



TREASURE STATE RESOURCES ASSOCIATION OF MONTANA

P.O Box 1700, Helena, Montana 59624

Phone: (406) 443-5541

Email: ptrenk@tsria.net

TREASURE STATE RESOURCES ASSOCIATION NEWS May, 2016

In Memory of United States Senator Conrad Burns

The Treasure State Resources Association extends its sincere sympathy to the family of United States Senator Conrad Burns. Senator Burns passed away on April 28, 2016. He was a strong advocate for Montana's resource industries, for multiple use of our public lands, and for improving our state's infrastructure and economy.

Sage Grouse Program Update

The Montana Sage Grouse Oversight Team met April 15, 2016 to consider several programmatic exceptions from the consultation requirements set forth in Executive Order 12-2015. Their actions reflect the program's growing "maturity" as the realities of administering a broad landscape directive come into focus.

In researching programmatic exceptions, the staff reported they looked at what were identified as threats in the US Fish and Wildlife Service's decision not to list the Sage Grouse as endangered, as well as other guidance. Going forward, management issues come down to two questions: (1) what happened to the land and (2) how are the birds doing?

Criteria include whether actions will cause further habitat loss or fragmentation, the nature of the activity and its proximity to leks, whether the activity takes place in the same location and in the same way as previously occurred, what type of activity is taking place and how much will it disturb the land, and will the land impacted by the activity ever contribute to mitigation efforts.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

Keeping those things in perspective, staff looked at ways to reduce or eliminate extra steps in permitting and licensing processes if they don't contribute to habitat protection. Because the map that outlines the areas of the state covered by the Sage Grouse Management Plan is a broad brush, using the criteria outlined above, the Montana Sage Grouse Oversight Team is empowered to exempt activities that don't make sense to require consultation.

At the April meeting the MSGOT approved programmatic exception for activities within existing incorporated cities and towns, for the MT Department of Labor and Industry Building Codes Bureau for elevator permits, boiler permits, elevator operator and contractor licenses, boiler operator licenses, crane operator licenses, fire protection licenses, fireworks sale and distribution permits, mechanical permits, plumbing permits, factory built building permits, and blaster licenses authorized and issued by the Building Codes Bureau; and for the renewal of solid waste management systems, cesspool septic tanks and pit privies, and motor vehicle recycling and disposal licenses. MSGOT will continue to review similar activities, as well as unincorporated cities and towns, and airports to determine if an exception from the consulting requirement might be appropriate.

MSGOT also approved a "deviation" from the Executive Order for the MT Department of Transportation for the Highway 12 Rosebud County Line East project segment between mile markers 216 and 217 so long as MDT implements the planned within-project mitigation measures, restores vegetation cover, and observes seasonal stipulations. This project has been in the works for more than 10 years, but only recently received funding.

Custer Gallatin National Forest Plan Revision – Next Steps

The Custer Gallatin National Forest recently initiated a four-year process to revise the current Forest Plan. Over 500 people attended the initial public meetings held in 15 communities across the forest. According to the Forest Service some common themes were identified including:

- *Recognize the diversity of the forests. Don't have a "one size fits all" plan.*
- *More hazardous fuels management work, and fuels reduction work.*
- *Study the economics of an area, make sure you take into account how economies are affected and interface with the Forest.*
- *Concern for access and continued maintenance of existing infrastructure already in place.*
- *Balance recreational uses, grazing uses, multiple uses.*

Meanwhile specialists on the Forest Plan Revision Team are working on the Assessment of Existing Conditions. That will cover topics such as: terrestrial and aquatic ecosystems, social, cultural, and economic conditions; benefits people obtain from the National Forest System planning area and land status and ownership, use and access patterns. A draft Assessment is expected in late summer/early fall for public review.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

The public is invited to provide input to the Assessment of Existing Conditions either by submitting comments online or by attending the next series of public meetings. The online questionnaire should be completed by June 1st and is available at: cgplanrevision@fs.fed.us.

Public meetings will be held as follows:

- June 14, Ashland Ashland Public School
- June 15, Ekalaka Carter County Fair Building
- June 16, Buffalo Buffalo Recreation Center
- June 20, Big Timber Big Timber High School
- June 21, Red Lodge Edgar Gruell Bldg. Carbon Co. Fairgrounds
- June 22, Gardiner Gardiner Community Center
- June 28, West Yellowstone Povah Community Center
- June 29, Bozeman Chief Joseph Middle School Multipurpose Room

Meetings will be held in the evenings with specific times to be announced in the near future.

All Montanans Have Stake in National Energy Policy

Peggy Trenk, Treasure State Resources Association

Following the recent Energy Summit, the TSRA Board of Directors authorized the following Guest Column. It was submitted to newspapers around the state in early April.

On behalf of Montanans who work in the energy sector, I'd like to extend a thank you to U.S. Senator Steve Daines for organizing the recent Montana Energy Summit in Billings.

As the debate about the future of American energy policy has reached high gear, all Montanans need to be part of the conversation. We all have a stake in the outcome because the energy industry is so critical to our economy. Energy production is responsible for thousands of jobs and provides a huge amount of revenue that is divvied up among communities throughout Montana.

Moreover, our energy sector has the potential to do so much more. We rank in the top 10 of states for oil and gas reserves, fifth in wind-energy potential and No. 1 in coal reserves. Simply put, no other state comes close to matching Montana's energy potential.

Imagine the impacts on job creation, investment and revenue if we could be a pre-eminent energy supplier for the rest of the nation and the world. It can be done in concert with protecting our natural environment, preserving our local communities and reinforcing the other sectors of our economy.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

It's a goal worth fighting for, but it's not without challenges. The objective of the energy summit was to discuss how to surmount those hurdles and reach our potential. Here are three things we learned.

First, we need a national energy policy with a diverse energy mix. We need to foster technological innovation to make base-load generation from coal and gas cleaner and to bring down the high cost of renewables.

Unfortunately, proposed policies from the White House will prevent energy diversity. Rather than unleash the creative power of entrepreneurs, President Obama is trying to dictate which energy sources Americans can choose from. We can't expect to have cleaner, cheaper energy in the future by taking options off the table.

At the energy summit, we learned about exciting new technology with the potential to make huge reductions in carbon emissions from coal. It's these types of novel approaches that we lose when political barriers are erected in the energy market.

Second, the biggest challenges to Montana coal are politically generated. The President's plan to regulate carbon emissions at coal-fired generators is well known, but in fact it's just one of myriad new regulations from the White House aimed at eliminating the American coal industry.

The attacks against the coal industry are really an attack on all Montanans. If they're successful in eliminating our coal industry, the costs will be paid by all of us. Thousands of Montanans will lose their jobs, our economy will shrink and taxes will go up to offset the lost revenue from coal.

Third, we need to open up new export capacity for our energy. American demand growth for new energy has plateaued, but global demand for coal, oil and gas is projected to be very strong. That means for Montana to produce more energy, we need to be able to reach those markets.

New export capacity on the Pacific Coast has been stalled for purely political reasons. Again, those political attacks hurt all Montanans.

There is no bigger issue for Montana today than developing an energy policy that explores the potential for diverse energy sources including coal, oil and gas, solar, wind and hydro. This is a conversation we all need to engage in. We can do it all while maintaining our world class recreational opportunities and the quality of life we all value. The opportunity for our state is right here in front of us – it's up to you to decide whether it's an opportunity you want to fight for.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

Survey Says: Montanans Are “Very Concerned” About Climate Change But Aren’t Ready to Abandon Fossil Fuels

According to the Rural West Conference Montana Survey conducted in February of this year, Montanans take a fairly pragmatic approach relative to climate change. In a March 28, 2016 interview with Montana Public Radio reporter Eric Whitney, one of the study’s authors, Associate Professor Christopher Muse of the University of Montana’s Political Science Department stated that “I was somewhat surprised that over half of Montanans thought climate change was extremely or very serious for Montana...about half of that favored both oil, gas, coal and wind, solar and other renewal productions, and about a third of Montanan’s favored renewables over fossil fuels. So there is sort of a split on what kind of energy development should be in the state...It seems clear there is a sort of wait and see attitude about carbon emissions, and they don’t necessarily want the energy industry in Montana to be shut down. So I think there is a very pragmatic economic concern by Montana in general...there is a strong favorability towards renewables in the state, but that doesn’t translate to opposition for continued use of carbon based, fossil fuels in Montana.

The survey was conducted under the auspices of the Bill Lane Center for the American West based at Stanford University. The center supports research, teaching and reporting about western land and life in the United States, Canada, and Mexico. 923 Montana adults were surveyed from February 1-28, 2016 in advance of the 2016 Rural West Conference held in Missoula in March. The survey looked at health care and access, natural resource allocation, tribal policy, and homelessness.

Montana Infrastructure Coalition Selects Executive Director

The Montana Infrastructure Coalition has selected Darryl James of DLC Consulting to serve as the Executive Director for the MT Infrastructure Coalition. He’ll be organizing the public outreach and education efforts as well as managing the coalition’s activities. MIC now has a Board of Directors in place and a growing list of members. Expect to hear a great deal more about the state’s infrastructure needs as well as some ideas for possible funding options.

Don’t Forget to Weigh In on Two DEQ Water Quality Public Comment Processes – Your Input is Important

Draft 2016 Water Quality Integrated Report

The Montana Department of Environmental Quality is accepting public comment on Montana’s 2016 Draft Water Quality Integrated Report. The report documents the state’s water quality conditions for the years 2013 – 2014 as required by the federal Clean Water Act. Comments will be accepted during a 60-day comment period from March 14- May 13, 2016.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

The entire report can be viewed at cwaic.mt.gov. Comments on the report should be submitted electronically via the Public Comment link available from this site or mailed to: Integrated Report Coordinator, Department of Environmental Quality, P.O. Box 200901, Helena, MT 59620-0901. DEQ cannot guarantee that comments received after the May 13 closing date will be considered in developing the final report.

The Integrated Report summarizes the current water quality status and trends for water bodies under the jurisdiction of the State of Montana, including lakes, reservoirs, rivers and streams. It does not include waterbodies on tribal lands. It also contains a summary of state water quality information and an overview of Montana's water pollution control efforts.

A schedule for preparing water quality improvement plans, known as TMDLs, is included in the report's Appendix B, the 303 (d) list. This sub-set of waters is not fully supporting one or more beneficial uses. A TMDL is a plan for restoring and protecting water quality.

DEQ prepares this report every two years for EPA approval. Comments from the public and interested parties will be used to prepare the final report for submittal to EPA. The draft report, appendices, assessment of information, and an interactive map can be viewed at DEQ's Clean Water Act Information Center site: cwaic.mt.gov. Anyone experiencing problems accessing this site should contact the Montana Integrated Report Coordinator, Pam Arroues, by phone at (406) 444-6763.

Editor's Note: Why does this matter? Just as one example, if you've been following the effort to draft rules to implement SB 325 (referenced later in this newsletter), you might recall that one of the discussion items has been how streams that have been "misclassified" on the 303 (d) list might be addressed. Making sure water bodies are properly classified earlier, rather than later, could pay dividends down the road in terms of future projects or activities in those areas.

Water Quality Standards Triennial Review

On June 3, 2016, the Board of Environmental Review (Board) will hold a public hearing during its regularly scheduled meeting at 9:00 am. in Room 111 of the Metcalf building at 1520 E. 6th Avenue, Helena, Montana. The purpose of the public hearing is for the Board to solicit comment from all interested persons on any aspect of Montana's water quality standards that a person believes the board should consider for potential revision.

Montana's water quality standards include the Administrative Rules of Montana Title 17, Chapter 30, subchapters 5 (mixing zones), 6 (water quality standards), 7 (nondegradation), and 10 (groundwater protection), and Department of Environmental Quality (DEQ) Circulars DEQ-7 and DEQ-12. Also included is Montana's compliance schedule authorizing provision at ARM 17.30.1350. Comments should identify the water quality standard at issue, any suggested revision to the standard, and the basis for the suggested revision, including technical information.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

You are invited to submit data, views or arguments concerning water quality standards either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Amy Steinmetz, Department of Environmental Quality, P.O. Box 200901, Helena, Montana, 59620-0901; telephone (406) 444-0371; fax (406) 444-6836; or email: asteinmetz@mt.gov.

Comments may also be submitted on the DEQ website at:

<http://comment.cwaic.mt.gov/commentpage.aspx?cmntkey=tD1bnMl6Pu>. Comments must be received no later than 5:00 p.m., June 3, 2016.

Editor's note: According to a report made by DEQ staff to the Water Pollution Control Advisory Council in March, some of the changes that the department is already looking at include: working with EPA to update all human health criteria in DEQ-7 using the new human exposure inputs for drinking water intake, body weight, and fish consumption; adopting criteria for Clothianidin, Glufosinate, Saflufenacil, Thiamethoxam, and Sulfentrazone (new pesticides found in groundwater); corrections to nitrate trigger values; and updated nutrient language in the introduction and in the footnotes of DEQ-7, and reference to DEQ-12, the department's aquatic life nutrient criteria document, for consistency and clarity.

Interim Legislative Committees:

Energy and Telecommunications Interim Committee

The Energy and Telecommunications Committee will meet in the Community Room at Flathead Electric Cooperative on May 12-13th. As part of the meeting, the members will take part in several tours of energy-related facilities in the area.

On Thursday, May 12, the ETIC will visit a biomass-fueled co-generator at F.H Stoltze Land and Lumber in Columbia Falls and will tour the Hungry Horse Dam. On Friday, the committee will visit Flathead Electric's Landfill-Gas-to-Energy Project and Community Solar Project. The committee will then discuss community solar, and the ETIC's study of the costs and benefits of net metering.

During the meeting the committee will also review draft legislation and a draft report for its House Joint Resolution No. 7 study – next generation 9-1-1.

Save the Date

Don't forget the Treasure State Resources Association Annual Meeting will be held September 12-13th, 2016 at the Great Northern Best Western Hotel in Helena, MT. We'll hold a golf scramble on the 12th at Green Meadow Country Club. Registration and hotel reservation information will be sent at a later date.

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.

Upcoming Events/Dates

| | |
|--|--|
| May 12-13, 2016 Energy and Telecommunications Interim Committee Kalispell, MT Flathead Electric Co op | June 9 – 10, 2016 Revenue and Transportation Committee Helena, MT |
| May 20-21, 2016 MT Logging Association Annual Meeting Missoula, MT Holiday Inn Downtown | June 9 – 11, 2016 MT. Stockgrowers Mid-Year Meeting Great Falls, MT Hilton Garden Inn |
| May 25-16, 2016 Montana Mining Association Fairmont Hot Springs Resort | July 28-30, 2016 Governors' Cup Golf Tournament Flathead, MT |

The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.