

Testimony of
Governor Judy Martz
of the
State of Montana
before the
House Committee on Resources
Wednesday, March 7, 2001

Mr. Chairman, Members of the Committee, for the record my name is Judy Martz and I am the Governor of the great state of Montana. It is an honor to be here today to speak on behalf of my state on the Role of Public Lands in Developing a Self-Reliant Energy Policy. I appreciate the efforts and interest this Committee has shown in this issue.

Let me begin by putting into context the size of Montana. Overall, Montana has in excess of 93 million acres of land. That is over 145,000 square miles. Congressman Rehberg, our states sole voice in the House of Representatives has a big job

Of the 93 million acres, over 19 million acres are managed by the United States Forest Service, 8 million by the Bureau of Land Management and another 1.1 million by the National Park Service.

Adding these public land figures together, and you see that 33% of our land mass is managed by the Federal Government.

Montana has a wealth of natural resources. From vast super-compliant coal fields in the east, to miles of timber land in the west, Montana has the natural resources to help quest the thirst for energy across our nation. Montanans are anxious for the opportunity to contribute to the economic health of this country through responsible and environmentally sensible development of our resources.

Unfortunately, we have seen over the past decade, a continual move away from the responsible development of our natural resources. We have continued to increase our reliance on foreign nations to supply us with our energy needs. The result, foreign dependence on energy has reached all time highs, which in turn has led to rising energy costs and power shortages across the nation.

And while Montana has the potential to help supply this nation with clean, affordable energy, we have seen our ability to responsibly develop those resources grind to a halt through federal inaction and mismanagement. At the end of President Clinton's term in office, he forced many federal land grabs through in an attempt to recreate a lasting legacy. In Montana alone, we protested to no avail, President Clinton's Roadless Initiative, which locked up over 6 million acres of U.S. Forest Service land. Never mind the fact that the smoke had barely cleared from devastating summer fires that reduced to ash over 900,000 acres of forest land.

Additionally, the Roadless Initiative will forever prohibit sensible and environmentally sensitive exploration of natural gas and oil.

Also, just days before leaving office, President Clinton designated nearly half a million acres of land along the Upper Missouri River a National Monument. While the state has been promoting tourist activity in Montana in an attempt to replace revenues from resource industries, President Clinton and Secretary of Interior Bruce Babbitt

permanently set aside one of our states greatest natural gas reserves due to "concerns over a great influx of tourists".

Last year, approximately 420,000 acres along the Rocky Mountain Front were withdrawn for mineral development for the next 20 years. The Rocky Mountain Front has untold reserves of natural gas. In fact, our Canadian neighbors to the north have been responsibly developing natural gas along the Front for years.

But the news is not all bad. In fact, despite the previous Administration's attempt to protect the west from itself, we believe Montana still has tremendous potential to meet the demands of a growing nation.

Montana is in the process of receiving the federal mineral rights in super-compliant coal reserves in Southeast Montana. This area of land known as the Otter Creek tracts is the result of an exchange for the mineral development rights outside Yellowstone National Park. While serving as Montana's Lieutenant Governor under former Governor Marc Racicot, Montana successfully negotiated a deal with the federal government that resulted in the buyout of mineral rights, and an exchange for the lost economic development. Under the leadership of Senator Conrad Burns and former Congressman Rick Hill, HR 2107 was signed into law in 1998, mandating the transfer of Otter Creek Tracts 1, 2 and 3 to the State of Montana.

However, always mindful of what was best for the citizens of Montana, former Secretary of Interior Bruce Babbitt refused to follow the federal mandate and reneged on the federal government's promise. I am pleased to say that working with the new Secretary of Interior Gale Norton, I believe Montana will receive ownership of these tracts in the near future.

And at stake is the development of over 533 million tons of super-compliant coal. And I call it super-compliant because it far exceeds federal Clean Air requirements with high BTU values and low sulphur output.

These tracts will most likely be included as part of our school trust land, thus the revenue's from development will add to our state's ability to fund public education.

Additionally, this high quality coal will be in great demand in the Midwestern part of our country as power generating facilities struggle to improve air quality as mandated under the Clean Air Act.

The development of these tracts is also bringing increased interest from investors who recognize the need for additional power sources in the western half of our country. We have already had several inquiries about the potential development of not only the coal, but also coal fired electric generating facilities that will fuel the power needs of Montana and the west.

Along with potential coal development, Montana has vast reserves of a resource only recently acknowledged as a viable energy source. Coal bed methane. Currently, Montana's Department of Environmental Quality and the BLM are working jointly to assess environmental impacts from proposed development. Wyoming Governor Geringer has had tremendous experience in the development of coal bed methane and we hope to learn from efforts in Wyoming.

In Montana, we have seen increased interest in utilizing traditionally under-valued or no-valued timber byproducts to produce electricity. And this prospect grows increasingly attractive as the United States Forest Service begins to implement The National Fire Plan, a plan that addresses the health of our forests that in part focuses on mechanical treatment of small trees and shrubs that contribute to catastrophic fires. With the General Accounting Office identifying over 40 million acres of interior west forestlands at risk for catastrophic fire, we have a tremendous potential energy resource at our disposal.

We have a tremendous amount of energy reserves on our public lands. From coal to coal bed methane, from natural gas to timber byproduct co-generation, we have the potential to be much more self reliant in terms of energy production.

Today, nearly 57% of our energy needs are supplied by foreign nations. Not only is that a national security risk, it takes good paying jobs away from hard-working Americans. It is unacceptable. We have the resources to provide a much greater role in meeting our country's energy needs. And we can do it in an environmentally sensitive manner. As a nation, we need to re-evaluate the role our public lands can play in supplying this country with the energy it so desperately needs.