

LETTER TO SENATOR DAINES ON ENERGY POLICY AND WSAs

January 23, 2015

The Honorable Steve Daines
US Senate
Washington, DC 20510

Dear Senator Daines:

We the undersigned groups are sending this letter in response to your December 19 letter seeking feedback on “what Congress should do to increase development of traditional and renewable resources in our state while ensuring we remain good stewards of the environment.” While we appreciate your effort to seek Montanans’ input, we were discouraged by the one-sided framing of issues in your letter. Presenting current government policies as outdated, burdensome and placing severe limits on all energy development does not accurately describe the status quo in our view, nor is this extreme characterization likely to bring diverse Montanans together behind the “balanced solutions” your letter seeks.

Indeed, Montanans across the political spectrum value outdoor spaces and public lands that preserve our natural heritage and enhance our recreation economy, while also promoting responsible resource extraction. The debate on energy and public lands in Montana has progressed beyond the either/or choice between fossil fuel extraction or conservation and recreation. A [2014 Conservation in the West](#) poll confirms this shift, a majority of Montana voters believe we need a balanced approach between energy development and conservation on public lands compared to 27% who think public lands energy development should be strictly limited and 20% who think public lands should be generally open to drilling.

Since your letter specifically requested perspectives on possible release of Wilderness Study Areas (WSAs), we wanted to make sure you are also aware of the consistent and broad support in the state for our wildest lands. Montanans are outdoors people who are proud of our protected Wilderness Areas -- from the Bob Marshall to the Cabinets, Rattlesnake and Beartooth Plateau. In the [June 2014, University of Montana state wide poll](#), 78% of respondents said permanently protecting some public lands in Montana as Wilderness has been a good thing for the state. While 51% support designating additional lands as Wilderness, that support level jumped to 66% in the poll if those designations are “crafted here in Montana with community input and the support of local groups.”

Finally, it is important to consider the changes and dynamics at play with Montana’s diverse economy. While there are regional differences, Montana’s overall economy over the past 25 years has grown and diversified significantly in industries associated with the West’s services and professional economy, and in non-labor income (e.g. retirement and investment income). According to analysis by Headwaters Economics, high-wage service-providing jobs in Montana now account for about 8 percent of all employment in the state, while Montana’s mining industries, including oil and natural gas, account for just 1.3 percent of all state employment (down from 3.2 percent in 1970).

These findings for Montana are consistent with two important West-wide trends: 1) the economy of the West has grown and diversified with states less reliant on resource extraction for jobs and income than in the past; 2) the principal sources of prosperity in the region are now related to a modern service, or knowledge-based, economy, along with retirement and investment dollars. So

while energy development on Montana's public lands can bring some jobs and revenues, it is imperative that it only be done in those areas and in a way where it doesn't undermine the natural assets that support an even larger employment base and will increasingly drive Montana's economy – whether from tourism, outdoor recreation, or natural amenities that attract hi-tech migrants or retirees.

In addition, too much reliance on energy development would irresponsibly gamble our economic future on a sector tied to volatile global commodity prices, whereas the conservation components of the economy are stable, permanent, and likely to only grow more valuable. Local data supports this important point; in 2014 nonresident travelers spent \$4 billion in the state and recent studies have shown that Western counties with more protected public lands have created jobs four times faster than counties without protected public lands.

With this broader context in mind, we'd like to provide more detailed comments on energy development and WSAs in Montana:

Oil and Gas Development in Montana:

Despite claims by industry, the numbers from the Bureau of Land Management (BLM) do not indicate a severe drop off in access to public lands for oil and gas drilling. In FY14, there were 3364 leases in effect in the state covering 2.6 million acres of federal minerals. This is down only moderately from the range over the previous five fiscal years where Montana had between 3,400-4,000 total federal leases covering 2.7-4.3 million acres. Meanwhile, the number of producing acres of federal minerals in the state is almost the highest it has ever been in the past ten years (766,544 acres in FY14 – third highest annual amount since FY04). There were 391 approved federal permits to drill (APDs) in FY14 that were not used/drilled. In short, these numbers indicate that softening energy prices and significant known reserves on non-federal lands (much of the Bakken is not on federal but on state or private lands) are the real drivers of public land drilling levels, rather than “burdensome regulations” that “obstruct development.”

We agree that there is a role for oil and gas development on our federal public lands but also strongly believe it needs to happen in the right places, at the right pace, and with the right practices employed. Sensitive and pristine areas need to be avoided with the possibility of some of these areas accessed only directionally with the BLM more frequently requiring “No Surface Occupancy” stipulations.

Another concern to bear in mind is the unanticipated impacts of mineral booms on rural communities. As has been heavily documented in the media, several eastern Montana communities are struggling from the boom effects and infrastructure overload that has arrived with the Bakken development. Most recently, in southeastern Montana, community and municipal water supplies are being impacted from the latest pipeline leak into the Yellowstone River. Many farmers and ranchers have concerns regarding water availability or quality impacts connected to fracking operations. Reforms such as pre-drilling baseline water sampling, more monitoring, stricter bonding requirements, and better enforcement would lessen controversies around drilling impacts and improve public support for the industry to carry out its business on America's public lands.

BLM leasing reforms enacted several years ago support responsible development that acknowledges oil and gas can coexist with conservation of the many other resources on our public lands. Master leasing plans (MLPs) are being implemented in Montana and other states across the West as a tool to take a closer look at managing development in areas with potential

conflicts, providing more certainty for both conservation and development (according to the Conservation in the West poll referenced earlier, 63% of Montanans support the MLP approach).

This approach is consistent with the overall goals of the leasing reforms intended to reduce conflicts and legal challenges by providing a chance for public input and requiring explicit consideration of impacts on other resources prior to leasing. These reforms have succeeded by reducing the amount of protests of lease sales. In fact, fewer parcels were protested in Fiscal Year 2014 than any year since at least Fiscal Year 2008 (as far back as BLM's data goes), and the percentage of parcels protested has remained at approximately 18%, quite a reduction from the high of 43% in FY09.

At the end of the last session, Congress renewed the BLM's pilot project offices to ensure that the agency has sufficient funds to meet permitting demands. The agency has requested and deserves additional funding to ensure that the development facilitated through this program does not harm other resources by ensuring adequate personnel to conduct commensurate inspections and enforcement.

The majority of BLM lands, including four Resource Management Areas in eastern Montana, are currently subject to land use plan revision and/or amendment processes. Decisions made in resource management plans affect uses from energy to recreation to conservation and many of these existing plans are decades old. The BLM needs adequate funding to complete these efforts in a timely manner so that proposed activities are responsibly managed based on current conditions and public concerns. The agency's efforts to complete plans to conserve the sage-grouse are an example of a vital landscape-scale process that should be supported and completed.

As you know, late this year the U.S. Fish and Wildlife Service (USFWS) will decide whether states' efforts to conserve the greater sage-grouse are sufficient, or if the grouse should be given protection under the Endangered Species Act. Rather than demonizing the ESA, it is instead imperative that we support Governor Bullock's Sage-Grouse Stewardship Act and program. Supported by a strong coalition (from Montana Stockgrowers Association and Montana Petroleum Association to Audubon and the Nature Conservancy) improve public support for the industry to carry out its business on America's public lands, this plan shows that Montanans are ready and willing to manage the grouse and its habitat proactively. Now before the Montana Legislature, the critical next step will be securing the needed funding for implementation. This will be a shared state-federal burden and we ask that you lend your support to this effort and strive to see sufficient agency funding for effective sage-grouse habitat conservation efforts.

Renewable Energy Development:

As your letter referenced, Montana's plains have some of the best commercial wind potential in the country. The National Renewable Energy Laboratory ranked Montana third out of all states in wind generation potential. Yet much of the wind resources remain untapped as [Montana ranks 21st](#) out of all states in installed wind capacity. Our public lands contain rich renewable energy resources and can be looked to for increasing renewable energy output. As with other forms of energy, development should proceed in a manner that safeguards the health and accessibility of our public lands by guiding projects to areas with high energy potential and minimal conflict with wildlands and other important resources. An [August 2014 Peak Campaigns poll of Montana voters](#) found that 66% support renewable energy development on public lands that does not reduce the amount or quality of wildlife habitat and wild areas.

While several factors impact the success of wind energy development, smart federal policies can help advance renewable energy and associated transmission. The BLM has made significant

progress in establishing a renewable energy program on public lands, as has existed for oil and gas development for more than a century. This includes identification of lands suitable for renewable energy development. Oftentimes transmission access is a barrier to renewable energy development, so BLM is also taking steps to revise West Wide Energy Corridors to better facilitate renewable energy development in a responsible way on public lands.

Because renewable energy development on public lands is in its infancy, Congress also has a unique opportunity to establish effective policies that will allow for the future growth of renewable energy while ensuring stewardship of our natural resources. We believe one such approach is the policies embodied in the Public Lands Renewable Energy Development Act of 2013, which you co-sponsored last Congress. This legislation improves permitting for wind and solar energy while supporting conservation and access for hunting, fishing and outdoor recreation. A poll last year showed that [76% of Montanans support this concept](#). Thank you for your leadership on the Public Lands Renewable Energy Development Act last Congress. We look forward to working with you to move this important legislation forward this year in the Senate.

Wilderness Study Areas (WSAs):

You requested our perspective on “possible recommendations for the release of Wilderness Study Areas.” We are disappointed that this request focuses solely on removing existing protections for Wilderness Study Areas (WSAs). This approach will not result in balanced proposals to improve management of our public lands.

As you know, Montana is home to millions of acres of public lands that are being managed primarily to protect their wilderness character. Wilderness caliber lands in Montana include:

- Over seven million acres of roadless lands managed by the United State Forest Service (USFS), U.S. Fish and Wildlife Service (USFWS), and National Park Service (NPS) many of which are suitable for wilderness designation and have been recommended for wilderness designation by the USFS, and proposed for protection by Montana citizens through collaborative processes.
- 703,817 acres of WSAs managed by the USFS. These areas were created by the Montana Wilderness Study Act (P.L. 95-150), which requires the USFS to maintain their historic wilderness character.
- 437,419 acres of WSAs located across Montana managed by the Bureau of Land Management (BLM), many of which have been recommended by the agency for wilderness designation by the BLM. The BLM is required to maintain the wilderness characteristics of each WSA.

Together, these public lands represent an irreplaceable part of our outdoor heritage in Montana. These are lands of many uses, including a wide range of recreational pursuits. Any effort to change the current management of these lands through legislation must be a transparent, bottom-up process that prioritizes the involvement of diverse interests and aims for a balanced outcome that includes permanent protection for deserving land.

Across the state, Montanans are working together to develop collaborative solutions to public land management issues, including the management of roadless areas and WSAs. These efforts provide the best hope for developing ‘win-win’ solutions that address local conditions and stakeholder interests. Your narrow focus on removing existing protections from WSAs is unlikely to succeed because it seeks to pick winners and losers and pits Montanans against each other. Such an approach is not in the best interest of Montana.

Throughout the West, there have been many examples of collaboratively developed solutions to address the management of WSAs, including:

- Idaho's Owyhee Initiative, championed by Senator Mike Crapo, which was signed into law in 2009 and addressed well over a half million acres of WSA;
- Utah's Washington County effort, championed by former Senator Robert Bennett, which was also signed into law in 2009 and addressed nearly a quarter-million acres of WSA; and Utah's Public Land Initiative, championed by Congressman Rob Bishop, which aims to address millions of acres of WSA through a collaborative, stakeholder-driven process.
- Montana's Forest Jobs and Recreation Act which releases some BLM WSAs and parts of USFS WSA's on the Beaverhead-Deerlodge National Forest while also designating wilderness and recreation management areas.

As these efforts show, there are viable pathways to addressing Montana's WSAs and roadless areas. We encourage you to consider such an approach in Montana as it would have a much greater chance of successfully resolving the WSA debate by bringing people together and building a true made-in-Montana solution.

Conclusion:

Our organizations were proud to join Montanans from all walks of life in applauding your recent leadership in the successful passage of the Rocky Mountain Front Heritage Act and North Fork Watershed Protection Act. The public processes undertaken to create both bills represented a balanced approach to significant land management challenges and passage of these bills would not have been possible without the entire Montana delegation coming together behind these efforts. We recommend using these bills as models for how to convene a public dialogue on energy policy reforms as well as on wilderness candidate lands elsewhere in Montana.

Montanans want to get to solutions when it comes to the management of our public lands, whether that is about forestry management, energy development, new Wilderness designations, or WSA release. Our elected officials need to bring different parties together to hash out durable, balanced proposals, not inflame differences with divisive talking points or extreme proposals. We urge you to work closely with Senator Tester and continue to engage us and other Montanans as you develop any policy proposals for public land energy development or the fate of Montana's wildlands, including its WSAs.

Sincerely,

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Montana Wilderness Association

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Cc: Senator Jon Tester
Congressman Ryan Zinke