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Sent: 2017-06-28T11:28:45-04:00
Importance: Normal
Subject: Fwd: E&E News Clips—June 27, 2017
Received: 2017-06-28T11:29:36-04:00
ee06-27-17.docx

They are totally screwing Bud...this is obviously to get him to retire since he's eligible.

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1. 3 BLM state directors removed in reorganization — sources

Scott Streater, E&E News reporter

Published: Tuesday, June 27, 2017

The Bureau of Land Management is reassigning the directors of the Alaska, Colorado and New Mexico state offices to positions at other federal agencies as part of an Interior Department reorganization that sources say is only beginning.

<http://bit.ly/2sY3qr5>

2. Can Zinke tout an unpopular budget and win over Congress?

Kellie Lunney, E&E News reporter

Published: Tuesday, June 27, 2017

All Cabinet secretaries must traverse Capitol Hill's thorny terrain during budget season. Their mission: Defend the president's priorities and simultaneously placate lawmakers from both parties upset about proposed cuts to their favorite programs.

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3. Zinke vows to restore 'breaches,' keep NPS despite reorg

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — Interior Secretary Ryan Zinke said today that his agency must "restore trust" in the federal government's ability to manage public lands — while slamming Obama-era policies on developers paying for harm to species and promising his overhaul of the department would be on a "100-year scale."

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4. BLM launches web tool to improve access to outdoor activities

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As summer vacations kick off, the Bureau of Land Management has launched a tool on its website to improve the public's access to thousands of recreation sites across the country.

<http://bit.ly/2uf0G8g>

5. Western governors to push Zinke on his review

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — When a cadre of Western governors meet with Interior Secretary Ryan Zinke today, Wyoming Gov. Matt Mead (R) said the group will emphasize the decades of effort that led to the creation of current sage grouse conservation efforts — and will aim to influence the Interior Department's new review of whether those plans are hindering energy production on public lands.

<http://bit.ly/2sO838R>

6. Greens decry Zinke's 'sham review'; Sandoval discusses Nev. sites

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — Conservationists yesterday railed against Interior Secretary Ryan Zinke's pending assessment of national monuments, asserting the Trump administration is conducting a "sham review" as it considers whether to reduce or rescind dozens of sites nationwide.

<http://bit.ly/2ueBMph>

7. Zinke touts record PILT payments as Trump proposes deep cuts

Scott Streater, E&E News reporter

Published: Tuesday, June 27, 2017

Interior Secretary Ryan Zinke yesterday announced his department will distribute a record \$464 million to 1,900 counties as part of a program that pays rural areas with large tracts of federal land.

<http://bit.ly/2shXt6l>

8. Contentious forest, Izembek bills among 22 bills panel advances

Kellie Lunney and Dylan Brown, E&E News reporters

Published: Tuesday, June 27, 2017

The House Natural Resources Committee today approved 22 bills, including legislation to approve construction of a controversial road in Alaska and other measures related to water, recreation, mining cleanup and forest management.

<http://bit.ly/2rYfLKB>

9. Court to consider scrapping pipeline challenges

Ellen M. Gilmer, E&E News reporter

Published: Tuesday, June 27, 2017

A federal judge is set to hear arguments later this summer on whether legal challenges to the Keystone XL pipeline should proceed.

<http://bit.ly/2tTqZ4B>

10. Mountain Valley project would affect forests — FERC

Published: Tuesday, June 27, 2017

The Federal Energy Regulatory Commission last week released its final environmental assessment for the proposed Mountain Valley pipeline, saying it would have a "significant" impact on West Virginia and Virginia forests but few other adverse effects.

<http://bit.ly/2ues7ir>

11. U.S. supply glut may end this fall

Published: Tuesday, June 27, 2017

Despite forecasts of cooler weather this summer, the supply glut weighing on the U.S. natural gas market could disappear by the fall, according to a new report by Bloomberg New Energy Finance.

<http://bit.ly/2thvW9P>

12. Greens, labor mobilize for modified reclamation bill

Dylan Brown, E&E News reporter

Published: Tuesday, June 27, 2017

Environmentalists, union workers and Appalachian advocacy groups yesterday threw their weight behind a \$1 billion coal mine cleanup bill ahead of a House markup today. But they are also pushing for changes to stress economic development.

<http://bit.ly/2ueX9Xs>

13. Navajo leaders strike deal to keep power plant open

Published: Tuesday, June 27, 2017

Navajo Nation leaders yesterday agreed to a deal that could keep one of the country's largest coal-fired power plants open until 2019.

<http://bit.ly/2tkgY Ao>

14. Perry touts U.S. energy exports as 'force for peace'

Peter Behr and Emily Holden, E&E News reporters

Published: Tuesday, June 27, 2017

Energy Secretary Rick Perry said yesterday the Trump administration wants U.S. energy production to be a "force for peace," making exports of oil, gas, coal and nuclear technology key instruments of U.S. political as well as economic power.

<http://bit.ly/2tjLABX>

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1. 3 BLM state directors removed in reorganization sources

Scott Streater, E&E News reporter

Published: Tuesday, June 27, 2017

The Bureau of Land Management is reassigning the directors of the Alaska, Colorado and New Mexico state offices to positions at other federal agencies as part of an Interior Department reorganization that sources say is only beginning.

Alaska Director Bud Cribley, Colorado Director Ruth Welch and New Mexico Director Amy Lueders are among as many as 50 BLM career officials notified this month that they are being transferred to different agencies or other positions within BLM, multiple sources with knowledge of the moves told E&E News.

The Senior Executive Service officials were told of the transfers earlier this month and given 15 days, or until Wednesday, to either accept the transfers, retire or resign (*Greenwire*, June 16). Additional transfer notices will be coming as soon as this week, sources said.

BLM and Interior Department officials have declined to provide many details about the ongoing reorganization effort, or the transfers of SES employees to other federal agencies.

But reassigning three state directors represents a major administrative change for the agency. The trio at issue oversee 94 million acres of some of the most resource-rich and environmentally sensitive lands managed by the agency.

It's not clear whether anyone has been named to replace the outgoing state directors.

Heather Swift, an Interior spokeswoman, declined to confirm that the state directors are being reassigned.

"I have no information on specific personnel matters at this time," Swift said in an email.

But sources confirmed that Cribley is being transferred from the Alaska state office to an unspecified administrative position at the Fish and Wildlife Service in Washington, D.C. Cribley would have 60 days to move if he accepts the transfer, sources said.

Welch is being reassigned to an administrative position with the Bureau of Reclamation but will remain in the Denver area.

Sources also confirmed that Lueders is being transferred to an unspecified position at the Fish and Wildlife Service in Albuquerque, N.M. *The Washington Post* first reported Lueders' transfer.

It's not clear whether the three state directors have agreed to the transfers. Only Cribley, who first joined BLM in 1975, has been with the agency long enough to retire with full benefits, sources said.

Interior Secretary Ryan Zinke has defended the transfers in general, telling reporters last week that he wasn't firing anyone, but rather shifting people to jobs where their skills are better suited (*E&E News PM*, June 21).

Senior executives are required when they enter the SES to sign a form acknowledging they are subject to involuntary reassignments.

By statute, reassignments must comply with proper notification requirements of at least 15 days for a transfer to another SES job within the same agency and the same commuting area, and 60 days for a transfer outside the geographic commuting area.

"If you accept an SES position, you should be prepared to move," Zinke said.

More moves coming

BLM acting Director Mike Nedd held a June 16 teleconference with members of the agency's Executive Leadership Team to discuss the latest SES transfers and to prepare senior leadership for "one or two more rounds" of similar moves in the coming weeks, sources said.

A BLM source said a new round of agency transfers could come as early as Thursday.

Swift, in a brief email to E&E News, wrote that Zinke "has been absolutely out front" that transfers were coming since "his first-day address to all employees" in March.

They are part of an Interior agencywide reboot Zinke outlined in general terms this month that calls for reorganizing the agency under a "joint system" that would shift federal employees from Washington to the field (*E&E News PM*, June 8).

He has promised more details in the coming weeks.

"Personnel moves are being conducted to better serve the taxpayer and the Department's operations through matching Senior Executive skill sets with mission and operational requirements," Swift wrote.

The Trump administration's proposed fiscal 2018 budget for BLM calls for a nearly 13 percent cut in funding from current operating levels.

Nedd sent an agencywide email to all staff June 16 acknowledging that the budget cuts, if implemented, "could mean 1,000 fewer full-time equivalent employees across the Nation," according to a copy of the email obtained by Public Employees for Environmental Responsibility.

Nedd's email says the agency can probably handle most of the reduction through attrition and retirements but adds that BLM "may also seek authority from the Office of Personnel Management to offer early retirement and voluntary separation incentives later this year."

Nedd was not involved in the decision to transfer the state directors, a source with knowledge of the reorganization told E&E News. The source said Nedd was told of the transfers about an hour before the letters were sent June 15 to the employees targeted for transfer.

Sources said the transfer decision came down the chain of command from James Cason, Interior's associate deputy secretary.

Cason, a George W. Bush-era official who served as Interior associate deputy secretary from 2001 to 2009, is co-leading an Interior rule-cutting task force (*E&E News PM*, April 24).

Though details are few, the transfers have sparked questions from elected leaders. New Mexico Sen. Tom Udall (D) at a Senate Appropriations subcommittee hearing last week expressed concern to Zinke about losing Lueders.

Colorado Gov. John Hickenlooper (D), attending the Western Governors' Association annual meeting in Whitefish, Mont., told E&E News this week that he's concerned about the impacts of losing talented BLM staffers that his office has worked with on issues like greater sage grouse management.

"All I have is anecdotal information, but it sounds like people are being transferred away from their expertise and away from their traditional area of responsibility, and I do worry that we're going to lose some of the institutional memory, that kind of muscle memory that allows you to get good policy and not bad policy," Hickenlooper said.

Montana Gov. Steve Bullock (D), also attending the WGA meeting, echoed Hickenlooper. While Bullock said it's "laudable" to reorganize the agency to make it more effective, "we need to make sure in doing so we're not taking steps back."

Political payback?

Alaska, Colorado and New Mexico have all been involved in controversial energy development and natural resource issues in the past few years, and sources say Interior brass do not view the three state directors at issue as being compatible with the Trump administration's stated push to promote more oil and gas development and mining activity on federal lands.

The transfer of Cribley, who has been BLM's Alaska state director since November 2010, comes just weeks after Zinke toured the state and announced plans to open new sections of the National Petroleum Reserve-Alaska to oil and gas leasing (*[Energywire](#)*, June 1).

Sources said Cribley had a good relationship with Senate Energy and Natural Resources Chairwoman Lisa Murkowski (R-Alaska), who accompanied Zinke on part of his tour through the state last month.

But Murkowski and other members of Alaska's congressional delegation have long complained about federal land-use policies that they say have limited access to mineral resources and stifled economic development.

Welch, appointed Colorado state director in June 2014, helped broker agreements throwing out already-issued oil and gas leases in the Thompson Divide portion of the White River National Forest and atop the sensitive Roan Plateau.

Welch stood next to former Interior Secretary Sally Jewell during a ceremony in Denver announcing both agreements; the leader of an industry trade group derided the ceremony as "despicable" (*[E&E News PM](#)*, Nov. 17, 2016).

Lueders, appointed New Mexico state director in 2015, was viewed as instrumental in helping BLM develop sweeping federal greater sage grouse conservation plans that were key in convincing the Fish and Wildlife Service not to list the bird for protection under the Endangered Species Act.

Prior to her appointment as New Mexico director, she served on detail in BLM's Washington headquarters overseeing sage grouse conservation as acting assistant director for renewable resources and planning.

Zinke, a longtime critic of the federal plans, this month announced Interior will review the grouse plans to determine in part whether they are hindering energy production on public lands (*[Greenwire](#)*, June 7).

Lueders was also BLM Nevada director during the disastrous 2014 armed standoff with ranchers and militia groups who blocked the agency from removing hundreds of head of cattle owned by rancher Cliven Bundy that were illegally grazing on federal land.

Other moves

Other high-ranking BLM officials are also being transferred.

Among them is Salvatore Lauro, who directs the agency's Office of Law Enforcement and Security.

Lauro is scheduled to be transferred to the Fish and Wildlife Service as chief of FWS's Office of Law Enforcement.

The current FWS Office of Law Enforcement chief, Bill Woody, will essentially switch places with Lauro and is scheduled to be transferred to head up BLM's Office of Law Enforcement and Security.

In addition, Janine Velasco, BLM's assistant director of business, fiscal and information resources management, is being transferred to an unspecified administrative position at FWS in Washington.

Reporter Jennifer Yachnin contributed.

<http://bit.ly/2sY3qr5>

2. Can Zinke tout an unpopular budget and win over Congress?

Kellie Lunney, E&E News reporter

Published: Tuesday, June 27, 2017

All Cabinet secretaries must traverse Capitol Hill's thorny terrain during budget season. Their mission: Defend the president's priorities and simultaneously placate lawmakers from both parties upset about proposed cuts to their favorite programs.

It's an unenviable job under normal circumstances. But withstanding criticism from Republicans and Democrats over President Trump's fiscal 2018 budget blueprint — former House Appropriations Chairman Hal Rogers (R-Ky.) called it "draconian" earlier this year — takes a special kind of stamina and confidence.

Interior Secretary Ryan Zinke last week deflected questions from three congressional committees on the approximately 13 percent proposed budget reduction his department is facing in fiscal 2018. The seemingly unflappable former Navy SEAL and Montana congressman attempted to sell lawmakers a potpourri of reductions, including an 85 percent reduction to the Land and Water Conservation Fund, a 15 percent decrease to a popular tax program that helps communities with federal lands and the elimination of regional programs including the Great Lakes Restoration Initiative.

Zinke repeatedly told Republicans and Democrats last week that he views the administration's proposal as "a starting point."

The Montanan — who also appeared before the House and Senate natural resources panels — cheerfully told legislators he would "work with them" on their priorities, whether it was Sen. Chris Van Hollen (D-Md.) fretting over proposed cuts that would affect the Chesapeake Bay, or Louisiana Republican Sen. Bill Cassidy and Rep. Garret Graves determined to preserve an oil and gas revenue-sharing program that benefits Gulf states and assists them with coastal restoration and hurricane protection. The Trump budget would slash that program by \$272 million in fiscal 2018.

The Interior secretary received a polite, even warm at times, reception from Democrats as well as Republicans. Rep. William Lacy Clay (D-Mo.) told Zinke he thought it was "cool" that he rode a horse to work his first day on the job during Thursday's Natural Resources hearing.

Practically speaking, though, how does Zinke champion an unwelcome budget that guts many popular programs and successfully push for more energy production, but also "work with" all lawmakers on their specific priorities?



Sen. Bill Cassidy (R La.) pressed Interior Secretary Ryan Zinke on offshore drilling and revenue sharing. C-SPAN

"It's easy," Zinke told reporters in response to that question after testifying Wednesday before the Senate Interior, Environment and Related Agencies Appropriations Subcommittee.

Easy?

"This is what a balanced budget would look like. It's the first step," he said, right on message. Then he launched into another talking point about the importance of raising revenues through on- and offshore drilling to help pay for things like LWCF and crumbling infrastructure in the country's national parks. Offshore drilling revenues are the second-largest source of income for the U.S. government after taxes collected by the IRS, but the money goes into the general Treasury (*Climatewire*, June 26).

"The walkaway is, we are going to focus on revenue, we're going to focus on public-private partnerships," Zinke said. He acknowledged that there are a lot of priorities among members. "But, all of these members are important."

Even as Zinke tells lawmakers that the proposed budget before them is the result of "tough" decisions, he effortlessly slips into reassurance mode when they air concerns.

"I'm glad to be here today to go through this," he told the Senate Energy and Natural Resources Committee last Tuesday. "I understand there's different priorities within each of you and your states. I will always work with you to make sure we have a budget that represents that recognition."

Parochial interests

Not everyone is so optimistic.

"These guys craft a piece of crap like this budget, and then they expect the secretaries to defend it," Sen. Jon Tester (D-Mont.) told E&E News last week.

Tester sits on the Interior, Environment and Related Agencies Appropriations Subcommittee, one of the panels Zinke came before last week. "I just don't know who is running the show over at Interior," he added. "We'll see what he [Zinke] does between now and then, but if they put out a budget this bad and expect us to fix all of it, I don't think it's going to be possible."

Even Sen. Lisa Murkowski (R-Alaska), who leads the ENR panel as well as the Interior Appropriations Subcommittee, and likes parts of the budget, conceded during last week's hearing that she doesn't expect Congress to go along with many of the administration's proposed cuts to the department, "especially those targeting popular programs."

In particular, Murkowski views the cut to the payments in lieu of taxes program as a nonstarter (*E&E Daily*, May 26). She also is not a fan of the 13 percent overall cut to the Bureau of Indian Affairs.

Still, she said she believes that Zinke can "absolutely" defend the president's budget and negotiate with lawmakers at the same time.

"He committed to working with us on a lot of these high-priority issues," Murkowski said after the Wednesday appropriations hearing.

Sen. Lamar Alexander (R-Tenn.), an appropriator, said he disagreed with Zinke's characterization of the budget proposal.

"This is not a balanced budget," said Alexander, adding that mandatory spending — programs like Social Security and Medicare — is the part of the \$2.7 trillion budget that is "out of control." Alexander said until that changes, funding for things like national parks, laboratories and the National Institutes of Health "will be squeezed into nothing."

The variety of parochial concerns lawmakers broached with Zinke during his appearances on Capitol Hill last week underscored the sheer breadth of the department's mission: managing public lands, water systems, national parks and monuments, energy production, wildfire prevention and mitigation, Indian affairs, even transportation.

There was Rep. Bruce Westerman (R-Ark.) asking about cuts to LWCF; freshman Rep. Jimmy Panetta (D-Calif.) querying Zinke about the "lack of funding and resources" for Bureau of Land Management employees in his district; and an exchange with Rep. Jack Bergman (R-Mich.) over the proper management of the double-crested cormorant and the risk the species poses to the fishing industry in northern Michigan.

Keeping track of it all is daunting. Zinke told Bergman he'd get back to him on the troublesome double-crested cormorant. "I will look into it. This is the first I have heard of this particular issue," the secretary said.

Charm offensive

Zinke's confidence navigating tricky conversations with members likely will be an asset in public and private budget negotiations.

Graves, the Louisiana congressman, asked Zinke for the opportunity to meet with him and explain why the offshore revenue-sharing program created by the 2006 Gulf of Mexico Energy Security Act (GOMESA) is not just critical to the region, but "an important reinvestment in revenues" overall.

"I look forward to working with you on it," Zinke said. Then he added, "I think you would be a magnificent governor of Louisiana. No one represents the state of Louisiana better than you," prompting some knowing chuckles. Graves is a frequent critic of current Louisiana Gov. John Bel Edwards (D), who is up for re-election in 2019.

Zinke assured Graves that he understood the importance of the law: "I get the GOMESA."

House Natural Resources Chairman Rob Bishop (R-Utah) praised Zinke's performance after the Thursday hearing, saying he did "very well."

Tester had a different take on the other side of the Capitol. "Sure, you can be confident," he said of Zinke. "But you're leading the train over the cliff. It's not good. I mean, it's not good."

<http://bit.ly/2siVbUP>

3. Zinke vows to restore 'breaches,' keep NPS despite reorg

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — Interior Secretary Ryan Zinke said today that his agency must "restore trust" in the federal government's ability to manage public lands — while slamming Obama-era policies on developers paying for harm to species and promising his overhaul of the department would be on a "100-year scale."

In brief remarks here at the Western Governors' Association annual meeting, Zinke lamented what he views as a dysfunctional relationship among federal land managers, residents and business.

"Particularly out West, there seems to be a breach of trust," Zinke said. "Some is the political arena that we live in today, but there's a trust between the people and our government in some places that's breached."

He then pointed to the Bureau of Land Management, which oversees 258 million surface acres and nearly 700 million acres of subsurface mineral estate.

"It bothers me when BLM is not viewed as land managers but are viewed as more law enforcement," Zinke said. "It bothers me to go out to our holdings where citizens don't trust their government to be the stewards. And frankly, in the past, there's been some breaches."

Zinke highlighted an unspecified \$3 billion lease in Alaska that was relocated at the direction of the Fish and Wildlife Service.

He did not identify the project but was likely referring to an effort by Royal Dutch Shell PLC to drill exploration wells in Alaska's remote Chukchi Sea. The wells in that project would have violated a Fish and Wildlife marine mammal rule issued in 2013 that required well spacing of at least 15 miles (*E&E News PM*, June 23, 2015).

Zinke did not raise other disputes with BLM, such as the 2014 incident in which armed ranchers and militia blocked federal law enforcement officers from removing Cliven Bundy's cattle from public lands where they had been illegally grazing.

But Zinke did spend time lambasting the process of "compensatory mitigation," which dictates how land developers can pay for damage to protected species or their habitats, noting that some critics see the process as "extortion."

"I call it un-American," said Zinke, adding that he called for a review of the compensatory mitigation process in a secretarial order earlier this year. "We have to restore trust."

Zinke also briefly touched on his planned overhaul of Interior, vowing that the reorganization effort would be "on a scale of 100 years."

"We're going to address how to be more joint," he said. "We're still going to keep the Park Service and the Forest Service, because there is great value in keeping tradition."

The Forest Service is under the Agriculture Department.

No changes to Mont. monument

In a news conference after his remarks, Zinke revealed that he will not recommend any changes to the Upper Missouri River Breaks National Monument in Montana, one of dozens of such sites under review by the Trump administration.

"My likely recommendation will be to leave the Missouri Breaks as is," Zinke said. He later added: "In the case of Missouri Breaks, I think it's settled to a degree, and I'd rather not open up a wound that has been healed."

Zinke is reviewing 27 national monuments under an executive order issued by President Trump in late April to assess all monuments created since 1996 that encompass at least 100,000 acres.

In an interim report earlier this month, Zinke advocated for unspecified reductions to Bears Ears National Monument in southeastern Utah, but he is not scheduled to submit a final report until Aug. 24.

Echoing remarks he made to congressional lawmakers last week, Zinke acknowledged that not all 27 monuments are actively under scrutiny.

"Not all the monuments are under review," he said. Last week, he told Colorado Sen. Cory Gardner (R) that the Canyons of the Ancients National Monument is not on his agency's "priority review" list (*E&E News PM*, June 22).

<http://bit.ly/2seDuKE>

4. BLM launches web tool to improve access to outdoor activities

Kellie Lunney, E&E News reporter

Published: Tuesday, June 27, 2017

As summer vacations kick off, the Bureau of Land Management has launched a tool on its website to improve the public's access to thousands of recreation sites across the country.

The agency, which manages 3,735 sites through its outdoor recreation program, added nearly 1,400 new webpages from its most popular recreation areas, including information on trails, campgrounds and national monuments.

Users can search by location, keyword or activity — everything from auto touring to winter sports.

BLM provides a basic summary of the recreation site, contact information for the agency field office, fee information where applicable, necessary permits and passes, and, of course, maps.

"Maps are kind of a big deal at the BLM," said agency spokesman Matthew Allen.

The information had been housed at Recreation.gov, and still is, according to Allen. But the agency wanted to make it easier for people to find what they were looking for — and plans to expand the tool as needed. Nearly half the visitors to BLM.gov are seeking recreation-specific information, Allen said.

The most popular recreation activities on BLM-managed lands in fiscal 2016 included camping, picnicking, off-highway travel and hunting, according to agency statistics.

BLM reported \$24.6 million in revenue in fiscal 2016 from fees, permits and passes to outdoor recreation sites.

<http://bit.ly/2uf0G8g>

5. Western governors to push Zinke on his review

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — When a cadre of Western governors meet with Interior Secretary Ryan Zinke today, Wyoming Gov. Matt Mead (R) said the group will emphasize the decades of effort that led to the creation of current sage grouse conservation efforts — and will aim to influence the Interior Department's new review of whether those plans are hindering energy production on public lands.

Zinke is scheduled to meet with members of the Western Governors' Association in a private session and give a keynote address at the group's annual meeting. During his remarks, Zinke is expected to touch on sage grouse as well as announce grants for energy projects to the nation's insular areas.

In a news conference ahead of the meeting's opening session, Mead — who has previously praised Zinke's decision to compare federal- and state-level efforts to protect the birds and potentially recommend changes to how they are managed — touted the success of efforts to avoid listing the sage grouse under the Endangered Species Act ([Greenwire](#), June 8).

"This is a long-term effort," Mead said, pointing to collaboration from the oil and gas industry, conservationists, ranchers, farmers and others with an interest in public lands.

"Stakeholders in a number of different ways have come to a place — not led from the federal government but led from the states — where they came to an agreement, that came to a place, which got us to a 'no' listing with sage grouse. The significance of that can't be overstated," he added.

Mead, a critic of the ESA who complained that a low percentage of species are removed from the program after being listed, said he hopes Zinke will give sufficient weight to states' input.

"The states don't necessarily agree on every aspect of it — and some agree more than others — but it should be a state-driven effort, because the wildlife belongs to the states, it's best managed by the states and not the federal government," Mead added. "We're hoping for that robust discussion recognizing that nearly two decades of work has been put into this to get us to this point."

Mead and Colorado Gov. John Hickenlooper (D) served as co-chairman of the federal-state sage grouse task force that worked to develop the existing conservation plans.

The Interior and Agriculture departments finalized their greater sage grouse plans in 2015 — covering grouse habitat across 70 million acres in 10 Western states — including amendments and revisions to 98 Bureau of Land Management and Forest Service land-use plans.

Montana Gov. Steve Bullock (D), the current WGA chairman, suggested that changes to the sage grouse efforts could create uncertainty for landscapes and habitats used by the mottled-brown bird.

"I've worked hard, shoulder to shoulder, with many of the governors here, and I want to make sure that we continue to advance that and not actually take any steps back," Bullock said. "From that perspective, we'll certainly take the secretary's word that consultation with the states is important and continuing to protect the birds is important."

ESA changes

The WGA is also set to consider updates to its resolution on ESA, which encourages Congress to treat states as co-regulators with greater input into decisions to include or remove species from listing. The organization focused on ESA reform under Mead's chairmanship last year, adopting a policy in December that called for state consultation (*Greenwire*, Dec. 15, 2016).

That resolution urged Congress to include "clear recovery goals for listed species" as well as actively pursue the delisting of recovered species.

"Western Governors believe that recovery, and ultimately de-listing of a species covered by the ESA, should be the highest priority of the Act," the resolution states. "Every effort should be made to complete a recovery plan within one year of a species being listed, when doing so will not compromise the integrity of the plan."

The resolution also endorsed expanding the role of state governments under ESA by allowing Interior to delegate the development of conservation plans to individual states, as well as to provide grants for related administrative costs.

California Gov. Jerry Brown (D), who did not attend the meeting, rejected updates to the proposal — which have not been publicly released — in a Friday letter to Mead.

"You spearheaded an inclusive thoughtful process," Brown wrote. "In contrast, the current climate in Congress is marked by chaos and partisanship. This climate will not result in good conservation policy."

'Bipartisanship Happens'

Before opening the WGA's annual meeting yesterday, both Bullock and South Dakota Gov. Dennis Daugaard (R) touted their organization's efforts to unite governors from both major political parties.

"Bipartisanship does not happen by accident. It happens by design," said Bullock, who held up a bumper sticker distributed by the group that reads "Bipartisanship Happens" with the WGA logo.

He pointed to the group's work on topics including the sage grouse and ESA, as well as energy production, forest and rangeland management, and fire suppression.

"We may disagree on some issues, but we disagree respectfully and civilly, and at the end of the day, we're colleagues and we enjoy each other's company," Daugaard said. "We are deliberate about that."

<http://bit.ly/2sO838R>

6. Greens decry Zinke's 'sham review'; Sandoval discusses Nev. sites

Jennifer Yachnin, E&E News reporter

Published: Tuesday, June 27, 2017

WHITEFISH, Mont. — Conservationists yesterday railed against Interior Secretary Ryan Zinke's pending assessment of national monuments, asserting the Trump administration is conducting a "sham review" as it considers whether to reduce or rescind dozens of sites nationwide.

The event organized by the Center for Western Priorities marked the group's upcoming Monuments to America tour, which will travel through six states next month — California, Nevada, New Mexico, Arizona,

Utah and Colorado — before ending at the Outdoor Retailer show in Salt Lake City, to highlight monuments included in the review process.

"Under President Trump and Secretary [Ryan] Zinke, our public lands and waters are under attack," the center's executive director, Jennifer Rokala, said at a news conference scheduled to coincide with the Western Governors' Association's annual meeting here.

She added, "Despite overwhelming public support for keeping existing monuments intact, this administration is conducting a sham review of national monuments designated over the last 20 years. It seems the results of this so-called review are predetermined."

The Interior Department is in the midst of a review of 27 national monuments, including five marine monuments. The president issued an executive order in late April mandating the review of all monuments created since 1996 that include more than 100,000 acres, as well as any other monuments the secretary deemed should be included.

Rokala pointed to Zinke's recent interim report that recommended significant reductions to the Bears Ears National Monument in southeastern Utah as evidence of the review's predetermined outcome, despite public comments that weighed heavily in favor of retaining the site as it is (*Greenwire*, May 26). Zinke, who didn't offer specifics on how much of the 1.35-million-acre site could be cut, is set to submit a final report Aug. 24 (*E&E News PM*, June 12).

Rokala expressed concern that reviews of other sites could be weighted to critics, including the Grand Staircase-Escalante National Monument in southwestern Utah as well as marine monuments like the Northeast Canyons and Seamounts in the Atlantic Ocean.

"We want to make sure people understand that national monuments and public lands are so important to this country both from a cultural and historic significance, but also the economic importance to communities like Whitefish, Mont.," she said.

Other speakers, including Backcountry Hunters & Anglers board Chairman Ryan Busse and former Glacier County Attorney Larry Epstein, urged Zinke to refrain from altering Montana's Upper Missouri River Breaks National Monument.

"We hold deed to these places. We don't need to be royalty, we don't need to be landed gentry, we don't need to be the son of a senator. These places are our places," said Busse, who lives in nearby Kalispell.

Epstein, who lives in Cut Bank, also urged Zinke to reinstate the more than 200 advisory panels that assist federal agencies managing hundreds of millions of acres of public lands. The advisory panels were suspended earlier this year as part of a review of the department's organization (*Greenwire*, May 5).

"This is a crucial time for public lands," said Epstein, who noted his service on the Upper Missouri River Breaks advisory panel.

Nev. monuments

Nevada Gov. Brian Sandoval (R) told E&E News yesterday that he has yet to talk with Zinke about the future of monuments in his state, where both the Basin and Range and Gold Butte national monuments are under review.

"That'll be part of the conversation I'm sure we'll have tomorrow," Sandoval said, referring to Zinke's scheduled attendance at the Western Governors' Association meeting, where he is set to give the keynote speech.

Sandoval noted that Interior had "reached out" to his office in its research of the monuments, but had not given any indication on what it would recommend.

Zinke told Colorado Sen. Cory Gardner (R) last week that his state's Canyons of the Ancients National Monument was not on the agency's "priority review list" but demurred when asked for similar assurances about sites in New Mexico by Sen. Tom Udall (D) (*E&E News PM*, June 22).

The secretary, a former Montana lawmaker who hails from Whitefish, also told Rep. Scott Tipton (R-Colo.) last week that his review is now focused on "just a few" of the 27 sites included in the assessment.

<http://bit.ly/2ueBMph>

7. Zinke touts record PILT payments as Trump proposes deep cuts

Scott Streater, E&E News reporter

Published: Tuesday, June 27, 2017

Interior Secretary Ryan Zinke yesterday announced his department will distribute a record \$464 million to 1,900 counties as part of a program that pays rural areas with large tracts of federal land.

The Interior Department said in announcing the distribution of the annual payments in lieu of taxes (PILT) program funds that the record amount, approved by Congress, underscores "the Trump administration's commitment to rural communities" and is one way the federal government "can fulfill its role of being a good neighbor to local communities." The payment plan aims to help those counties by offsetting lost property tax revenue since the federal lands cannot be taxed.

"As a kid who grew up in northwest Montana and whose sons graduated from the same high school as I did, I know how important PILT payments are to local communities that have Federal lands," Zinke said in a statement. "These investments are one of the ways the federal government is fulfilling its role of being a good land manager and good neighbor to local communities."

But President Trump's proposed fiscal 2018 budget proposes a 15 percent cut for the program that since 1977 has distributed nearly \$8 billion to states and territories to help nearly 2,000 counties fund critical services such as firefighting, law enforcement and public schools, as well as infrastructure improvement projects.

Trump's budget blueprint requests \$397 million for PILT in fiscal 2018 — \$68 million less than the \$465 million the program received in the fiscal 2017 omnibus Congress passed last spring (*E&E Daily*, May 26).

The proposed cuts have raised concerns with top GOP congressional leaders, including House Natural Resources Chairman Rob Bishop (R-Utah) and Sen. Lisa Murkowski (R-Alaska), who leads the Interior, Environment and Related Agencies Appropriations Subcommittee.

Murkowski has vowed to fight the proposed cuts. Her state is slotted for \$30 million in PILT funding this year.

But Zinke traveled yesterday to make the distribution announcement in Nevada — where 85 percent of the state's lands are federally managed and where elected leaders were pleased for another year of funding.

"As a vocal and outspoken supporter of the PILT program, I applaud Secretary Ryan Zinke for investing record resources in the program and sending a message I've long echoed to rural Nevada: you are not forgotten," Sen. Dean Heller (R-Nev.), whose state will receive \$26 million in PILT funds this year, said in a statement.

Other states with large tracts of federal lands receiving sizable distributions this year are Arizona (\$36 million), California (\$48 million), Colorado (\$36 million), New Mexico (\$38 million), Utah (\$39 million) and Wyoming (\$28 million).

"I thank Secretary Zinke for recognizing the important role the program plays in our communities," Heller added.

<http://bit.ly/2shXt6l>

8. Contentious forest, Izembek bills among 22 bills panel advances

Kellie Lunney and Dylan Brown, E&E News reporters

Published: Tuesday, June 27, 2017

The House Natural Resources Committee today approved 22 bills, including legislation to approve construction of a controversial road in Alaska and other measures related to water, recreation, mining cleanup and forest management.

Members offered the most amendments — eight — to H.R. 2936, which would encourage forest-thinning projects on public lands to reduce the threat of catastrophic wildfires.

The legislation, sponsored by Rep. Bruce Westerman (R-Ark.), would provide dedicated funding to avoid the Forest Service's borrowing from other accounts to deal with fire suppression (*E&E Daily*, June 23).

The bill passed 23-12.

But Democrats, including Natural Resources Committee ranking member Raúl Grijalva of Arizona, said the bill skirts provisions of the National Environmental Policy Act and the Endangered Species Act. "It is a timber industry wish list dressed up as legislation that will not improve forest health," Grijalva said in a statement.

Westerman said NEPA still would apply to individual forest projects, the "projects that actually have an impact on the ground." Rep. Donald McEachin (D-Va.) offered a failed amendment that would have required forest plans to receive a full NEPA review.

"Forest plans do not implement forest management activities — they are visionary documents that outline the goals of the forest and the suggested use of different parts of the forest — including recreation, wilderness and forest management," Westerman said.

Westerman said during opening statements Thursday that his bill was about improving the health of federal forests and good stewardship. "It's no secret that federal forest lands are in dire straits," he said, adding that "this year looks to be another challenging wildfire season."

Committee Chairman Rob Bishop (R-Utah) said H.R. 2936 is a "comprehensive forest management package that solves the fire-borrowing problem and gives federal land managers immediate tools to increase the pace and scale of management and restoration projects."

Conservation groups, however, were not happy about the bill's advancement.

"By voting to advance H.R. 2936 today, Congress added America's national forests to the chopping block — along with the wildlife refuges it's trying to sell off, and the national monuments the Administration wants to review and dismantle," said Brad Brooks, director of the public lands campaign for the Wilderness Society, in a statement.

Izembek road

The panel today also reported out **H.R. 218**, sponsored by Rep. Don Young (R-Alaska), which calls for exchanging more than 43,000 acres of state land for 206 acres of federal land within the Izembek National Wildlife Refuge to build a single-lane gravel road connecting the towns of King Cove and Cold Bay. Young has called claims from environmentalists and others that the road will harm the area "b.s." He and other supporters say the road is desperately needed to provide King Cove residents with reliable access to medical care (*E&E Daily*, April 6). Sen. Lisa Murkowski (R-Alaska) also has long championed construction.

"I think this is absolutely necessary for the 1,000 residents of King Cove," said Young during opening statements Thursday. "If there was to be a life saved, I think it's worth it." Flying between King Cove and the Cold Bay airport is dangerous because of the turbulence and often-harsh weather.

Several conservation groups earlier this week urged members of the committee to oppose pending legislation to build the 11-mile road through the refuge, saying the bill "creates dangerous national policy implications for wild places" throughout the country (*Greenwire*, June 26).

Grijalva pointed out that Congress over the years has allocated millions of dollars to upgrade access to medical care for the people in the affected community, and offered an amendment that would ensure any legislative authority for construction of the road would expire seven years after passage.

"If you don't have any respect for human life, then you will vote 'yes'" on Grijalva's amendment, Young said. The Democrat's measure failed. The panel advanced the bill in a 23-14 vote.

'RECLAIM Act'

After a last-minute lobbying push, the committee passed via voice vote **H.R. 1731**, the "Revitalizing the Economy of Coal Communities by Leveraging Local Activities and Investing More (RECLAIM) Act" (*E&E Daily*, June 27).

The committee approved three amendments, all by voice vote, to Kentucky Republican Rep. Hal Rogers' bill, which would more quickly distribute \$1 billion already in the federal Abandoned Mine Land (AML) Reclamation Fund to states for coal mine cleanup focused on economic development.

The first amendment, from Rep. Don Beyer (D-Va.), would require that a reclamation project have an economic benefit and that the Office of Surface Mining Reclamation and Enforcement publish the state's justification in the *Federal Register*. The addition also would give local communities a greater say in project selection.

Beyer's measure struck a compromise by offering states that may have fewer cleanups with associated development opportunities a system by which to obtain a waiver.

That is key for Western states, especially Wyoming, which is "certified" — determined to have finished high-priority reclamation work — but generates more than half of all AML coal fees annually.

Wyoming Republican Rep. Liz Cheney sponsored the second approved amendment, which would ensure that nothing would change with the taxpayer-dollar payments that Wyoming currently receives to make up for its share of fees going to uncertified states.

The third amendment, from Republican Rep. Glenn Thompson of Pennsylvania — the state with the most AML cleanup sites — would revoke funding to states that use "RECLAIM Act" money for anything but reclamation or acid mine drainage abatement.

Kim Glas, executive director of the BlueGreen Alliance, one of the groups championing the bill, said in a statement, "The RECLAIM Act is an important step toward revitalizing coal communities across the country by providing much needed resources to not only reclaim these abandoned mines, but to provide economic opportunities."

But concern persists among some Republicans.

"The money that would be diverted to a worthy cause ... unfortunately would come at the expense of the higher-priority abandoned mine lands," Rep. Doug Lamborn (R-Colo.) said.

Lawmakers also disagree on the bill's provision that would move the headquarters of the Appalachian Regional Commission out of Washington, D.C.

McEachin withdrew his amendment to strike the language, as it was outside the committee's jurisdiction, but argued against uprooting the independent agency dedicated to development in 13 Eastern states.

"That would result in a huge exodus of talent and institutional knowledge from the commission, greatly harming its effects for the people of Appalachia," McEachin said.

Other measures

The panel this morning also approved, by voice vote or unanimous consent, unless otherwise noted:

- **H.R. 2939**, sponsored by Rep. Scott Tipton (R-Colo.) and dubbed the "Water Rights Protection Act." The bill would prohibit "the conditioning of any permit, lease, or other use agreement on the transfer of water right to the United States" by the Interior and Agriculture secretaries. The measure passed 24-14.
- **H.R. 2937**, from Rep. Darin LaHood (R-Ill.), which would protect from liability "good Samaritans" who help clean up abandoned mine sites.
- **H.R. 289**, sponsored by Rep. Doug LaMalfa (R-Calif.), to authorize the Agriculture and Interior secretaries to issue permits for recreation services on federal lands.
- **H.R. 597**, from Rep. Jeff Denham (R-Calif.), to take lands in Sonoma County, Calif., into trust as part of the reservation of the Lytton Rancheria of California.
- **H.R. 954**, from Rep. Bob Goodlatte (R-Va.), to remove use restrictions on certain land transferred to Rockingham County, Va.
- **H.R. 1107**, sponsored by Rep. Mark Amodei (R-Nev.), to promote conservation, improve land management and provide for development in Pershing County, Nev.
- **H.R. 1306**, from Rep. Peter DeFazio (D-Ore.), to provide for the conveyance of certain federal land in the state.
- **H.R. 1397**, from Rep. Barbara Comstock (R-Va.), dealing with the transfer of federal land along the George Washington Memorial Parkway.
- **H.R. 1404**, from Grijalva, related to land for the Tucson Unified School District and to the Pascua Yaqui Tribe of Arizona.
- **H.R. 1399**, from Rep. Paul Cook (R-Calif.), to reduce the royalty rate for mining soda ash on federal land. The measure passed 27-9.
- **H.R. 154**, from Rep. Lynn Jenkins (R-Kan.), to authorize the Interior secretary to acquire certain property related to the Fort Scott National Historic Site.
- **H.R. 1719**, from Rep. Mark DeSaulnier (D-Calif.), to authorize the Interior secretary to acquire approximately 44 acres of land in Martinez, Calif.
- **H.R. 1913**, from Rep. Jimmy Panetta (D-Calif.), to establish the Clear Creek National Recreation Area in San Benito and Fresno counties, Calif., and to designate the Joaquin Rocks Wilderness in those counties.

- H.R. 1927, from Rep. Lacy Clay (D-Mo.), to establish within the National Park Service the African American Civil Rights Network.
- H.R. 2053, from Rep. Martha McSally (R-Ariz.), to amend the 1977 Surface Mining Control and Reclamation Act to enhance and support mining and mineral engineering programs in the United States by funding activities at mining schools.
- H.R. 2425, sponsored by Rep. Jared Huffman (D-Calif.), to support the establishment and improvement of communications sites on or adjacent to federal lands under the jurisdiction of the Agriculture or Interior secretaries through the retention and use of rental fees associated with such sites.
- H.R. 2156, from Rep. Stephen Knight (R-Calif.), to provide for the establishment of a national memorial and national monument to commemorate those killed by the collapse of the Saint Francis Dam on March 12, 1928.
- H.R. 2370, from Rep. Matt Gaetz (R-Fla.), to authorize Escambia County, Fla., to convey certain property that was formerly part of Santa Rosa Island National Monument and that was conveyed to Escambia County subject to restrictions on use and reconveyance.
- S. 249, sponsored by Sen. Tom Udall (D-N.M.), to provide that the pueblo of Santa Clara may lease for 99 years certain restricted land, and for other purposes.

<http://bit.ly/2rYfLKB>

9. Court to consider scrapping pipeline challenges

Ellen M. Gilmer, E&E News reporter

Published: Tuesday, June 27, 2017

A federal judge is set to hear arguments later this summer on whether legal challenges to the Keystone XL pipeline should proceed.

The U.S. District Court for the District of Montana yesterday scheduled a hearing for Aug. 31 on requests from the Trump administration and pipeline backer TransCanada Corp. to dismiss two lawsuits from environmental and tribal advocacy groups opposed to the oil infrastructure project.

The Natural Resources Defense Council, the Sierra Club, the Center for Biological Diversity and several other groups sued the Trump administration in March shortly after it signed off on a critical cross-border permit for the long-disputed pipeline that would transport oil from Canada to U.S. refineries. The Indigenous Environmental Network and the North Coast Rivers Alliance filed a separate lawsuit the same week.

According to government and industry lawyers, the dispute falls outside the Montana court's jurisdiction because cross-border permits qualify as presidential actions that are not subject to judicial review. Both recently urged Judge Brian Morris, an Obama appointee, to toss the lawsuits (*Energywire*, June 12). The environmental and tribal groups have countered that the permit was actually issued by the State Department, which had a legal obligation to comply with the National Environmental Policy Act and the Administrative Procedure Act before approving the pipeline permit. They take issue with the agency's reliance on a 2014 environmental study of the project's impacts — a review they consider insufficient and severely outdated (*Greenwire*, March 30).

Morris, who is presiding over both cases, will hear arguments from both sides at the Aug. 31 hearing in Great Falls, Mont., and is expected to issue a decision shortly thereafter.

The lawsuits are environmentalists' leading effort to oppose construction of Keystone XL, which was rejected by the Obama administration in 2015 and revived by President Trump this year. They're also involved in a state-level permitting process in Nebraska.

<http://bit.ly/2tTqZ4B>

10. Mountain Valley project would affect forests FERC

Published: Tuesday, June 27, 2017

The Federal Energy Regulatory Commission last week released its final environmental assessment for the proposed Mountain Valley pipeline, saying it would have a "significant" impact on West Virginia and Virginia forests but few other adverse effects.

The 930-page analysis is an important step in the review process, but it does not yet provide developers the approval they need to start construction on the 300-mile natural gas pipeline.

Developers are still awaiting a final decision from FERC, and environmental groups earlier this month asked a federal appeals court to overturn the West Virginia Department of Environmental Protection's OK of the pipeline ([Greenwire](#), June 12).

"In the case of the clearing of forest, effects may be long-term and significant," FERC officials said in a statement.

FERC commissioners will consider the analysis in making their final decision on the pipeline, though two of President Trump's nominees to the commission are still awaiting confirmation votes in the Senate ([Charleston \[W.Va.\] Gazette-Mail](#), June 23). — NS

<http://bit.ly/2ues7ir>

11. U.S. supply glut may end this fall

Published: Tuesday, June 27, 2017

Despite forecasts of cooler weather this summer, the supply glut weighing on the U.S. natural gas market could disappear by the fall, according to a new report by Bloomberg New Energy Finance.

Many forecasts show unusually cool weather this summer curbing gas consumption in the eastern United States.

But the report by BNEF gives bullish traders reason for optimism.

The report says inventories of power plant fuel may reach 3.4 trillion cubic feet by the end of October — the lowest since 2008 for that time of year.

"If we have low inventory and a normal winter, that basically sets up the stage for a bullish market in 2018," said Tai Liu, an analyst at BNEF (Collins/Malik, [Bloomberg](#), June 23). — MJ

<http://bit.ly/2thvW9P>

12. Greens, labor mobilize for modified reclamation bill

[Dylan Brown](#), E&E News reporter

Published: Tuesday, June 27, 2017

Environmentalists, union workers and Appalachian advocacy groups yesterday threw their weight behind a \$1 billion coal mine cleanup bill ahead of a House markup today. But they are also pushing for changes to stress economic development.

After the mining industry came out against Kentucky Republican Rep. Hal Rogers' **H.R. 1731** last week, more than 40 national and regional groups — including the Sierra Club, Union of Concerned Scientists and Utility Workers Union of America — signed a **letter** urging the House Natural Resources Committee to pass it. Rogers' "Revitalizing the Economy of Coal Communities by Leveraging Local Activities and Investing More (RECLAIM) Act" would accelerate the spending of \$1 billion from the federal Abandoned Mine Land (AML) Fund. Under current law, the government wouldn't dole out the money until years after a reclamation fee on coal production expires in 2021 (*E&E Daily*, June 23).

The bipartisan measure aims to help places hurt by the coal downturn get reclamation funding — and any economic development that comes with it — faster.

"Those who are laid off cannot wait until 2023 ... for a chance to work on projects that are so badly needed today," United Mine Workers of America President Cecil Roberts wrote in his own **letter** yesterday. Both missives support an expected **amendment** during today's House Natural Resources Committee markup from Rep. Don Beyer (D-Va.) requiring that a project have an "economic nexus."

The coalition said in its letter, "In order to achieve the highest return on that investment, the legislation must prioritize projects that would tie mine reclamation with long-term economic development. Current language does not do that."

Last week, the National Mining Association said the focus on economic development takes money away from cleaning up the most dangerous abandoned coal mines — the goal of the AML program. The industry trade group is also opposing reauthorizing the fee.

State regulatory agencies and groups backing "RECLAIM" generally support reauthorizing the fee as a means to help coal communities.

"These investments will create thousands of good jobs," Roberts wrote, "requiring skills that dislocated coal miners already possess."

<http://bit.ly/2ueX9Xs>

13. Navajo leaders strike deal to keep power plant open

Published: Tuesday, June 27, 2017

Navajo Nation leaders yesterday agreed to a deal that could keep one of the country's largest coal-fired power plants open until 2019.

The ailing Navajo Generating Station, located in the Four Corners area of Arizona, was slated to close at the end of this week without a deal, the plant's owners said.

The deal gives Navajo leaders an additional two years to line up buyers for the plant, though they may face an uphill battle given the high costs of retrofitting and repairing the plant and the weak economics of coal.

To make the plant more attractive to buyers, the Arizona Corporation Commission has proposed that Interior, which owns a 24 percent stake, cover half the plant's maintenance costs, but the agency has not committed to the proposal (Chediak/Traywick, **Bloomberg**, June 26). — NS

<http://bit.ly/2tkgYao>

14. Perry touts U.S. energy exports as 'force for peace'

Peter Behr and Emily Holden, E&E News reporters

Published: Tuesday, June 27, 2017

Energy Secretary Rick Perry said yesterday the Trump administration wants U.S. energy production to be a "force for peace," making exports of oil, gas, coal and nuclear technology key instruments of U.S. political as well as economic power.

In a kickoff to the administration's weeklong focus on energy, Perry told reporters at a White House briefing that the U.S. goal of "energy dominance" would make the country "a self-reliant, a secure nation, free from geopolitical turmoil of other nations who seek to use energy as an economic weapon." He added, "An energy-dominant America will export to markets around the world, increasing our global leadership and influence."

Liquefied natural gas is already on its way from new U.S. export terminals to foreign markets, challenging Russia's longtime monopoly on gas shipments to Europe, which had served as a potent political weapon in the past, and pushing LNG prices in Europe and Asia sharply downward.

Global shipments of U.S. crude oil have just started flowing, after Congress, in 2015, ended a 40-year ban on crude exports imposed after OPEC's oil embargo in the 1970s. In mid-June, the U.S. averaged 9.4 million barrels a day of crude production and exported 517,000 barrels. To meet total demand, an additional 7.4 million barrels were imported.

Perry said leaders he met in China three weeks ago were interested in carbon capture, utilization and storage (CCUS) technologies, and the president of Ukraine wants an alternative to Russian coal.

Trump met yesterday with Indian Prime Minister Narendra Modi and Perry said American LNG, coal and nuclear technology could "help India become a powerful stabilizing force in that region of the world."

As part of energy week, Trump will meet with governors tomorrow. He will speak at the Energy Department's headquarters Thursday after industry leaders attend private panels on American energy "dominance" with Perry, U.S. EPA Administrator Scott Pruitt and Interior Secretary Ryan Zinke.

"It's very early days to judge the geopolitical impacts" of Trump's strategy and policies aimed at boosting U.S. oil and gas exports, said David Goldwyn, chairman of the Atlantic Council's Energy Advisory Group.

"We're just beginning to see the potential benefits in oil as we've lifted the ban," Goldwyn said, adding, "In the broadest sense, the more the U.S. exports oil and gas, the more competitive those markets are and the less market power the oil monopolies and oligarchies have. In the case of gas there have absolutely been economic and security benefits to the U.S."

Some GOP leaders in Congress saw U.S. crude exports as a strategic force. "We have the best technology, the best oil and over time we will drive out Russian oil, we will drive out Saudi, Iranian," Rep. Joe Barton (R-Texas) told Bloomberg news after the 2015 vote to lift the export ban. "It puts the United States in the driver's seat of energy policy worldwide."

But former Energy Secretary Ernest Moniz has cautioned that U.S. oil prices are tied to global markets; and rising U.S. crude exports will not shield the United States from future price shocks and economic damage if a new oil crisis arises.

Perry ducked questions about what new initiatives President Trump will announce in the energy dominance campaign. The determination to position the U.S. as a global energy kingpin contrasts dramatically with

Trump's equally assertive renunciation of a U.S. role in combating global climate change, with his decision to pull the nation out of the 195-nation Paris climate accord (*Climatewire*, June 2).

Goldwyn said the withdrawal from the Paris Agreement "won't be seen as 'energy dominance,' it will be remembered as unilateral disarmament in the race for energy leadership."

'National security' debate?

Perry was also coy about the controversial report his staff is preparing on potential vulnerabilities of the U.S. high-voltage electric power networks as "baseload" coal and nuclear generation continue to lose ground against competing fuels, particularly natural gas.

Perry said the administration isn't "going to be wildly supportive of government subsidies for sectors of the energy industry."

"The market is where we're going to look to check that out," Perry said of the tight competition to supply the nation's power plants.

"Where we're headed in this is letting the market drive it as much as we can, and obviously, without subsidies, where does the wind and solar really fit?" Perry said. "That gets skewed to some degree when national security comes into play, when making sure that Americans have the lights come on, the air conditioning come on, the heat come on where there is really great strains on the system."

The remarks could be read as signaling a DOE lean toward supporting some kind of financial or regulatory support for coal-fired and nuclear generators. Perry's team could end up arguing that these kinds of generators, with their onsite fuel supplies, are more "secure" than pipeline-supplied natural gas generators, or variable wind and solar power. It's unclear what the administration might do to help nuclear plants at risk of shutting down, although Perry said he wants to focus on developing advanced nuclear reactors and small modular reactors.

But Perry has been warned by renewable power supporters in Congress not to try to tamper with the current tax support that wind and solar receive. The same spending bill that lifted the crude export ban also gave renewable power an extended phase out of tax subsidies.

Perry included coal and nuclear technology as candidates for U.S. global influence. He said the administration this week will reaffirm a "commitment to clean energy" and cited the Petra Nova coal plant in Texas that captures carbon dioxide emissions.

Wind, nukes and the coal conundrum

When a reporter questioned whether carbon capture technologies for coal-fired power plants are cost-effective, Perry blamed troubles with Mississippi's Kemper power plant on that state's regulations. In fact, the issue with Kemper also revolves around construction and technology and decisions made by the utility building it, Mississippi Power Co., and its parent, Southern Co.

Bolstering exports of coal, however, might mean investing more in technologies to capture carbon emissions, Perry acknowledged. The president's proposed fiscal 2018 budget would cut that kind of research.

Perry also said he and the president believe nuclear power is important to a "clean energy portfolio," in the United States and abroad. "If you want to see the environment and the climate that we live in affected in a positive way, you must include nuclear energy with zero emissions to your portfolio," he said.

Perry, formerly the governor of Texas, touted wind power growth in his state, saying it helped when natural gas prices were high.

At the same time, he poured water on the sector's prospects of filling the void left by closed coal and nuclear plants. He suggested that states like California that want to invest in more renewable power should be left to their own devices. Other states "would be more than happy to supply them with energy when their portfolio can't handle ... a very strong either winter or summer," Perry said.

Perry said upcoming debates about overhauling the tax code could review current incentives for renewable power, as well as possible assistance for nuclear power.

"All of that needs to be on the table, and we need to have a conversation about it," he said.

<http://bit.ly/2tjLABX>