

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairperson Bob Raney, on January 27,
1989, at 3:12 p.m.

ROLL CALL

Members Present: All members except:

Members Excused: Rep. Hannah

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Hugh Zackheim,
Staff Researcher, Environmental Quality Council

Announcements/Discussion: None

HEARING ON HB 327

Presentation and Opening Statement by Sponsor:

REP. GIACOMETTO, House District 24 opened the hearing,
stating that the bill would allow the Department of
State Lands (DSL) to extend an oil lease if delays
arise that are outside of the developer's control. He
said that some amendments would be introduced later in
the hearing.

List of Testifying Proponents and What Group They Represent:

Corinne Courtney, Cenex
John North, Interim Director, Department of State Lands

List of Testifying Opponents and What Group They Represent:

None

Testimony:

CORINNE COURTNEY, attorney with Cenex in Billings, testified in favor of the bill (EXHIBIT 1). She noted that Cenex was in favor of the amendments to be proposed by John North.

JOHN NORTH testified in favor of HB 327 (EXHIBIT 2).

Questions From Committee Members:

REP. KADAS asked what was meant by "adverse operating conditions", as found on page 2, lines 11 and 12. Rep. Giacometto said that the wording was broad, leaving some discretion to the department (DSL) in determining what is actually adverse for the developer.

REP. KADAS asked Rep. Giacometto what would be considered adverse, and Rep. Giacometto responded, an appeal, or adverse weather which would prevent drilling.

REP. KADAS asked if the price of oil would stay below \$10 per barrel, would this be considered "adverse". Rep. Giacometto answered no, but that if DSL accepted this as adverse, he would go along with it.

REP. RANEY asked what "Board" referred to on page 2, line 3, and Rep. Giacometto answered that it referred to the Board of Land Commissioners.

Closing by Sponsor: REP. GIACOMETTO closed, stating that if the committee wanted the section referring to adverse operating conditions tightened up, he would be willing to do so.

DISPOSITION OF HB 327

Motion: REP. GIACOMETTO moved DO PASS.

Discussion: REP. GIACOMETTO said that the bill was self explanatory, and that the question raised earlier regarding adverse operating conditions could be answered by the following possibilities. These would be sabotage, fire damage, adverse weather conditions.

REP. GILBERT said that he supported the motion.

Amendments and Votes: REP. KADAS moved on page 2, line 10, following Chapter 1, to strike everything up until the period on line 12. Rep. Kadas said that this amendment would remove that loose section. REP. GILBERT suggested a modification of the amendment to include language that would include conditions caused by nature.

REP. ADDY suggested a middle ground between "adverse conditions" and "acts of God". He suggested the language "natural occurrences which make access impossible."

Regarding the proposed amendments, REP. GIACOMETTO asked why DSL would extend a lease for any other reason other than to increase state coffers through increased rentals on State Lands. He stated that this would be so no matter who was being "bought off". REP. ROTH stated that the language "reasonable control of the lessee" would preclude spurious claims of "adverse operating conditions."

REP. HARPER suggested that the language should be tightened up and suggested "litigation concerning the lease in question". REP. GILBERT stated that with regards to appeals, the state as well as the company would face economic loss, because if they were not able to take advantage of the lease, the state is liable and could be sued for the lease money plus interest.

Substitute Motion: The discussion continued and REP. KADAS made a substitute motion to insert on page 2, line 8, "involving the lease." The motion CARRIED 13 to 2, with Reps. Roth and Giacometto dissenting.

REP. KADAS moved the amendment on page 2, line 11, and the motion CARRIED, 14 to 1, with Rep. Giacometto dissenting.

REP. GIACOMETTO moved the amendments proposed by the Department of State Lands. This motion CARRIED unanimously.

Recommendation and Vote: Rep. Giacometto moved that HB 327 DO PASS AS AMENDED. The motion CARRIED unanimously.

HEARING ON HJR 11

Presentation and Opening Statement by Sponsor:

REP. BERNIE SWIFT, House District 64, described the resolution, which urged the Governor to coordinate the Federal Lands planning activities carried out by the federal government and the state in order to insure that these planning activities do not unduly impact the economy of the state of Montana.

List of Testifying Proponents and What Group They Represent:

Keith Olson, Executive Director, Montana Logging Association
Don Allen, Executive Director, Montana Wood Products Association
Jerry Jack, Montana Stockgrowers Association

List of Testifying Opponents and What Group They Represent:

Faye Bergan, Montana Wilderness Association
Kim Wilson, Sierra Club, Montana Chapter
Janet Ellis, Montana Audubon Legislative Fund

Testimony:

KEITH OLSON urged the committee to consider the consequences for a community's economy when timber supplies and other resources are not available for development. He stated that the resolution could provide an incentive to enhance communication between Helena and Washington, D.C. He urged the committee to give HJR 11 a DO PASS.

DON ALLEN, proponent, stated that there were critical timber supply issues in the state. He stated that it was time to involve the Governor of the state, even though it was a decision to be made by the people of the state. He added that for economic recovery in Montana, the timber industry would have to play a positive role.

JERRY JACK, proponent, urged the committee to pass HJR 11. He stated that his group strongly believed in a cooperative effort between the state and other federal agencies in federal land use planning efforts.

FAY BERGAN, council member, Montana Wilderness Association, spoke against HJR 11 (EXHIBIT 3).

JANET ELLIS, opponent, spoke as outlined in EXHIBIT 4.

KIM WILSON, opponent, spoke against the bill (EXHIBIT 5).

Questions From Committee Members:

REP. GIACOMETTO asked about the public participation referred to on page 3, and if the intent was for the Governor's office to set up public meetings. Rep. Swift answered that the intent was not to actively involve the Governor and departments in the process of planning, but to have the Governor monitor the activities going on in the process.

REP. GIACOMETTO asked Ms Bergan about the fact that during the HJR 1 hearing, the Montana Wilderness Association (MWA) stated that they did not want to accept the Forest Service Plan, and that in this hearing they appeared to be in favor of those plans, and not in favor of a new planning process. Ms Bergan answered that the new plans were better than the old plans, which were merely timber allocations.

REP. O'KEEFE asked Mr. Allen what his organization thought about the amount of public participation in the past 10 - 15 years, and whether his group had been heard. Mr. Allen said that they had had their input, but that he felt they hadn't been listened to enough.

REP. O'KEEFE noted that Ms Bergan indicated that MWA felt that they hadn't been listened to enough too, and Mr. Allen agreed. Rep. O'Keefe then asked if our congressional delegation were to accept the current recommended acres of 600,000, how would the wood products industry respond. He stated that his group wanted to deal with the total timber supply issue, not specific issues on acres. His group agreed with the intent of the resolution to give the Governor the opportunity to have a stronger voice in making recommendations to the congressional delegation.

REP. COHEN then asked Mr. Allen if it were true that the rate of timber harvest on private land was not a sustainable rate. Mr. Allen countered that there was in fact more growth being generated naturally or through planting. He also stated that they needed a better balance between harvest on federal and private land. Rep. Cohen asked if

the private lands were being cut so rapidly, that in order to sustain that rate of cuts, more harvest would have to occur on public lands. Mr. Allen said that the excessive cuts on private land were in contrast to a lack of harvest on public land and that a balance needed to be achieved in order to maintain a similar rate of harvest.

REP. KADAS asked Rep. Swift if the bill suggested the development of a single Montana position that does it all at once. Rep. Swift answered yes. Rep. Kadas asked if he thought that the bill would add time to the process, and if the development of one plan might ultimately hold up the process. He asked if Rep. Swift was aware of what had happened in Oregon with the state being involved in the Forest Service Planning process. Rep. Swift answered yes, and that was not his intent. Rep. Kadas asked if people were not to be involved in the process, what knowledge would the administration have to make their decisions. Rep. Swift said that there was expertise within the various agencies of state government.

REP. RANEY asked why there was no reference to the scenic and environmental values of the forest land, and only references to commodity values in the bill. Rep. Swift answered that he spoke to the multiple use principle of land use planning.

REP. GIACOMETTO asked if HJR 11 proposed a new direction, since both sides had not agreed with the original Forest Service plans. Mr. Olson answered that it proposed to allow the state to provide leadership in the process and to enhance the communication with Washington.

REP. ADDY asked how long it would take the Governor's office to come up with this plan. Rep. Swift answered that he had not asked the state to get involved with anything other than coordination.

REP. MOORE asked if Rep. Swift was suggesting that the Governor had not been involved or effectively communicating with Congress on this issue. Rep. Swift answered that he was asking the Governor to monitor the process. He said that now we had a new Governor, and new directions. His concern was that the Governor's office continue to pay attention to this.

HOUSE COMMITTEE ON NATURAL RESOURCES

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Closing by Sponsor: REP. SWIFT closed, stating that many things had been read into this bill, and that the intent was for the new Governor to pick up where the previous administration left off.

DISPOSITION OF HB 285

Hearing 1/23/89

Motion: REP. GILBERT moved DO NOT PASS.


Discussion: REP. GILBERT said that he had seen this bill three times, and that it did not solve the problem. He called the bill a "landowners mineral grab act" or an "operator who steal minerals grab act". He stated that even though there was a problem, that a title search had to be conducted now. REP. GIACOMETTO opposed the motion.

Motion: REP. ADDY moved to TABLE the bill.

Recommendation and Vote: On the motion to TABLE HB 285, the motion CARRIED by a vote of 12 to 3, with Reps. Clark, O'Keefe, and Giacometto voting no.

ADJOURNMENT

Adjournment At: 5:00 p.m.



REP. RANEY, Chairperson

BR/cm

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DAILY ROLL CALL

HOUSE NATURAL RESOURCES

COMMITTEE

50th LEGISLATIVE SESSION -- 1989

Date 1-27-89

NAME	PRESENT	ABSENT	EXCUSED
Rep. Bob Raney, Chairman	✓		
Rep. Ben Cohen, Vice-Chairman	✓		
Rep. Kelly Addy	✓		
Rep. Vivian Brooke	✓		
Rep. Hal Harper	✓		
Rep. Mike Kadas	✓		
Rep. Mary McDonough	✓		
Rep. Janet Moore	✓		
Rep. Mark O'Keefe	✓		
Rep. Robert Clark	✓		
Rep. Leo Giacometto	✓		
Rep. Bob Gilbert	✓		
Rep. Tom Hannah			✓
Rep. Lum Owens	✓		
Rep. Rande Roth	✓		
Rep. Clyde Smith	✓		



EXHIBIT 1
DATE 1-27-89
HB HB 327

CENEX • Post Office Box 21479 • 2220 Grant Road • Billings, Montana 59104 • (406) 656-4343

**STATEMENT OF CORINNE COURTNEY
REGULATORY COMPLIANCE ATTORNEY
CENEX**

**Before the
NATURAL RESOURCES COMMITTEE, HOUSE OF REPRESENTATIVES
JANUARY 27, 1989 - REGARDING HB 327**

Mr. Chairman and members of the committee, my name is Corinne Courtney. I am an attorney with CENEX and appear here today representing CENEX which has been involved in oil and gas activities in the State of Montana for over forty years.

We urge your approval of HB 327 which will provide authority to the Department of State Lands through the Board of Land Commissioners to grant extensions of state oil and gas leases. This discretionary authority is limited to those situations where the lessee, through no fault of its own, is prevented from exercising its rights under the lease.

The Department of State Lands currently has authority to grant extensions of other types of mineral leases, e.g., leases for the mining of gold, silver, copper, uranium, and coal. There is no reason why the Department should not have this same authority in the case of oil and gas leases.

In some instances this legislation will result in higher bonuses paid for leases. A change in the law would allow a lessee to assume that a ten-year lease term is likely to provide approximately ten years for exploration and development of the lease.

Under current law the lessee cannot necessarily make that assumption. If a lessee, through no fault of its own, is denied access to the lease for an extended period of time, the lease will still expire at the end of the

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ten-year period. Thus, even though the lessee paid for a lease with a ten-year term, the time available to explore and develop the lease may be considerably less. In some instances this possibility may decrease the size of bonuses lessees are willing to pay for state oil and gas leases.

Currently it is also possible for a lessee to buy a lease and never have the opportunity to explore and develop it before the term expires. In such a case, if the lessee received no benefit of the lease contract, the state could be liable for the return of all bonuses and rentals the lessee had paid. This potential liability will remain if HB 327 is not passed. It should be noted, particularly in light of current school funding problems, that all bonuses, rentals, and royalties paid under state oil and gas leases go into the school trust fund.

Granting the Department authority to extend leases will also encourage development of the school trust assets. In more instances lessees will have a full lease term to develop leases. The result will be more royalties from oil and gas production paid into the school trust fund.

CENEX is currently involved in a situation which provides an excellent example of why this legislation is needed. In September, 1983, CENEX purchased 17 contiguous state oil and gas leases in the Coal Creek State Forest, Flathead County. Within a month CENEX began the process of obtaining permission from the Department of State Lands to drill a wildcat well on one of these leases. The lease site was on a clear cut area accessible by a logging road.

CENEX was diligent and cooperated fully with the Department in the development of an operating plan as required by the terms of the lease. Over a year later in January, 1985, after extensive public hearings and environmental analyses, the Department of State Lands approved our

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operating plan. Shortly thereafter, a suit challenging the approval was filed against the Department for failure to prepare an Environmental Impact Statement under the Montana Environmental Policy Act (MEPA). CENEX intervened in the suit. We believe that the Department's extensive environmental analysis fully complied with MEPA. The case is now on appeal to the Montana Supreme Court.

Meanwhile, CENEX has paid into the school trust fund close to \$750,000 in bonuses and rentals on the 17 lease tracts. Over half of the ten-year term on these leases has expired. But at no time since first obtaining the leases has CENEX been free to exercise its lease rights. It has received no benefits of the lease contracts. Thus, a potential liability of \$750,000 may exist against the school trust fund.

Based on these facts, CENEX requested an extension of the leases. We were told by the Department that it lacked statutory authority to grant extensions of oil and gas leases.

In conclusion, HB 327 merely grants authority to the Department of State Lands to extend oil and gas leases - authority which it already has in the case of other types of mining leases. In the process it may increase the value of some state oil and gas leases and may encourage development, thus increasing the bonuses, rentals, and royalties paid into the school trust fund. We urge your approval of HB 327.

Thank you.

Respectfully submitted,

By:

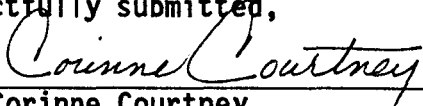

Corinne Courtney
Regulatory Compliance Attorney

EXHIBIT. 2
DATE 1-27-89
HB HB 327

Testimony of John F. North
Interim Commissioner of State Lands
House Natural Resources Committee
January 27, 1989

House Bill 327 authorizes the Board of Land Commissioners to place in its leases a version of what is commonly referred to as a "force majeure" clause. These clauses are common in mineral leases. The need for them arises from the fact that mineral leases terminate if not in production by the end of the primary term of the lease. If the lessee is precluded, through no fault of his own, from bringing the lease into production, the lease must still be cancelled - unless a force majeure clause is in effect. This is unfair to the lessee.

In addition, the Department is of the opinion that the lack of a force majeure clause could have a detrimental effect on the number of state tracts leased and the bonuses paid for state leases. Put simply, state leases without a force majeure clause may be less attractive to the industry than other leases containing one.

During the course of drafting, the bill was expanded from its original purpose, which was to cover litigation. Attached are two amendments that would correct the title to reflect the content of this bill. The third amendment is one requested by Cenex. It would remove the word "operating" on page 2, line 11. This would preclude any possibility that the adverse conditions to which the bill refers might be construed to apply only to production and not to exploration.

The Department urges the Committee to give the bill a do pass recommendation with these amendments.

Ex #2

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DEPARTMENT OF STATE LANDS' PROPOSED AMENDMENTS TO HB 327

1. Title, line 8.
Following: "BEEN"
Strike: "THREATENED OR PRECLUDED"
Insert: "DELAYED"
2. Title, line 9
Following: "LITIGATION"
Insert: ", MEPA COMPLIANCE, OR ADVERSE CONDITIONS"
3. Page 2, line 11.
Following: "adverse"
Strike: "operating"

-End-

House Joint Resolution No. 11
Comments to Natural Resources Committee
January 27, 1989
BY THE MONTANA WILDERNESS ASSOCIATION

**The Montana Wilderness Association urges this Committee to vote AGAINST
HJR 11.**

The title of this document is "A JOINT RESOLUTION . . . URGING THE GOVERNOR TO LEAD THE STATE'S EFFORTS TO COORDINATE STATE PLANNING ACTIVITIES WITH FEDERAL AGENCIES CONCERNING THE ALLOCATION OF FEDERAL LANDS AND RESOURCES." This Resolution is totally mystifying. For one thing, the Governor of Montana has always coordinated State planning activities with the Federal Agencies. All State Agency responses or comments were approved and coordinated through the Governor's Office. This was true in the development of National Forest Management Plans currently at issue.

Additionally, (and even more perplexing) is that this Resolution would direct the Governor to urge the Federal Agencies involved to violate their Congressional mandates. Because existing forest plans were inadequate, in 1976 Congress directed the Forest Service to do comprehensive forest plans. Congress ordered these plans to be completed by 1985. Congress later allowed for an extension of that date, but directed the Forest Service to complete the plans in an expedient fashion. In Montana, all of the Forest Plans are finalized. These plans considered comments by the State of Montana and other local governing bodies. Now, at the end of 12 years of planning, we ask the Forest Service to manage their federal lands under outdated inadequate plans "until new plans or amendments to existing plans are developed and approved with [further] participation of Montana?" The further participation by Montana would not be until after a general land use plan or master plan for the entire State of Montana is developed following public participation. It would take years to get such a plan together, if at all possible. The State Water Plan demonstrates the complexities. No current legislation is proposed to create the Montana-wide Land Use Plan. How much would such a project cost? Additionally, the Federal Agencies may review the Plans whenever new information warrants it (at least every 15 years). Yet, we ask the Forest Service to wait? This is hardly the "expedited" completion of plans mandated by Congress.

Lets get down to what this Resolution is really all about - timber allocation. The Resolution urges the Forest Service to continue to manage federal lands under the old plans without constraining activities in contemplation of the new plans without "Montana's" approval. The "old" plans are timber harvest plans and not comprehensive resource plans like the new plans. Of course, nearly all the old plans have more areas identified for timber harvest, with larger projected production levels of timber and fewer environmental considerations. No new State land use plan or policy is really contemplated. This Resolution only seeks to delay implementation of new forest plans indefinitely.

The fact that this is only a thinly disguised timber industry ploy. Is evident by the "WHEREAS" portion of the Resolution. Some additions to this list we may suggest include,

WHEREAS, the tourist industry contributed over \$1 billion to Montana's economy in 1988, and three-quarters of visitors cite natural scenery as their reason for vacationing in Montana.

WHEREAS, recreation provides more direct and indirect jobs on Montana's National Forests than any other industry, and our wildlands and rivers are the very foundation of this recreation industry.

WHEREAS, Montana's 85 million dollar Outfitting and Guiding Industry is directly threatened by loss of roadless areas and reduced wildlife habitat.

WHEREAS, anglers spent an estimated \$52 million dollars in Montana last year, while leaving the natural resources unimpaired.

WHEREAS, Montana counties containing wilderness or natural resources otherwise preserved have disproportionately higher rates of growth in business and population compared to other counties (including those experiencing record timber production).

WHEREAS, agriculture depends on abundant quantity and high quality of the water that flows from our National Forests.

The point is that a state "plan" to "develop and advocate a single Montana position on all use plans and final land allocation decisions" must take into account present economic realities and an agenda for future economic growth. A plan which only follows past reliance on natural resource extraction does not consider present economic realities or set a course for economic growth.

Over the course of the last century Montana's economy based on natural resources commodities like timber and mining has been a roller coaster ride. What this the proposed Resolution suggests that we are on just another cycle of the boom or bust economy, but this is not true. If the State were in just another cycle, we should be just about at the peak of the "boom" now. However, the economic recovery which has been experienced in the nation since 1982 has passed Montana by.

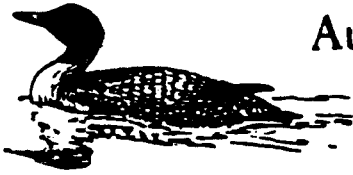
Montana has experienced a basic change in our economy. This change has been largely shaped by forces outside our borders and beyond our control. For example, in 1987, timber production was at an all time high in the State of Montana - at the same time the number of workers employed by the timber industry declined by 2,600 jobs. Why? **Mechanization**. To compete in changed world markets the large timber corporations have made capital investments to make logging operations and mills more efficient. Because of mechanization they hire fewer workers and, consequently, can bid higher prices for timber (which effectively squeezes local Montana based operations out of the bidding process). The effect of this new timber "economy" for Montana is to liquidate more forest while eliminating jobs and driving local companies out of business, with the \$ from our natural resources going out-of-state. Is this really what we want to build our economic future on. The answer is obviously NO.

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HJR 11

To provide for jobs and long-term economic growth must respond to the challenge produced by changing economic times. We must diversify. We must look to protecting Montana's natural resources as a way to stimulate and stabilize Montana's economy. In recent years, Montana has experienced an increase in self-employment and an increase in service and small business positions. Tourism is Montana's largest growth industry. But protecting our natural heritage is, in an economic sense, not just important to protect the tourism industry - it will attract new desirable businesses to Montana.

As this nation enters the "communications" age, the old barriers Montana's geographical location and transportation problems will become less important. What new businesses such as high-technology and light-manufacturing will be looking at in selecting a location will be a well educated work force and a place with a high quality of life. Montana has the best educated, highest-skilled work force in the West. Presently, the quality of life in Montana is second to none. The natural amenities this State has to offer include fresh air, clean water, unconfined recreation, outstanding skiing, and exceptional hunting and fishing. (Of the top 100 trout streams in the United States, Trout Magazine listed 12 in Montana - more than any other state in the Union, including Alaska.) As areas with these amenities become more and more scarce elsewhere, the more attractive locating a business in Montana becomes. The net effect of preservation of our natural resources is a stable, recession resistant economy, stable communities, and high quality lifestyles (which in turn will attract more business).

Roadless National Forest lands directly contribute to Montana's economy through tourism, outfitting, etc., and also are our trump card for Montana future business growth. So why then are we always trying to kill the goose that is laying the golden egg? The Montana Legislature should provide leadership to diversify and stabilize our economy. Natural resource preservation should be central to that effort. Lets move forward as a State to face new economic realities and not just "ahead to the past" as suggested in HJR 11.



Montana Audubon Legislative Fund



Testimony on HJR 11
House Natural Resource Committee
January 27, 1989

EXHIBIT 4
DATE 1-27-89
HB HJR 11

Mr. Chairman and Members of the Committee,

My name is Janet Ellis and I'm here today representing the Montana Audubon Legislative Fund.

While we support the title of HJR 11, We have numerous problems with the language contained within the bill:

1. The "Whereas" portion of this bill leaves the reader with the impression that the only benefit Montana receives from the U.S. Forest Service (USFS) and Bureau of Land Management (BLM) is a monetary benefit from mineral leases, grazing leases and timber sales. What about benefits due to recreational pursuits? Where is the statement indicating that clean water supports some of the best fisheries in the world? Recreation and scenic values also translate into economic benefits for our state. The "whereas" section of this resolution should be more balanced in indicating what Montana does indeed get from having federal land.
2. Page 2, line 25 through page 3, line 8 asks that the governor's office coordinate responses of state agencies to federal agencies. This practice already happens. Perhaps the text of the bill should encourage our new Governor to continue to coordinate such activities for the state agencies.
3. Page 3, line 6 asks for "public participation" in designing a "single" Montana position to negotiate with the federal government. There is no money allocated in HJR 11. A fiscal note should be drawn up for the process receiving public participation.
4. Page 3, line 16 indicates that a "statewide cumulative impact of the proposed plans" of the USFS and BLM will be completed. What does this mean and where is the money to fund this analysis?
5. Page 3, lines 19 - 25 ask that the USFS and BLM follow old plans with no interim constraints applied without Montana's review. How would Montana review these interim constraints? Would the USFS and BLM have to wait until ~~the~~ until Montana completed its "statewide cumulative impact" with "public participation"? If an existing plan is inadequate, why should the federal agency be forced to use that plan? The reason that the USFS is doing comprehensive forest plans now is that Congress decided in 1976 that existing forest plans were inadequate. Areas need to be protected where there are inadequacies in the current plan.

Because there are numerous problems with HJR 11, we would ask that you vote "Do Not Pass" on this measure. The Governor's office could be directed to continue coordinating efforts of state agency comments on USFS and BLM plans. A resolution stating this directive from the Legislature could be done much more simply than trying to spend a lot of your precious energy to bring this bill into acceptable shape.

Thank you.



MONTANA CHAPTER SIERRA CLUB

5
DATE 1-27-89
HB HJR 11

5 NORTH 17TH AVENUE • BOZEMAN, MONTANA 59715 • (406) 587-9782

SIERRA CLUB TESTIMONY IN OPPOSITION TO HJR 11 KIM WILSON, LOBBYIST

The Sierra Club opposes HJR 11 as an untimely and misguided attempt to influence the direction of federal and state public land policy.

There are several factors of this bill that member of the Committee should examine carefully. First, the bill assumes that the state of Montana has not been involved in federal land management plans and that these plans are at a stage where the state could become involved. Both assumptions are false. For one thing, the planning processes are almost completed. The opportunity for public input on the Forest Plans is long past. All Forest Plans have been released, most appealed, and many of those appeals nearing resolution. In short, the plans are on the brink of being implemented. The similar BLM process, while not near completion is well under way. The state has participated actively, at least in the Forest Plan drafting. Consultation with DFWP and other agencies occurred on a regular basis. Montana has not been left out of the process, intentionally or otherwise.

Second, the bill asks that the Governor develop a "single Montana position." This, we believe would set a dangerous precedent. The Governor would, in effect, be setting resource management from the top based on a political or philosophical perspective. Sound resource management flow from the needs of the resources being managed, not from a directive of the Governor. Pre-determining agency direction in such a manner is poor public policy.

Finally, and most alarming, this bill asks the Governor to "urge" Congress and the federal land agencies to "defer" final decisions on Forest Plans and BLM Plans "until the statewide cumulative impact of the proposed plans can be evaluated and considered." Until that time, the current plans would govern. This is nothing less than a request for a further five to ten year delay in implementing federal land plans. The

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status quo would remain and with the status quo, there would be continued frustration with the current process by development and environment concerns alike. The improvement in federal land management in Montana hoped for by all parties would be delayed.

In conclusion, this bill is fraught with problems. Ironically, Rep. Swift who with HJR 1 asked us to trust the Forest Service is now telling us we shouldn't trust the Forest Service. The fact is, the state has been involved throughout the planning process but the final decisions are with the agencies and Congress - not with Montana's Governor. For that reason, we urge you to reject this bill in Committee.

Natural Resources COMMITTEE

DATE 1-27-89

SPONSOR Rep. Giacomello

[illegible]

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

VISITORS' REGISTER
Natural Resources COMMITTEE

DATE 1-27-89

[illegible]

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.