we can maintain our other multiple uses knowing that we're going to conserve the Sage Grouse is highly important.

Senator RISCH. Thank you very much. I appreciate that. Our Governor has been the lead on this in Idaho, has done a great job. We enthusiastically embrace it for a lot of different reasons. But not the least of which is and the primary objective is to conserve the species and see that it does have a sustainable future in Idaho. So thank you very much.

Dr. Robinson, you and I had a good discussion about the Idaho National Laboratory. I want to stress to you again about the clean-up project out there and how important it is to get that done. If we can get that done it's certainly a great win for the Department of Energy.

We're moving along in that direction. We hope you will continue to embrace that as an objective that's doable and that you can claim a victory on.

I would encourage you since Idaho is the lead laboratory in the United States on nuclear energy to visit the laboratory. One—for a couple of different reasons.

No. 1, the work that's there is—that they do there is just outstanding.

But secondly, we do have a waste legacy that has been troublesome since the end of the cold war. We've resolved it to a degree through the Idaho Settlement Agreement. We have a project there called the Advanced Mixed Waste Treatment Plant which has been processing the waste and has been very successful.

I think that what's been done there with that plant may be very useful to the Department as you move forward in the future on some of these other cleanups. We hope that you would visit this—visit the Idaho Laboratory. We could have some discussions about how that may be helpful in the future.

So thank you for taking on this job. Look forward to working with you, particularly through the INL.

Mr. ROBINSON. Right, thank you.

Definitely I would love to go visit INL in Idaho and work with you on those issues because it could be a great win for the Department to finish up and to build on the successes that have already happened in terms of cleaning up there.

Senator RISCH. It will certainly add to the credibility of the Department if you can complete it as scheduled.

So, Mr. Binz, thank you for coming to see me. You and I had a good discussion on a lot of subjects. I know this didn't happen on while you were at the FERC but again I want to stress to you my deep, deep disappointment in the lawsuit that's going on between the Idaho Public Utility Commission since they were sued by the FERC.

I think that is a dangerous, dangerous precedent. It was wrong. You told me, although you couldn't comment specifically on it, some thoughts that you had in that regard. I appreciate that.

With that my time is up. I thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Risch.

We've got several Senators missing so Senator Baldwin, you are next.

Senator BALDWIN. Thank you, Mr. Chairman. I want to thank all 3 of our witnesses for their public service in the past, in the future and congratulations on the nominations.

I want to start with Mr. Connor. You and I had a chance to visit last week. I very much appreciated our conversation.

I want to focus my question on a concern I raised with you last week with regard to a property in Wisconsin that we refer to as the Badger Army Ammunition Plant. During World War II it was actually the largest munitions plant in the world. It is located adjacent to Baraboo, Wisconsin.

When it was declared surplus to the Defense Department's need, the community and stakeholders in the surrounding area engaged in a very productive consensus process to look at reusing the property for conservation, prairie and savannah restoration, agriculture, educational and recreational uses. During the process that goes on when Federal land is declared surplus with the GSA there was involvement by the Department of the Interior on behalf of 2 entities that hoped to secure a part of this land and manage it in the spirit that I was describing. The State Department of Natural Resources was interacting with the National Park Service and the Ho-Chunk Nation with the Bureau of Indian Affairs.

What I expressed to you last week was a strong, strong concern about both the timeliness consideration of these land transfers and additionally what appears to be a very inconsistent application of an environmental evaluation that's supposed to be uniform across the department, but appears to be applied very differently in the National Park Service and the BIA. Now I worked on this issue when I served in the House of Representatives and had been in long dialog with folks in each division. When you look at the organizational chart of the Department of the Interior and the 5 Assistant Secretaries, there's one person who's going to be on top of all of them and that's the Deputy Secretary.

So in this forum, Mr. Connor, I would like to ask for your assurances that the timeliness and the consistent application of environmental standards would be a huge priority for you and any comments that you might have on this issue since we spoke last week.

Mr. CONNOR. Senator Baldwin, thank you very much. I appreciated the discussion we had this week. I did have an opportunity to go back and look into the matter.

As a threshold added to your question, if confirmed I will definitely be committed to the assuring that we look at these situations

in the same way across the Department. I believe that we do have some additional Regulatory requirements that BIA has as part of this process. But having said that, we are working now more expeditiously than before as a result of the conversation that we had to try and work through an agreement that needs to take place with the BIA so that we can get this property transferred.

So it's a work in progress right now. We will continue to prioritize this amongst our efforts. I will continue to work with you on this and keep your office informed.

Senator BALDWIN. I appreciate the assurances. I would state that we understand first of all the timeliness aspect that BIA has had this before them for over 10 years.

Mr. CONNOR. Yes.

Senator BALDWIN. Second, that time really is running out, as we understand. So this focus is extremely important.

Thank you for your response to that.

In my few seconds remaining I wanted to ask Mr. Binz about the role of FERC in protecting consumers from energy market manipulation and how you intend to build on FERC's recent efforts to protect consumers in that regard.

Mr. BINZ. Thank you, Senator Baldwin.

As you know I was the Consumer Advocate for Colorado for 12 years in which I fought for consumer rights, for lower consumer rates in Colorado. So I kind of come naturally to this position with respect to enforcing transparency and fairness in electric markets. For two-thirds to three-quarters of the country we have turned the job of setting electricity prices over to a marketplace.

We owe it to the Nation's consumers to make sure that those markets function well. That they produce the lowest possible cost consistent with reliability. That financial players are not able to manipulate prices and make extra profits that way.

So I fully support the work the FERC has been doing. I intend to help keep the reputation, if I'm confirmed to the FERC, I intend to keep the reputation of the tough cop on the beat to make sure that these markets are fair.

The CHAIRMAN. Thank you, Senator Baldwin.

Next is Senator Portman.

Senator PORTMAN. Thank you, Mr. Chairman. I appreciate you and the ranking member working with us on this energy efficiency bill. We'll be back on the Floor on that this afternoon.

But meanwhile I do have a couple questions here.

One, with regard to Beth Robinson, I have a bias here, Mr. Chairman. In my role at OMB I worked with Beth closely. She was the Assistant Director for Budget at OMB which is the top career post at the Office of Management and Budget.

She was a consummate professional, never pulled her punches which is sometimes tough as the Director. But she was a very effective manager of an extremely complicated process. So I've seen her in action. She's also a hard worker. I'm delighted that she is being nominated for this important position.

Having said that, I'm going to ask her a couple tough questions.

One is with regard to the cleanup at the Portsmouth Gaseous Diffusion Plant. As you know this is in Piketon, Ohio. There was

a commitment by DOE to finalize its plans in 2012 that hasn't been done.

So if confirmed I would ask your help in assuring that the building demolition and waste disposal plans are finalized as soon as possible. This is 2 thousand workers in Ohio overseeing the, again, decontamination, decommissioning of a gaseous diffusion plant that's no longer in operation. If confirmed, would you be willing to work with us on that?

Mr. ROBINSON. Certainly, Senator. Very important issue.

Senator PORTMAN. Second big issue for us, of course, is how to pay for it.

My strong belief is that if we can continue this cleanup pace and even expedite it we will not only be able to have a safer environment in the Piketon area, but also it will cost the taxpayer less. You know, the sooner we do it, the better. We can save actually substantial taxpayer funding if we keep this up.

Unfortunately the President's budget keeps cutting it. Last year I expressed this concern to Secretary Chu. The Administration budget had a 33 percent cut to clean it up.

The way we've been able to keep this project moving is through this barter program with uranium. To his credit, Secretary Chu did follow through after my request and did increase the barter for the Piketon plant from about 1600 to about 2400 metric tons per year. He also ordered an independent study of the market impact of that.

That study demonstrated the barter program does not have an adverse material impact on domestic uranium mining conversion and enrichment industries. It's a relatively small part, about 10 percent of annual domestic fuel requirements. This year that program will generate about \$200 million bucks in funding.

My question for you is whether you'd be willing to commit today to work with us to support that uranium barter program to ensure that this cleanup program that's going to be under your aegis can continue.

Mr. ROBINSON. Yes, most definitely.

Senator PORTMAN. We are very interested in working with you on that. We want to ensure those jobs are retained in Ohio and also that the environment is cleaner and that the taxpayers in the end save money by having this cleanup proceed.

Mr. Binz, I was here for some of your earlier testimony. I will tell you Ohio is experiencing the benefits of natural gas, wet gas, oil production as you know through hydraulic fracking. I do have serious concerns about your views on some of your past statements on natural gas.

You indicated in one of your earlier statements an interest, as you said, you were not speaking for yourself necessarily. You said there's an interest in decarbonizing the electrical grid. We don't view it that way in Ohio.

We like the fact that natural gas is available and relatively stable low cost. That's going to help us to attract business, particularly manufacturing, back to our State. So I do have concerns about that.

I also wanted to ask you quickly, if I could, about regulations. You know, I think you're going to hear about the XL pipeline in

a moment, Keystone. I won't mention that specifically, but we have a real problem in this country with permitting and specifically with regard to energy permitting.

We're told sometimes there is up to 34 different permits required and these are Federal permits that uncertainty makes investments more difficult. We're now ranked 17th in the world by the IMF, the World Bank, on the time it takes to get a permit. That's not a good ranking. It's moving capital and investment elsewhere.

So we think the overlapping agency authority, excessive litigation, agencies are not prioritizing, ill meaningful deadlines is all part of that. Therefore we have a legislation we've introduced with Senator McCaskill, myself, Senator Donnelly, Senator Barrasso, who is on this committee, Senator Enzi and others, to speed up the permitting process. We have better coordination, enhanced transparency, reduced new litigation delays.

I would just ask you today how you feel about this issue generally. I don't expect you to know the legislation in detail. But do you agree with us that permitting is a problem? What do you expect to do with that, should you be confirmed?

Mr. BINZ. Thank you, Senator Portman.

I do agree that we need to speed up the permitting process for natural gas pipelines. I've had many meetings with many segments of this industry. I've been consistent about this with them.

As a regulator I have no room for agency which merely slows down applications because it's a large bureaucracy. I think we really need to move those out quickly.

On one discussion I had, in particular, was with a CEO of a company who said, you know, what I really need is an answer, even if it's no. That's better than you just sitting there and not giving me any action at all.

I'm very sympathetic to that. You will see from my record in Colorado that I ran an agency which was proud of the fact that it processed applications as quickly as possible. So, yes I will commit.

I'm not familiar with the legislation referred to. I would be happy to look at it and speak with you further about that. But my sentiment is the same as yours.

I think we need more investment in pipeline infrastructure in this case for a lot of different reasons. They've been adding up over the years. It's now to the point we really need to move on this. I welcome the opportunity to working with you on that.

Senator PORTMAN. My time is expired. But we will certainly send you—announce this at legislation. But also would love to talk to you about the whole issue of independent agencies and cost benefit analysis on your rulemaking and get your views on that.

I'll follow up with questions on that in writing.

Senator PORTMAN. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Portman, thank you.

Senator Cantwell.

Senator CANTWELL. Thank you, Mr. Chairman. Thank you for having this hearing.

I, too, would like to congratulate you Dr. Robinson on your nomination. Thank you for all your hard work, we're proud of you with your Northwest background. I don't know if that's what you were referring to about your special interest in waste cleanup, but we

certainly appreciate someone with a Northwest perspective bringing that urgency and attention to DOE.

I wanted to ask you about that, about reducing the footprint at Hanford, which is a big part of what is trying to be done at this point in time. A commitment to look at the separation of civilian and military waste is one idea.

I'm looking to see whether you will commit to working with Secretary Moniz, looking at that as an issue of making sure the waste—once it's cleaned up at Hanford, and processed at the vit plant—is able to be moved out. Because as it stands right now, we don't have a plan, when that vitrification actually happens, or a destination for that processed material.

Mr. ROBINSON. Yes, the issues at Hanford are very complex and very important. As you mentioned I grew up in Seattle which is—and so—

The CHAIRMAN. She went to school in Portland.

[Laughter.]

Senator CANTWELL. We think of Reed College as a regional institution.

[Laughter.]

Senator CANTWELL. That just happens to be on the other side of Columbia. OK?

Mr. ROBINSON. Certainly if I'm confirmed I'm deeply committed to working out the issues at Hanford, both short and long term and reducing the footprint and working with Secretary Moniz on the long term disposition of the waste will be a top priority.

Senator CANTWELL. One of these ideas that has come up in a recent commission—that we had and was participated in with our past chairman, Senator Domenici—one of the issues they looked at was the fact that when you're trying to answer all of these questions as it relates to commercial waste, it adds an additional layer and burden. But if you would separate the military waste, we might get an answer for what to do with the Hanford waste in a much more rapid fashion.

So Secretary Moniz is working on that issue, and the Commission said it should be looked at. We want to see that given focus too.

Mr. ROBINSON. Yes, I agree. Secretary Moniz is, being a member of the Commission you're referring to, the Blue Ribbon Commission.

Senator CANTWELL. Yes.

Mr. ROBINSON. Is very well positioned to move this issue forward. I look forward to supporting him on that.

Senator CANTWELL. Just a cautionary note, I think, since I have been involved in energy issues at Hanford, I think every Secretary and every person that comes in looks at the amount of money that we're spending on cleanup always suggests something that they think will be a short cut. It ends up not being a short cut and we end up spending more money. So I would just hope you would look at the history of that and the challenges.

Mr. Connor, thank you for your interest in the Yakima Basin water project. I'm hoping that's something that you will continue to support as Deputy Secretary of the Department of the Interior.

Mr. CONNOR. Absolutely, Senator. It's a great collaborative program with all the different stakeholders who put together a good plan. It's a long term effort and we recognize that. But we intend, at the Department of the Interior in all of our different areas to keep working with those folks in implementing that plan.

Senator CANTWELL. It has—as you know, we've had 2 droughts, and that's cost us something like \$335 million in economic damage. So I'm hoping that you will work with us on finding a funding source as well.

Mr. CONNOR. Yes, Senator.

Senator CANTWELL. Great.

Mr. CONNOR. Happy to do that.

Senator CANTWELL. Great.

Mr. Binz, thank you for your willingness to serve. I'm very excited about your nomination. But I wanted to be—I wanted to ask you if you will uphold the Power Act as it is written, including just and reasonable rates and its anti-manipulation authority that was given to the Commission?

Mr. BINZ. Yes, Senator, I will.

I think that that's the primary goal of the Commission is to protect consumers, to ensure that rates are just reasonable and to the extent we have devolved that determination to marketplaces. We need to ensure that those markets are fair.

Senator CANTWELL. Thank you.

I guess to me, Mr. Chairman, that's the crux of this nomination in this question. It's kind of like my time I spent on the Judiciary Committee. It really didn't matter to me what the personal opinion of judges were. It's whether they are going to uphold the law and the statute.

In this case, my main interest in Mr. Binz is whether he's going to uphold the Power Act and just and reasonable rates. I am a little worried that some of my colleagues might hold up your nomination and leave the FERC at the end of the year with a 2-2 person board, and somehow stymie the overall functions and responsibilities. So I hope that that won't happen because the FERC has many things to carry out.

Certainly this area of market manipulation has played a key role in trying to keep energy markets from being out of whack—and certainly impacts everybody from consumers to businesses that depend on those affordable energy rates. So I hope that we can make progress in getting a full FERC and in preserving, as I said, the Power Act, which is the crux of the responsibility at FERC.

The CHAIRMAN. The Senator from Washington, as usual, makes important points. No one has done more on this market manipulation front to set in place new efforts to fight it than the Senator from Washington. I appreciate your comments.

Mr. BINZ. Senator, if I could just add to—not only is it customers and businesses who rely on the Power Act, it's competitors in those marketplaces who are harmed by this. We need a vibrant industry competing to sell electricity and to the extent manipulation hurts the other honest players in that market we've done harm to.

Senator CANTWELL. Thank you.

The CHAIRMAN. My gracious North Dakota host has arrived. Welcome—oh, excuse me, Senator Scott has just arrived and the order is Senator Scott first and then Senator Hoeven.

Senator Scott.

Senator SCOTT. Thank you, Mr. Chairman. Just a couple questions for Mr. Binz. A couple of questions on your direct quotes concerning—let me just say the quotes.

“Utility regulation needs to shift from backward looking focus on cost to forward looking emphasis on values and societal outcomes.”

How does this reconcile with your statements today where regulations or regulators should not be able to push policy?

Mr. BINZ. Senator, I was referring in the larger context of that quote. I was referring to the way in which regulation is done. In the United States we have oftentimes rate based rate of return regulation. It is often criticized as not providing appropriate incentives to the regulated companies. I think this is highlighted especially in this era we have so many challenges.

So if you, again if you read the larger context, I was talking there about new systems of regulation, loosely lumped as performance based regulation or incentive regulation. I think those are going to first of all, you do not give up the concept of just and reasonable rates. You merely compensate players in a different way depending upon their performance and you give them business inducements to be efficient as firms.

It’s a well understood theme in utility regulation. That’s what I was referring to.

Senator SCOTT. Alright, Mr. Binz.

Let me end with one of your other quotes. Hopefully we’ll see. Your comments of today seem to be more consistent with where we should be going then your comments of last year and most consistently with the last couple of years.

Your last quote that I found to be alarming was in short. “Regulation must become a more legislative as opposed to judicial process.” That’s what gave me reason to pause on the first quote. But I’ll go on to Mr. Connor.

Now that you’ve been bored sitting here so long today as all the questions have gone to Mr. Binz. I wanted to make sure that you were still awake and talk about some things that are very important to the opportunities that we see in the Atlantic OCS.

There has been a 5 year plan. There seems to be the continuation of the moratorium on not looking for new areas to develop consistently looking for leases in those areas that have already been explored and produced over the last decades.

My first question for you, sir, is what is your view of expanding offshore oil and natural gas exploration into areas that have not been explored in decades such as the Atlantic OCS?

That will be coupled with your question about will you support allowing for the collection of seismic data in the Atlantic OCS?

Mr. CONNOR. Thank you, Senator. I can assure you I am not bored sitting here.

[Laughter.]

Senator SCOTT. I thought not.

Mr. CONNOR. With respect to moving toward development on the Atlantic Offshore Outer Continental Shelf, I think the process that

the Department has underway right now which is to finish its programmatic EIS by the end of this year or first thing next year, in January and develop the process by which we will conduct seismic testing in a way that better evaluates the resource, updates our understanding of the resource and lays in place the ability to look at how that resource can be developed, what complications there exist.

We have environmental issues.

We have defense installation issues that we have to deal with.

I think the process that we have in place right now to gather the information, to better understand how we'll develop that resource will be best used and putting into the next 5 year plan. I think you'll see development on that Outer Continental Shelf.

So I think that process is one that I wholly support and will continue to do so, if confirmed.

Senator SCOTT. OK.

So we're looking at the third delay. Now the findings will come hopefully in the spring of 2014 it appears.

The next question is if a Governor of a State expresses interest in allowing for offshore oil and natural gas development off its coast as part of the next 5 year OCS plan would you honor their request and schedule a lease sale?

Mr. CONNOR. To be frank, Senator, I think with respect to the existing 5 year plan in place I don't see the process allowing that to be revisited at this point in time to open up areas that aren't currently contemplated in that 5 year plan. But the process with development of this—

Senator SCOTT. With the 2017—I only have a couple minutes left. So 27, the next 5 year plan you would be far more open to that?

Mr. CONNOR. That's what the programmatic EIS is all about, to get information available to make those decisions and to take the input from the State and local communities.

Senator SCOTT. So that would be a yes?

Mr. CONNOR. That would be a yes, I think. I anticipate that that will be able to move forward.

Senator SCOTT. Based on the environmental impact study.

Mr. CONNOR. Based on the studies and the analysis being done right now.

Senator SCOTT. As the Fish and Wildlife Service continue to move forward with their critical habitat designation will you pledge to work with me to possibly find an alternative to a critical habitat designation and mitigate the economic and job loss impact that such a designation will have on beach communities in South Glen and other impacted States?

Mr. CONNOR. I'm happy to engage in that dialog or commit to it, yes.

Senator SCOTT. Thank you.

The CHAIRMAN. Thank you, Senator Scott.

Senator Sanders.

Senator SANDERS. Thank you very much, Mr. Chairman. Thank you very much for all being here.

Although you may not see it reflected in this Congress the scientific community is almost unanimous in agreeing that global warming is real, that it is caused by human activity, that it is already causing widespread destruction in our country and around

the world. If we don't transform our energy system those problems will only become worse.

Now Chairman Wyden has appropriately lectured us on the limits of what FERC is, that you're not here as President of the United States or Secretary of Energy. But I did want to ask you what you, Mr. Binz, see the role of FERC in expanding the use of renewable energy.

Mr. BINZ. Thank you, Senator Sanders.

As I've said before, perhaps not very clearly, I think FERC's role is to ensure that whatever energy fuel future this country finds itself in we have prepared the infrastructure to allow that. Now it's kind of a—I'm painting the negative side of the sketch here in the following way. The future energy mix in this country will be driven by lots of things, almost none of which have to do with the FERC.

It will have to do with, as you just announced, the degree to which public, excuse me, the laws reflect a move toward the lower carbon or renewable resources. We don't know where that's—I don't know where that's going to come out. The amount of natural gas seems to be almost unlimited. We're going to continue to use more and more natural gas. Personally I support that.

But as a FERC Commissioner our job is to be responsive to what the industry needs to connect these resources. So it is not to promote any particular resource.

Senator SANDERS. Just on that point let me ask you this. A grid that moves distributed energy like solar or wind has different challenges than a grid that is moving nuclear or coal. So what is within the jurisdiction of FERC is what steps do you think can be taken to improve grid resilience, grid efficiency and the integration of renewable energy?

If you are appointed to serve as a FERC Commissioner what steps will you take to modernize the grid in those ways?

Mr. BINZ. Thank you, Senator.

As I've said several times, I'll say it slightly differently. I think the agency's duty is to promote the appropriate infrastructure investments. Now that's not just a passive process. It is mainly passive in the sense that we, at the FERC, if I'm appointed to the FERC, we will receive applications from businesses to build things.

But the FERC is also the forum in which the rules about how all of this is done, how it's planned. That's what the Order 1000 is about. That's the important part that we shape, kind of, the place that the debate happens.

But as to the exact outcomes, that's not the agency's role.

Senator SANDERS. Alright.

Let me just say I think that as time goes on more and more Americans and even Members of Congress will wake up to the reality that we need to transform our energy system. That is a lot harder to do than it is to talk about because the grid plays an enormously important role. If you have millions of homes that are generating electricity through small solar or you have small wind turbines. The FERC will have to play a huge role in making sure that electricity moves.

So I would hope very much, if you are confirmed, that you will apply yourself to make sure that we can in fact make that transition to renewable energy in a successful and efficient way.

I thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Sanders.

I just want to note the seriousness of this issue regarding the NOAA finding of 400 parts per million. That ought to be a wakeup call to all concerned. As we've indicated, Senator Udall's question, that at the FERC Mr. Binz does not have authority over those kinds of issues. I appreciate it.

Senator Hoeven.

Senator HOEVEN. Thank you, Mr. Chairman.

Mr. Connor, thank you for coming by to visit with me. I think you've heard our Chairman of the Energy Committee talk about his recent visit to North Dakota to see our energy producing efforts from a variety of sources. Appreciate it very much, Mr. Chairman, thank you for coming.

Not too long ago the Secretary of Interior Jewell was out in North Dakota for the same purpose. Not too long before that the Ranking Member of this Energy Committee, Senator Murkowski, was in North Dakota as well. Thank you, Senator Murkowski for coming.

We appreciate it so much. The reason being is we're producing a lot more energy from a lot of different sources. I believe that if we truly have an energy policy where we empower States the 50 States can all do different things, but great things in terms of energy production using the latest, greatest technology not only to produce more energy, but to do it with good environmental stewardship and truly get our country to energy security or energy independence.

But however you want to define it, but certainly no longer relying on oil from the Middle East.

I also believe that we can work with our closest friend and ally, Canada, in that endeavor to have North American energy security.

One of the things that BLM is working on right now is a rule regarding hydraulic fracturing. Under that rule BLM allows the States to take a lead. My question to you is will you come to North Dakota and will you work with us on that rule specifically in regard to a State's lead under the BLM rule?

Mr. CONNOR. Yes, Senator. I will do that.

Senator HOEVEN. Let me give you an example. Right now one of the things that we're working—one of our challenges is to reduce the amount of flaring in our State. We're producing so much oil we have a problem building the gas gathering systems rapidly enough to capture the gas.

Now we're working on this very aggressively. We intend to capture that gas. Right now 20 percent of the wells are being drilled on Indian lands, but they're producing 50 percent of the flaring.

Twenty percent of the wells producing 50 percent of the flaring.

The reason is because we can't get permitting through Interior fast enough to build the gas gathering systems.

Will you work with me on this challenge?

Mr. CONNOR. Yes, I will, Senator.

Senator HOEVEN. Thank you.

Again, thanks for coming by to visit with me.

Dr. Robinson, first comment is Senator Portman says great things about you. So that's a good sign. He was just here and we visited a little bit.

How does the Department of Energy help with key infrastructure like the Keystone XL pipeline?

We're producing more energy. We're working with Canada to produce more energy. But there's a lot of misunderstanding about the infrastructure needs and the impacts of the infrastructure that we have to build in order to get energy to our consumers.

How can the Department of Energy help with that kind of need, the infrastructure need?

If you want to specifically mention Keystone, go ahead.

[Laughter.]

Mr. ROBINSON. Thank you for the question.

First I should say that as Under Secretary for Management and Performance those issues won't be under my purview. But working with Secretary Moniz, who I know is very supportive of the use of all different types of fuel, that and bringing to bear our management and our ability to, you know, accelerate the decisions and other aspects of the Department, I hope to be helpful. But at this point it's not quite under my purview.

So, but I will commit to be as helpful as possible.

Senator HOEVEN. I understand that. But we can be energy independent if we tackle some of these challenges and I talked to Dr. Moniz. But I do understand that's not directly under your jurisdiction.

Thanks for being here today. I look forward to working with you.

Mr. Binz, thank you for coming by. You've gotten a lot of questions in regard to FERC not being the fuel selector. So, I've heard those comments. I'm not going to go down that trail again.

But I think it's very important in terms of, if we're going to have all the above we can't just say all of the above. We have to do all of the above. How do you—we're having a hard time getting enough interstate transmission whether it's electric or gas.

How are you going to break the log jam?

What 1, 2 or 3 things can you do to get it going?

We need infrastructure. How are you going to get it going?

Mr. BINZ. Senator, I can think of the first 2. By the time I get to the third when I will have thought of the third one.

The first one is to ensure that the agency is at optimum performance itself. OK? There should be no slow down at the FERC for any of these pipeline or transmission applications. That's point No. 1.

Point No. 2 and you and I discussed this in your office. I think that the gas system that we have in this country, generally speaking, was designed for space conditioning and for industrial use of gas. We now, we're in a new world.

We're in a new world where electricity generation is now the top use of natural gas. That means that we have to have some coordination between that gas and electric industry. The electric industry needs to signal the gas industry for where pipeline capacity is needed and what the long term look is.

Now that's a simple problem to state a complicated one to solve. But I think as we go to it.

Third is I, and I was just alluding to this with Senator Scott. I think we need to look at the way in which we regulate these companies. There's a big debate right now at the FERC about the appropriate ROE, return on equity. That's taking up a lot of oxygen at the agency.

I think the better question is does the way in which we regulate the companies who own and invest in these infrastructure projects. Are we compensating them the right way? Are we giving them the right incentives for investment?

That's what I've been writing about and thinking about for the last 2 years since having left the Public Utilities Commission in Colorado. So I don't know what it translates into specifics yet. But that's an issue I would like to tackle. It will have very direct implications for investment in both transmission and gas pipelines.

Senator HOEVEN. Thank you.

The CHAIRMAN. Thank you, Senator Hoeven.

I just want to note that not only do I share your view that the States ought to have a wide berth with respect to energy policy, but we asked Mr. Binz that question specifically, and he indicated that he also shared that view.

I think some of the lessons that I really picked up in North Dakota, particularly some of the innovative work that you all want to do in the flaring area, really lays the foundation for us to look at a win/win situation on natural gas where we can keep it cheap and affordable and accessible. As we look at things like new pipelines, we will probably pick up on some of the ideas your geologist told me about in North Dakota where the new pipelines will also emit less methane.

So I thank you for your contribution and for the visit.

Our next questioner, Senator Manchin of West Virginia.

Senator MANCHIN. Thank you, Mr. Chairman and Ranking Member Murkowski, I want to thank you all for holding this hearing. I've enjoyed hearing from all the witnesses today. But being the 22nd questioner doesn't leave a lot left to question.

So I do have some statements to be made. I enjoyed Mr. Binz coming by and meeting with me. We had a very, very good meeting.

My focus in the Senate and the vommittee has been on an all in, an all of the above, energy policy which I just think you heard my colleague Senator Hoeven speak about. Basically the goal was to have energy independence, truly energy independence. We see what's going on around the world, what goes on and the sacrifices our country makes because of our demand and our need for energy.

Mr. Binz's record, however, indicates that he strongly favors renewables over other energy sources. I know that he has spoken a lot to that, Mr. Binz. I appreciate your candor on those—directly answering those.

But also there's a fact according to the Denver Post. You spoke to this too. Is the record is favoring rising rates as part of a new energy economy. I know that's been brought up.

Also while on the Colorado Public Utility Commission, Mr. Binz, you supported the Clean Air and Clean Jobs Act which I know has been talked about. But there's a cost of about a billion dollars over the 7 years. The retired 6 coal fired power plants.

Just last week RiT operators were forced to cut power to some customers in order to prevent a more widespread blackout. Some groups have predicted that more shortages could occur as the reliability is not maintained from the coal fired plants that they have.

I've previously met with the FERC Commissioner Philip Moeller, who said something like this. He said he is source neutral, not reliability neutral. It looks to me like discriminating against coal is hurting the reliability of our grid.

We keep shutting down coal plants instead of working to improve their efficiencies. I would hope and expect the FERC Commissioners would favor reliability rather than favor any particular source. That they would always keep in mind affordability of electricity for hard working Americans and so many retired people on fixed income, our retired seniors, most importantly, who rely on FERC to keep their rates affordable.

However we may have some disagreements, as you know. I come here ready to listen. I have listened all day long. We have decisions to be made.

Coal provides more electricity than any other single source in the United States today. There has nothing been beat up more than coal. My little State of West Virginia has done the heavy lifting for over 100 years and asked very little back. We're getting the living crap beat out of us by this Administration, my Administration being a Democrat.

They talk about a good all in policy. They talk about we need clean coal technology. Not a penny has been toward that because the money set aside nothing has happened.

Even by EIA's own estimation coal is going to be the dominant factor of producing electricity for the next 30 to 40 years. That's a fact because there's nothing else to replace the dependability, reliability and affordability. We do it cleaner than anybody else in the world. We can do a lot better if we had a government working with us as a partner.

So, Mr. Binz, you can see why there's a lot of concerns. The FERC, if I can say this, in West Virginia every utility I have always says that well FERC won't let them do this or FERC regulates this. If you're regulating transmission you're regulating basically you have input on where that transmission is coming from.

We export most of our power. If we shut down our power plants a lot of these coasts would go dark. They don't realize that. They just beat the living daylights out of little West Virginia. But they sure do like what we produce.

We're trying to do it in the best fashion.

We need some friends. We need some people that will just look at it in a more level playing field. We haven't gotten that, sir. That's why we're so skeptical and so concerned about some of your past performances.

Nothing personal and I know you know that it's not personal here, whatsoever. It's personal to us because of the jobs that we have. The energy we produce. The heavy lifting we've done for this country. There seems to be no appreciation whatsoever.

So on that I would ask, I guess, reliability verses cost. If that would be—I know that's supposed to be your charge. But would

that be your directive because before there's questions about that as you performed in Colorado?

Mr. BINZ. Senator Manchin, if I may, 3 quick points.

First, in Colorado we remain 40 percent coal in our State. I approved the largest coal plant that was ever built in Colorado. I have, as I told you I believe in our meeting, I have written papers supporting additional research for carbon capture and sequestration because I would like to see a path forward for coal.

Finally, I worked to get funding under the Recovery Act for CCS demonstration project at altitude in the Western region. We didn't get agreement among the players so no application was filed. But I was in full support of that.

I think the question here is the balance. I believe that what we did in Colorado is to increase the diversity and the balance in the portfolio. But it was not an anti-coal move at all.

We were attempting to comply with what the legislature told us to approve a plan which complied with future EPA regulations. So we were looking at those future regulations. We closed some old coal plants. But sir, we retrofitted some existing coal plants and kept them. So they'll be running another 25 to 30 years.

So I'm very sympathetic to what you're saying. I would like to work with you to see if we can somehow move more attention toward a path forward for coal. As I've said repeatedly, I think eventually the same path forward will be necessary for natural gas. It's delayed by a couple decades, but it's going to be the same issue.

So I appreciate your comments. I very much enjoyed our conversation in your office.

Senator MANCHIN. If I may continue? I appreciate the consideration here.

Chairman Wellenhoff, who is the current Chairman, had pushed demand response and energy efficiency. Truly that's why I asked the question about reliability and cost. He is not going in that direction.

I'm concerned that this is short sighted. I think because when you match this with the coal plants that are retiring. Every utility operator today has told me they are forced to make fuel switching because of the uncertainty with the EPA and the uncertainty with everything that's going on with this Administration that it's cheaper to retire a coal plant. Even a super critical coal plant in my area, would shut down a whole economy of a region of Western Pennsylvania and West Virginia because they didn't know what to expect later from the rules and regs.

Now we have a void.

What's happening right now? You've got a perfect storm brewing. People don't really understand it.

If our economy ever came back, a demand for energy, we'd be hurting. We would be hurting. We don't have the capacity on line.

You're taking the only affordable, reliable, dependable power you have and they're scrubbing that because of an idealistic approach they're taking which is not going to be able to fuel this nation. You can't get that across. But just last week in PJM which I think serves 55 million people. PJM is the provider for transmission which totally is controlled by FERC. Correct?

Mr. BINZ. Yes, sir.

Senator MANCHIN. PJM. Due to a heat wave they almost went down with blackouts because of what they've retired prematurely.

Mr. BINZ. Senator, as I told you in my office I consider it a very important duty of the FERC to speak truthfully and directly to the EPA about the reliability impacts. It may not be the FERC who does the research itself. I think that's best. It comes from the regions.

But processing that information and conveying it to authorities making decisions about plants and the potential closure of plants is something which I think the FERC must do to fulfill its role on reliability.

Senator MANCHIN. I appreciate you coming and speaking to me directly. I do appreciate that. I'm considering everything we spoke about. Everything I've heard today. I will take that under consideration.

Thank you, sir.

The CHAIRMAN. I thank my friend from West Virginia.

Just for purposes of putting a wrap-up point on this position and coal, you know, point on this position and coal. As a Senator who knows these issues, we have tried to make significant efforts to address the very legitimate concerns that your constituencies are bringing up. I mean that's why for the first time this committee now has a Mining Subcommittee because I thought when I went to West Virginia and heard from your folks that they deserved to have a bigger megaphone and a bigger voice.

Senator MANCHIN. Yes.

The CHAIRMAN. That's the way we're going to do it. We're going to do it on a bipartisan basis, Senator Murkowski and I.

Just on this point with respect to discrimination against coal, I'm going to highlight one aspect of it. We tried to lay out-and my colleagues are kidding that they've heard the lecture about what FERC can do and what FERC can't do. But the most important point is that they cannot discriminate, they cannot discriminate in any way with respect to imposing unjust or unreasonable rates, or preferential charges on coal or coal generated electricity. There cannot be back door taxes on coal or coal-generated electricity.

Now, I know my good friend from West Virginia is going to make darn sure that that requirement is carried out. I just want, as we wrap up, to highlight that point because I'm going to work very closely with my colleague from West Virginia. We've talked about this a number of times. We're going to continue the discussion.

Senator MANCHIN. Mr. Chairman, you've been more than fair and Ranking Member Murkowski has been more than fair in trying to understand what the State of West Virginia has done, what it continues to do and what it wants to continue to contribute. But we need a willing partner. We've not had that willing partner, sir. You saw the frustration when you both were there.

We believe in all of the above. We have one of the largest wind farms east of the Mississippi. No one would ever know that in West Virginia, the coal producing State that we are, we have 17 miles of wind farm. We're trying to do everything we can with what we've got.

The CHAIRMAN. I saw it.

Senator MANCHIN. Yes, you saw it. You were there.

The bottom line is is that basically I would maybe not really disagree with what you've said about FERC. But FERC does—can make decisions on is the power needed?

Is the transmission for that power available?

Is there a better place to have it?

If you tried to put policy ahead of reality they could choose and if cost is not considered how that cost would be passed on?

They could choose an alternative source that could be much higher in cost and lower reliability.

The CHAIRMAN. They cannot discriminate on the question of charges. They are barred. They have no authority to impose unjust or unreasonable rates.

No. 1, they cannot discriminate or in effect allow preferential kinds of agreements that would disfavor your constituents.

I want you to know I am going to be vigilant about that provision because if you don't enforce it, you get front and center into something you and I totally agree on which is shouldn't be picking winners and losers. So, I hear you.

Senator MANCHIN. Right.

You brought that to my attention. We're going to be looking at that very closely and seeing how past practices of past FERC members have done.

The CHAIRMAN. Fair enough.

Senator MANCHIN. How they ruled on that.

Thank you, sir.

The CHAIRMAN. Fair enough. This is a discussion that will continue.

Two last points and Senator Murkowski and I have been trying to figure out how to navigate the vote.

Mr. Connor, I'm sure you feel thoroughly neglected at this point. I just want you to know on the Klamath Basin tissue, because we're moving into the home stretch of trying to work out what I think could be a historic agreement for a rural area where you're trying to balance the water needs, we need to find a way to provide lower cost power to both on and off-project users working with Bonneville and Pacific Corp. We bumped up against some road blocks.

I need you when you leave this afternoon by the end of the day to be back on this case trying to see if we can advance this. Will you help us with that?

Mr. CONNOR. Absolutely.

The CHAIRMAN. Alright.

You all have been very patient with respect to your time this morning.

Dr. Robinson, you I think have seen the strong bipartisan interest in your work. It's certainly appreciated by me. I think what it really highlights, and Mr. Binz, you've, sort of been the focus of today.

But it highlights for me that all 3 of you are capable of helping us get the win/win policies for the future that are going to be consensus driven.

They're going to be market-oriented.

They're not going to discriminate against one choice or another.

They're going to be good for the country.

I've made it clear, Mr. Binz, that I think tapping the potential of natural gas is a winner for this country. It's a winner for consumers. It's a winner for businesses. It's 50 percent cleaner than other fossil fuels.

You've basically told me that you, too, believe it has significant benefits for consumers and businesses and the environment. You will work actively with us for those win/win kinds of consensus driven approaches. Is that a fair assessment?

Mr. BINZ. That is, Senator.

The CHAIRMAN. Alright.

The only other point I want to make, and it really touches on something that several colleagues have talked about, with all these public relations firms and special interest groups involved. This is not where I think these debates ought to go. Frankly, what Senator Murkowski and I have dedicated our service in this committee to be all about is sort of ratcheting this kind of stuff down.

Trying to lower the decibel level.

Trying to bring people together to find some common ground on these kinds of solutions.

I think when we say that an outside interest group has a right to oppose a nomination and they do. In fairness, an outside group has a right to be able to offer the counter, you know, arguments.

I hope that we're going to see that this is an exception and not the rule.

You all have been patient with us this morning. I'm going to give the last words to my friend and colleague, Senator Murkowski.

Senator MURKOWSKI. Thank you, Mr. Chairman.

Great participation by the committee today which I always appreciate. But I also recognize that when more of our colleagues show up there's less time for you and I to ask our questions.

I think it's been noted that Dr. Robinson and Mr. Connor, neither one of you fielded the questions to the level that Mr. Binz did. I don't think it's because of lack of interest.

Mr. Connor, you and I had a lot of discussion about trust obligation owed to our native peoples and your responsibilities there, particular interest to me, of course, is what happens on Alaska's lands. We have some issues that we need to resolve. We've got some legacy wells that, quite honestly, have not been given the priority that this Administration nor previous Administrations need to give to that.

I'm going to be meeting with some Native leaders this week to talk, not only about the ongoing situation with the legacy wells, but those lands that have been conveyed to our Native people that were affectively trashed, again, by the Federal Government, by the military whether it's cold war or whenever it was and the obligation that we have to basically clean up the mess there. So that is something that we need commitment to work on.

Dr. Robinson, I didn't have a chance to visit with you personally. I do appreciate all that you have done. I will raise one quick issue though. That is the—during your tenure as CFO of NASA there was a situation where there were a series of documents that were subpoenaed. Apparently there was failure to reply to that. As a consequence in the FY2014 Approps bill for NASA there is actually language that provides that NASA's actions over the past several

fiscal years imply that the agency does not take the spending plan process seriously.

NASA has repeatedly attempted to use its plan to circumvent, dilute or contradict policies. That concerns me, of course. So I want to know that we do have assurances that you will be responsive to the committee, certainly. That you will faithfully carry out your legislative lead directed responsibilities while at the Department of Energy.

But that language caught my eye. I wanted to make sure that we weren't going to see any carryover certainly within your new responsibilities at the Department of Energy.

Mr. ROBINSON. No, not at all. I pledge to carry out any authorization and to be as forthcoming and transparent as possible with the committee.

Senator MURKOWSKI. Great. We certainly appreciate that.

Mr. Chairman I have suggested that because there is, clearly, additional questions. I certainly have additional questions that I want to have directed to Mr. Binz. So I would ask that we be able to hold open until the close of business this week opportunities for members to submit their questions for the record. I would ask that—

The CHAIRMAN. Without objection that's very appropriate. I think Senators do want to raise concerns. We will keep the record open until the end of the week.

Senator MURKOWSKI. I appreciate that, Mr. Chairman.

I would ask specifically to Mr. Binz on that. I don't know why historically it has been an issue, but FERC has had not too stellar track record when it comes to responding to formal inquiries from this committee. We discussed it in my office. So I would hope that we could get a quick response back.

Mr. Chairman, there's been a lot of discussion, particularly around Mr. Binz's nomination. I think you can hear the concern from members.

We want to make sure that the people that we work for that as they have an opportunity to heat their homes, run their businesses, that policies that are set don't shut down their opportunities because the issue of cost is taken over by a different direction. Whether it's societal outcomes or the issues as they relate to reliability, the role of the FERC as that independent agency tasked to ensure, you know, the greatest opportunity here which is the consumer protection. This is clearly, clearly a very critical role.

It needs to be—the roles and functions within the Commission are such that they require a level of independence, a level of judiciousness, a level of temperament and a level of fairness, absolute fairness without question. So I appreciate the opportunity that we've had today. I wish we had more time.

But I do think that, again, when we look to this Commission and the responsibility that we hold the Commission and the Commissioners and most specifically, the Chairman to, the standards absolutely must be of the highest possible.

So Mr. Chairman, I have indicated the concerns that I have with the nominee. At this point in time Mr. Binz, reluctantly I don't think I'm going to be able to support your nomination as we move through the committee. I say that reluctantly. But I need to know, I need to have that absolute assurance that the independents that

I've spoken to and the fairness and the judiciousness that I have spoken to is there. I have not yet been convinced of that.

The process will move forward. I recognize that we need to have a full Commission. But as of this point in time, I'm not prepared to support your nomination.

With that, Mr. Chairman, I know we both have a vote to run off to. They've been holding it for us. So I thank you for all that you've given us and to the nominees here this morning. Thank you.

The CHAIRMAN. Thank our nominees. committee is adjourned.

[Whereupon, at 12:30 p.m. the hearing was adjourned.]

APPENDIX

RESPONSES TO ADDITIONAL QUESTIONS

RESPONSES OF ELIZABETH M. ROBINSON TO QUESTIONS FROM SENATOR WYDEN

Question 1. Cleanup.—Since 1990, the Government Accountability Office has maintained a list of programs at “high risk” of waste, fraud abuse, or mismanagement. From the beginning, GAO has listed DOE’s Environmental Management Program’s contract management as “high risk” because of DOE’s record of inadequate management and oversight of its contractors. In recognition of significant progress, GAO removed EM’s smaller projects from the list, but has kept the larger Environmental Management projects, such as the Waste Treatment Plant at Hanford, on the list. What will you do to get Environmental Management off the “high risk” list?

Answer. I am aware that the Department has had several EM projects on the GAO’s high risk list, and that some of those projects have been on the list for many years. I understand that the Department has put in place reforms over the last several years, and as a result the GAO has removed projects under \$750 million from the high risk list. While efforts continue at the Department to address these major project management challenges, there is still much work to be done. If confirmed as Under Secretary for Management and Performance, I plan to get immediately involved in these issues, using my experience at NASA and elsewhere, to keep progress moving forward.

Question 2. Cyber security.—The Department recently had a breach of its unclassified payroll system that resulted in disclosure of personal information on 53,000 current and former employees. The Inspector General has identified security weaknesses in the Department’s unclassified information systems for years. What will you do to improve cyber security and the security of the Department’s information systems?

Answer. I am aware of a recent cyber attack that was perpetrated against the Department, which resulted in the unauthorized disclosure of Personally Identifiable Information (PII). As a long-time member of the federal workforce, the security of our federal employee’s personal information is extremely important to me. If confirmed, I plan to learn more about this incident and the Department’s cyber security programs and policies. I will work with the Chief Information Officer, who reports to the Office of the Under Secretary for Management and Performance to ensure DOE is doing what it can do to prevent these types of incidents.

Question 3. Human resources. DOE was recently forced to rescind Bonneville Power Administration’s hiring authority because of violations reported by both the Inspector General and the Office of Personnel Management, including mishandling of veterans preference. What will you do to fix the veterans preference problem at the Bonneville Power Administration and to make sure that there aren’t similar problems in other parts of the Department of Energy?

Answer. I am aware of this issue, and have reviewed the Inspector General Management Alert released in July. I am personally very concerned by any allegations of hiring improprieties, and particularly those disadvantaging armed service veterans. I understand the Department is taking these allegations very seriously and will be undertaking efforts to re-look at each case in question. I also understand the Department and BPA have begun the process of priority placement of eligible disadvantaged veterans. If confirmed, I will work to take all ongoing appropriate actions to ensure that Headquarters and Bonneville staff have the tools they need to lawfully and completely carry out federal hiring rules.

Question 4. Small business.—The Department of Energy has the worst record in government on small business contracts, primarily because so much of the Department’s work is done through large management and operating contracts. NASA has faced similar problems. What will you do to improve small business contracting at the Department?

Answer. We must harness small business innovation and talent if the Department is to meet the President's ambitious energy goals. I am aware of the Department's performance challenges regarding small business contracting, and that a large amount of DOE's total funds does go to small businesses, primarily through sub-contracts. If confirmed, I will look into identifying and implementing strategies toward achievement of the Department's small business goals.

Question 5. The rules of the Senate require this and other committees to review and study, on an ongoing basis, the performance of agencies, the administration of existing laws, and the need for additional legislation within the each committee's jurisdiction. The effective performance of the Committee's legislative and oversight functions requires a timely flow of information from the agencies under its jurisdiction in response to its questions and document requests. Unfortunately, the Department has not always responded as promptly as it could to the Committee's needs. For example, the Department has yet to respond to questions stemming from its hearing on nuclear waste legislation last July. In addition, I am enclosing a letter from Senator Markey identifying 7 unanswered requests. If confirmed, will you ensure that our questions are promptly answered?

Answer. If confirmed, I can commit to responding to the best of my ability.

RESPONSES OF ELIZABETH M. ROBINSON TO QUESTIONS FROM SENATOR MURKOWSKI

Question 1. Cooperation with Congress—

a. If you are confirmed as Under Secretary, do you pledge to fully and promptly cooperate with all requests for documents or other information that you receive from the Senate Committee on Energy and Natural Resources and any other congressional Committees with which you may interact?

Answer. If confirmed, I can commit to cooperating with the Committee's requests in a timely manner to the best of my ability.

b. If you are confirmed as Under Secretary, do you pledge that your decisions will strictly adhere to the statutes that Congress has passed and the authorizations that Congress has provided to the Department of Energy?

Answer. Yes.

Question 2. Environmental Management—Please describe your technical knowledge of, and professional experience related to, the portfolio of environmental management issues that you would be responsible for at the Department of Energy, if confirmed.

Answer. Throughout my career, leveraging what I learned in pursuit of my Ph.D. in geophysics, I have worked on energy issues, including as an examiner at the Office of Management and Budget. I have also focused on project management, most recently as the CFO at NASA. If confirmed, these skills will enable me to hit the ground running on Environmental Management issues, which I consider one of the greatest challenges I will face. I plan to work closely with the head of the Environmental Management program and technical staff at the Department on these important issues.

Question 3. Financial Management—A recent Washington Times article asserted that its "review of NASA inspector general reports finds the space agency struggled to achieve austerity under [your] financial leadership, as cost overruns grew sixfold from \$50 million in 2009 to \$315 million in 2012." Do you have any comment about this story? How do you explain NASA's apparent increasing cost overruns?

Answer. I believe it is our duty as public servants to work every day to make the most effective and efficient use of taxpayer dollars. NASA, like many agencies, has had a number of long-standing challenges over its 50 year history, spanning more than one person or one administration. I'm proud that during my time at NASA, the agency received a clean audit for the first time in several years—and an essential part of that effort was input we received from NASA's IG in addition to GAO and Congress. I understand that the Department also faces cost estimate issues and, if confirmed, I will work to improve project management and cost estimate issues.

Question 4. Publications—Your nomination papers list a number of publications that you have authored or coauthored. Please provide the Committee with copies of the following:

4a. "Preparing for an Uncertain Climate, October, 1993; U.S. Congress, Office of Technology Assessment. Principal Analyst."

Answer. Please find the report (vol 1) at: http://www.princeton.edu/~ota/ns20/alpha_f.html And (vol 2): http://www.princeton.edu/~ota/ns20/alpha_f.html

Also, please note that I was employed as a Principal Analyst on the project for its first year and was no longer "Project Staff" at the time of its final publication.

4b. "Chubin, D.E. and E.M. Robinson, Accounting for the Costs of Research: Some Policy Rethinking, Science and Public Policy, vol 19, #3, June 1992, pp. 181-186.

Answer. See attachment.*

4c. "Robinson, E.M., Know thy Sponsor: Project Selection Methods at Federal Research Agencies, BioScience, vol 41, #8, September 1991, pp. 575-577."

Answer. See attachment.*

4d. "Chubin, D.E., E.M. Robinson, N. Carson and J. Andelin, Research Priority Setting and the U.S. Congress, Science and Technology Policy, August 1991, pp. 9-13."

Answer. *See attachment.

4e. "Federally Funded Research: Decisions for a Decade, May, 1991; U.S. Congress, Office of Technology Assessment. Principal Analyst."

Answer. Please find the report at: http://www.princeton.edu/~ota/ns20/alpha__f.html

Question 5. Contracting—DOE's Inspector General recently described oversight of contracting as the Department's "weak underbelly"—and improvements to that process will reportedly be one of the main aspects of your job, if you are confirmed.

5a. How at NASA did you make sure that contracting operated smoothly?

Answer. At NASA, I worked to make sure that contracting operated smoothly in several ways. First, as the Chief Acquisition Officer, I utilized my direct access to the Administrator to elevate issues of concern to resolve them in a timely manner. Moreover, as a Member of the Executive Council, Project Management Council and Mission Support Council, I facilitated consideration of project- and contract-specific issues at key decision points.

5b. What do you believe are DOE's current deficiencies with regard to contracting?

Answer. I am aware DOE has very complex project management and contracting challenges, and if confirmed, one of my first tasks will be getting up to speed on these issues.

5c. From your overview at DOE so far, do you see any changes you wish to make or anything that you think the Department can do better?

Answer. I believe that there are certainly challenges within the Department on contracting issues; however, I do not believe those challenges to be insurmountable. If confirmed, I plan to take an active role in this area.

RESPONSES OF ELIZABETH M. ROBINSON TO QUESTIONS FROM SENATOR CANTWELL

Question 1. Dr. Robinson, I think we can all agree that increasing government contracting to small businesses is a worthy goal, and I'm pleased to have fought over the years to both increase the number of prime and subcontracts to small businesses.

I have a few concerns about how those increases are implemented, though, and I'm hoping to learn more about your approach to small business contracting.

As you know, the Small Business Administration works with the Department of Energy to establish small business prime contracting goals for each fiscal year. I believe that these goals should first do no harm to existing small business subcontractors and be realistic in scope and timeframe. As negotiations begin on the goals for next fiscal year, will you commit to fully analyzing the impacts of these goals on existing small business subcontractors and providing Secretary Moniz and acting-Administrator Hult with the full impacts?

Answer. I am aware of the Department's performance challenges regarding small business contracting, and that a large amount of DOE's total funds does go to small businesses, primarily through subcontracts. If confirmed, I will certainly provide Secretary Moniz and the SBA with an accurate, full picture of impacts to existing contractors both prime and sub. If confirmed, I will also look into identifying and implementing strategies toward achievement of the Department's small business goals.

Question 2. As you know, the Department of Energy's prime contractors already do a significant amount of subcontracting to small businesses. In fact, more than a quarter of DOE's procurement dollars in fiscal year 2012 were awarded to small businesses. If the Department of Energy has to de-scope, re-structure, re-compete, and re-award substantial work from these large prime contracts (in many cases, work which was already being done by small business subcontractors), would you expect the need for additional contracting officers and financial resources to award, manage, and audit the larger number of prime contracts?

Answer. As I mentioned previously, I am aware of the Department's performance challenges regarding small business contracting, and that a large amount of DOE's

*All attachments have been retained in committee files

total funds does go to small businesses, primarily through subcontracts. If confirmed, I will look into the issue you have raised.

Question 3. As we've discussed, the cleanup of the Hanford site in the Tri-Cities, Washington is one of my top priorities for the Department of Energy. Is there a risk of further delays to Hanford cleanup if the Department of Energy substantially increases the number of prime contractors too quickly, rather than allowing the existing prime contractors to meet aggressive small business subcontracting goals and slowly phasing in additional small business prime contractors?

Answer. I understand that the Hanford site is facing many challenges, and it is important for the Department to address the cleanup mission in a timely and safe manner. I appreciate the issue you have raised, and if confirmed I will look into it.

Question 4. Placing Environmental Management under the Office of Performance and Management could suggest that the DOE leadership believes that the challenges in completing the clean-up of legacy nuclear waste are strictly a matter of more sound and rigorous project management. But the general consensus seems to be that many unresolved technical questions remain, certainly around the Hanford Waste Treatment Plant and the Tank Farms. DOE also stewards 17 national labs that house many of the nation's top experts in tank waste chemistry, radiological waste fate and transport in the subsurface, and turning liquid waste into glass to name just a few. Do you see the EM challenges as more than just better project management? How do you plan to engage the national laboratories as strategic partners in dealing with the many open technical questions not just at Hanford but across the entire DOE complex?

Answer. Cleaning up our nation's nuclear waste legacy is an important priority for the Department, and for me. Throughout the Environmental Management complex, the Department faces significant and serious challenges related to technical, project management, and other causes. I understand that throughout the EM complex, the Department is routinely engaging the national laboratories, including at Hanford, to assist in resolving some of these issues. If confirmed, I will be looking at how we can improve our efforts across the EM complex and what tools the Department can bring to bear to resolve some of the most challenging issues we face.

Question 5. The Department's National Laboratories have been productive in their research with relatively limited investment in the renewal of facilities and infrastructure that underpin their unique scientific capabilities in addressing our nation's most pressing needs in national security, science, and energy innovation. With the backlog of necessary infrastructure investments, I am concerned about our ability to maintain these assets. Will you consider new financing strategies to find alternative funding sources or provide additional financing options for the National Laboratories to meet these needs?

Answer. Yes. DOE's national laboratories are critically important to energy, scientific discovery, and national security challenges facing our nation and around the world. If confirmed, I intend to work with our Departmental leadership to ensure that proper infrastructure investments will be made for the national laboratories.

RESPONSE OF ELIZABETH M. ROBINSON TO QUESTION FROM SENATOR BARRASSO

Question 1. During your confirmation hearing, you committed to support DOE's ongoing uranium barter program for environmental cleanup in Piketon, Ohio.

Section 3112(d) of the USEC Privatization Act (42 U.S.C. 2297h-10(d)) states that the Secretary may sell or transfer natural or low-enriched uranium from DOE stockpiles provided that:

the Secretary determines that the sale of the material will not have an adverse material impact on the domestic uranium mining, conversion, or enrichment industry, taking into account the sales of uranium under the Russian HEU Agreement and the Suspension Agreement.

Since May 12, 2012, the U.S. spot price of U3O8 has fallen about 33 percent. DOE's barter program has contributed to the collapse of U3O8 prices.

If confirmed, you would oversee the Office of Environmental Management. What steps, if any, would you take to ensure that any Secretarial Determination: (1) will not harm our domestic uranium production, conversion, and enrichment industries; and (2) is in compliance with Section 3112(d)?

Answer. If confirmed, I will ensure that any uranium transfers comply with applicable statutory obligations. As part of that process, I can commit to looking at implications for the uranium mining industry of covered sales or transfers. I will work within the Department to ensure that the Secretary has sufficient information to

make a determination to help ensure the strength of the domestic uranium industry.

RESPONSES OF ELIZABETH M. ROBINSON TO QUESTIONS FROM SENATOR SCHATZ

Question 1. I applaud the DOE's reorganization and the emphasis the Secretary has placed on performance and management. The federal government has a responsibility to the cleanup of our nuclear weapons research programs but equally important are the research and development programs that will develop the technologies of tomorrow.

Ms. Robinson, how will your role help in balancing between these two priorities and what are your plans for encouraging improved coordination between the various program offices?

Answer. As you know, in July, Secretary Moniz and Deputy Secretary Poneman announced plans for a reorganization of the Department's management structure that is designed to achieve Department's key priorities and those of the President.

If confirmed, I would serve in the role as Under Secretary for Management and Performance, which elevates the importance of management and performance across all Department missions. The Office of Environmental Management and Legacy Management would also fall within my portfolio and I intend to work diligently on challenges facing those programs. I look forward to working with my counterparts the Under Secretary for Science and Energy and Under Secretary for Nuclear Security to ensure that program efforts are not only well coordinated, but also well managed and high performing.

Question 2. With significant budget cuts due to the government-wide sequester and the wave of federal employees slated for retirement, what are your plans to ensure continuity of operations through the knowledge drain that will occur from retirements?

Answer. Sequestration has created a situation where the Department, like all federal agencies, has had to make difficult choices about its priorities and future of programs. The knowledge drain from retirements is an issue that, if confirmed, I will take seriously, to ensure that the Department has the right staff to meet its missions into the future.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR WYDEN

Question 1. The rules of the Senate require this and other committees to review and study, on an ongoing basis, the performance of agencies, the administration of existing laws, and the need for additional legislation within the each committee's jurisdiction. The effective performance of the Committee's legislative and oversight functions requires a timely flow of information from the agencies under its jurisdiction in response to its questions and document requests. Unfortunately, the Department has not always responded as promptly as it could to the Committee's needs. For example, the Department has yet to respond to questions stemming from its hearing on revenue sharing last July. In addition, I am enclosing a letter from Senator Markey identifying two requests from over a year ago. If confirmed, will you ensure that our questions are promptly answered?

Answer. I understand the importance of the Committee's oversight role and the Department's relationship with the Committee. If confirmed, I will work to ensure that the Department promptly responds to the Committee's requests.

Question 2. Through the Department's WaterSMART Program and the SECURE Water Act, DOI partners with local governments and non-governmental organizations to strengthen our scientific understanding of water availability while working to secure and stretch water supplies for the future. As you know, water is needed to develop and generate energy, and energy is needed to transport, treat and heat water. While the programs I mentioned recognize that water and energy are inextricably linked, their scope is limited to DOI. What can we do to integrate water and energy policies on a larger scale— both within the federal government and with state, local and tribal governments as well as the private sector?

Answer. Energy and water issues are intersecting with more frequency and intensity across a range of Interior activities, including hydropower generation, energy extraction, thermoelectric cooling; and water management, distribution, and treatment. Accordingly, energy and water issues are at the core of Interior's responsibilities and priorities and we continue to make progress in developing policies that account for this linkage. Further, Interior stands ready to work with other agencies on energy-water nexus issues where mission responsibilities overlap to leverage federal resources for science and technology development, developing best practices, and promoting data sharing across both the government and the private sector. In

my view, one particular area of focus should be water availability and associated data gaps; better data on water availability is needed in order to assess the trends and potential vulnerabilities associated with water use for energy development.

Question 3. In your opinion, what are key institutions that are involved in policy making on the energy, water nexus?

Answer. At the federal level, the Department, the Department of Energy, and other federal agencies such as the Environmental Protection Agency and Army Corps of Engineers are key institutions. States have lead control over water allocation and use and energy development on non-federal lands. Private enterprise is responsible for most energy development and electric generation, but local, tribal, and private entities are key partners. The Council on Environmental Quality encourages coordination and participation by both public and private entities. The Department also works with other agencies on an issue-specific basis to coordinate on energy-water initiatives. The 2010 MOU among Interior, Energy, and the Army Corps of Engineers on hydropower and non-hydro renewable energy is an example of collaboration and shared resources to better integrate federal programs and policies and facilitate private renewable energy development.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR MURKOWSKI

Question 4. Federal Trust Responsibility to Native Americans—The federal government's commitment to tribal sovereignty and the individual well-being of Native Americans, combined with the obligation to manage Indian lands and funds, is commonly referred to as the federal trust responsibility.

a. What is your understanding of the federal trust responsibility to Native Americans? Specifically, how far do you think this trust responsibility extends with respect to the overall welfare of tribal members?

Answer. With an extensive background in Federal Indian law, I understand that the government's trust responsibility is a moral and legal obligation to protect tribal rights, lands, assets, and resources as well as a duty to carry out the mandates of federal law with respect to American Indian and Alaska native tribes and villages. I also understand that, while the United States' trust responsibility is government-wide, the Department is often the primary agency charged by law with meeting the trust responsibility to Native Americans and Alaska Natives.

Question b. How would you ensure that tribal interests and the Indian Trust responsibility are not sacrificed in favor of competing priorities within the Department?

Answer. Both President Obama and Secretary Jewell have pledged to Indian Country that in this Administration, American Indians and Alaska Natives will have an important voice in the policy and decision making affecting Indian Country. If confirmed, I plan to continue their good work and ensure that the Department upholds this trust responsibility and continues to make it a priority.

Question 5. Arctic Development—The Department is currently working on several proposals that would impact oil and gas development in the Arctic including broad-based Arctic-specific standards, updated air program regulations, and a joint effort with NMFS to support incidental harassment authorizations.

a. What is your position with respect to oil and gas development in the Arctic?

b. What role do you envision playing in oil and gas development in the Arctic, if confirmed?

c. What is the status of the pending lease sales in the Arctic—in 2016 and 2017—and how would you manage them?

Answer. I am fully supportive of the Administration's commitment to facilitating a targeted, comprehensive, science-based approach to energy policy in the rapidly changing Arctic. If confirmed, I look forward to working with Secretary Jewell and our team at Interior to continue to implement this principle with decisions informed by the best available science and developed with wide and sustained stakeholder engagement and public input. Transparency and accountability are paramount to achieving outcomes that reflect the interests of those most affected by our actions in the Arctic and in all of our decision-making. I would look forward to a strong partnership with you and this Committee to those ends. I am not familiar with the specific status of future lease sales in the Arctic, but I am aware that they are being planned pursuant to the current 5-year plan. If confirmed I would be happy to work with my colleagues in the Bureau of Ocean Energy Management to address your concerns.

Question 6. Revenue-Sharing—Senator Landrieu and I introduced the FAIR Act earlier this year to extend revenue sharing to all coastal states with energy development off their shores. This includes renewable energy, and our bill would also include renewable energy in the existing onshore revenue sharing program.

a. Please describe the Administration's position on the concept of revenue sharing for coastal energy-producing states.

b. At a legislative hearing on the FAIR Act earlier this year, the written testimony of the Administration witness—from the Department of the Interior—noted that the Administration “cannot support the bill.” Please describe the type of revenue sharing legislation the Administration would be willing to support.

c. If confirmed, will you work with us to advance the FAIR Act?

Answer. I know that the Administration is mindful of the long-held view that coastal states should share the benefits of energy development that takes place offshore and currently implements statutory revenue sharing under existing law. With respect to future legislation, the Administration's testimony on the FAIR Act outlines several principles that are key to any potential agreement on how to proceed. I know this is an issue that you care deeply about and, if confirmed, I commit to meeting with you in an effort to find any common ground that may exist and to work toward a path forward.

Question 7. Alaska Native Claims Settlements—In 1971 Congress passed the Alaska Native Claims Settlement Act that promised Natives 45 million acres of lands in return for extinguishment of their aboriginal land claims. Currently, BLM still needs to convey 1.9 million acres of those lands by interim conveyance and survey and patent nearly 13 million more to complete the settlement. In addition, BLM still owes the State of Alaska 5.1 million (interim conveyance) of its 104 million acres promised at Statehood in 1959, and needs to finish surveying and patent on 43 million of those acres. The Department in recent years has proposed to cut funding for these land conveyances.

a. What is your view of the Department's role in completing these land conveyances?

b. How will you address the budgeting for the work?

Answer. The Department is committed to completing the transfer of lands to Alaska Natives, Corporations, and the State as required by ANSCA. To accomplish this, I understand that the Bureau of Land Management is implementing improvements in how it manages the Alaska conveyance program to reduce costs. If confirmed, I commit to working with BLM to ensure that completion of these land exchanges moves forward as quickly as possible.

Question 8. ANWR/1002—The State of Alaska has submitted a comprehensive exploration plan for seismic surveys in the 1002 area of ANWR to the USFWS. This kind of exploration is badly needed to update our understanding of the country's natural resources, and the State has shown that it is willing to take the lead on financing and driving the effort. Despite the advanced technology and extremely minimal impact on the environment detailed in the plan, the USFWS has not even reviewed the substance of the plan, but instead claimed the clear language authorizing these plans in ANILCA Section 1002(e) is expired.

a. Why hasn't the USFWS considered an interpretation of the law that would allow for more scientific information to be gathered for the benefit of the nation as a whole?

b. Can you commit to partnering with the State to collect up-to-date information about the natural resources in ANWR to better inform Congress about its value to the nation?

Answer. While I am not intimately familiar with this issue, I understand that, based on long-standing legal interpretation, the FWS has found that the underlying statute and its 1983-84 implementing regulations bar it from considering the exploration plan and permit application. Should I be confirmed, I commit to maintaining the strong interagency and intergovernmental partnerships that the Department and its bureaus have established to share vital information about the resources we manage on behalf of the American public.

Question 9. Legacy Well Cleanup—The federal government between 1944 and 1981 drilled 137 exploration oil and gas wells in northern Alaska, most in the National Petroleum Reserve-Alaska. There are over 100 legacy wells drilled in the NPR-A by the federal government that are un-remediated and in need of clean-up. The government, however, has properly plugged, capped and cleaned contaminated soils from around just 18 of those wells. If these wells had been drilled by the private sector, companies would owe the State of Alaska approximately \$40 billion in fines. This winter the Administration, as part of its budget proposal, sought to take back Alaska's 50 percent share of oil and gas revenues for use to pay for cleanup. That is totally unacceptable to Alaska. The federal government has a responsibility to complete this remediation.

a. Will you work within the Department to properly budget for the cleanup of these wells and keep this work on schedule?

b. Can you commit to prioritizing legacy well clean-up using federal funds to meet this federal obligation?

c. Would you be willing to work with the EPA to explore common sense solutions to these wells, including potentially through the use of Clean Water Act compensatory mitigation programs?

Answer. Yes, if confirmed I will work with BLM to ensure that there is appropriate budgeting for the cleanup of these wells. I understand that BLM has developed a multi-year strategic plan for the clean-up and that implementation of the plan will be addressed using federal funds. If confirmed, I would be willing to work with the EPA to look at solutions for clean-up of these wells.

Question 10. Interagency Working Group on Alaska Energy—Deputy Secretary Hayes was intimately involved in the Interagency Working Group on Alaska Energy. This group is vital to bringing the appropriate parties to the table to move large infrastructure and development projects forward. The group will also be important to any national Arctic strategy efforts. Despite this group's exclusive focus on Alaska, state officials and experts have had to push for their involvement and input in the past.

a. What are the Department's plans for this group's work product in the future?

b. If confirmed, what level of involvement will you have with the Group?

c. Will you commit to consulting with the State of Alaska so that those who are most experienced and affected by the working group's decisions can directly participate?

Answer. The Department is actively engaged in efforts to support the Administration's commitment to facilitating a comprehensive, science-based approach to energy policy in the rapidly changing Arctic. I know that the Interagency Working Group on Alaska Energy was established by Executive Order to coordinate federal agencies responsible for overseeing the safe, responsible, and efficient development of onshore and offshore energy in Alaska with a focus on interagency coordination, information sharing, science-driven long-term planning and stakeholder engagement. If confirmed as deputy secretary, I will serve as Chair of the Working Group.

I believe that it is imperative for the exploration and development of Alaska's immense natural resources to be rooted in strong federal, state and Native partnerships, robust public input and inclusive and transparent planning. If confirmed, I will work with Secretary Jewell and our team at Interior to build upon the good work of my predecessor, David Hayes, in promoting resource management decisions in the Arctic that integrate science-based, cultural, environmental, and economic factors, as well as consultation with the State and all interested stakeholders. Further, our efforts will align with the related efforts in developing the National Strategy for the Arctic Region and ensure that these resources are explored and developed safely and responsibly and in a manner that respects traditional knowledge of Native communities and benefits local communities without compromising the region's rich and fragile ecosystems.

Question 11. BLM Land Use in Alaska—The Bureau of Land Management has undertaken a variety of troubling actions that are increasingly limiting uses on the enormous amount of "multiple-use" BLM lands in Alaska. These lands are to be managed for the public so that the people of the country can use the lands in a variety of ways.

a. Can you commit to expanding rather than restricting the rights of Alaskans to access and use their federal lands?

Answer. I am committed to working closely with stakeholders in the State to maintain legal access to public lands for multiple uses and expand that access where appropriate. It is the responsibility of the Department of the Interior to sustain the health, diversity, and productivity of America's public lands for the use and enjoyment of current and future generations. This is especially true in Alaska, where a large percentage of the land is managed by the federal government and the resources are so vital to the economy of the State and to the people, including Alaska Natives.

b. In this same vein, BLM has recently claimed that access cannot be granted to state-selected BLM lands for mining exploration. This reverses thirty years of existing policy and limits both private businesses and the State from delineating valuable natural resources on these lands. Can you commit to addressing this access problem and supporting the State's interests in mineral exploration?

Answer. If confirmed, I will work closely with the Department's Solicitor's Office and the BLM to expedite review of the Secretary's authority to issue permits on State-selected lands.

Question 12. EPA Raid—The most troubling example of federal overreach is the recent raid on Alaskan miners led by the EPA's environmental crimes unit.

a. What role did DOI have in this raid, including information sharing or planning assistance?

Answer. While I am not familiar with this issue, I am told that the EPA-led Fortymile River initiative was a joint federal-State effort to identify and investigate reported mining-related water quality violations in the Fortymile Mining District. Participating agencies were the EPA; the Alaska Department of Environmental Conservation, Environmental Crimes Unit; and the Alaska Department of Law, Office of Special Prosecutions; the BLM; and U.S. Attorney's Office for the District of Alaska. I am advised that four BLM law enforcement officers participated in the operation. The BLM's field station in Chicken, Alaska, served as a staging area and a BLM fixed-wing aircraft was used to fly over the area.

Question 12b. What knowledge did DOI have of this raid before it was carried out?

Answer. The BLM has advised me that, as a member of the joint federal-State team, BLM's Office of Law Enforcement and Security participated in the operation.

Question 12c. How was it determined that these extreme methods should be used for this raid?

Answer. I understand that a total of eight federal and State law enforcement officers were on the ground during the operation, divided into two teams of four. Two members of the team contacted the mining claimant to explain the purpose of the visit while the other two members of the team took water samples. I am told that at the conclusion of the operation, both ground teams reported cordial interactions with virtually all the claimants/operators contacted.

Question 12d. Was BLM or DOI involved in this decision making? If so, please describe in detail how and why either agency was involved.

Answer. As a member of the federal-State team, the BLM's Office of Law Enforcement and Security participated in the operation.

According to the BLM, the Fortymile Mining District lies within the Fortymile River drainage, portions of which are a designated National Wild and Scenic River managed by the BLM, and the area contains dozens of federal and State mining claims with the BLM responsible for administering the federal claims. While the EPA has primary authority for enforcement of the Clean Water Act, the Department is responsible for enforcement of environmental laws and regulations related to mining impacts on BLM-managed resources, including mining activities conducted under BLM-issued permits.

Question 12e. What policies would you implement at DOI to ensure that these kinds of dangerous and threatening raids are not carried out by the agencies you would be responsible for in the future, if you are confirmed?

Answer. If confirmed, I would work with the BLM and other Interior bureaus to ensure that they closely coordinate and communicate with state and local authorities and use their enforcement authority appropriately.

Question 13. RS 2477 Trails—Recognizing that numerous RS 2477 trails have historical and factual questions that need resolution and will likely be litigated, still, there are many trails that the State and BLM agree are both valid and open.

a. For RS 2477 trails upon which both the State and BLM agree are valid and open, can BLM use a recordable disclaimer of interest process to simplify their use? If not, why not? If so, can you commit to using a recordable disclaimer of interest process?

Answer. I am aware that the Department, through the BLM, is trying to build a constructive, inclusive solution to the issue of RS 2477 rights-of-way. I am committed to continuing this approach, which may help establish a model for consensus-based problem solving that can be applied to resolve any potential future RS 2477 claims.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR LANDRIEU

Question 14. As Deputy Director of the Department of the Interior, you would be in a position to oversee the operations of the Bureau of Safety and Environmental Enforcement— the agency tasked with oversight and investigation into the operations of oil and gas operators in the Federal OCS. I want to bring your attention to an issue currently facing BSEE. In 2004, during Hurricane Ivan, one of Taylor Energy's rigs collapsed, and sank into the mud on the seafloor. All site assessments by the BSEE, outside groups and Taylor Energy itself have indicated that leakage from the rig is infinitesimally minimal, and that by any reasonable measure the rig is unrecoverable. Despite this, over \$400 million of Taylor Energy's assets are currently held in a fund by BSEE that is earmarked for recovery operations. It has become clear that there is no path forward, and that the entirety of this money serves no purpose in this fund. Do you have a plan to spur action on the part of BSEE to

resolve the issue and release at least some portion of these funds? What would this plan look like?

Answer. I am not familiar with this specific issue but have been informed that BSEE continues to be in discussions with Taylor Energy on this matter and is working in close consultation with its federal partners in an effort to resolve these issues and to ensure that the site is handled responsibly. If confirmed, I will work with BSEE as it continues, along with Taylor and federal partners, to expeditiously develop a long-term solution that is consistent with obligations under the Outer Continental Shelf Lands Act and protects the resources of the Gulf of Mexico.

Question 15. What do you plan to do in your position as the Deputy Director of Interior to ensure that coastal states are able to benefit from offshore energy production in a fashion similar to that of onshore states, which have enjoyed a long-standing partnership with the Federal government?

Answer. As I indicated in response to a similar question from Senator Murkowski, the Administration is mindful of the long-held view that coastal states should share the benefits of energy development that takes place offshore and currently implements statutory revenue sharing under existing law. With respect to possibly changing existing law, the Administration's testimony on the FAIR Act outlines several principles that are key to any potential new approach to revenue sharing. I know this is an issue that you care deeply about and, if confirmed, I commit to meeting with you in an effort to find any common ground that may exist and to work toward a path forward.

Question 16. What do you plan to do to ensure that the devastating coastal erosion being suffered by Louisiana and the rest of the Gulf is stopped, and that marshlands and barrier islands destroyed by large scale mismanagement of the Mississippi river are rebuilt or restored?

Answer. I know that the Mississippi River Delta and its coastal wetlands and barrier islands is a natural asset of tremendous value to the nation, supporting important shipping, energy, seafood, and recreation industries. It also provides extensive coastal habitats for a variety of fish and wildlife.

Protecting and restoring this highly productive and important ecosystem is a priority, but I believe it cannot be achieved by the Interior Department alone. Such an effort will require the coordinated and strategic actions of multiple partners, with federal efforts being complementary and building off of state coastal restoration planning efforts.

I have been advised that the FWS, working with the Department, has developed a "Vision for a Healthy Gulf of Mexico Watershed" that identifies cooperative conservation strategies to implement in a number of conservation-focused areas. I look forward to learning more about these strategies and how they will be implemented to stop Louisiana's, and the Gulf's, coastal erosion; and facilitate restoration and recovery of this vital national asset. Should I be confirmed, I would be happy to further engage in a cooperative dialogue with you about how we can work together to address this complex issue.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR BARRASSO

Question 17. Mr. Connor, I'd like to inquire about sage grouse and the Endangered Species Act. The people of Wyoming are very concerned about the Fish and Wildlife Service's pending listing determination for this bird. As you know, BLM has begun an unprecedented effort to preclude the need to list the sage grouse. Specifically, BLM is in the process of revising approximately 88 Resource Management Plans. Within these Plans, BLM is including directions for how land managers should address the sage grouse under the National Environmental Policy Act.

The potential habitat for the sage grouse- if listed-would cover most of Wyoming, Idaho, Montana, Nevada, and parts of Oregon and Colorado. The impact of such a listing on the economy and jobs in my state, and other western states, would be devastating.

Will you commit your time and effort towards working to ensure that the greater sage grouse does not end up on the endangered species list?

Will you work collaboratively with the governors of the appropriate states to find the best approach to manage the sage grouse?

Answer. I share Secretary Jewell's view that collaboration is the key to effectively addressing the threats to sage grouse populations and, if confirmed, I will work hard alongside the Secretary to seek solutions to avoid the need to list the bird. I understand that the FWS and BLM continue to work together, along with state and local governments and landowners, in taking unprecedented conservation initiatives aimed at avoiding the need to list the species. I appreciate the work that states and private landowners have done and I look forward to coordinating with those stake-

holders, including the governors of the appropriate states, in continuing this proactive approach.

Question 18. Do you believe the Interior Department should prioritize wildfire prevention activities and our national parks and public lands' maintenance backlog ahead of spending money to acquire more land?

Answer. I know that protecting lives, communities, and our natural resources from wildfires and addressing the maintenance backlog at our national parks and public lands are critically important issues that must be addressed by the Department. At the same time, land acquisition is a long-term investment that is part of a balanced approach intended to protect our natural and cultural treasures. By acquiring land strategically, the Department is able to join with partners to conserve significant landscapes before they require more expensive efforts to sustain them, resolve conflict, and reduce landscape fragmentation. Accordingly, land acquisition can make it more efficient to protect wildlife habitat, respond to wildfires and other natural disasters, and to improve access to recreational opportunities.

Question 19. The BLM has a multiple use mission as set forth in the Federal Land Policy and Management Act of 1976 to manage public land resources for a variety of uses, such as energy development, livestock grazing, recreation, and timber harvesting. If confirmed, what actions are you going to take to ensure the BLM meets this statutory multiple use mandate?

Answer. I believe that multiple use is best achieved when we manage our public lands in a manner that helps ensure balanced use. Regardless of whether public land use involves hunters or anglers, mountain bikers, OHVs, oil and gas development companies, or others, it is important to get people to the table to work together to find common ground. If confirmed, I commit to pursuing cooperative efforts grounded in a fundamental recognition of the legitimate interests of affected stakeholders and to working to achieve certainty and clarity on resource management issues.

Question 20. I have introduced the Grazing Improvement Act. The Act would extend the term of Federal grazing permits from 10 to 20 years and streamline the renewal process for grazing permits. It also restores the BLM's the ability to use categorical exclusions.

Do you view livestock grazing as primarily a commodity use of public lands or a tool for the proper management of these lands?

Do you support giving the BLM the ability to utilize categorical exclusions?

Answer. Like Secretary Jewell, I believe strongly that livestock operations on public lands are important to the economic well-being and cultural identity of Western communities, and that at the right levels and timing, grazing can serve as an important vegetation management tool in maintaining rangeland health and meeting rangeland health standards. While I am not familiar with the specifics of categorical exclusions in the management of grazing, I am aware that the engagement of the public through the environmental review process is a crucial component in the BLM's multiple-use management of public lands. As I stated in my confirmation hearing, I am committed to providing stakeholders on public lands with certainty and clarity on resource management issues.

Question 21. How will you strive to improve the relationship between the agency and stakeholders who hold grazing permits on public lands?

Answer. Throughout my tenure as Commissioner of the Bureau of Reclamation, I have been committed to bringing people together to find common ground and solutions to difficult issues. As I pointed out in my confirmation hearing, Secretary Jewell has charted the right course with her substantive engagement on the challenging issues we face and her clear commitment to ensuring that the Department will be guided by transparency and integrity in carrying out its mission. If confirmed, I will work with stakeholders, including ranchers, to ensure that the public lands are sustainably managed for multiple uses, including livestock grazing.

Question 22. The Interior department is running out of options to deal with excessive wild horses on BLM land and feral horses in Indian Country. The long and short term holding facilities are full, fertility control is too extensive and ineffective, and horses are overgrazing riparian areas and destroying wildlife habitat. What BLM administrative or policy changes do you believe would improve the implementation of the 1971 Wild Horse and Burro Act to reduce cost and improve compliance with Appropriate Management Levels in the west to avoid severe overgrazing?

Answer. Although I am not familiar with the details of the BLM's holding facilities or ongoing fertility control efforts, I am aware that wild horses and burros pose unique on-the-range management challenges. I understand the BLM is continuing to develop and implement a targeted strategy informed by the National Academy of Sciences' recent review, while also working to find ways to make the program more effective and sustainable within the existing statutory framework. If con-

firmed, I look forward to continuing a collaborative process with affected stakeholders to implement cost-effective and ecologically sustainable strategies that are informed by the best available science and maintain healthy public rangelands.

Question 23. What role do you believe state and local governments play in defining the appropriate multiple use and sustained yield standard within their jurisdictions?

Answer. I am committed to public engagement and connecting with state and local communities. State and local governments play a vitally important role here, just as tribes, stakeholders and communities do as well. The Department and the BLM seek and welcome input from the public and all our stakeholders during the land-use planning process and in the course of evaluating other land-use and resource management decisions. If confirmed, I look forward to working with state and local governments, as well as a variety of partners in the management of the nation's public lands.

Question 24. In his State of the Union Address, President Obama said that his "administration will keep cutting red tape and speeding up new oil and gas permits." If confirmed, what would you do to speed up oil and gas permitting on Federal public lands? Please address whether you would: (1) expedite the leasing process; (2) expand the use of categorical exclusions under NEPA; (3) eliminate the requirement for Master Leasing Plans; and (4) deploy "strike teams," such as those used in North Dakota, to reduce permitting backlogs.

Answer. Like Secretary Jewell, I understand that businesses need clarity, certainty, and predictability and that our oil and gas resources are vital to our nation's economy, but that they must be developed in a safe and environmentally responsible manner. If confirmed, I would continue to strive toward maximizing program efficiency to ensure that the BLM implements modern best practices to ensure efficient processing of pending and new permit applications while also promoting safety and environmental responsibility.

Question 25. Over the last few years, the Department has expedited environmental impact statements under NEPA for a number of large scale renewable energy projects on Federal public lands. If confirmed, what steps, if any, would you take to expedite environmental impact statements for large scale coal, oil and gas, and uranium projects on Federal public lands?

Answer. I would seek efficiencies to processes that save both time and money, and to improve processes both at the Department of the Interior and its bureaus as well as with other federal and state agencies and tribes. I understand the importance of providing certainty when it comes to land management decisions that affect the private sector and the public. In addition, I would work with and fully engage elected officials, industry, and the many and varied users of the public lands to address the need for robust domestic energy production.

Question 26. BLM managers undertook a review of Wilderness Study Areas and found many of these areas unsuitable for designation as wilderness; however, these lands continue to be managed in a restrictive fashion as WSAs. With the threat and cost of fire suppression growing due to greater fuel load and passive management over the last three decades, many of these areas are a severe wildfire waiting to happen. Such wildfires hurt wildlife habitat, increase erosion, pollute waterways, and create water quality problems and costs for communities. Would you support the clear direction and recommendations of BLM officials to release these areas to allow for suitable management to prevent wildfires?

Answer. If confirmed, I would welcome the opportunity to work with Congress to resolve issues of wilderness designation and WSA release. Prevention of wildfires is an important component of the Department's Wildland Fire Management Program. My understanding is that the Department's fuels reduction efforts prioritize projects in areas that result in the mitigation of risks to communities and their values.

Question 27. The LWCF Act will be up for reauthorization in 2015. Will you pledge to work with Congress and state and local parks and recreation officials to make appropriate changes to the Act to restore the original intent of the fund?

Answer. I support the Administration's commitment to full funding of the Land and Water Conservation Fund, which will provide needed stability for agencies and States to make strategic, long-term investments in our natural infrastructure and outdoor economy to support jobs, preserve natural and cultural resources, bolster outdoor recreation opportunities, and protect wildlife. If confirmed, I look forward to working with the Congress and other stakeholders to explore opportunities to address this issue.

Question 28. How effective do you believe the Endangered Species Act (ESA) has been over the past few decades? Do you think there are improvements that are needed to modernize it for current society and ecological needs?

Answer. I believe that the Endangered Species Act (ESA) has been effective in achieving its primary objective: to prevent the extinction of plants and animals in the U.S. At the same time, there is always a need to improve implementation to be more responsive to both the needs of species and to the ideas and concerns of citizens. I know that the Department, along with the Department of Commerce, has identified several administrative improvements to the regulations implementing the ESA as priorities to undertake in response to Executive Order 13563 on "Improving Regulation and Regulatory Review." If confirmed, I look forward to supporting these and other administrative efforts to improve and modernize implementation of the ESA.

Question 29. As you know, in 2011, there was a closed-door settlement agreement between the Fish & Wildlife Service (FWS) and two environmental groups that led to a six-year listing work plan for the FWS to review and potentially list more than 250 species. Many of these species have potential habitat that combined covers most of the Western States. However, none of the affected states or communities were a party to the agreement. Do you believe that is an open and transparent way to make public policy that significantly impacts Americans?

Answer. I have been advised that the MDL settlements committed the FWS to make listing determinations required by the ESA for 251 species on a workable and publicly available schedule. The settlements did not commit the FWS to add these species to the list; rather, they committed the FWS to make a determination by a date certain as to whether listing was still warranted and, if so, to publish a proposed rule—subject to public notice and comment—to initiate the rulemaking process of adding a species to the list. The settlement agreements enable stakeholders to know in advance when the FWS will be reviewing these candidates to determine whether a listing proposal is still warranted.

I believe that sustained engagement with partners and the public will best serve improved and innovative ways to conserve and recover imperiled species. If confirmed, I will work to ensure that the ESA is implemented in a manner that is responsive to both the needs of imperiled resources and the concerns of local communities.

Question 30. What are your thoughts on administrative or policy improvements to the implementation of the ESA? Can and should changes be made to reduce legal challenges?

Answer. As I stated in response to a previous question, I am aware of planned administrative and policy improvements to the ESA that the Department has identified as priorities in response to Executive Order 13563, "Improving Regulation and Regulatory Review." I support efforts like these and, if confirmed, would support similar efforts in the future.

With regard to legal challenges, I realize that lawsuits can sometimes frustrate agency objectives in allocating limited resources to accomplish conservation goals. My understanding is that this Administration has succeeded in dramatically reducing the amount of ESA litigation in recent years. If confirmed, I look forward to working with you and the Committee to discuss implementation of the ESA and ways to improve it.

Question 31. The Endangered Species Act (ESA) has been one of the most abused federal Acts in recent memory. Special interest organizations have broken the financial back of the Fish and Wildlife Service (FWS) by filing petitions to list thousands of species knowing that it would be impossible for the FWS to respond under the required deadlines. Even worse these litigants continue the onslaught by suing the FWS for failing to meet arbitrary deadlines. The net result is less federal funding for conservation, and millions of dollars in attorney fees to these litigants. And with the ESA only having a 1 percent success rate of delistings, it only stands to reason that these litigants have further crippled the ability for conservation success. Would you support amending the ESA to give the FWS more discretion to respond to these mass litigants and reduce government dollars being wasted on abusive litigation?

Answer. As I noted in response to the previous question, I realize that lawsuits can sometimes frustrate agency objectives in allocating limited resources to accomplish conservation goals. My understanding is that this Administration has succeeded in dramatically reducing the amount of ESA litigation in recent years. If confirmed, I look forward to working with you and the Committee to discuss implementation of the ESA and ways to improve it.

Question 32. Currently, wealthy non-profits that file process-based lawsuits against the government concerning ESA listing decisions, grazing permit renewals and other DOI decisions have access to taxpayer dollars. Do you believe this should occur for organizations worth tens of millions of dollars?

Answer. I understand that the ESA's citizen suit provisions and the Equal Access to Justice Act provide mechanisms for parties that sue the Government to challenge

decisions or inaction and prevail to recover reasonable attorney fees. I would defer to the Department of Justice on whether a means test could be built into those authorities and still be fair and equitable. I am generally concerned about the costs of litigation and if confirmed will work to reduce those costs.

Question 33. How can the administration facilitate the NEPA process in a manner that reduces opportunities for lawsuits from extreme groups opposed to multiple use?

Answer. Each year federal agencies conduct hundreds of thousands of actions, yet I understand that the amount of litigation on these is relatively small. Modernizing NEPA to better assist federal agencies to meet the goals of NEPA, enhance the quality of public involvement in governmental decisions, ensure compliance in a more timely fashion, increase transparency, and improve its implementation is a priority of the Administration. If confirmed, I will support this effort as it applies to the multiple uses of our public lands and other activities of the Department.

Question 34. Do you believe we can predict what the weather will be in Wyoming or any other State 10, 20 or 50 years from now with any accuracy, and what the impact will be to the landscape from that weather?

If you cannot predict with any accuracy, how will U.S. taxpayer investments today to protect species decades from now based on inaccurate computer models guarantee any success?

Answer. As Secretary Jewell noted in response to a similar question during her confirmation, while we cannot predict with certainty either day-to-day weather or its impact on the landscape in 5, 10, or 50 years, the consensus in the scientific community is that climate change is a reality. As the manager and steward of 20 percent of the nation's lands, thousands of miles of coastline, and nearly two billion acres on the Outer Continental Shelf, as well as water, fish, wildlife, and other natural resources, the Department has to make management decisions today based on the best scientific information available and consistent with applicable law. The Department will continue to manage the public's lands to increase their resiliency in a changing climate.

Question 35. In your opinion, what is the difference between the terms "extreme weather" and anthropogenic, man-made "climate change"?

Answer. While I am not a climate scientist, I would describe "extreme weather" as short-term regional climate phenomena and "climate change" as a more long-term trend.

Question 36. Water is the lifeblood of western states, with the Bureau of Reclamation providing much of that water to our communities. My home State of Wyoming alone has a series of proposed water storage projects that will need to go through the currently lengthy and burdensome permitting process. Will you commit to expedite the approval of new water storage projects in the West to provide for rural communities that are in need?

Answer. There are roughly three dozen Reclamation dam projects, project features or other storage facilities across the West that were authorized by Congress but, were never funded or constructed. The situations vary, but the most frequent causes center around questionable economics or an inadequate potential water market, making the required repayment obligation prohibitive for the potential beneficiaries. In addition, new societal priorities and scientific advancements have brought increased focus on efficient management, wastewater reclamation, and conservation to meet communities' needs. In addition to operating and maintaining our existing projects, these priorities have become central parts of the Reclamation mission today, and some of them yield significant quantities of new water supply in a very cost efficient manner. New storage projects will also be needed to address the water supply challenges facing the West. If confirmed, I will work with the Congress to expedite any projects that provide net economic benefits, are fiscally sound and can be constructed and operated consistent with existing environmental laws.

Question 37. As part of the Cobell v. Salazar settlement agreement, approximately \$1.9 billion was funded for the fractionated Indian land purchase program. This program provides an opportunity for meaningful tribal participation and input into the buy-back decisions and program implementation.

If confirmed, what type of active role will you take in this program in working with Indian tribes to address their concerns of participation and input to the fullest extent practicable in light of the settlement agreement and the Claims Resolution Act of 2010?

Answer. If confirmed, I will take an active role in the buy-back program. The Department's intent is for the implementation plan to be flexible and continually updated to reflect lessons-learned, best practices, and tribal involvement. I have been advised that an initial plan was published last year, and the program is currently drafting an updated implementation plan that responds to comments and concerns

received during government-to-government consultations from January to March 2013, among other things.

Question 38a. There are a number of different water delivery-related projects administered by the Bureau of Indian Affairs, including the Wind River Irrigation Project (WRIP) on the Wind River Indian reservation in Wyoming. According to a 2006 Government Accountability Office (GAO) report entitled, "Indian Irrigation Projects: Numerous Issues Need to Be Addressed to Improve Project Management and Financial Sustainability," Report No. GAO-06-314, there is a significant backlog in irrigation project repair and maintenance for many of these projects.

At a prior Committee hearing, "To Receive the Views of Ken Salazar, Secretary of the Interior, on Matters of Indian Affairs," in February 12, 2009, Secretary Salazar committed to review these irrigation issues. At the Committee hearing, "To Receive the Views and Priorities of Interior Secretary Jewell with Regard to Matters of Indian Affairs," on May 15, 2013, Secretary Jewell also committed to have Department officials work to figure out how to address these issues.

If confirmed, will addressing these deferred maintenance problems identified in the 2006 GAO Report be a priority?

Answer. My understanding is that the current deferred maintenance estimate of \$609 million reflects the results of completed condition assessments at 12 Projects of the 16 irrigation projects, and a partial study completion at Navajo Indian Irrigation Projects (NIIP). As the final condition assessments at Wapato, San Carlos Irrigation Project (SCIP) Indian Works, SCIP-Joint Works, and NIIP are finalized, the deferred maintenance estimate will improve even further. The challenge within the BIA is the strong need for funding in all of our programs, such as law enforcement, education, and social services. Funding reductions to existing programs to pay for irrigation improvements may not align with competing priorities among the Tribes we serve. I will work closely with BIA leadership and the Congress to examine potential approaches through new funding sources.

Question 39b. If confirmed, how will you provide leadership in developing a more comprehensive plan of action for the future of the Bureau of Indian Affairs irrigation projects?

Answer. If confirmed, I will meet with BIA leadership to assess their work to date and be actively involved in developing a plan of action for the future of their irrigation projects. I would be pleased to provide briefings to you and your staff as we move forward.

Question 39. High crime rates, emerging prescription drug abuse, lack of detention facilities, insufficient funding, high declination rates for Federal prosecutions, and recidivism remain challenges for Indian Country law enforcement, detention, and tribal courts. Congress passed the Tribal Law and Order Act to begin addressing these issues. In addition, Congress funded the High Priority Performance Goal pilot program through the Bureau of Indian Affairs, with one of the four initial sites located on the Wind River Indian Reservation.

If confirmed, how do you plan to continue implementing this pilot program on the Wind River Indian Reservation?

Answer. BIA has informed me that, as part of the FY 2010 pilot program, the recurring base of BIA public safety resources supporting the Wind River Indian Reservation was increased by 133 percent over the FY 2009 funding level. This higher funding level has continued, and will continue in the future so that all three components of the Wind River public safety system can continue to address the unique and significant public safety challenges on the reservation.

If confirmed, how do you plan to coordinate more effectively with the Department of Justice to address crimes rates on Indian lands?

Answer. I have been informed that in April of 2013, the Bureau of Indian Affairs—Office of Justice Services and the Department of Justice—Office of Tribal Justice entered into a MOU regarding placing an OJS employee within the OTJ to serve at a liaison between the two offices. It is my understanding that the intent of this MOU is to facilitate and coordinate information sharing between the Department of Justice and the Department of the Interior concerning public safety matters in Indian Country. If confirmed, I will see to it that the Department continues to be fully engaged with its partners and seek new opportunities to reduce the crime rates in Indian Country.

Question 40. There is significant potential for energy development on American Indian and Alaska Native lands. The Energy Policy Act of 2005 authorized Tribal Energy Resource Agreements (TERAs) to facilitate energy development on tribal trust lands and to bypass cumbersome bureaucracy.

Please explain your views on how the Department can best assist Indian tribes that wish to develop their trust energy resources in achieving their goals.

Answer. I was personally involved in developing the TERA provisions of the Energy Policy Act of 2005 and therefore fully understand that facilitating the development of tribal energy resources is a key way to spur economic development in Indian Country. I am aware that the Office of Indian Energy and Economic Development assists Tribes in the development of energy resources in furtherance of the goal of Indian Self-Determination, and accomplishes this by providing technical assistance to build the technical and managerial capabilities of Tribes over the development of their energy resources. I understand that IEED also meets with Tribes to improve how it can best assist Tribes that wish to develop their energy resources. To further improve this process, the Department will consider compiling best practices, identifying model energy policies and codes, and providing additional training and other assistance to Tribes. If I am confirmed, I look forward to learning more about this issue and the ways that the Department's bureaus can help Tribes that wish to develop their energy resources.

Question 41. The justification for the costly Moose Wilson Road EIS is the presence of grizzly bears in the area which Grand Teton National Park says were not present before 2010.

If grizzly bear presence would limit use on a 150 year established road corridor that predates the park establishment, doesn't that potentially affect many uses in addition—limiting hiking, biking, horseback riding and pedestrian uses throughout federal lands where a grizzly bear population is present?

If that is the case, recreational users across this country need to take note of the unusual precedent GTNP is trying to establish with NEPA.

Answer. Although I am not familiar with the specifics of this issue, I understand that the NPS considers the increased presence and frequency of grizzly bears in the Moose—Wilson Corridor of Grand Teton National Park to be a changed circumstance, and important in evaluating how that area of the park should be managed and the resulting environmental impacts. I also understand that the NPS and other federal agencies have for decades regulated the use of lands where grizzly bears are present, such as through food storage requirements and other measures. Consequently, this planning effort would not set a new precedent for other federal lands.

Question 42. What was the total cost of the 2007 transportation FEIS in Grand Teton National Park?

Do you believe a new EIS less than 6 years from a comprehensive FEIS that fully analyzed the same 8 miles is necessary?

In this case do you believe an environmental assessment is more appropriate to study the road corridor?

Answer. I understand that the cost of the Grand Teton National Park Transportation Plan/Environmental Impact Statement, completed in 2007, was approximately \$1 million. I also understand that, to expedite the environmental review process and to limit costs, the NPS has decided to conduct an EIS on the Moose-Wilson Road Corridor because the 2007 Transportation Plan did not evaluate that corridor in a comprehensive manner, nor did it evaluate the issues that have emerged since 2007. I support compliance with the National Environmental Policy Act in a timely, transparent, and cost-effective fashion, and if confirmed I will learn more about this issue.

Question 43. In 2012, Grand Teton National Park announced that the Park would be closing the Moose-Wilson Road to one-way traffic without any input from the gateway community. While this decision was ultimately delayed by the Park Service, our small businesses and park visitors still have public access concerns with the Park Service's efforts to close the road. In 1977, at the request of the U.S. government, Laurance S. Rockefeller granted an easement and right-of-way for the Moose-Wilson Road for "public and governmental use."

Can you provide assurances that the Park Service will abide by this easement to ensure that this road remains open for public access as Mr. Rockefeller intended?

Answer. As I mentioned in my response above, I am unfamiliar with the specifics of this issue. However, I appreciate the importance of the local community's desire for public access, and believe that community engagement is a necessary part of addressing this issue. I understand that, regardless of actions that may be implemented in the future as a result of the upcoming planning effort, the NPS intends that its management of the Moose-Wilson Road will be consistent with any legal requirements. If confirmed, I look forward to learning more about this important issue.

Question 44. Mr. Connor, if confirmed as Deputy Secretary you would be in a position to manage the various interests of the respective agencies with the Department of the Interior. With your current position in mind, how would you manage the different interests and sometimes competing missions of the sister agencies within the

Department when making policy decisions? For example, in your view, what role or influence should the National Park Service have as a cooperating agency when the Bureau of Land Management is developing a resource management plan for BLM lands?

Answer. With regard to use of the public lands, it is important to get all interested stakeholders to the table to try and find common ground. As I noted at my hearing, I believe we should take a balanced approach to all the multiple uses of our public lands. I understand the idea behind the cooperating agency role is to improve communication. I believe such coordination is key to good decision-making, but it is important to make clear the roles of cooperating agencies and the various statutory and regulatory requirements applicable to the process.

RESPONSE OF MICHAEL L. CONNOR TO QUESTION FROM SENATOR CANTWELL

Question 45. Commissioner Connor, this year the State of Washington committed \$137 million towards the Yakima Basin Water Enhancement Plan/Yakima Basin Water Enhancement Project. This Plan was endorsed by the Bureau of Reclamation in a Record of Decision issued earlier this year. This project is very important to Washington State. Yakima Basin has suffered two severe droughts since 2001 that resulted in \$335 million of economic damage as well as damage to fish and wildlife. The Basin is home to an agriculture industry that generates more than \$1 billion in value and supports tens of thousands of jobs across Washington, from fields to ports.

Can you commit, that if confirmed, you will work as hard as possible to take the first step towards matching Washington State's commitment to this project by significantly increasing the Departments FY15 budget request for the Yakima River Basin Water Enhancement Project?

Answer. The Yakima Basin Integrated Water Resource Management Plan is a basin-wide restoration plan collaboratively developed by diverse stakeholders to benefit fish and improve water reliability. To date, the Department has provided \$3.8 million for Integrated Plan activities. If FY 2014 appropriations are enacted consistent with the President's request, the Integrated Plan and the Yakima River Basin Water Enhancement Project will receive a total of \$8 million in federal funding in 2014, of which \$1 million is targeted toward the Integrated Plan. It is my understanding that the State legislation contemplates matching funds compiled from local, private, and federal sources. Reclamation's involvement in advancing many of the Integrated Plan activities, including those that address additional surface water storage, structural changes, and providing for downstream fish passage at Cle Elum, would be dependent on legislation to provide authority and/or additional cost ceiling. If confirmed, I will continue the cooperative relationship with the State to collaboratively further the goals of the Integrated Plan.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR FLAKE

Question 46. Do you believe the Department of the Interior should hold a public hearing in Arizona on the proposed Mexican wolf rulemakings before the close of the current public comment period on October 28?

Answer. Public involvement is an essential part of the rulemaking process, helping to inform both the agency and the affected public. I understand that the Fish and Wildlife Service has received several requests to hold a public hearing in Arizona and is considering when and where it might be able to do so.

Question 47. During the hearing you stated that water leasing is one of the most critical tools available to address water resource issues in the West, as it could be used to "maintain certainty and reliability" with respect to water use and power generation. Water, however, is unlike other commodities; it plays a critical role in essential human functions, while also serving as an important component for agricultural and industrial uses. As such, it seems that any sort of water marketing scheme would require minimum procedural safeguards. What procedural safeguards should be considered when creating a water market?

Answer. There are a number of procedural safeguards that currently exist with respect to water leasing. For example, state water rights systems generally govern the timing, place and type of use of water, and govern changes to the use of water rights arising under state law to ensure that other water rights are not adversely affected. With respect to Indian water rights settlements, federal statutory safeguards exist. In addition, general Reclamation law, project-specific statutes, and policy provide terms and conditions for water leasing. For example, a 1920 statute provides authority to lease water for various purposes and requires the current water users to approve the lease. The existing array of federal and state law and policy provides for the most part both the flexibility and necessary protections to address

water leasing. An example of a vibrant water market is in northeastern Colorado, where the Northern Colorado Water Conservancy District, the operating entity for Reclamation's Colorado-Big Thompson Project, operates a water market with project water.

Question 48. Should the leasing of water rights be limited to use within the watershed or basin of origin?

Answer. Numerous Reclamation projects provide for movement of water from one watershed or basin to the next. This has been accomplished by the stakeholders, the Department of the Interior, and Congress coming together to reach consensus on when, and under what conditions, water should move between watersheds and basins. State and federal law and policy provide a framework that examines the specifics of a leasing proposal to determine the feasibility of the proposal and any protections that should be imposed to ensure that other interests are not adversely affected.

Question 49. Should leasing of water rights only be permitted to the extent that such rights have previously been beneficially used by the water right holder and actual water use is verifiably reduced by the water right holder (e.g., requiring fallowing or non-development agreements)?

Answer. Protections appropriate for the specific project and leasing arrangements normally are conditions of such leasing and are determined pursuant to state and federal law, regulations and policy.

Question 50. Should a water marketing scheme differ depending on the type or nature of the water right being marketed (e.g., surface water, reserved rights, decreed rights, riparian water rights states, prior appropriation rights, interstate transfers, etc.)?

Answer. As I noted in response to a previous question, appropriate terms and conditions normally are included in water marketing/leasing proposals to address specific issues and requirements of such proposals, including compliance with applicable state and federal laws.

Question 51. If the marketed water right has a federal component (e.g., Indian water rights) what role should the Secretary of the Interior play in approving a water rights lease?

Answer. State and federal laws, regulations and policies govern the Secretary's role in water leasing. The majority of the congressionally approved Indian water rights settlements contain leasing provisions, which often define the role of the Secretary of the Interior. However, each marketing provision is unique, tailored to the agreements negotiated among the parties on a case-by-case basis.

Question 52. What is the status of the Department of the Interior's current effort to resolve the water rights dispute in the Bill Williams watershed?

Answer. The current discussions regarding the Bill Williams watershed have been occurring within the framework of an Indian water rights settlement process among the United States, the Hualapai Tribe, and Freeport-McMoRan due to its copper mining operations at Bagdad, Arizona. As committed to by Secretary Jewell during her confirmation process, the Department is providing high-level leadership and resources in all aspects of continuing negotiations to bring the settlement to closure. If confirmed, I will continue to work with Congress to resolve Indian water rights claims, including those related to the Bill Williams watershed.

Question 53. While the Bill Williams negotiations are progressing, are there any actions that can be taken at the local level to preserve the anticipated environmental benefits without adding costs to the multi-species conservation program?

Answer. The Lower Colorado River Multi-Species Conservation Program (LCR MSCP) is a multi-stakeholder program, including local entities, which provides Endangered Species Act coverage for Reclamation's ongoing and future river operations on the lower Colorado River. As the implementing agency, Recreation is implementing the Habitat Conservation Plan, which requires the establishment of over 8,100 acres of riparian and aquatic habitat. Reclamation has been involved in the Bill Williams River negotiations in the hope of securing Planet Ranch, a property owned by Freeport-McMoRan, for LCR MSCP purposes. Reclamation will continue to support the ongoing Bill Williams negotiations and other LCR MSCP activities to meet remaining HCP habitat requirements. If confirmed, I will continue to support Reclamation's activities, which include working with local entities, to implement this important HCP.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR SCHATZ

Question 54. Mr. Connor, as you know, the Department of Interior is pursuing a policy of fast-tracking the permitting of renewable energy projects on public lands. The development of a clean energy economy and deployment of renewable energy

is a priority to me, and I am encouraged to see the work being done at the Interior Department on this issue.

In federal waters as well, Interior has been moving in the right direction, with the announcement two weeks ago of the completion of the second competitive lease sale for renewable energy in public waters.

I would like to encourage you, in your new role, to build on this good work, and to also ensure that proper permitting and environmental oversight is not sacrificed as this fast-track process continues. I would like to hear your thoughts on how the Department will balance the benefits of increased renewable energy on public lands with the need to maintain strict environmental oversight of these important resources.

Answer. I strongly support the President's vision for increasing the generation of clean energy through responsible development of renewable energy on the public lands and in federal waters. I also understand the importance of mitigating adverse impacts associated with renewable energy development. If confirmed, I will strongly support ongoing efforts by the bureaus within the Department to promote the environmentally-sound development of renewable energy, which will continue to create new jobs, increase access to clean energy, and reduce greenhouse gas emissions.

Question 55. There has been a steady decline in the number of USGS stream gauges in Hawaii over recent years. The number of active USGS STREAM gauges in Hawai'i decreased from almost 200 in the late 1960s to fewer than 50 in 2010. And according to the USGS web site, additional gauges in Hawaii are threatened with closure. Maintaining a robust stream gauge network in Hawaii is important due to many of the unique aspects of our state, its hydrology, geography and our ongoing efforts to monitor and assess impacts of climate change. As impacts of climate variability and change are observed, long-term records of land and ocean variables can help us identify shifts between average conditions of the past and potential future condition. Long-term, reliable, global and local observations of variables such as air temperature, precipitation, sea-surface temperature, streamflow, and groundwater supply are critical to understand the evolving state of the Earth's climate. Having long term and high-quality scientific data is critical not only for understanding the dynamics of natural processes but also for ensuring the accuracy of models that simulate potential future impacts of climate change and variability. Continuous data collection and stewardship must be maintained to ensure that governments, researchers, and the public have access to reliable, high-quality data. Streams and rivers can flood very quickly in Hawaii, because when the rain falls in the mountains, it often has to flow through cities and populated areas to get to the ocean. The reduction in stream gauges makes it harder for us to predict and react to such flooding. In addition, numerous studies have shown declines in rainfall in Hawaii over the last 100 years, with the trend accelerating in the last 30 years. Fresh water availability is a major issue in our state. Because of Hawaii's geographic isolation, we do not have the option of piping potable water in if we experience shortages. We need more monitoring and data about our fresh water flows, not less. Will you commit to work with me to reverse the decline in stream gauges in Hawaii and restore some of the gauges that have closed in recent decades?

Answer. I agree with the importance of long-term records and the value of USGS streamgaging for assessing flood hazards and water availability in Hawaii. I am told that the USGS National Streamflow Information Program has identified 21 streamgages in Hawaii to be included in the federal-needs national streamgage network and has increased the funding for these streamgages by over 21 percent from 2009 to 2012. Increasing the number of streamgages is a high priority for the USGS, particularly those useful for observing long-term trends related to climate change. I look forward to working with you to explore possibilities for restoring recently discontinued USGS streamgages in Hawaii so that water-resource managers have the streamflow information they need to make informed decisions.

Question 56. There are several Bureau of Reclamation programs where it is unclear based on available information whether these programs are authorized for Reclamation states and territories under 43 U.S.C. §391, only for states within Reclamation's service area, or for all states. Examples of programs where eligibility is unclear include the Cooperative Watershed Management Program, the Shared Investment Water Innovation Program, and the Desalination and Water Purification Research Program. Is Hawaii eligible for funding under these programs? If eligibility for these programs is a matter of discretion for the Interior Department, will you make Hawaii an eligible state?

Answer. Entities located in Hawaii are eligible to participate in the Desalination and Water Purification Research Program and have received at least one research grant in the past. Reclamation plans to implement the Shared Investment Water Innovation Program, which is proposed for funding for the first time in FY 2014,

to include applicants for research funding located across the United States. Funding available for Reclamation's participation in the Cooperative Watershed Management Program has been used to implement the first phase of the program—to provide Reclamation funding for establishment or expansion of watershed groups. Funding has been limited to the states and territories identified under 43 U.S.C. § 391, similar to existing WaterSMART Grants funding opportunity announcements. If confirmed I would be glad to work with the Committee to explore ways to apply the use of the Department's resources and expertise to projects in Hawaii.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR SCOTT

Question 57. The Department of the Interior's current five-year plan keeps 87 percent of our offshore acreage off limits to exploration and production including areas off the coast of South Carolina. In testimony before this Committee, when I asked Secretary Jewell about Atlantic access and seismic she stated that Interior would consider areas in the Atlantic for exploration activities if the data shows some promise for resources. At the same time, Interior continues to delay the process for getting the seismic data that will feed into the leasing program. The process for approving seismic activity to gather this data began in January 2009 and Interior has still not completed its analysis nor made a decision, let alone issued a permit for seismic research. What will you do to ensure these delays end and Interior moves forward with permitting Atlantic seismic?

Answer. I am fully committed to working with the Bureau of Ocean Energy Management and others to ensure that the Department actively seeks and considers coastal states' interests as we analyze our leasing decisions under the Outer Continental Shelf Lands Act. I know that BOEM has made significant progress in updating its resource estimates as reflected in their 2011 National Resource Assessment. BOEM is proceeding with a region-specific strategy in the area that focuses on the need to update data in order to inform future decisions about whether and, if so, where leasing would be appropriate.

Question 58. The recommendations adopted by the National Ocean Policy Executive Order state that effective implementation will require "clear and easily understood requirements and regulations, where appropriate, that include enforcement as a critical component." In addition, the Executive Order requires federal entities including DOI to implement the policy to the fullest extent possible. At the same time, the National Ocean Council has stated that the National Policy "does not establish any new regulations or restrict any ocean uses or activities" What if any commitment can you make that DOI and its affiliates will not issue any regulations or take any actions under the National Ocean Policy (including coastal and marine spatial planning) that could have a regulatory impact?

Question 59. If confirmed, can you pledge that DOI will comply with the will and intent of Congress and not use the agency's human or financial resources to further coastal and marine spatial planning?

Question 60. If confirmed, what will your role be in implementing the National Ocean Policy?

Question 61. If confirmed, how many DOI and agency resources will you dedicate to the National Ocean Policy?

Answer. To 58-61: It is my understanding that neither the National Ocean Policy nor marine planning creates or changes regulations or authorities. The final Implementation Plan was developed with extensive stakeholder input and describes specific actions federal agencies will take to address key ocean challenges, give states and communities greater input in federal decisions, streamline federal operations, save taxpayer dollars, and promote economic growth. The Implementation Plan supports voluntary regional marine planning, which brings together ocean users to share information to plan how we use, sustain and better understand our ocean resources.

Interior manages vast coastal and ocean resources, which serve as a foundation of our economy generating over \$100 billion in economic activity and supporting over two million jobs. If confirmed, I look forward to working with Secretary Jewell and the team at Interior, to implementing the NOP, and to better understanding this country's challenges and opportunities relative to ocean resources across all major sectors and uses. As the Department continues to support this Administration's efforts to protect, maintain, and restore the health of ocean, coastal and Great Lakes ecosystems, I commit to promoting coordination among agencies, sustained stakeholder engagement and cooperation with this committee. I will work in partnership with the Committee to ensure that any actions taken by the bureaus within Interior are supported by sound science and transparency in our decision-making.

If confirmed, I will adhere to the Department's commitment to implementing the President's Plan and I will keep you fully informed as implementation progresses.

RESPONSES OF MICHAEL L. CONNOR TO QUESTIONS FROM SENATOR MANCHIN

Question 62. Do you think the Administration was correct in asking a court to vacate the 2008 Stream Buffer rule, which was developed over several years, with input from both industry and the environmental community? If so, what do you think a new rule should look like?

Answer. I am not familiar with the specific history of this issue, but I know it is an issue that is important to you. If confirmed, I commit to learning more about it, and I would welcome the opportunity to discuss the issue with you.

Question 63. In your opinion, what is the proper balance between state and federal regulations?

Answer. In the context of the Department and its missions, the proper balance between state, tribal, and federal regulations is one that meets the interests of states, local communities, tribes, and territories as well as the public owners of our federal resources and the need for the Department and its bureaus to comply with statutory mandates. I believe that this balance can be achieved through ongoing dialogue with interested stakeholders and governments.

[Responses to the following questions were not received. The nomination of Ronald J. Binz to be a Member of the Federal Energy Regulatory Commission for the term expiring June 30, 2018 was withdrawn by the President from further consideration by the Senate on October 28, 2013].

QUESTIONS FOR RONALD J. BINZ FROM SENATOR MANCHIN

Question 1. During the confirmation hearing I heard Chairman Wyden express several times that the Federal Energy Regulatory Commission (FERC) does not have authority to influence or dictate which fuels are used to generate electricity and that the Commission has very limited jurisdiction over electric generation. I believe you concurred. But are there ways the FERC could establish transmission policies that would afford preferences to one type of generation over another? For example, could FERC policies allow for preference in using the grid or favorable interconnection agreements for renewable energy?

Question 2. If confirmed, would you commit to policies that keep the grid "fuel neutral", in line with the Chairman's assertion that FERC should not pursue policies that dictate the fuel mix of electricity generation or provide incentives for one source of energy over another? Do you agree that FERC's principal concern should be to ensure reliability of the grid regardless of the source of electrons moving on it?

Question 3. If confirmed, do you intend to pursue policies that would socialize the cost of transmission investments to favor renewable energy projects, for example those in Renewable Energy Zones?

Question 4. In response to my statement that West Virginia is getting the living daylight's beaten out of it by anti-coal policies and that you strongly favor renewables over other energy sources, you stated at that "I approved the largest coal plant that was ever built in Colorado." Xcel Energy's Comanche 3 unit is the largest coal plant in Colorado. That unit was approved by the Colorado Public Utilities Commission in 2004, according to Xcel's website. You were not a member of the Colorado PUC until 2007, according to your biography. In light of questions that arose during the hearing about the accuracy of your statements, I'd like to give you the opportunity to correct your comments. The PUC approved a rate plan for the plant while you were on the commission, but it is not accurate to say that you approved the largest coal plant ever built in Colorado. Is that correct?

You described natural gas as "the near perfect fuel for the next couple of decades and if we perfect capture and sequestration of carbon, it will be a permanently good fuel for this country's use."

Is it then your view that carbon capture and sequestration is not ready today for widespread deployment?

If we "perfect" carbon capture and sequestration, is coal "a permanently good fuel for this country's use?"

Question 5. When you were Chair of the Colorado Public Utility Commission (PUC) you promoted a "Clean Air, Clean Jobs" act that offered incentives for shut-

ting down coal-fired power plants in favor of natural gas generation. Xcel Energy reported that the total cost of implementing the PUC plan was about \$1 billion over seven years, between building new natural gas plants, adding pollution controls to some of the coal-fired plants, and shutting down six of the coal-fired plants.

But from what I understand, this legislation was a bad deal for consumers: it required greater reductions in emissions of NOX than even what EPA regulations require—making it too expensive for coal plants to possibly retrofit—and doesn't account for the potential for increases in natural gas prices. It's projected to cost at least \$1 billion over seven years, plus potentially more in fuel costs.

Isn't this just fuel-switching to natural gas, putting customers at risk to higher prices by putting all of our eggs in one basket? Wouldn't it have been possible to achieve reasonable reductions in emissions while keeping fuel diversity, such as Utah did?

Question 6. I know that the "Clean Air, Clean Jobs" act was only expected to increase residential electricity costs by 2% (not accounting for natural gas price variability). However, it was projected to increase prices for industrial electricity consumers by 12%.

Are you concerned about how policies such as this will affect our nation's economic competitiveness?

Question 7. I recently met with FERC Commissioner Philip Moeller, and he described himself as "source neutral, not reliability neutral." I've heard in the news and from colleagues that you've said that "natural gas is a dead end fuel" and your record in Colorado points to you promoting the move away from coal. Would you promote moving away from these fuels at the expense of reliability? Do you expect that the increased use of intermittent fuels like solar and wind are going to impact reliability?

Question 8. You have said—on multiple occasions—that with the right regulatory policies in place it is possible to increase renewables to 80% of total energy usage by 2050. You have also suggested that this country should pursue this 80% regardless of cost. I support coal. Coal is inexpensive and reliable; renewables are costly and less reliable.

a. Do you plan to push for 80% renewables by 2050 through your position as a FERC Commissioner?

b. We don't have a federal renewable portfolio standard. Congress hasn't enacted one. Shouldn't the generation mix be left to the market unless Congress intervenes?

c. What limits should there be on impacts of this goal on costs or other impacts to consumers and the economy?

Question 9. The Denver Post of February 19, 2011 says you are "on record as favoring steadily rising rates as a vital feature of the New Energy Economy." Is this true? Is your view that higher rates from renewable energy are better than lower rates from coal? Subject to what limits, if any?

Question 10. What role do you see for base load generating units such as coal and nuclear units? Should they receive any special emphasis in our policy since they are essential to reliability?

Question 11. What role do coal, natural gas, and nuclear power have in America's energy future?