



TREASURE STATE
RESOURCES ASSOCIATION
OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS
May, 2018

Sen. Daines Announces Exciting Line-up of Speakers for Energy Summit – May 30-May 31, 2018 at the Billings Convention Center, Billings, MT

U.S Senator Steve Daines has announced the tentative agenda for the 2018 Montana Energy Summit. “This group of speakers for the 2018 Montana Energy Summit will lead an exciting and informative discussion on unlocking Montana energy – the backbone of American energy,” Daines said.

Co-sponsored by the Montana Chamber Foundation and supported by a cross-section of associations and businesses, the Montana Energy Summit serves as an opportunity to bring the nation’s energy business leaders to Billings. The agenda is anticipated to include Senator Barrasso from Wyoming who chairs the U.S. Senate Committee on Environment and Public Works; Orlando Alvarez, President and Chief Executive Officer, BP Energy; Harold Hamm, Founder, Chairman and Chief Executive Officer for Continental Resources; Chris Kendall, President and Chief Executive Officer, Denbury Resources; Russ Girling, Chief Executive Officer, TransCanada; Ralph Alexander, Chief Executive Officer, Talen Energy; Robert Rowe, President and Chief Executive Officer for Northwestern Energy; Neil Chatterjee, Commissioner, Federal Energy Regulatory Commission; Mark Menezes, Under Secretary, U.S. Department of Energy; Colin Marshall, President, CEO & COO, Cloud Peak Energy and Dr. Miyake, Regional Head for the Americas of Japan Bank for International Cooperation. The agenda also features a special panel discussion on Colstrip and Coal Jobs in Montana.

To find out more information about the Summit, or to register go to:

<http://www.mtenergysummit.com>

EPA Region 8 Smart Sectors program to engage businesses in achieving better environmental outcomes

Source: EPA Press Release 5/1/2018 Contact: Richard Mylott (mylott.richard@epa.gov)

The U.S. Environmental Protection Agency's Region 8 office in Denver has launched a Regional Smart Sectors Program in the Office of Policy. This is an initiative to improve collaboration and dialogue with key sectors of the economy in the states of Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming.

"When we consider American business as a partner, as opposed to an adversary, we can achieve better environmental outcomes," said EPA Administrator Scott Pruitt at the launch of U.S. EPA's Smart Sectors program last fall. "The Smart Sectors program is designed to effectively engage business partners throughout the regulatory process. When industries and regulators better understand each other, the economy, public and environment all benefit."

Region 8's Smart Sectors Program will partner with leaders in the regional business community as well as with state governmental partners. The program will work to identify trade associations and industries that represent the engines of our state economies and offer significant opportunities for environmental impact.

"I am encouraged that the EPA has included Outdoor Recreation and Tourism in this initiative," said Colorado Governor John Hickenlooper. "This industry is a huge economic force contributing billions to Colorado's economy while providing hundreds of thousands of jobs. It's a natural fit for Smart Sectors to consider this industry's contributions as part of the program."

"The Smart Sector approach, I believe will produce positive results with industry," said North Dakota Agriculture Commissioner Doug Goehring. "Changing behavior from confrontational and seeking first to understand industry will enable EPA to design guidance documents and rules that assist industry in understanding how to be compliant."

"The Wyoming mining industry applauds this innovative initiative and looks forward to participating in the EPA Region 8 effort," said Wyoming Mining Association Executive Director Travis Deti. "By working together and building a strong relationship between the Agency and the regulated community, we can make positive improvements toward maintaining a strong industry while achieving environmental goals."

Beginning this summer, EPA Region 8 will coordinate with the Office of Policy to develop a series of sector-specific forums to advance a better understanding of business practices and to explain environmental regulations and the regulatory process in simple terms. EPA will also be seeking information about best practices in various industries and will look for opportunities to recognize companies that are going beyond compliance or succeeding over time with little or no compliance violations.

Sectors identified for initial efforts in EPA Region 8 include: Agriculture and Food/Beverage production; Mining; and Outdoor Recreation/Tourism. Additional sectors may be added over time.

EPA Region 8's efforts will build upon EPA Administrator Scott Pruitt's October 2017 launch of Smart Sectors, a partnership program between the Agency and regulated sectors focused on achieving better environmental outcomes. The program recognizes that a sector-based, collaborative approach with America's businesses provides a significant opportunity for EPA to consider more forward-thinking ways to protect the environment.

A sector-based approach can provide benefits such as: increased long-term certainty and predictability, creative solutions based on sound data; and, more sensible policies to improve environmental protection. Program leads for each sector will serve as ombudsmen within the Agency across program and regional offices. Staff will also conduct educational site tours, host roundtables with EPA leadership, analyze data and advise about options for environmental improvement; maintain open dialogue with business partners and their environmental committees; and, develop reports that profile the impact of each sector on the environment and the economy.

Secretary Perdue, Forest Service Endorse Daines' Efforts to End Frivolous Litigation, Move Forest Management Forward

Source: Sen. Daines Press Release April 24, 2018

During hearings on April 24, 2018 in the Senate Agriculture, Nutrition, and Forestry Committee and the Senate Energy and Natural Resources Committee, Department of Agriculture Secretary Sonny Perdue and the interim chief of the U.S. Forest Service agreed to work with U.S. Senator Steve Daines to end frivolous litigation that hinders critical forest management projects in Montana.

They both voiced support for his effort to establish an arbitration program in Montana that would be an alternative to litigation...

During the Senate Agriculture, Nutrition, and Forestry Committee hearing, Secretary Perdue said he would welcome an arbitration program, which would be “quicker and less expensive for all parties.”

Vicki Christiansen, the Interim Chief of the Forest Service, confirmed with Daines that the Forest Service “would be happy to work on a pilot project evaluating arbitration.”

Daines introduced the Protect Collaboration for Healthier Forests Act, which establishes a pilot arbitration program authorizing the U.S. Forest Service to use binding arbitration in Region 1 (Montana, parts of Idaho, North Dakota) as an alternative dispute resolution process for certain forest restoration projects. Litigation against forest management projects frequently take many years to resolve. Pilot arbitration authority would bring swifter resolution to disputed projects. In doing so, hazardous fuels reduction projects developed through a collaborative process that are allowed to go forward will be implemented more quickly.

BLM Announces Outcome-Based Grazing Projects for 2018 Initiative provides grazing permit holders flexibility in the management of livestock – Montana operation included among projects

Source: BLM Press Release March, 2018

The Bureau of Land Management has announced 11 demonstration projects in six states for its outcome-based grazing authorizations initiative, which is designed to provide BLM managers and grazing permit holders greater flexibility in the management of permitted livestock. This initiative emphasizes the Trump Administration’s goal of promoting shared conservation stewardship of public lands while supporting uses such as livestock grazing...

Outcome-based grazing emphasizes conservation performance, ecological, economic and social outcomes and cooperative management of public lands. This initiative will help demonstrate that permitted livestock grazing on public lands can operate under a less rigid framework than is commonly used in order to better reach agreed upon habitat and vegetation goals.

The demonstration projects will provide BLM, working in partnership with ranchers and other partners, with an opportunity to enhance its guidance and best management practices to use when issuing grazing permits. The projects will also be used as models for developing cooperative monitoring plans and land health evaluations that will be implemented in future authorizations under this program.

The permit holders chosen to serve as demonstration projects include Joe King and Sons, Inc. and Gran Prairie Limited Partnership in Lewistown, Montana.

Senator Tester Promotes Precision Agriculture in Montana

Source: Office of Sen. Tester May 1, 2018

Last week Sen. Tester teamed up with Republicans and Democrats to pass the Precision Agriculture Connectivity Act to boost access to the latest technology for Montana farmers and ranchers...

The legislation will direct the FCC to establish a task force to identify gaps in high-speed internet connectivity and mobile wireless service for the nation's cropland and rangeland. The task force will also produce legislative and executive recommendations to promote the deployment of precision agriculture technology. The goal of the task force will be to deliver reliable precision agriculture technology to 95 percent of the farmlands in the U.S. by 2025.

Precision agriculture is an approach to farming and ranching that uses information technologies such as wireless internet and mobile devices, to better manage crop cycles, irrigation, soil health, harvests and other aspects of production agriculture. Precision agriculture is a growing component of farming and ranching in Montana and across the country.

Speaking of Agriculture...

MT Representative Greg Gianforte Seeks to Put Montana's Fingerprints on the New Farm Bill

Source: Rep. Gianforte's Treasure State Update April 27, 2018

Rep. Gianforte reported in his most recent newsletter that he is keeping a close eye on the new Farm Bill currently being written in the House Agriculture Committee. The measure guides farm policy over the next six years, and also reforms how we manage our forests, promotes trade and provides regulatory relief.

According to information on the Agriculture Committee's website, the farm bill will modernize the pesticide registration process to remove unnecessary regulatory requirements that prevent safer crop protection tools from entering the market.

The farm bill also encourages proper management for federal, state and private forests and incentivizes infrastructure and new market opportunities to revitalize communities and healthy landscapes. The bill builds upon the successes of farm bill categorical exclusions (CEs). CEs are used for routine activities with known outcomes, and they save the Forest Service time and money while still protecting the environment and natural resources. It also removes the requirement for consultation under Section 7 of the Endangered Species Act for a project carried out by the Forest Service if the project is found not likely to adversely affect a listed species.

EPA Approves Montana Five-Year Water Pollution Management Plan

Source: MT. DEQ April 24, 2018

The Environmental Protection Agency recently approved Montana's five-year plan to protect the state's water quality from the effects of a wide variety of diffuse pollutants, collectively known as nonpoint source pollution.

The Department of Environmental Quality updated its plan that addresses the types of water pollution associated with a broad range of land use activities, including urban stormwater runoff, agricultural and forestry practices, and road building and maintenance. The plan outlines objectives, strategies, and actions for the next five years. Implementation of the plan relies on statewide partnerships and local efforts by all Montanans. The plan focuses on voluntary implementation of Best Management Practices such as managing livestock grazing to protect riparian areas along streams or reducing runoff and erosion from unpaved roads.

"This remains a key piece of improving water quality in Montana," said DEQ Director Tom Livers. "As Montanans we can all play a role in significantly decreasing nonpoint source pollution and protecting our healthy environment."

To access Montana's Nonpoint Source Management Program Plan go to:

<http://deq.mt.gov/Water/WPB/Nonpoint-Source-Program>

Lawsuit Targeting Oil, Gas Lease Sales Cites Imperiled Bird

Source: Montana Standard May 1, 2018

By: Associated Press

Environmental groups are suing the Trump administration for selling oil and gas leases on huge swaths of Western U.S. public lands while allegedly ignoring policies meant to protect an imperiled bird.

The lawsuit filed Monday in U.S. District Court seeks to reverse lease sales across 475 square miles in Montana, Wyoming, Utah and Nevada.

Western Watersheds Project and Center for Biological Diversity also want to block upcoming sales covering 1,800 square miles in those four states plus Idaho.

Under former President Barack Obama, the Interior Department in 2015 adopted plans to protect greater sage grouse after the ground-dwelling bird lost much of its habitat due to energy development and other causes. Trump's Interior secretary, Ryan Zinke, has placed a greater priority on energy development.

Montana Sage Grouse Oversight Team Approves the Greater Sage-grouse Mitigation Plan for the Spring Creek Mine's Proposed AM5 Haul Road Project on April 26, 2018 – Action Allows EIS Process to Proceed

Source: Montana Sage Grouse Program

In December 2015, Cloud Peak Energy submitted an application to the Montana Department of Environmental Quality (DEQ) to add new lands to the current Surface Mining Permit under the Montana Strip and Underground Mine Reclamation Act (MSUMRA). This proposed permit amendment (AM5) is for a transportation corridor, or haul road, connecting Cloud Peak's existing Spring Creek Mine in Montana with its Youngs Creek Mine in Wyoming...

MSUMRA requires this type of project to avoid or minimize impacts for designated State sensitive species, such as the Greater Sage-grouse. While the AM5 amendment application was submitted prior to the effective date of the Governor's Executive Order that now guides activities in Greater sage - grouse habitat in Montana, other permits that will be needed for the project necessitated consultation with the Montana Sage Grouse Habitat Conservation Program.

Because work on the Habitat Quantification Tool and the Mitigation Policy that once adopted, will provide the framework for evaluating projects in sage grouse habitat in Montana is not yet complete, MT DEQ, Cloud Peak Energy and the Montana Sage Grouse program worked collaboratively to develop a mitigation plan guided by the Executive Order.

The parties realized that opportunities for effective, on-site mitigation were limited given the nature of the project. Parties agreed to off-site mitigation for the project to address the direct and secondary impacts of the proposed haul road. The plan:

- describes the transportation corridor and summarizes activities that would occur within it,
- summarizes the potential impacts to sage grouse and sage grouse habitats,
- describes adherence to the mitigation hierarchy through avoidance, minimization, reclamation, and compensatory mitigation, including a financial obligation to deposit funds into the Stewardship Account prior to initiating construction; and
- describes additional voluntary conservation efforts that will be recognized by the State of Montana and the program in the general area outside of the transportation corridor itself.

After hearing an overview of the proposal, which calls for Cloud Peak Energy to deposit \$1,707,353.00 in the state's Stewardship Account, MSGOT members approved the plan.

DEQ will now incorporate it into the draft EIS that is expected to be released this spring. DEQ expects to complete the final EIS by the end of the Summer 2018. When the EIS is complete, and if the amendment is ultimately approved by DEQ, the proposed mitigation plan would be part of

the project approval, included in the DEQ's Record of Decision, and incorporated into state permits as appropriate. Funds would be deposited in the Stewardship Account prior to construction.

Register Soon for the TSRA Annual Meeting – Room Block Expires May 25th

Registration materials are available for the 2018 Treasure State Resources Association Annual Meeting June 20-21, 2018 at the Clarion Inn, Copper King Hotel and Convention Center in Butte, Montana. Those can be found at: treasurestateresources.org Please note the room block will expire on May 25th so make your reservations soon.

As a reminder, we'll be hearing from EPA Region 8 Administrator Doug Benevento and Tim Williams, Deputy Director in the Office of External Affairs at the Department of Interior as well as a host of other speakers. Mr. Williams will speak in the morning and Administrator Benevento will speak following the noon luncheon on June 21, 2018.

All meetings will take place at the newly renovated Clarion Inn, Copper King Hotel & Convention Center in Butte, Montana on **June 20– 21st, 2018**. The TSRA Golf Scramble will be played at the Butte Country Club on the afternoon of June 20th.

Room reservations can be made by calling the Clarion Inn, Copper King Hotel and Convention Center at **406-565-5001**. Rates are \$124.00 plus tax for single occupancy and \$134.00 plus tax for double occupancy. Identify yourself as a member of the **Treasure State Resources Association** when making your reservation to receive the group rate. Again, check the TSRA website at: treasurestateresources.org for the latest Agenda information.

We'd like to recognize our Conference Sponsors to Date. They are:

Trailblazer Level: BNSF Railway

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Advocate Level: CDM Smith, Energy Laboratories, Melissa Lewis & Associates, Montana Chamber of Commerce and Solvay U.S.A.

Thank you for your early support for our annual meeting program.

Montana DEQ and Industry Stakeholders Continue Work on Proposed Air Quality Fee Increase

At the March 22nd meeting of the Clean Air Act Advisory Committee, the Montana Air Quality Division unveiled plans to propose a fee increase to fund their operations. If approved, it will be the first increase in 10 years. DEQ staff noted that as those emissions have been reduced, so has revenue to operate the program and maintain the state's primacy for regulating air quality.

A fee increase requires action by the Board of Environmental Review. They must approve rulemaking, hold a hearing and take public comment, respond to those comments and then consider final adoption. That could take 3-4 months. DEQ anticipates the fee increase to be in effect by this November. DEQ hopes to initiate rulemaking at the Board of Environmental Review's June meeting.

TSRA has been working with the Montana Petroleum Association to more fully explore the proposed increases and overall budget concerns. We held a meeting with DEQ staff and interested members on April 18th at the CHS Refinery in Billings. DEQ reviewed the information presented at the earlier CAAAC meeting as well as additional background about program expenses, staffing levels, and other issues that drive their operating costs. Additional options were discussed, including how to manage timelines to allow facilities to prepare budgets that better anticipate the increase in fees.

Participants and DEQ staff agreed to review the new information and options discussed prior to meeting again on May 11th to address additional feedback. DEQ will then present updated information at the next CAAAC meeting and prepare draft rules for consideration by the BER.

The May 11th meeting will again be held at the CHS Refinery in Billings beginning at 9:00 am. Those interested in participating in this meeting with DEQ either in person or by telephone should contact Peggy Trenk at ptrenk@tsria.net. DEQ's updated presentation slides can be found on their website on the CAAAC page.

TSRA thanks CHS and the Montana Petroleum Association, as well as DEQ for their assistance in providing a forum for more discussion about this issue.

Upcoming Events/Dates

May 17-18, 2018

Energy and Telecommunications Committee
State Capitol, Helena, MT

May 21-22, 2018	Water Policy Interim Committee Bozeman City Hall, Bozeman, MT
May 22-23, 2018	Montana Mining Association Convention Fairmont Hot Springs Resort, Anaconda, MT
May 29-30, 2018	Environmental Quality Council State Capitol, Helena, MT
May 30-31, 2018	Montana Energy Summit Billings, MT
June 12-15, 2018	Montana Farm Bureau Federation Summer Conference Fairmont Hot Springs Resort, Anaconda, MT
June 20-21, 2018	Treasure State Resources Association Annual Meeting Copper King Inn, Butte, MT
July 10-11, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
July 16-17, 2018	Montana Coal Council Annual Meeting Bighorn Resort, Billings, MT
July 16-17, 2018	Water Policy Interim Committee State Capitol, Helena, MT
July 19-20, 2018	Energy and Telecommunications Committee State Capitol, Helena, MT
July 25-26, 2018	Environmental Quality Council State Capitol, Helena, MT
August 28-29, 2018	Montana Petroleum Association Annual Meeting Billings, MT
September 6-7, 2018	Montana Wood Products Association Hilton Garden Inn, Missoula, MT
September 10, 2018	Energy and Telecommunications Committee State Capitol, Helena, MT

September 10-11, 2018	Water Policy Interim Committee State Capitol, Helena, MT
September 12-13, 2018	Environmental Quality Council State Capitol, Helena, MT
September 13, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
September 14, 2018	MT. Sage Grouse Oversight Team State Capitol, Helena, MT
November 7-10, 2018	MT Farm Bureau Federation Convention Double Tree and Northern Hotels, Billings, MT
November 19, 2018	Revenue and Transportation Interim Committee State Capitol, Helena, MT
December 11-13, 2018	Montana Stockgrowers Association Convention Double Tree and Northern Hotels, Billings, 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.