



TREASURE STATE
RESOURCES ASSOCIATION
OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS
July, 2017



Happy 4th of July

TSRA Announces New Officers for 2017-2019

The Treasure State Resources Association elected new officers at their annual meeting on June 22, 2017. They are:

President: Jay Bodner, Montana Stockgrowers Association

First Vice President: Mark Baker, ABS Legal

Second Vice President: Bill Ryan, IBEW Local #44

Secretary/Treasurer (Re-Elected): Steve Wade, Browning, Kalczyec, Berry & Hoven

Meeting attendees offered their appreciation to outgoing President Todd O'Hair, Cloud Peak Energy for his leadership. As Immediate Past President, he will continue to serve as a member of the TSRA Executive Committee.

Thank you to our 2017 Annual Meeting Sponsors

TSRA wrapped up a successful annual meeting and program June 21-22, 2017 at Fairmont Hot Spring Resort. Golfers enjoyed the afternoon of the 21st at the nearby Old Works Golf Club in Anaconda, taking on both the wind and a challenging course. First place honors went to the team of Leo Berry, Cam Ballentine and Jess LaBuff. On Thursday, June 22nd attendees heard from a host of speakers covering timely topics from the global market for Montana coal to ongoing forest planning processes.

Longtime WETA/TSRA Executive Director Don Allen and his wife and business partner, Mary Allen were honored with the Jerome Anderson Award at the Thursday luncheon. Mary was present to accept the Award and shared some poignant memories of her late husband Don and their work with the Association. The Jerome Anderson Award is named for the longtime lobbyist, lawyer, former legislator and former WETA (now TSRA) President who passed away in 2009. It is awarded for "outstanding leadership in the legislative or regulatory process or with the public while exemplifying the highest level of integrity".

Several TSRA members also participated in a grassroots networking session on Friday morning, laying the groundwork for more cooperation and information-sharing among sportsmen and women, motorized recreationists and industry.

Please check out the TSRA Facebook page to see photos from the golf scramble and meeting events.

Events such as the Annual Meeting could not be accomplished without the support of our Meeting Sponsors. TSRA extends its appreciation to:

Trailblazer

BNSF Railway

Champion

Browning, Kaleczyc,
Berry & Hoven
CRH-Trident
Cloud Peak Energy
NorthWestern Energy

Advocate

Bison Engineering
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MDU Resources
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Council

Special Thanks to Citizens for Balanced Use for sponsoring the grassroots networking session.

EPA Moves to Repeal Obama Water Rule

Source: The Hill, June 27, 2017 By: Timothy Cama

The Environmental Protection Agency (EPA) formally proposed Tuesday to repeal the Obama administration's controversial regulation that extended the reach of the federal government over small waterways.

Under the proposal from the EPA and the Army Corps of Engineers, federal officials would go back to enforcing a guidance document from 2008 when deciding whether a waterway is subject to federal oversight for pollution control purposes.

It's the first formal step by the EPA to fulfilling President Trump's campaign promise to repeal the 2015 "waters of the United States" regulation, which Republicans and numerous industry groups have long argued would have subjected farmers, developers and others to costly and time-intensive federal permitting for everyday activities like moving soil.

The Trump administration plans to separately write a new regulation to replace the water rule with a more industry-friendly definition of federal power over waterways. "We are taking significant action to return power to the states and to provide regulatory certainty to our nation's farmers and businesses," EPA Administrator Scott Pruitt said in a statement.

"This is the first step in the two-step process to redefine 'waters of the U.S.' and we are committed to moving through this re-evaluation to quickly provide regulatory certainty, in a way that is thoughtful, transparent and collaborative with other agencies and the public." Trump had signed an executive order in February formally asking Pruitt to consider repealing the rule and replacing it with a more limited one.

The Obama rule asserted federal power over ponds, headwaters, wetlands and other water bodies that feed into larger water areas, but whose Clean Water Act jurisdiction was unclear because of conflicting Supreme Court cases.

The Obama administration said that the drinking water supplies for 117 million Americans rely on protection by the rule, which it had dubbed the Clean Water rule. Wildlife, recreation and navigation activities also depend on those waterways, the previous administration argued.

But it was controversial from the start, with accusations that it would give the federal government control over large swaths of the country, like dry land and puddles. Numerous states and industries sued to stop it, and a federal court in Cincinnati blocked the government from enforcing it while the litigation proceeded.

Environmentalists quickly slammed the Trump administration's action as a direct attack on water protection. "It is appalling, though not surprising, that the Trump administration is

rolling back these critical protections in order to help out corporate interests,” League of Conservation Voters President Gene Karpinski said in a statement...

Supporters of the president applauded the action. “The final WOTUS rule issued by the last administration was unworkable, a fact acknowledged by courts around the country, and amounted to a massive grab of regulatory authority by an EPA that was overreaching,” said Bill Kovacs, vice president for environment and regulatory policy at the U.S. Chamber of Commerce. “We look forward to working with Administrator Pruitt and his team to craft a rule that protects public health and the environment, which giving clarity and certainty to our nation’s farmers and job creators,” he said.

“Today marks the beginning of restoring private property rights while protecting our environment,” said Sen. Daines (R-Mont.) “Out of state D.C. bureaucrats shouldn’t impose regulations that hurt Montana farmers, ranchers and landowners.”

The EPA will publish the proposal in the Federal Register within days, at which point the agency will start accepting comments from the public. After considering the comments and making necessary changes, the agency can make the repeal final.

Finalizing the repeal would then open the door to likely lawsuits from environmental groups, Democratic states and others.

Upper Missouri Breaks Will Keep Its National Monument Status

Source: [Montana Standard](#), June 27, 2017 By: Perry Backus and Brett French

Cutting off public campaigns by proponents and opponents, U.S. Interior Secretary Ryan Zinke said Tuesday he plans to recommend the Upper Missouri Breaks retain its status as a national monument, effectively taking it off the list of monuments nationwide that could lose their status.

“My likely recommendation will be to leave the Missouri Breaks as is,” Zinke said. “I think it’s settled to a degree that I would rather not open up the wound that has been healed.” Zinke made his remarks at a press conference following his appearance at the Western Governor’s Association meeting.

The announcement shocked people on both sides of the issue.

Nicolle Fugere, owner of Missouri River Outfitters in Fort Benton, was featured in one of the four billboards erected in Flathead County, by a group called Hold Our Ground, which opposes the review. “I honestly didn’t think it would go in that direction so it was a bit of shock,” she said.

Fugere has worked for the outfitting business in Northcentral Montana for nine years, floating down the river that bisects the monument. This is her first year as the owner. The reason she

agreed to put her face to the campaign was that she sees the monument as an economic and social benefit for the rural community of about 1,400 people...

Chuck Denowh, who represents the United Property Owners of Montana in the Legislature, said the monument has had a "terrible impact" on the area's economy, not a benefit. "Especially for those many Montanans with property inside those boundaries," Denowh said. "That's 81,000 acres of private land."

Denowh called Zinke's announcement "deeply disappointing," but he and Fugere aren't completely sure that the review has been dropped given Zinke's phrasing in the announcement that he would "likely" recommend leaving the monument as it is now.

"Our group would certainly encourage him to take that review up," said Denowh... "Most Montanans want more control by Montanans and local communities," Denowh said.

*The comment period on the Upper Missouri River Breaks Monument remains open until July 10th. Those interested in submitting recommendations can send those to: **Monuments Review, MS-1530, US Dept. of the Interior, 1849 C Street NW, Washington, DC 20240.** Comments can also be submitted at: [http://www/regulations.gov](http://www.regulations.gov) by entering DOI-2017-0002 in the Search bar and clicking search.*

Much Ado About Nothing

Source: Montana Petroleum Association Newsletter, June 14, 2017

Contact: Jessica Sena (406) 590-8675

It's become difficult to decipher between reality and alarmism these days. To add insult to injury, President Trump can't seem to take two steps without being ridiculed from every direction.

The latest point of contention has been his decision to disengage from the Paris Climate Accord (PCA). But is all the noise justified? Perhaps not, and here's why.

First, the agreement is called an "accord" in the United States, rather than a treaty. This is significant because the difference is that a treaty must be ratified by the U.S. Senate. Fearing rejection in Congress, former Secretary of State, John Kerry argued against binding targets to reduce emissions such as those in the Kyoto Protocol. As an "accord", the President could bypass Congress and commit \$1 billion in taxpayer dollars towards the \$100 billion-dollar goal promised by signors of the climate agreement to assist developing nations reach their respective climate goals. That's \$1 billion dollars that could have been used on research and development of innovative and energy technologies on American soil.

Some would have you believe that by withdrawing from the Paris Climate Accord, the U.S. is taking a stand against meaningful environmental progress, or worse, that the global climate is doomed. Neither could be further from the truth.

In 1997, the Kyoto Protocol, a global climate treaty requiring a 5.2 percent reduction on 1990 carbon dioxide levels, was adopted in Japan. The details on implementation of the Protocol were ratified by 191 United Nations countries in 1997. The first commitment period for the treaty began four years after the Protocol became international law in 2004, and ended in 2012.

Though the treaty was supported by then president Bill Clinton and vice president, Al Gore, it did not have the support of the Republican-held Senate.

The globe's top three emitting nations are China, the U.S., and India, none of which ratified the Kyoto Protocol. Of the three, the U.S. has been the only country to consistently reduce emissions. Between 1992 and 2004, the U.S. reduced emissions by 13.3 percent. During the same period, China increased emissions a whopping 189.6 percent, and emissions India rose by 73.3 percent. Fast forward to 2012 and you'll see that the U.S. continued the trend in emissions reduction.

Without having ratified the Kyoto treaty, the U.S. led the charge as the first major industrialized nation to meet the requirements of the Protocol.

In 2012, the same year the treaty ended, carbon emissions from U.S. energy consumption were the lowest they'd been since 1994, according to the U.S. Energy Information Administration. Remarkably, this was while record-level crude oil production was taking place, the highest for any year, in fact since 1997 when the Kyoto Protocol was first ratified.

Flourishing energy development in recent years has been a boon to the national economy, however if the U.S. were to commit to the Paris Climate Accord, the economy would suffer greatly. A study by National Economic Research Associates estimated a loss of nearly 3 million U.S. jobs by 2025. By 2040, the study predicts that a host of industries would be wiped out altogether, eliminating jobs, production and tax revenue from vital sectors of the American workforce.

Arguably, the worst part of the Accord is the fact that it would have no significant effect on global temperatures. A peer-reviewed paper by Dr. Bjorn Lomborg published in the Global Policy Journal determined that even if every country achieves their emissions goal by 2030, the total temperature reduction by 2100 would be only 0.048 degrees Celsius (0.086 degrees Fahrenheit). Extending the climate commitments another 70 years, according to Dr. Lomborg's research, still proves little discernable benefit to the global temperature.

President Trump's decision to withdraw from the Paris Accord should be acknowledged for what it truly is; a stand *not* against addressing global climate changes, but against global government by fiat.

The U.S. continues to make strides in energy and environmental progress. Emissions have been on a steady decline since 2008. Through the first half of 2016, U.S. emissions were the lowest in 25 years (Energy Information Administration). Better yet, increased production of oil and natural gas has led to lower energy prices, and provided family wage jobs to people from all walks of life.

Climate agreement or not, as history has proven once before, the U.S. will continue to lead the world in energy innovation and environmental stewardship.

Cities Taking Up Climate Change Agenda

To date, four Montana cities have joined the **Mayors National Climate Change Action Agenda**, thereby adopting the goals of the Paris Climate Accord. They are Missoula, Bozeman, Whitefish and Helena. So what does that mean?

According to information on the Climate Mayors network website, the renewed focus on cities is part of a new push "intended as a rapid response...for U.S. cities in light of the President's action to withdraw U.S. participation from the Paris Agreement".

Climate Mayors (aka the Mayors National Climate Action Agenda) is a Mayor-to-Mayor network for US Mayors collaborating on climate. It is led by Mayor Garcetti of Los Angeles and operationally run by the Chief Sustainability Office for LA, Matt Petersen and Deputy CSO, Lauren Faber.

There are no binding commitments as Climate Mayors members, only that cities are pursuing actions to achieve an emissions reduction target through:

- 1. Developing a community Greenhouse Gas (GHG) inventory*
- 2. Setting near-and long-term targets to reduce emissions*
- 3. Developing a Climate Action Plan aligned with the city's targets...*

The Climate Mayors...work together to strengthen local efforts for reducing greenhouse gas emissions and supporting efforts for binding federal and global-level policy making...In January (2017) 30 Climate Mayors issued an electric vehicle (EV) request for information (RFI) to show automakers and manufacturers that 114,000 of their cities' cars and trucks could be electrified.

Although there is no formal mechanism for subnational entities such as cities and municipalities to join the Paris Agreement, Climate Mayors members 'sign up' by adopting the spirit and goals of the Agreement, supported by tangible local-level action.

US Officials Lift YNP Grizzly Protections

Source: [Helena Independent Record](#), June 23, 2017 By Matt Volz, AP

Protections that have been in place for more than 40 years for grizzly bears in the Yellowstone National Park area will be lifted this summer after U.S. government officials ruled Thursday that the population is no longer threatened.

Grizzlies in all continental U.S. states except Alaska have been protected under the Endangered Species Act since 1975, when just 136 bears roamed in and around Yellowstone. There are now an estimated 700 grizzlies in the area that includes northwestern Wyoming, southwestern Montana and eastern Idaho, leading the U.S. Fish and Wildlife Service to conclude that the population has recovered.

“This achievement stands as one of America’s great conservation successes,” Interior Secretary Ryan Zinke said in a statement...The final ruling by the Fish and Wildlife Service to remove Yellowstone grizzlies from the list of endangered and threatened species will give jurisdiction over the bears to Montana, Idaho and Wyoming by late July...Wildlife officials in Montana, Idaho and Wyoming have been managing the bear population alongside federal government officials for decades. Those states will follow strict regulations to keep a viable population...

The ruling does not directly affect other populations of grizzlies that are still classified as threatened but which wildlife officials consider recovered, such as the estimated 1,000 bears in the Northern Continental Divide area of Montana and Idaho.

Editors Note: A coalition of environmental groups and one Indian tribe have filed their 60-day notice of intent to sue the federal government over the delisting decision. They argue federal and state officials have prematurely rushed the delisting process without proving the bears can survive.

Western Governors: States should be full partners in management of ESA

Source: [Missoulian](#), June 29, 2017 By: Perry Backus

Wyoming Gov. Matt Mead hopes to find the “sweet spot” that both protects endangered species and provides certainty for those who make a living on the land.

On Wednesday, the Wyoming Republican announced the Western Governors’ Association had passed a resolution that calls for the states to play a more central role in helping with management of wildlife protected under the federal Endangered Species Act.

The resolution would also encourage voluntary protection of important habitat, better use of local expertise, increased transparency on the processes agencies use of local expertise, increased transparency on the processes agencies use under the act and would seek to reduce unnecessary litigation.

Mead said the hope is the resolution would lead to the reauthorization of the Endangered Species Act.

Fox on Board with Zinke

Source: [Helena Independent Record](#), June 30, 2017 By: Ashley Herbovig

Montana's attorney general is jumping in to the legal battle over Interior Secretary Ryan Zinke's decision to lift the moratorium on coal-mining leases on federal land. Zinke signed the order reversing the Obama administration's pause on issuing new coal mining leases on March 29. It was quickly challenged in federal court by environmental groups.

Montana Attorney General Tim Fox, a Republican who was re-elected to a second term last November, is seeking to join the suit supporting Zinke because Fox says Montana's economy relies heavily on taxes paid by coal mining operations.

In fiscal year 2016, Montana received \$ 15.4 million in coal royalties paid on federal lands. Montana is the sixth largest coal-producing state, accounting for 4.7 percent of the nation's recoverable coal reserves.

In addition, said Eric Sell, Fox's communications director, the lawsuit filed by the environmental groups is based on shaky legal ground...

The lawsuit challenging Zinke's lifting of the moratorium was filed by Citizens for Clean Energy, EcoCheyenne, Montana Environmental Information Center, Center for Biological Diversity, Defenders of Wildlife, the Sierra Club and the Northern Cheyenne Tribe...

The defendants include the U.S. Department of Interior, Secretary of the Interior Ryan Zinke and the U.S. Bureau of Land Management. The State of Wyoming also has weighed in on behalf of Zinke in the suit, which is before U.S. District Court Judge Brian Morris in Great Falls.

Fox will allocate some staff resources to fighting the lawsuit, Sell said.

The plaintiffs say that Zinke's decision puts the environment at risk and violates the National Environmental Policy Act, the Administrative Procedures Act, the Mineral Leasing Act and the Federal Land Policy and Management Act. States including New Mexico, California, New York and Washington have joined the plaintiffs in seeking to reverse the March 29 order.

Environmental Quality Council Sets Work Plan

The Montana Environmental Quality Council met June 29-30, 2017 in Helena for their initial meeting of the 2017-2018 interim. Sen. Chas Vincent was elected as chair and Rep. Brad Hamlett as vice chair. Members heard reports from various state agency representatives concerning programs that affect wildlife management, environmental regulatory processes, and other matters. Information about the upcoming fire season was of key interest to many of the committee members due to concerns with drought conditions in Northeastern Montana.

EQC also adopted a work plan for the interim that includes: looking at the State Parks program and issues associated with management and funding, reviewing the hard rock permitting program and current existing hard rock mining applications currently in process (potentially including presentations from the applicants and other stakeholders), tracking concurrent activities associated with the invasive species program, efforts to control brucellosis, prevention of chronic wasting disease, and fire-related topics. They will also take a limited look at what's happening with coal markets and uses of the revenue from the coal tax. The EQC will continue to hear reports from the agencies they oversee at their meetings, a practice which allows the committee to request information on other timely topics.

Revenue and Transportation Interim Committee Adopts Work Plan for the Interim

Source: The June Legislative Interim Newsletter By: Megan Moore

The Revenue and Transportation Interim Committee held its organizational meeting June 12 in Helena. The committee elected Rep. Tom Jacobson (D-Great Falls) as chair and Sen. Mark Blasdel (R-Kalispell) as vice chair.

The Legislative Council assigned three studies requested by resolution to the committee: Senate Joint Resolution No. 23, a study of property taxation of utility property, House Joint Resolution No. 18, a study of tax increment financing, and House Joint Resolution No. 22, a study of agricultural property valuation. The committee adopted a work plan that incorporates all three studies.

The work plan also includes statutory duties such as revenue estimating and monitoring and agency oversight of the Departments of Revenue and Transportation and the Montana Tax Appeal Board. Revenue estimating and monitoring topics will include receipt of reports analyzing the effectiveness of the Budget Stabilization Reserve Fund parameters, consideration of how the Budget Stabilization Reserve Fund may affect revenue estimating, and tracking increased fuel tax revenues and motor vehicle fees.

Other topics included in the work plan are review of implementation of House Bill No. 511 provisions related to market sourcing of sales for corporate income tax purposes, examination of section 15-10-420, MCA, as it related to statewide mill levies, development of property tax information for legislators, review of reports provided the Legislative Finance Committee for its consideration of the stability of general fund revenue, monitoring implementation of fuel tax increases, review of the distribution of oil and natural gas taxes, and review of information on the effect on local governments of placing property into trust for a Montana Indian tribe.

Upcoming Events/Dates

July 17-18, 2017	Montana Coal Council Annual Meeting Big Horn Resort, Billings, MT
July 19-20, 2017	Water Policy Interim Committee (WPIC) State Capitol, Helena, MT
July 27-29, 2017	Governor's Cup Golf Tournament Flathead (Governors' Reception and Sandbagger Barbeque – July 27)
July 31, 2017	Energy & Telecommunications Committee (ETIC) State Capitol, Helena, MT
August 29 – 30, 2017	Montana Petroleum Association Annual Meeting DoubleTree by Hilton, Billings, MT
September 14, 2017	Revenue and Transportation Interim Committee State Capitol, Helena, MT
September 19-21, 2017	Montana Wood Products Association/Forest Resource Association Convention Grouse Mountain Lodge, Whitefish, MT
September 27 – 28, 2017	Environmental Quality Council State Capitol, Helena, MT
December 6, 2017	Montana Taxpayers Association Annual Meeting Helena, MT
December 12-14, 2017	MT. Stockgrowers Association Annual Convention & Trade Show Double Tree & Northern Hotels, Billings, MT

January 17-18, 2018

Environmental Quality Council
State Capitol, Helena, MT

March 21-22, 2018

Environmental Quality Council
State Capitol, Helena, MT

If you don't want to receive the TSRA Newsletter, please let me know. If you want to share with others in your company or organization, please do so. The mission of the Treasure State Resources Association is to promote and enhance the Montana Way of Life through responsible resource development.