



TREASURE STATE RESOURCES ASSOCIATION OF MONTANA

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TREASURE STATE RESOURCES ASSOCIATION NEWS August, 2021

Your Input Still Needed for Regulatory Reform Effort – Continue Submitting Your Ideas

Earlier this year Montana Governor Greg Gianforte issued an Executive Order launching the “Red Tape Advisory Council”. The Council’s job is to review agency rules and policies for the purpose of identifying changes that will simplify or streamline regulatory processes and improve customer service.

Lt. Governor Kristen Juras is heading up the “red tape” effort. In a recent meeting with representatives of business groups and other interested parties the Lt. Governor emphasized the Administration is still looking for input from the public. While there was an initial push for comments earlier this spring, recommendations for changes are welcome at any time. “This effort is a marathon, not a sprint,” according to Lt. Governor Juras. Ideas can be submitted to the Governor’s office via a portal at: <https://governor.mt.gov/Red-Tape-Relief> All comments will remain confidential.

Each agency has been tasked with creating a plan for how they will identify rules or policies that should be changed. The plan will include external stakeholder outreach as well as engagement with internal agency staff. While subject to change, the working timeline established by the Lt. Governor is for agencies to complete and submit their plans by the end of July. That will be followed by a more specific agency outreach to stakeholders that will begin in late August/early

September and be completed by the end of November. Each agency will then submit their recommendations by the end of the year in preparation for beginning formal rulemaking in February, 2022. To provide the necessary “infrastructure” for the agency-wide effort, the state is also contracting with a company that offers software specifically designed to facilitate regulatory reform projects. Because the offices of other statewide elected officials also have rulemaking authority, they too have been contacted about advancing regulatory reform in coordination with the Governor’s office.

The “Red Tape” project will focus on making qualitative change, as opposed to setting a specific target for repealing or amending rules. While statutes may ultimately need to be amended, the priority is to focus on existing rules as well as agency policies set forth in memos or guidance documents. Again, the goal is to help the public, including business and industry, find their way through regulatory processes more efficiently by reducing the potential for errors or bureaucratic “bottlenecks” that consume time and resources. Ways to improve communication between agencies, as well as between agency staff and the public will be emphasized.

In sum, this truly is a “marathon” undertaking, but one that should help state government work better with the people it serves.

Montana DEQ Hazardous Waste Program Planning to Propose Fee Increases

Source: Montana Department of Environmental Quality

In 2022, the Montana Department of Environmental Quality, Hazardous Waste Program (HWP) will propose revisions to hazardous waste provisions of the Administrative Rules of Montana (ARM). The proposed revisions will incorporate federal hazardous waste rules and increase hazardous waste generator and permitting fees.

The HWP is holding meetings in Billings (August 10) and Helena (August 13) to introduce and receive feedback on the draft proposed rule revisions and the rationale for the proposed fee increases. Participants may attend in person or virtually through Zoom. Those planning to attend in person should let DEQ know as soon as possible to assure space will be available. For a fact sheet on the changes go to: <https://deq.mt.gov/public/publicmeetings>

Please note that these meetings and request for input are informal processes to obtain the viewpoints and advice of interested persons with respect to contemplated rulemaking. A formal rulemaking process under the Montana Administrative Procedure Act, including a public hearing and the opportunity for public comment on the final proposed rules, will occur in 2022.

For more information about the proposed changes contact Denise Brunett at (406) 444-4096 or send an email to DEQHazWaste@mt.gov with the subject line: HWP Draft Proposed Rule Revisions

Water Policy Interim Committee Adopts Selenium, Erosion Studies

Source: Montana Legislative Services

Montana's drought--and likely its wildfires--are expected to worsen, state officials told members of the Water Policy Interim Committee recently.

WPIC began its 2021-22 interim on July 14-15, adopting a work plan that includes studies of water quality standards for selenium in Lake Koocanusa and erosion in the lower Flathead River.

State water planner Michael Downey told the 10-member committee that Montana's wettest month, June, was abnormally hot and dry, which has put most of the state under official drought designation. And the state's driest month, August, awaits, with predictions of less precipitation and higher temperatures. Unprecedented calls on the Yellowstone River are a possibility, Downey also added.

State forester Sonya Germann echoed Downey's dour news, telling WPIC that local, state, and federal firefighters are aggressively attacking all new fires, because there are no extra resources to combat bigger blazes. Germann said the northern Rockies are the country's No. 1 priority for wildland fires.

In constructing an interim work plan, the committee voted to form a special joint committee with members of the Environmental Quality Council for House Joint Resolution 37, a study of selenium standards in Lake Koocanusa. The proposed 8-member special joint committee would analyze the data and processes used by the Department of Environmental Quality last year to set fish tissue and water column standards for selenium concentrations. Selenium levels have been on the rise in the basin, owing to mining activity in British Columbia. The special joint committee could then make recommendations for the related administrative rule or supporting documentation.

WPIC also chose to conduct a study of Flathead River erosion (SJ 28), where certain boat use may be endangering agricultural lands, water resources, riparian vegetation, and aquatic systems. The committee tentatively agreed to visit the area during the interim.

Members of the committee are: Sen. Jill Cohenour (D-E. Helena), Sen. Shane Morigeau (D-Missoula), Sen. Walt Sales (R-Manhattan), Sen. Jeffrey Welborn (R-Dillon), Rep. Willis Curdy (D-Missoula), Rep. Robert Farris-Olsen (D-Helena), Rep. Tom France (D-Missoula), Rep. Rhonda

Knudsen (R-Culbertson), Rep. Marty Malone (R-Pray), Rep. Bob Phalen (R-Lindsay). The committee chose Sen. Welborn as presiding officer and Rep. Curdy as vice-presiding officer.

The WPIC meets again Oct. 12-13. Go to leg.mt.gov/water for more information or contact staff at jasonmohr@mt.gov or (406)444-1640.

Revenue Interim Committee Elects Officers/Selects Study Options

At their July 15, 2021 meeting, the Revenue Interim Committee (RIC) elected Senator Jill Coheneur as Chair and Representative Becky Beard as Vice Chair. Both have been members of the Senate and House tax committees and bring a great deal of knowledge and experience to the work of the RIC.

As part of their work this interim, RIC will look closely at the Coal Severance Tax Fund – including the programs funded by coal severance tax revenue -- to determine if adjustments need to be made with respect to the current decline in coal tax revenues. That study will include gaining an understanding of the market for coal and export opportunities.

Committee members differed in opinion with respect to whether the study should include a look at other energy resources to see if there is potential for raising additional taxes to go to the trust fund. Some were concerned that could generate a good deal of controversy and detract from the core purpose of the study. They proved to be in the minority when the vote was taken and as it sits at present, the study will include the possibility of taxing other energy sources to shore up funding for the programs supported by coal trust revenues.

The RIC is also charged with looking at residential property taxes, including options for reducing the current tax burden. The study, established under HB 36, ranked the highest in priority in a poll of legislators conducted post-session.

The RIC is also monitors the Department of Revenue (DOR) and Montana Tax Appeal Board, as well as for reviewing DOR rulemaking. Future agendas will include updates from those entities. The committee also tracks state revenue over the interim in preparation for adoption of a revenue estimate for the next biennium.

As with most interim committees, the first pass through the study options and interim work plan can be adjusted before final adoption at the Committee's September meeting. The RIC is scheduled to meet September 23-24, 2021 at the State Capitol in Helena.

More information can be found at: <https://leg.mt.gov/committees/interim/ric/>

Energy and Telecommunications Interim Committee Elects Officers

Another of the interim committees that TSRA follows is the Energy and Telecommunications Interim Committee or “ETIC”. The Committee met July 23rd in Helena to lay the groundwork for their interim work. Senator Mary McNally (D) of Billings was elected Chair and Senator Terry Gauthier (R) will serve as Vice Chair.

As with other interim committees, ETIC has agency oversight responsibilities primarily for the Department of Public Service Regulation and the Public Service Commission. That includes reviewing proposed rules and later in the interim, proposed statutory changes. ETIC also reviews the state’s energy policy.

PSC Chair James Brown and Commissioner Jennifer Fielder offered an extensive update regarding their work to revamp PSC operations with an eye to creating a more stable, and mission-driven environment for staff and the members. Both highlighted the need for additional staff support.

Some ETIC members expressed an interest in having the committee delve more deeply into their “telecommunications responsibilities” by learning more about broadband coverage in the state. Because work on broadband issues is being taken up by other entities, including one of the ARPA Commissions, ETIC will limit its effort to hearing regular updates on the subject.

While the work plan won’t be finalized until September, ETIC members generally agreed that the SJ 3 study of the feasibility of advanced nuclear reactors and SJ 33 study of Montana electric grid capacity would consume the bulk of their work in the interim. ETIC will look to those with expertise in advanced nuclear technology to participate in future panel discussions and help answer questions about concerns such as safety and management of waste streams. One of the purposes of the study is to explore whether nuclear technology might be an option for replacing coal-powered generation at Colstrip in the future since the transmission infrastructure is already in place.

ETIC had been assigned the study of the use of facial recognition technology but that will now be taken up by the Economic Affairs Interim Committee.

The committee’s next meeting will be September 23, 2021 in Helena. They will continue to offer remote participation via Zoom, but those interested in offering comments will need to register by 5 pm. the previous day.

To access more information go to: <https://leg.mt.gov/committees/interim/etic/>

Senator Lang to Chair Environmental Quality Council for the Interim

The Environmental Quality Council (EQC) held an organizational meeting via Zoom on July 20th. Senator Mike Lang (R) of Malta was elected Chair and public member Brad Hamlett was elected Vice Chair. Mr. Hamlett has served in both the Montana House and Senate and is a former Chair of EQC.

The EQC has wide-ranging agency oversight responsibilities. They heard reports from the Directors of the Department's of Natural Resources and Conservation, Environmental Quality and Fish, Wildlife and Parks. Committee members were particularly interested in hearing from FWP Director Hank Worsch regarding upcoming changes in management of the Hell Creek Marina and Campground on Fort Peck Lake as the Little Shell Tribe prepares to assume the lease.

Other topics of keen interest to EQC members were reports on the current fire season and the state water supply. Montana is already seeing end of August water supply conditions and is the number one priority for fire-fighting resources in the nation.

The only interim study assigned to the EQC is HJ 27, a look at funding for conservation districts. Discussion is ongoing relative to coordinating work on the HJ 37 study of selenium levels in Lake Kookanusa with the Water Policy Interim Committee. EQC didn't take any action on appointing members to a proposed the joint committee

EQC members will revisit the work plan at their September 14-15th meeting to see what additional topics they will take up in the interim.

For more information on the work of the EQC go to:

<https://leg.mt.gov/committees/interim/eqc/>

New Analysis: Montana-Made Natural Gas And Oil Drives U.S. Economic Recovery, Strengthens All Industries

Source: American Petroleum Institute 202.682.8114 | press@api.org

On July 20, 2021 the American Petroleum Institute (API) released a [new analysis](#) of the natural gas and oil industry's vast economic impact on Montana's economy and highlighted its importance to the state's post-pandemic recovery. The study, prepared by PricewaterhouseCoopers (PwC) and commissioned by API, is based on the latest government data available and shows that [Montana's natural gas and oil](#)

[industry](#) supported 53,400 total jobs across the state's economy in 2019. Montana ranked [among the highest states](#) for the percentage of total economic contributions by the natural gas and oil industry, generating \$6.3 billion toward the state's gross domestic product—including \$3.2 billion added to total labor income.

“As America's economy comes back, the natural gas and oil industry will serve as the foundation for long-term growth and prosperity in Montana,” API President and CEO Mike Sommers said. “Every state across the country – both blue states and red states – rely on American energy to fuel each sector of the economy and support millions of U.S. jobs. This study reinforces that Montana's economic outlook is brighter when we are leading the world in energy production, and it serves as a reminder of what's at stake if policymakers restrict access to affordable, reliable energy and make us more dependent on foreign sources.”

As economic activity, travel patterns and consumption continue to grow during the post-pandemic recovery, the [U.S. Energy Information Administration](#) expects global oil and liquid fuels consumption to surpass 2019 levels in 2022. The PwC report, commissioned by API, reinforces how the natural gas and oil industry—in Montana in particular—is critical to economic revitalization and opportunities for job creation. According to the findings, in 2019, the industry directly and indirectly:

- **Supported 53,400 total jobs (14,600 direct and 38,800 indirect) or 7.7 percent of Montana's total employment.**
- **Generated an additional 2.7 jobs elsewhere in Montana's economy for each direct job in the state's natural gas and oil industry.**
- **Provided \$3.2 billion to Montana's labor income (\$1.3 billion direct and \$1.9 billion indirect), 9.7 percent to the state's total.**
- **Contributed \$6.3 billion to Montana's gross domestic product. (\$3.3 billion direct and \$3 billion indirect), 11.9 percent to the state's total.**

In 2019, the U.S. led the world in natural gas and oil production and the benefits of that leadership permeated throughout non-producing and producing states alike. At the national level in 2019, the natural gas and oil industry:

- **Supported more than 11.3 million total jobs (2.5 million direct and 8.8 million indirect) or 5.6 percent of total U.S. employment.**
- **Generated an additional 3.5 jobs elsewhere in the U.S. economy for each direct job in the U.S. natural gas and oil industry.**

- Produced \$892.7 billion in labor income (\$318.6 billion direct, \$574.1 billion indirect), or 6.8 percent of the U.S. national labor income.
- Supported nearly \$1.7 trillion to U.S. gross domestic product (\$763.3 billion direct, \$925.3 billion indirect), accounting for 7.9 percent of the national total.

[Click here](#) for more information on the economic impact analysis.

[Click here](#) for a copy of the report.

Agriculture Secretary Tom Vilsack Announces Randy Moore as New Forest Service Chief

Source: USDA Press Release, June 28, 2021

Agriculture Secretary Tom Vilsack has named Randy Moore as the 20th Chief of the U.S. Department of Agriculture's (USDA) Forest Service.

"Randy Moore has been a catalyst for change and creativity in carrying out the Forest Service's mission to sustain the health, diversity and productivity of the nation's forests and grasslands to meet the needs of present and future generations," said Secretary Vilsack. "In his role as Regional Forester, Randy has been a conservation leader on the forefront of climate change, most notably leading the Region's response to the dramatic increase in catastrophic wildfires in California over the last decade. His proven track record of supporting and developing employees and putting communities at the center of the Forest Service's work positions him well to lead the agency into the future at this critical time in our country."

Moore will serve as the first African American to hold the role of Chief of the Forest Service.

Previous Forest Service Chief Vicki Christiansen stepped down from her role on July 26. Chief Christiansen and Regional Forester Moore will continue to collaborate on an intentional leadership transition between now and then as the Forest Service gears up for a tough summer of predicted elevated fire activity across the Western United States.

Background:

Randy Moore has been serving as Regional Forester in the Pacific Southwest Region in California since 2007 where he has responsibility for 18 national forests, covering one-fifth of the state on 20 million acres of land. Additionally, he oversees State and Private Forestry programs in Hawaii and the U.S. affiliated Pacific Islands.

Previously, Moore served as the Regional Forester for the Eastern Region headquartered in Milwaukee, Wisconsin for five years.

Moore started his career in conservation in 1978 with USDA's Natural Resources Conservation Service in North Dakota. His Forest Service career began on the Pike and San Isabel National Forests in Colorado and the Comanche and Cimarron National Grasslands in Kansas. He served as Deputy Forest Supervisor on the National Forests of North Carolina and the Mark Twain National Forest in Missouri before serving as Forest Supervisor of the Mark Twain National Forest. Moore also has national-level experience in Washington, D.C., serving as acting Associate Deputy Chief for the National Forest System and the National Deputy Soils Program Manager.

BLM Extends APR Bison Proposal Draft EA Public Comment Period

Source: Montana/Dakotas Bureau of Land Management Office July 13, 2021

The public now has a total of 90 days to submit comments on the Bureau of Land Management's (BLM) draft Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for a bison grazing proposal on BLM-administered lands in Phillips County, Montana.

In response to concerns regarding the original 60-day comment period potentially conflicting with summertime farming commitments, John Mehlhoff, BLM Montana-Dakotas state director, extended the public review and comment period for the American Prairie Reserve (APR) bison grazing proposal draft EA & FONSI through Sept. 28.

"While 60 days already far exceeds any requirements for this type of NEPA activity, we recognize this proposal has generated greater public interest than similar grazing permit applications," said Mehlhoff. "This public comment period is an important stage of the decision-making process, and we encourage those who choose to participate to submit substantive comments."

No decision has been made at this stage in the process, he added.

"The NEPA process is designed to solicit public comment regarding the analysis we have conducted on APR's proposal," said Mehlhoff. "After careful consideration of the public input we receive, only then will a decision be made."

The BLM encourages public review and comment on the draft EA and FONSI by visiting the BLM's ePlanning website at <https://eplanning.blm.gov>. Search using the NEPA number: DOI-BLM-MT-L010-2018-0007-EA. Public comments may also be submitted via the U.S. Postal Service addressed to: BLM Malta Field Office; Re: APR Grazing Proposal; 501 South 2nd Street East; Malta, MT 59538.

Public comments submitted may be subject to Freedom of Information Act requests. Please, do not include in your draft EA/FONSI comments personally identifiable information you do not want to be made public.

After the draft EA and FONSI comments are received and reviewed, a Final Environmental Assessment and FONSI will be produced and released. BLM will then issue a grazing decision. All grazing decisions are subject to a 15-day protest and 30-day appeal period.

Montana Stockgrowers Association Expresses Concern in BLM's Draft EA and Finding of No Significant Impact for Bison Grazing Proposal Submitted by the APR

Source: Montana Stockgrowers Association

Earlier in July, the Montana Stockgrowers Association (MSGA) is expressed disappointment in the release of the Bureau of Land Management's (BLM) draft environmental assessment (EA) and Finding of No Significant Impact (FONSI).

"Our organization has consistently provided comments outlining concerns regarding the impacts a request like this can have on rangeland health, riparian areas and economic impacts to the livestock industry," stated Jim Steinbeisser, MSGA President. "...the release of the draft EA and Finding of No Significant Impact is very impactful to ranchers across the state. This assessment may have a much larger ripple effect moving forward on setting precedent for public land grazing permits."

In recent years, MSGA has raised a variety of concerns with the American Prairie Reserve's (APR) request to BLM to change the class of livestock from cattle to bison, change the authorized seasons-of-use, and the removal of interior fences.

MSGA has highlighted the potential for natural resource damage that can occur through conversion of the existing permits from season-long grazing to year-round grazing. In previous BLM documents, the agency also acknowledged that year-round grazing will lead to increased riparian trampling where bison tend to concentrate. Additionally, the removal of interior fences reflects a strategy of limited management of bison, therefore, raising the concern of the intent of the APR to adequately manage the population of their bison herd in the future.

"The fences represent a significant monetary investment in improvements, and if this change in grazing management proceeds, BLM must analyze what steps will be taken to address any resource damage", continued Steinbeisser. "We feel many of the request changes in the draft have significant resource impacts and have not been fully vetted or analyzed by the BLM."

MSGA will continue to advocate on behalf of the ranchers of Montana during the comment, protest and appeal periods. To find out more on the work MSGA is doing regarding this issue, visit www.mtbeef.org.

Read MSGA's 2018 comments: [American Prairie Reserve \(APR\) Proposal to Modify BLM Grazing Allotments](#)

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American Rescue Plan Act: Track the Work of Commissions Making Spending Recommendations in Montana

Find out what the different Advisory Commissions are recommending in terms of spending the state's ARPA funds. Click on: <https://arpa.mt.gov/> to find information on funding projects and grants under Montana's four ARPA commissions. Or narrow your search to track the following Commissions:

Infrastructure Advisory Commission

The Infrastructure Advisory Commission will review applications for funding for state capital projects and state and local government water and sewer infrastructure projects and provide recommendations to the executive on which projects should be funded.

Those interested can find more information at: <https://arpa-mtdnrc.hub.arcgis.com/>

Broadband - Connect MT and Communications Advisory Commission

In accordance with the ConnectMT Act, the Department of Commerce is responsible for establishing and administering the broadband infrastructure deployment program and is responsible for receiving and reviewing responsive proposals and awarding contracts. Before awarding any contracts, they must be reviewed by the Communications Advisory Commission that helps oversee Montana's American Rescue Plan Act dollars. The Governor must also approve any proposal recommended for funding by the Department.

For more information go to: <https://arpa.mt.gov/Communications>

Economic Transformation and Stabilization and Workforce Development Programs Advisory Commission

The Montana Legislature authorized the use of \$150 million provided by the Department of Treasury through the [American Rescue Plan Act](#) to be used for economic transformation,

stabilization and workforce development. The Economic Transformation and Stabilization and Workforce Development Programs Advisory Commission oversees programs that are developed, and proposals that are reviewed and recommended by the Department of Commerce.

Please check this website for updates, open applications, and deadlines:

<https://arpa.mt.gov/Economic>

Upcoming Events/Dates:

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| August 25-26, 2021 | MABA Great Montana Ag Rally Golf Scramble
Great Falls, MT
http://www.mtagbiz.org for registration and sponsorship information. |
| August 30 – September 1, 2021 | Montana Petroleum Association
DoubleTree Hotel, Billings, MT |
| September 9, 2021 | Montana Wood Products Association Annual Meeting |
| January 3, 2023 | TSRA Legislative Showcase
Delta Colonial Hotel, 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 resp