320 HART SENATE OFFICE BUILDING WASHINGTON, DC 20510 (202) 224–2651

# United States Senate

COMMITTEES AGRICULTURE, NUTRITION AND FORESTRY APPROPRIATIONS ENERGY AND NATURAL RESOURCES HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS INDIAN AFFAIRS

March 1, 2017

The Honorable Ryan Zinke Secretary U.S. Department of Interior 1849 C Street NW Washington, DC 20240

Dear Secretary Zinke:

What an historic day for Montana! Congratulations on your appointment as Secretary of the Department of the Interior (Department). As a fellow Montanan, a member of the Senate Committee on Energy and Natural Resources and the Senate Appropriations Subcommittee on Interior, Environment, and Related Agencies, I look forward to working with you in your new role. Serving at the helm of the Department of the Interior, you will be a strong advocate for our public lands, help uphold the federal trust responsibility to Indian tribes, will help unleash American energy and will strengthen our water infrastructure. As you begin to set priorities and goals for the Department, including informing the President's budget request for Fiscal Year 2018 and the important work of addressing our nation's infrastructure challenges, I would like to highlight several specific policies that demand your immediate and personal attention.

#### **Unleash American Energy**

**Terminate Secretarial Order 3338.** This order imposed a moratorium on federal coal leasing, paused ongoing lease applications and modification reviews, and launched a programmatic review of the federal coal leasing program, including overhauling the leasing process and changing royalty rates. This moratorium and Programmatic Environmental Impact Statement will put nearly 65,000 direct and indirect mining jobs at risk, as well as impact the billions of dollars in revenues to states like Montana, as well as to Indian tribes, used to pay for schools, reclamation, and other infrastructure projects. I urge you to rescind this damaging order.

Utilize coal export terminals. As you are well aware, Powder River Basin coal is lower in sulfur content than Indonesian coal. Currently, Montana coal producers must rely on Canadian ports to bring our coal to market. I urge you to assist other departments in ensuring coal export terminal permits are issued in a timely manner. Doing so will help Montana coal reach international demand, thereby creating more American jobs here at home instead of across our border while keeping global emissions down.

**Help approve the Keystone XL pipeline.** The Keystone XL pipeline will be a much-needed lifeline to many rural Montana communities, entering the United States through Phillips County, traveling about 284 miles across eastern Montana to South Dakota. After nearly a decade of environmental review and then ultimate denial by the Obama Administration, thanks to President Trump, Montana and builders across the country stand on the cusp of finally building this pipeline. In Montana, the pipeline would

create about 800 jobs, help keep electricity prices affordable for families, and generate more than \$80 million in Montana property taxes, more than \$16 million of which would be distributed to Montana's schools and university system. While the Keystone XL pipeline project proceeds through the Presidential permitting process, there are several rights-of-way permits under review by the Bureau of Land Management (BLM) in Montana and throughout the proposed route. I urge your attention to those permits to ensure the Keystone XL project can become a reality.

**Empower states and tribes to take the lead in natural resource development and protecting the environment.** Rules such as the BLM's Methane and Waste Reduction Rule and hydraulic fracturing rule are duplicative and unnecessary, conflict with current state laws, such as those put in place in Montana, and would discourage state-driven solutions to managing emissions. The BLM hydraulic fracturing rule, in particular, would make it harder to do business with Native nations and make them less competitive in energy markets. Furthermore, the BLM Sage-Grouse Conservation Plans are yet another example of federal requirements' dissonance with work states have already done. Whether through regulation of our nation's vast energy resources, or approaches to wildlife management, I believe state and tribal governments are best suited to lead in addressing these issues, not an overreaching and out-of-touch federal bureaucracy.

**Strengthen our nation's critical mineral supply.** Our foreign mineral dependence is a mounting threat to our economy, national security, and international competitiveness. Despite our nation's abundant resources, including Montana's supply of palladium, platinum, molybdenum, and other minerals, our nation's permitting process for mineral development remains one of the longest in the world. I believe there are ways to streamline our critical mineral production while protecting our environment and urge you to work with Congress toward that end by prioritizing formulating a robust domestic critical mineral strategy.

**Consolidated Federal Oil and Gas and Federal and Indian Coal Valuation Reform Rule (81 Fed. Reg. 43338).** While we must be committed to protecting the federal taxpayer and our states' fair share of mineral royalties, this rule as finalized will have a detrimental effect to American energy production, could decrease shared revenues and royalties in our states, and place our nation's energy and infrastructure security and good-paying energy jobs at risk. The rule's complexity has caused much uncertainty and has the potential to risk financial ruin to energy operators and mine-mouth electricity generators who are critical to meeting our nation's energy needs and important to our state economies. Although the Department postponed implementation of the rule, I urge you to rescind the rule and implement a common-sense royalty policy that would protect the economic use of our nation's vast energy resources while ensuring our states and the federal taxpayer continue to receive revenue they deserve.

## Protect our Sportsmen's Heritage and Increase Access to Public Lands

Address the National Park Service maintenance backlog. As two Montana kids who grew up neighboring two crown jewels of the National Park System, I know we share high regard for the importance of strengthening and sustaining our National Park System for future generations. The Park Service currently has an over \$11.9 billion backlog in deferred maintenance projects. As the Chair of the Senate Energy and Natural Resources Subcommittee on National Parks and a member of the Senate Appropriations Committee, I ask for your cooperation to reexamine prioritization of these projects and work with Congress to address these challenges.

**Endangered Species Act and Federal Forest Management.** As you know well, federal forest management reform continues to be a major priority in Montana. Too often a handful of fringe groups are able to exploit the flawed Endangered Species Act to obstruct projects through obstructionist litigation. Many of these stymied projects would have widespread benefits, such as creating forest jobs, reducing the threat of wildfire, enhancing wildlife habitat, and increasing outdoor recreation. The Ninth Circuit Court of Appeal's *Cottonwood* decision is a prime example of where smart forest management projects are held hostage to fringe groups litigating on ESA. I urge you to ensure that the U.S. Fish and Wildlife Service stands shoulder-to-shoulder with the U.S. Forest Service and the Department of Justice in support of statutorily reversing the disastrous *Cottonwood* ruling. I also ask that you work with Congress to modernize and strengthen the ESA so that it protects our diverse wildlife without having severe impacts on livelihoods and local communities.

Land and Water Conservation Fund. The Land and Water Conservation Fund is an important tool for protecting, conserving and expanding access to our public lands. Full funding and permanent reauthorization of this program is a critical step toward ensuring that Montanans can continue to enjoy the beauty of our state for generations to come.

**Facilitating more local and state input in management of federal lands.** Too many land-use decisions, such as Antiquities Act designations and their land-use plans or land planning more broadly, like the BLM's Planning 2.0 Rule, have occurred with the Department's disregard for impacts of these decisions to those who live closest to the land. Farmers, ranchers and other land users have spent generations working and protecting the land they use every day. I ask that you work with them and states to increase their voice when making land management decisions.

**Director's Order 219.** The Obama Administration's midnight directive ban on the use of lead ammunition and fishing tackle on federal lands is an example of a misguided and rushed directive from the top. I am concerned this directive was motivated by politics, not sound science, and would jeopardize the revenues hunters and anglers generate for conservation purposes. I ask that you rescind the directive and work with the states and Congress to address the use of lead in ammunition and fishing tackle.

## Securing Water Infrastructure

**Stop the spread of aquatic invasive species.** As you know, last year invasive mussel larvae were detected in Montana waters managed by the Bureau of Reclamation (BOR). Should these larvae propagate, it will have detrimental impacts on Montana's ecosystem, obstruct irrigation and hydropower infrastructure, and negatively impact our economy. In your new role, I urge you to work with the Corps of Engineers and other federal, tribal and state agencies to ensure these mussels do not proliferate.

**Complete and Fund Rural Water Projects.** The Dry-Redwater Regional Water Authority and Musselshell-Judith Rural Water System have spent seven and 11 years, respectfully, in deliberation with BOR, as well as \$7 million in combined state, local, and federal funding to date without authorization. Authorizing these projects would help provide access to a dependable and clean water supply to the nearly 25,000 residents in central and eastern Montana who currently lack access to reliable water supply systems that meet the basic drinking water requirements. Montana is also home to two rural water projects authorized that are in dire need of dedicated funding. We worked together in Congress to advance their authorizations and fund our authorized projects in Montana. I ask for your continued cooperation to reexamine prioritization of these projects and work with Congress to secure authorization and address resource challenges, including consistent and robust funding.

#### **Promoting Prosperity in Indian Country**

**Fund Implementation of the Blackfeet Water Rights Settlement Act.** Together with your leadership in the House of Representatives, we were able to enact an historic water settlement for the Blackfeet people. In order for the settlement to become effective, however, the funding authorized in the settlement, approximately \$422 million, must be appropriated no later January 21, 2026. Fully funding this settlement is a crucial step to upholding the commitment made by Congress, the Administration, and the State of Montana to the Blackfeet people and neighboring communities. I urge your assistance in requesting robust funding for this settlement each year, beginning with at least \$100 million in the President's Budget request for 2018.

**Recognize the Little Shell Tribe**. The Little Shell Tribe has been fighting for federal recognition for nearly four decades. While I remain committed to seeing the Little Shell Tribe of Chippewa Indians Restoration Act--which would legislatively grant federal acknowledgement to the tribe--into law, the Department of the Interior is uniquely positioned to grant that recognition unilaterally in a way that has the potential to be more expeditious than the legislative process. I urge you to do so and give them the dignity they deserve.

**Facilitate development of tribal energy resources**. A good-paying job is the key to a brighter future for Indian tribal communities and for many tribes, development of their natural resources would stimulate economic growth. Unfortunately, Indian tribes face obstacles in tapping into their rich natural resources potential, almost all of which has gone undeveloped. Furthermore, according to a 2014 Department document, Indian energy resources are underdeveloped relative to surrounding non-Indian resources. I ask that you work with me to remedy these troubling statistics by facilitating easier all-of-the-above energy development on Indian lands and helping tribes cut through existing red tape that stands in the way.

**Keep Indian Country safer.** Over three thousand Native American veterans transition out of the military each year. This pipeline of talent offers a potential pool of highly qualified and civic-minded personnel to fill challenging vacancies in law enforcement positions across Indian Country. I hope that the Department can work constructively with the Office of Personnel Management to reduce the bureaucratic maze that confronts applicants who are willing to fill critical law enforcement vacancies. The talent pool exists to fill these positions, but if the time required to complete the hiring process and finalize background checks remains excessive, prospects may lose interest and look for opportunities elsewhere.

While not an exhaustive list, I believe the above policies reflect important areas to begin your important work leading the Department of the Interior. I look forward to working with you on these issues; and, I extend an invitation for you to join me in Montana to meet face-to-face with our constituents directly impacted by the Department.

Sincerely,

TEVE DAINES

Unites States Senator

Page 4 of 4