

MINUTES

MONTANA SENATE
51st LEGISLATURE - REGULAR SESSION
COMMITTEE ON NATURAL RESOURCES

Call to Order: By Chairman Thomas F. Keating, on January 30, 1989, at 1 p.m. in Room 405 of the State Capitol.

ROLL CALL

Members Present: Senators Thomas F. Keating, Chairman,, Loren Jenkins, Fred Van Valkenburg, Darryl Meyer, Pete Story, Bill Yellowtail, Elmer Severson, Cecil Weeding, Dorothy Eck, Jerry Noble, Larry Tveit.

Members Excused: None

Members Absent: Senator Lawrence Stimatz

Staff Present: Bob Thompson and Helen McDonald

EXECUTIVE ACTION ON HB 82

This Arbor Day bill was sponsored by Representative Mark O'Keefe and Senator Dorothy Eck.

DISPOSITION OF HB 82

Senator Jenkins made a motion to DO PASS. All were in favor.

EXECUTIVE ACTION ON SB 201

Senator Yellowtail proposed an amendment on SB 201. The amendment provides for a 90-day extension of time to the board. Senator Yellowtail stated that the testimony didn't indicate that a full two-year extension is necessary and that this amendment is consistent with SB 184 from last session.

Senator Jenkins stated that if it took 2 years to get to this point and there still has to be public hearings and input in order to get a qualified job maybe it will take another two years.

Senator Weeding commented that state agencies usually take up all the time that is allotted. SB 184 wasn't any burden on the industry but he expected the council to proceed

expeditiously.

Senator Story wondered about the number of oil rigs operating in Montana in 1980.

Senator Keating answered that in 1981 and the peak was 94 rigs at one time. There were three this week and four last week. There was more oil exploration activity in one month then than is expected in the next two years.

Senator Eck mentioned that in the testimony it was stated that there would be no burden on the industry resulting from review under the Montana Environmental Policy Act.

Senator Keating stated that Sohio after their experience in Bridger Canyon was never coming back to Montana because of the burden of MPEA.

Senator Weeding stated that the Bridger Canyon land owners association was the group responsible for that action.

Senator Keating stated he was involved in that situation and the threat of MEPA had a tremendous impact on the final operation plan that Sohio developed. The plans were developed specifically to meet the requirements of MEPA, and those requirements cost about a million and half dollars extra to the operating plan for the company's 12 to 15 thousand foot well. That was more than the company could tolerate and they made the decision not to come back. It was felt we drove out investment that could benefit the state.

Senator Keating added that a 90-day extension is not enough. The council has tentatively approved the draft but has not had an opportunity to complete it. The board and the council commission need more time. The council should be allowed an intervening legislative session and if something comes up that needs legislation within the two-year period it can be handled in the next legislature. The legislature thought two years would be long enough but it wasn't. The acceptance procedure and process should not be any shorter than the programmatic development procedure. Public hearings will have to be held. The programmatic will need to be adjusted. It will be difficult to develop the check list necessary for various parts of the state.

Finally Senator Keating stated that during the past 2 years when oil was exempt under MEPA, there has not been any environmental damage. After July, 1 1987 there was an influx of drilling activity and development in the state based on that legislative exemption. The rig count picked up considerably. The rig count has fallen off lately more in

Montana than in other states but that corresponds with the audit by the Department of Revenue of all of the gas producers in the state. The industry owed the department a million dollars in taxes, interest, and penalties. Senator Keating hoped the committee would vote for a two-year extension.

Senator Keating noted that there is a significant difference between "shall" and "may". With committee approval, Senator Yellowtail's amendment was segregated and vote taken on the amendment.

Senator Eck wondered if Montana would have to have MPEA review at all.

Senator Keating answered if an attempt was going to be made it would have by this time. The members of the industry are not trying to rescind the programmatic. The board needs a reasonable amount of time to adopt it.

Senator Weeding thought eight months for the statutory deadline was enough. In the last session it was deemed adequate and now it's going to take two more years. Most of the work has been done.

Senator Yellowtail understood the printing of the draft was scheduled soon. Senator Keating remarked about having public hearings around the state. He wondered if the board had them set up for the next 60 days or not.

Senator Yellowtail stated that a formal 60-day period was to begin on January 31 and end on March 31. The technical staff could then prepare the final EIS and make the final recommendation by June 1. June 1 would start another 15-day comment period. Fifteen days could be allotted for reaction and comments; final hearing could be scheduled on June 29th.

Senator Keating said the Board of Oil and Gas Conservation understood the programmatic would be coming from the governor in a timely manner. The schedules for the hearings will take time.

Senator Yellowtail wondered who would hold the hearings.

Kevin Hart, a Department of Natural Resources and Conservation employee who coordinated the programmatic, stated the Board of Oil and Gas had scheduled the following meetings: Billings, February 22; Sidney, March 1; and Great Falls, March 8; in the evening.

Senator Jenkins asked how long it would take to review the programmatic.

Kevin Hart stated compiling the programmatic was a monumental task. Montana is the only state except New York to write a programmatic. New ground is being broken with this effort. A policy decision was made to incorporate as much of the work as possible by existing agency staff and to assist the board with information available at the various state agencies. The EIS programmatic will be mailed to 500 or more people tomorrow and will be the official start of the comment period. The first hearing will be held in three weeks and the interested parties have an opportunity to attend the public hearings and present their comments. Written comments should be received by March 31st.

Senator Jenkins wondered if it would be better not to rush and give the council more time.

Kevin Hart stated the existing schedule would be tight but not impossible. The council will look for comments on the checklist.

Senator Tveit commented that we are the only state except New York that has this programmatic so there is nothing to use as a comparison.

Senator Tveit also commented that the board will have four new members shortly and they are behind in their workload. Senator Tveit felt there is much in the programmatic that was done by an agency who knows nothing about the oil development and environmental issues. It will be difficult for the board to decipher the information in that big document. The industry people have improved what they are doing in the past 15 years. The sponsor has made a concession on "may" or "shall" (in page 4, line 11 of the bill).

Senator Keating stated that MEPA controls the action of government as applied to private property. Two-thirds of the land in the state is private property owned by farmers, ranchers and individuals who have contracted in good faith with producers who want to risk investment money to look for oil and gas. There are already environmental rules and procedures that have been established from various departments of the government. The programmatic now goes out to the public for hearings and the public impacted by the programmatic will have to absorb it in 60 days with a couple of public hearings scattered around the state. They have not scheduled hearings along the hi line.

Senator Keating said the public will have to digest this because they are the ones being impacted. If the impact is too stringent, there will not be any oil and gas leasing in

the state. Under current law there isn't a courtesy of extension here for those impacted to review the programmatic.

Senator Van Valkenburg stated that Senator Yellowtail has offered the courtesy of an extension and the amendment proposed a 90-day extension. The debate may be if 90 days is enough and whether 2 years is too much but it is not fair to Senator Yellowtail because his amendment provides for an extension.

Senator Keating said the amendment shortens the extension. The important part is whether to get the law changed from June 30, 1989 or not.

Senator Van Valkenburg stated that one way to get a reasonable extension would be by accepting the offer of changing "may" to "shall". Montanans can all work together, democrats and republicans, environmentalists and oil people.

Senator Keating suggested a vote be taken on the segregation of the amendment. Sections 3 and 5 of the amendment would be segregated from 1, 2, 4 and 6.

The vote on sections 1, 2, 4, and 6 was four affirmative and seven negative. (Exhibit 2)

The vote on sections 3 and 5 was seven affirmative and four negative. (Exhibit 3)

The vote on the bill as amended. (Exhibit 4)
That closes the executive action.

Adjournment At: 1:30 p.m.


Thomas F. Keating, Chairman

TFK/hmc

senmin.130

ROLL CALL

NATURAL RESOURCES COMMITTEE

50th LEGISLATIVE SESSION -- 1987

Date 1-30-89

NAME	PRESENT	ABSENT	EXCUSED
Chairman Tom Keating	✓		
Vice-Chairman Larry Tveit	✓	W	
Senator Fred VanValkenburg	✓		
Senator Loren Jenkins	✓		
Senator Darryl Meyer	✓		
Senator Lawrence Stimatz		✓	
Senator Pete Story	✓		
Senator Bill Yellowtail	✓		
Senator Elmer Severson	✓		
Senator Cecil Weeding	✓		
Senator Dorothy Eck	✓		
Senator Jerry Noble	✓		

Each day attach to minutes.

SENATE STANDING COMMITTEE REPORT

January 30, 1989

MR. PRESIDENT:

We, your committee on Natural Resources, having had under consideration HB 82 (third reading copy -- blue), respectfully report that HB 82 be concurred in.

Sponsor: O'Keefe (Eck)

BE CONCURRED IN

Signed: 

Thomas F. Keating, Chairman

SENATE COMMITTEE OF THE WHOLE AMENDMENT

February 2, 1989 2:46 pm

Mr. President: I move to amend SB 201 (second reading copy -- yellow) as follows:

1. Title, line 8.
Following: "THAN"
Strike: "JUNE"
Insert: "SEPTEMBER"
Following: "30,"
Strike: "1991"
Insert: "1989"

2. Title, line 12.
Following: "UNTIL"
Strike: "JUNE"
Insert: "SEPTEMBER"
Following: "30,"
Strike: "1991"
Insert: "1989"

3. Page 4, line 13.
Following: "THAN"
Strike: "June"
Insert: "September"

4. Page 4, line 14
Following: "~~1989~~"
Strike: "1991"
Insert: "1989"

5. Page 4, line 18.
Following: "by"
Strike: "June"
Insert: "September"
Following: "~~1989~~"
Strike: "1991"
Insert: "1989"

ADOPT

REJECT

Signed: _____

Yellowtail

Senator Yellowtail

EXHIBIT 1
1-30-89
HB 201

Amendments to Senate Bill No. 201
First Reading Copy

Requested by Senator Bill Yellowtail
For the Senate Committee on Natural Resources
January 30, 1989

- + 1. Title, line 4.
Strike: "JUNE"
Insert: "September"
- + 2. Title, line 5.
Strike: "1991"
Insert: "1989"
- ✓ 3. Title, lines 8 and 9.
Strike: "REMOVING THE REQUIREMENT THAT THE BOARD MUST ADOPT A PROGRAMMATIC ENVIRONMENTAL STATEMENT;"
- + 4. Page 4, line 8.
Following: "than"
Strike: "June"
Insert: "September"
Following: "~~1989~~"
Strike: "1991"
Insert: "1989"
- ✓ 5. Page 4, line 11.
Strike: "may"
Insert: "shall"
- + 6. Page 4, line 12.
Following: "by"
Strike: "June"
Insert: "September"
Following: "~~1989~~"
Strike: "1991"
Insert: "1989"

ROLL CALL VOTE

NATURAL RESOURCES

SENATE COMMITTEE _____

Amend 1, 2, 4, 6,

Date 1-30-89 Bill No. 201 Time _____

NAME	YES	NO
Vice-Chairman Larry Tveit		✓
Senator Fred VanValkenburg	✓	
Senator Loren Jenkins		✓
Senator Darryl Meyer		✓
Senator Lawrence Stimatz		
Senator Pete Story		✓
Senator Bill Yellowtail	✓	
Senator Elmer Severson		✓
Senator Cecil Weeding	✓	
Senator Dorothy Eck	✓	
Senator Jerry Noble		✓
Chairman Tom Keating		✓
	4	7

Secretary _____

Chairman _____

Motion: Yellowtail amendment - fail
#1, 2, 4 & 6

ROLL CALL VOTE

EXHIBIT NO. 3

DATE 1-30-89

BILL NO. 201

NATURAL RESOURCES

SENATE COMMITTEE _____

Amend 3 + 5

Date 1-30-89 Bill No. 201 Time _____

NAME	YES	NO
Vice-Chairman Larry Tveit		✓
Senator Fred VanValkenburg	✓	
Senator Loren Jenkins	✓	
Senator Darryl Meyer		✓
Senator Lawrence Stimatz		
Senator Pete Story	✓	
Senator Bill Yellowtail	✓	
Senator Elmer Severson		✓
Senator Cecil Weeding	✓	
Senator Dorothy Eck	✓	
Senator Jerry Noble		✓
Chairman Tom Keating	✓	
	7	4

Secretary _____

Chairman _____

Motion: Yellowtail amendment #3,5 - pass

ROLL CALL VOTE

SENATE COMMITTEE NATURAL RESOURCES

Bill as amended

Date 1-30-89 Bill No. 201 Time _____

NAME	YES	NO
Vice-Chairman Larry Tveit	✓	
Senator Fred VanValkenburg		✓
Senator Loren Jenkins	✓	
Senator Darryl Meyer	✓	
Senator Lawrence Stimatz		
Senator Pete Story	✓	
Senator Bill Yellowtail		✓
Senator Elmer Severson	✓	
Senator Cecil Weeding		✓
Senator Dorothy Eck		✓
Senator Jerry Noble	✓	
Chairman Tom Keating	✓	

7 4

Secretary _____

Chairman _____

Motion: Pass as amended - pass
