

Whither DOI?

June 2013

June brings dramatic changes at the top of the U.S. Department of the Interior (DOI or Interior). New hands will control the levers of power and, as a result, the organization that controls one-fifth of the land area of the United States, 35,000 miles of coastline and 1.75 billion acres of offshore resources will alter how it operates. It thus makes sense to ask: What will happen next and why does it matter?

While many are convinced that Sally Jewell is poised to be an outstanding Secretary of the Interior, she brought few new faces with her and cannot manage this behemoth singlehandedly. Yet six weeks after her arrival, Deputy Secretary David Hayes, is leaving and there is no successor at hand.

This is a crucial problem because Deputy Secretary Hayes—and his predecessors in the second Bush Administration—have styled the job as a chief operating officer (COO) and concentrated the reins of power in that office. So there will be a power vacuum. The only questions are how big, and who fills it?

Obviously, the COO structure is not required for successful performance. But any new management system will take time to both establish and to implement. As a result, policy momentum at the department could slow as power is re-delegated and new players—or more players—exercise broader spans of control.

There are practical reasons why changes in the distribution of authority and span of control near the top of Interior are important. As my previous boss, former Secretary of the Interior Bruce Babbitt, has said: Interior is the “Department of Everything Else.” It is a diverse collection of enterprises and contradictory authorities only loosely affiliated under the same roof. In many ways, key elements of Interior are in direct conflict and often pull in opposite directions. Consequently, one recipe for successful secretariats (Mr. Babbitt, Harold Ickes) has been strong, central leadership reconciling conflicts quickly and actively managing Interior's many complexities to effect change and get results. Surely having a veteran manager in place has eased Secretary Jewell's transition into public service. But in June, we can only guess whether and how the role of COO will be filled or replaced.

What happens next matters because managing Interior well is important to a broad set of private and public interests. On a daily basis, its employees are expected to perform ordinary tasks exceptionally well or the consequences can be serious. The risks of setbacks can be disastrous, as the country learned during the Deepwater Horizon debacle in 2009.

Daily operations at Interior are challenging. For example, our National Park System may be a triumphant symbol of our faith in the future of our nation and our democracy, but many of the parks are directly threatened by overuse, aging infrastructure and deferred maintenance. The western states (that were settled and developed with direct federal assistance provided by elements of Interior) are now gripped by another serious drought. There are over 200 “candidate species” queuing for possible placement on the Endangered or Threatened Species Lists, while the U.S. House of Representatives is considering spending 20% less each year to support Interior. In addition, the pending Interior rulemaking on “fracking” (techniques to release natural gas or petroleum from subsurface rock layers) has attracted critics on all sides, from those claiming it may accelerate, to others who say it will slow a U.S. natural gas boom that is remaking the nation's economy and reshaping the geopolitics of liquid fuels.

Despite progress, many longstanding disputes over public domain lands—originally a more than 2 billion acre legacy—remain unresolved. Since Interior plays a critical role in both the preservation and utilization of these public resources, it can be an effective force for change and settlement of old disputes. The recent Bay Delta and Redwoods accords, Indian water rights settlements, strong moves to support renewable energy development on public lands and expedited yet balanced oil and gas exploration policies are contemporary examples of Interior leadership finding new solutions to calm enduring arguments. Each compromise has been welcomed, but the struggle over the diversity and richness of Interior's legacy lands continues. The agenda of unmet needs remains full.

Without experienced leadership, it is unclear whether recent successes can be sustained as Interior continues to face internal contradictions and unending demands for change. Only time will tell whether the first Obama team has made a lasting imprint on the Department, or will their mark disappear with the next tide like a footprint in wet sand.

Here are three things those interested in Interior policymaking should be watching:

- Can the Obama Administration find a deputy candidate who can win confirmation? In 2009, Hayes' nomination was filibustered and delayed before gaining 60 votes for confirmation. In 2011, Interior Assistant Secretary for Fish, Wildlife and Parks Rebecca Wodder (the former head of the advocacy group American Rivers) was blocked in the 112th Congress. She was dropped by the Administration in January 2013.
- Will Interior have the political clout to close its 30-day comment period for the Bureau of Land Management's (BLM) latest rule on hydraulic fracturing of federal and Indian lands—or will the time be extended by as much as 120 days? Natural Resources Committee Chairman Doc Hastings (R-WA) and ranking member Ed Markey (D-MA) panned the proposed 30-day comment period calling it “insufficient to fully review” and noting that Interior allowed for 120 days of comments previously. On May 28, BLM extended its proposed oil per BLM release shale regulations for another 30 days on the day that comments were set to close. With increased pressure from Capitol Hill, the hydraulic fracturing regulations may face another extension.

- Can Interior rally to protect itself from a 20% across-the-board cut in FY 2014, or “figure out sizable things to just stop doing?” House 302(b) budget allocations for the next fiscal year will require about \$4 billion in cuts from last year's budget. With the U.S. Environmental Protection Agency (EPA) already stripped back to 1998 funding levels in 2013, Interior is expected to face major reductions. These likely would include popular activities such as the Land and Water Conservation Fund, which has political support from groups as diverse as The Wilderness Society and the National Rifle Association.