

THE WAR ON WESTERN JOBS



A Report by the Senate and
Congressional Western Caucuses

Senator John Barrasso (WY) and Congressman Rob Bishop (UT-1)

Introduction

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The American West is home to significant natural resources, rich farmland, spectacular landscapes and world class outdoor recreation. It is a land of opportunity and promise that westerners want protected for future generations. The West, unfortunately, faces many challenges today - drought, housing market collapse, overlapping federal bureaucracies, conflicting regulations, and illegal immigration. However, the most pressing issue of the day for westerners is jobs. Federal policies emerging from Washington are making these challenges more difficult. Too often, federal policies stand in the way of job creation and economic growth.











According to the Bureau of Labor Statistics, the West reported the highest regional jobless rate in August, at 10.8 percent. The western region has maintained the highest regional unemployment for the past year. At the same time, six of the top twelve states with the largest declines in the employment to population ratio since the recession began in 2007 are western states. According to The Associated Press Economic Stress Index, 3 of the top 5 states showing the most stress in June were western states: Nevada, California, and Arizona.

While the reasons for job loss are diverse, Washington's misguided policies are making matters worse. After careful review of the policies and regulations emerging from Washington, the caucuses have identified ten specific areas in which Washington's failed policies and overreaching regulations are destroying western jobs and hurting rural communities. These policies threaten jobs, families, individual freedom and national security.

- 1) **Taxing energy use**
- 2) **Federalizing all surface water within the 50 states and territories**
- 3) **Restricting access to America's vast reserves of affordable, oil and natural gas**
- 4) **Imposing "one-size-fits-all" mandates on western communities**
- 5) **Putting a priority on protecting species over American jobs**
- 6) **Blocking a multiple-use policy in our National Forests**
- 7) **Over-regulating coal**
- 8) **Seizing additional private western lands and placing them under control of the federal government**
- 9) **Requiring new federal permitting requirements into new areas of the western economy**
- 10) **Stopping domestic mining in favor of the importation of foreign minerals**

This report details each of these job killing policies in more detail, including the economic impact of such policies. The report's findings are conclusive: There is a renewed "War on the West." This Administration's anti-business, anti-multiple use agenda threatens western communities. It is killing jobs and undermining state and local budgets.

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With unemployment near 10 percent, Washington should be focused on fostering job growth, not pursuing massive energy tax increases and forcing additional regulations that kill more western jobs.

CAP AND TRADE

Democrats in Washington are pushing to enact cap and trade legislation that will increase energy costs for American families and eliminate more jobs in our country. Cap and trade will impose new energy taxes on everything Americans do – from turning on the lights to driving to work. It handicaps American businesses with our competitors abroad, while doing little to reduce carbon emissions or our dependence on foreign oil.

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- “Under my plan of a cap and trade system, electricity rates would necessarily skyrocket.” ([Sen. Barack Obama, San Francisco Chronicle, 1/17/08](#))
- The Institute for Energy Research says Kerry-Lieberman’s cap and trade bill “will cut U.S. employment by roughly 522,000 jobs in 2015, rising to more than 5.1 million by 2050. ‘Gross annual burden’ imposed by the current Senate version of cap-and-trade is put at a paltry \$125.9 billion a year or \$1,042 per household, with costs disproportionately borne by low-income households.” ([Investors’ Business Daily Editorial, 6/29/10](#))
- “The disproportionate burdens [of Waxman-Markey] affect the West. Coal mining will be very hard-hit, so Montana and Wyoming and other coal-producing states will see this important sector of their economies shrink significantly. Western oil and natural gas producers will face higher costs as well. The promise of oil shale in Colorado, Utah, and Wyoming will never be realized under Waxman-Markey.” (Heritage Foundation, Western Caucuses Hearing, 7/30/09)

EPA REGULATION OF CLIMATE CHANGE

The Environmental Protection Agency is using the Clean Air Act to regulate carbon dioxide. The Clean Air Act was originally enacted to regulate traditional air pollutants — not something ever present in the air. The Clean Air Act requires that any sources that emit more than 250 tons of a hazardous pollutant a year must obtain a pre-construction permit to build new facilities or expand existing ones. If that threshold were applied to the regulation of carbon dioxide, it would not only capture power plants and refineries but also farms, rural schools and hospitals. These additional regulatory burdens will act like a tax, increasing business costs and killing jobs.

ECONOMIC IMPACT

- “A very large number and variety of buildings and facilities could therefore become subject to the program – including many office and apartment buildings; hotels; enclosed malls; large retail stores and warehouses; college buildings, hospitals and large assisted living facilities; large houses of worship; product pipelines; food processing facilities; large heated agricultural facilities; indoor sports arenas and other large public assembly buildings; restaurants; soda manufacturers; bakers, breweries and wineries; and many others. None of these types of

sources has ever been subject to PSD permitting requirements before because they emit so little traditional air pollution; but they would be now if CO2 becomes a regulated CAA pollutant. The economic consequences of this outcome could be devastating, particularly as the economy slows, because PSD (Prevention of Significant Deterioration) permitting is an incredibly costly, time-consuming and burdensome process. Just the administrative burden alone – putting aside any control technology requirements that would result from the permitting process – would create a significant and unprecedented roadblock to new investment for a host of previously unregulated buildings and facilities.” ([Peter Glaser Testimony, House Select Committee on Energy Independence and Global Warming, 3/13/08](#))

- “EPA is not equipped to consider the very real potential for economic harm when regulating emissions. Without that consideration, regulation will place heavy administrative burdens on state environmental quality agencies, will be costly to consumers and could be devastating to the economy and jobs...We feel compelled to guard against a regulatory approach that would increase the cost of electricity and gasoline prices, manufactured products, and ultimately harm the competitiveness of the U.S. economy.” ([Letter signed by 20 Governors, 3/10/10](#))
- “EPA has admitted that its application could expand the regulated universe from 15,000 to over six million American businesses, small and large. The ‘Prevention of Significant Deterioration’ permit program could balloon from 300 annual permits to 30,000 or more, most of which must be administered by woefully understaffed state permitting agencies.” ([U.S. Chamber of Commerce](#))

Washington should not be burdening small businesses and farmers with job killing federal restrictions by expanding federal control over all wet areas of a state.

THE CLEAN WATER RESTORATION ACT (CWRA)

Few things have been more important than water in the settlement and development of the West. The continued development and regulation of scarce water resources remain a critical factor in the future of all western states. For this reason, the majority of westerners oppose any legislative efforts which would expand the federal jurisdiction over all water within the United States. S. 787, the Clean Water Restoration Act, and its House counterpart, H.R. 5088, would grant the Environmental Protection Agency (EPA) and the Army Corps of Engineers, virtually unlimited regulatory control over all wet areas within a state. This bill attempts to trump states' rights and pre-empts state and local governments from making local land and water use decisions.



This bill will also build an even more expensive, cumbersome Washington bureaucracy. Expanding Washington bureaucracy will increase delays in securing permits and will slow or stop vital economic activities not just in the West but all across the country. Commercial and residential real estate development, agriculture, energy development, electric transmission, transportation, mining and other natural resources industries will all be effected. Thousands of jobs will be lost.

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- “To classify ‘intrastate’ waters as ‘waters of the U.S.’ will eliminate the current separation between the state and federal government, bringing the federal government into local land use decisions. Federal preemption of state and local law presents a very serious challenge to our constitutional system of federalism. By preempting state and local laws, you reduce the ability of state and local governments to do their job effectively. If a local government has been preempted, then its ability to respond quickly is taken away.” ([National Association of Counties, 4/9/08](#))
- “It's a huge grab for more federal intervention in our lives, and we don't need that,” says Montana cattle rancher Randy Smith. ([USA Today, 5/21/08](#))
- “The CWRA is an invitation for federal regulators (or environmental organizations filing lawsuits) to shut down any use of land that they don't like so long as there is a little water somewhere in the vicinity. If the past is any guide, this law will be used to stop a tremendous amount of economic activity.” ([Heritage Foundation, 6/17/09](#))

American energy means American jobs. When it comes to American energy, we need it all. We need the green jobs as well as the red, white and blue jobs. Instead of fostering job growth by promoting energy production, this Administration is restricting access and discouraging development of America's energy resources.

Oil and natural gas production creates jobs and generates revenues for states and local communities throughout the west. Misguided federal policies and burdensome regulations undercut American onshore energy and threaten jobs in western communities. Federal policies are shifting jobs and investment from the west to other areas of the U.S. as well as beyond U.S. borders. America is blessed with enormous energy resources. These resources could reduce our dependence on foreign sources and create good-paying jobs. This is critical for our energy security, as well as our national security.

ONSHORE OIL AND NATURAL GAS LEASING REFORMS

The Administration's onshore oil and gas leasing reforms create new layers of redundant red tape that will limit and discourage onshore exploration. These reforms were implemented through a simple memorandum, which shuts out opportunities for public input and fails to include an assessment of the economic impact.

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- "The proposed [oil and gas leasing reforms], as noted, are proposed *in addition to* the existing leasing program, which already contemplates a land use plan, consultation with the states and their agencies of jurisdiction regarding leasing decisions, project specific NEPA, an application for permit to drill and compliance with state wildlife, air, water and land quality protections. I question the need for so many reviews." ([Gov. Dave Freudenthal \(D-WY\), 1/8/10](#))
- "The oil and gas industry is important to our counties, and your policies put at risk many of the 300,000 jobs in the region dependent on the industry." ([Petition to Sec. Salazar from 90 western mayors and county commissioners, 3/02/10](#))
- "Without the additional regulatory burden placed on industry by the Obama administration, oil and gas firms "would be investing an additional \$2.8 billion in the Rockies" today, according to the [\[IPAMS\]](#) survey." (E&E News, 4/29/10)

OIL AND NATURAL GAS TAXES

The Administration has proposed \$36.5 billion in new oil and gas taxes. Increasing taxes on American oil and natural gas production will jeopardize jobs and discourage American energy production. The United States buys hundreds of billions of dollars in foreign oil each year. Rather than buying foreign oil, we need to foster development of our domestic resources.

Job Killing Policy #3 Impeding Domestic Energy

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- “The U.S. oil and natural gas industry employs 9.2 million workers in good jobs that offer good wages and benefits. Saddling the industry with additional taxes would likely drive many of these jobs overseas at a time when America needs to create jobs. An economic recovery cannot be built on tax policies that threaten millions of jobs in one of America’s largest industries.” ([Kansas Independent Oil & Gas Association](#))
- “Eliminating the tax breaks for drilling will make natural gas more expensive. Tudor, Pickering, Holt & Co., a Houston-based investment-banking firm, estimates that eliminating the intangible drilling cost provision could increase U.S. natural gas prices by 50 cents per thousand cubic feet.” ([Robert Bryce, Managing Editor of Energy Tribune, in the Wall Street Journal, 7/7/09](#))

RESTRICTING ACCESS TO AMERICAN ENERGY

The Administration has put vital American energy resources off-limits and arbitrarily cancelled existing lease rights. These actions foster uncertainty for future investment in American energy. On February 4, 2009, the Department of the Interior (DOI) cancelled 77 existing oil and natural gas leases in Utah. The Department’s own Inspector General’s investigation found no evidence supporting the Secretary’s claims for cancelling the leases. According to the [Deseret News \(7/18/10\)](#), “Rescinding these leases has likely cost the state (Utah) millions already. Officials in Uintah county estimate the county lost 3,000 jobs in 2009, and Duchesne lost 1,000 jobs.”

The DOI has also implemented a restrictive new regulatory framework for U.S. oil shale resources. According to the U.S. Geological Survey (USGS) the U.S. holds more than half of the world’s oil shale resources. The largest known deposits of oil shale are located in a 16,000-square mile area in the Green River formation in Colorado, Utah and Wyoming. USGS estimates that the region may hold roughly 2 trillion barrels of oil shale resources ([Institute for Energy Research](#)).

In Alaska, the Administration is taking steps to block exploration in Alaska’s North Slope, which holds an estimated 12 billion barrels of oil and 73 trillion cubic feet of natural gas. The National Petroleum Reserve—Alaska, a 23 million acre area on the North Slope, was specifically set aside for oil and natural gas exploration ([Bureau of Land Management-Alaska website](#)). Additionally, the Administration opposes opening 2,000 acres of ANWR for energy exploration, which could produce approximately 1 million barrels of oil per day and generate billions of dollars in revenue for the federal government. Each of these actions limits America’s energy potential, hurts jobs in local communities and discourages future investment in the area.



Job Killing Policy #3 Impeding Domestic Energy

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- “America’s 2 trillion barrel oil shale resource is recognized as having the same production potential as Canada’s tar sands...This amount of oil is equivalent to the volume of oil currently imported by the United States from Middle East countries.” ([U.S. Department of Energy, 12/04](#))
- “Bureau of Land Management supervisors did not pressure employees to finish resource management plans (RMPs) ahead of a controversial December 2008 oil and gas lease sale in Utah, according to a report by the Interior Department's inspector general that has stoked new criticism of the Obama administration's cancellation of 77 leases sold during the auction.” (Land Letter, 7/15/10)
- “The Interior Department is preparing to develop its first comprehensive management plan for the National Petroleum Reserve in Alaska (NPR-A), a move environmentalists say could permanently remove large sections of the massive reserve from future energy development.” ([Land Letter, 7/29/10](#))
- “A new U.S. oil shale industry could create up to 100,000 new jobs and contribute \$1.9 trillion to the U.S. GDP.” ([The American Petroleum Institute, Oil Shale Fact Sheet](#))

Job Killing Policy #4 “One-Size-Fits-All” Mandates

This Administration needs to give western communities a helping hand by eliminating government red tape that prevents job growth. Instead, this Administration is burdening local communities with federal restrictions that drive jobs elsewhere.

NATIONAL AMBIENT AIR STANDARDS

The Clean Air Act requires the Environmental Protection Agency (EPA) to set National Ambient Air Quality Standards (NAAQS) for pollutants considered harmful to the environment and public health. If communities fail to meet the NAAQS, they are designated non-attainment areas and must adopt control programs depending on the region’s severity of pollution. Rural communities with a limited tax base in the West are particularly hard hit by these types of command and control regulations. For example, the EPA is now proposing an air standard for farm dust that is below natural levels throughout the West. On Jan. 6, 2010, EPA also proposed revisions to the NAAQS for ground-level ozone. Attempting to comply with these regulations will have profound negative impacts on a range of activities in western states and communities, including costing jobs.

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- “EPA is suggesting a level of 12 to 15 micrograms of dust per cubic meter of air. That is below naturally occurring levels of dust throughout many western states – including pristine National parks. Cattle producers are concerned about this because it would limit our ability to raise livestock, who kick up dust as they walk around. But this issue goes well beyond agriculture. States would be required to impose extreme control requirements and limitations on many businesses to ensure that the standard is met.” ([Texas Cattle Feeders Association, 11/06/09](#))
- Background ozone transported into the West from Asia “may hinder the USA’s compliance with its ozone air quality standard.” ([Nature, 1/21/10](#))
- “Crop farmers who burn their waste after harvest and livestock operations where ammonia and methane can be emitted will be impacted. And dust, an ongoing challenge, particularly for farmers in Arizona, New Mexico and California’s San Joaquin Valley, will face more stringent regulations.” ([North Dakota Farm Bureau, 5/03/10](#))
- “Farm equipment manufacturers anticipated these new standards and have spent billions of dollars to make sure the combines and tractors they make will meet the guidelines. The equipment makers will have to pass the cost of this research and development on to their customers, which means farmers can expect to pay more for new equipment. In fact, Caterpillar estimates that equipment prices will likely go up 12 percent over the life of Tier 4 implementation, Jan 1, 2011-Dec. 31, 2014.” ([North Dakota Farm Bureau, 5/03/10](#))

Every time a potential conflict is encountered between a human activity and a sensitive, threatened, or endangered species, this Administration seems singularly uninterested in finding ways to both protect the species and allow the human activity.

THE ENDANGERED SPECIES ACT (ESA)

The Endangered Species Act was passed with the best of intentions. Its original goal: save species in danger of becoming extinct and help them recover to health. However, over the past several decades, less than 1 percent of species in North America have been recovered out of more than 1,300 that were listed. The ESA has become a regular tool of the extreme environmental movement to impose their vision of land use policies in this nation. The ESA has proven costly for western communities in terms of revenue and jobs lost.

The U.S. Fish and Wildlife Service, the lead federal agency responsible for the ESA, estimates the annual cost in federal funds for the operation of ESA [to be over \\$3 billion](#). When federal, state and private costs are all added up the full cost may be ten times higher. Most of these costs are born by the private sector, and these costs do not add to their bottom line or their ability to keep the critical private lands in management for the species we want to recover. For example, the ESA can hinder the permitting required to manage forests in order to minimize the occurrence of dangerous forest fires, which are not only destructive to the forests themselves but also to the habitat they provide to wildlife. Of additional concern, under the ESA, federal agencies use involuntary, coercive tactics to require property owners to manage land for the benefit of a listed species. The federal government is rarely required to fairly compensate landowners for takings when ESA regulations and listings diminish the value of private property.

THE GREATER SAGE GROUSE

The Greater Sage Grouse is a species of bird that can be found in almost every western state, having habitat in the sage brush steppes of California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. The bird's habitat covers vast swaths of these states, and encompasses the very same areas where America's abundant energy resources of wind, natural gas, coal and oil reside. These areas are also home to much of the public grazing lands of the West.

Western states are doing everything they can to prevent a listing of the Greater Sage Grouse as a threatened species. They have pledged to protect the grouse, and have worked with the U.S. Fish and Wildlife Service to develop habitat protection plans to prevent a listing. Western states have done so in the interests of averting an ESA listing and therefore allowing for continuing energy production, ranching, farming, and recreation activities that will create thousands of jobs. Despite these efforts, on March 5th, 2010, the U.S. Fish and Wildlife Service determined that listing the sage grouse as threatened is warranted, but precluded at this time due to lack of resources and other priorities. It has left in limbo thousands of western jobs as companies couldn't make long term planning decisions with the "black cloud" of a potential listing still lingering.

Job Killing Policy #5 Prioritizing Species Over Jobs

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- “Wildlife managers and environmentalists fear that if land management practices aren’t improved, the growing renewable energy industry will wipe out all but a few populations of greater sage grouse across the intermountain West.” ([Las Vegas Sun, 3/6/10](#))
- “We're concerned that land managers will nevertheless implement this decision by introducing very restrictive policies that prevent companies from investing and creating high-paying jobs in local communities within core areas.” ([Independent Petroleum Association of Intermountain States, Casper Star Tribune, 3/6/10](#))
- “(The decision) will not hurt sage grouse but unfortunately it is creating another endangered species, which is the oil and gas employee. You’re trading one endangered species for another.” ([Environmental Compliance Coordinator for Bill Barrett Corp, Gillette News Record, 3/5/10](#))

DELTA SMELT

Environmental statutes and related litigation aimed at protecting species and water quality have led to serious water conflicts in the West. The results of the Delta smelt water restrictions are a prime example of how misguided federal policies can have devastating impacts on westerners.

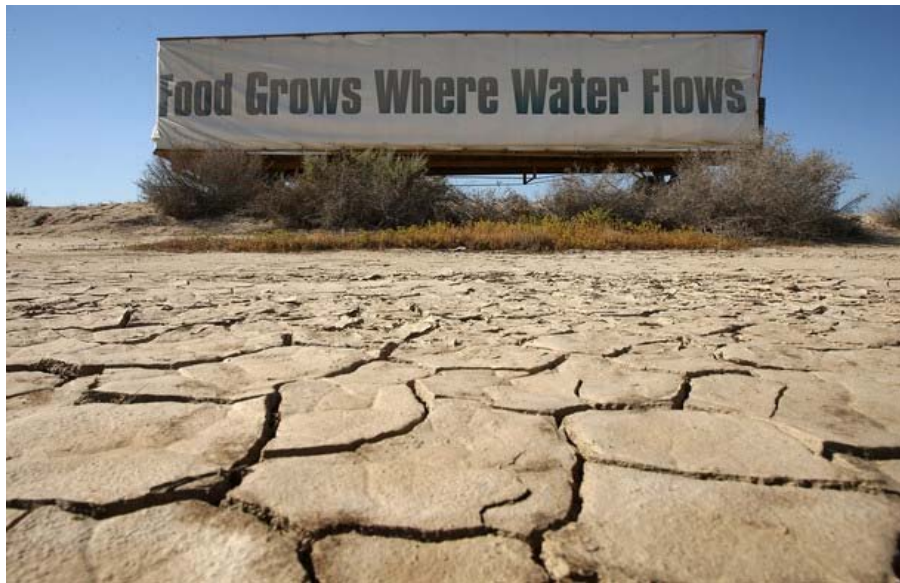


In 2009, tens of thousands of jobs evaporated when the Obama Administration, at the urging of its environmental allies, decided that a three-inch minnow was more valuable than the jobs of hardworking Californians and cut-off federally-owned water to family farms in the San Joaquin Valley of California. This action led directly to a man-made water supply shortage in the valley and resulted in economic catastrophe for the region. Despite minor adjustments over the past year to provide token water deliveries, no meaningful relief has come. This misguided policy has turned the great valley that has long produced the bulk of our nation’s fruits and vegetables into a barren desert where tumble weeds thrive and farmers are themselves now the endangered species.

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- A University of California-Davis study found that tens of thousands of San Joaquin Valley jobs were lost over the last year and [hundreds of thousands of acres](#) were fallowed because of water rationing. ([Distorted Water, Rep. Devin Nunes \(R-CA\)](#))
- “The result has already been devastating for the state's farm economy. In the inland areas affected by the court-ordered water restrictions, the jobless rate has hit 14.3%, with some farming towns like Mendota seeing unemployment numbers near 40%.” ([Wall Street Journal, 9/2/09](#))
- Many of these job losses occurred in poor, rural communities, such as the [City of Mendota](#).
- "I hate to even say it, but I sold my ranch this year. It's frustrating because we're not getting anywhere and nobody's listening." ([Westside farmer Bob Diedrich, KMPH-Fresno](#))
- "People barely survived last season. This season, if there isn't water, it will be a tremendous blow to farmers, to communities, to workers." ([Mario Santoyo, California Latino Water Coalition, KFSN-Fresno](#))

- “Another unintended consequence is that much of the food Californians consume will no longer be local. Some crops will move to Mexico and then must be imported. Meanwhile, Chile, Spain and Australia have begun to develop their own almond industries. This was made painfully obvious in a news photo datelined Mendota, Calif., and showing farm workers standing in food lines. The laborers who once picked vegetables in California's world-renowned ‘salad bowl’ were taking handouts not of California carrots, but of baby carrots grown in China.” ([Investor's Business Daily, 4/28/10](#))



This Administration pursues policies, without a vote by Congress, that restrict economic development activities on public lands.

ROADLESS RULE

One of the most worrisome developments to occur in public lands policy in recent years was the U.S. Department of Agriculture's (USDA) Roadless Rule instituted by the Clinton Administration in 2001. The Clinton roadless rule attempted to permanently lock up 58.5 million acres of inventoried roadless areas throughout the U.S. About 97 percent of all roadless areas are found in 12 western states. The Bush Administration released a revised roadless rule in 2005 that replaced the "one-size-fits-all" ban and replaced it with an "opt-in" approach, whereby the governors of individual states could petition USDA to take the lead within their borders on identifying national forest lands that should be designated as "roadless." Environmental groups immediately brought suit against the Bush policy and the last few years have seen a number of conflicting court rulings have placed roadless policy in limbo.

From day one, the Obama Administration has sought to restore the one-size-fits-all Clinton roadless rule, and in May of 2010, Agriculture Secretary Tom Vilsack issued a "time-out" on developing roadless areas in national forests, ordering a one-year ban on all road building, logging or oil and gas exploration. By essentially re-imposing the Clinton era roadless rule, the Obama Administration has locked up tens of millions of acres of Forest Service lands in the West without any consideration of economic and social impacts and with no real public input.

ECONOMIC IMPACT

- “Western states and timber companies had challenged the roadless rule in six courts after Clinton put it in place before leaving office in January 2001. The regulation prohibited development in areas spanning more than 5,000 acres, accounting for nearly a third of the national forests. Twelve western states are home to 97 percent of all roadless areas, some of which provide drinking water to local communities as well as wildlife habitat.” ([Washington Post, 7/13/04](#))

CLIMATE CHANGE RULES FOR OUR NATIONAL FORESTS

The Senate has not passed, nor the President signed into law, a climate change bill. However, on July 19 of this year, Forest Service Chief Tom Tidwell announced the release of the [National Roadmap for Responding to Climate Change](#) and a new system for performance accountability in response to the USDA's 2010-2015 Strategic Plan that sets a goal of "ensuring that our national forests are made more resilient to climate change." The roadmap states "To address the risks and vulnerabilities associated with climate change, land managers will need science-based assessments of the relative vulnerability



of all ecosystem components and their ability to adapt to increased stress."

According to the Administration's roadmap, every ecosystem will be impacted in some way by climate change. Under this Administration's directive, every piece of land in every national forest will now be scrutinized through the lens of climate change and the activities on those lands will re-evaluated through "vulnerability assessments."

Conversely, the climate activists also believe that everything that happens in a forest that is caused by man will adversely affect climate change. As a result, any economic activity on

federal lands is subject to change through this new agency directive. The net result will be thousands of jobs lost, and more land locked away from economic development, to address an issue that may occur 100 years from now. One of the philosophical underpinnings of the climate activists in this Administration is that no action should be taken until all interrelationships can be proven to have no impact on the ecology of an area or on climate change. Thus, climate activists generally oppose adaptive management. As the majority of national forests are in the West, our region of the country will be hit hardest by these new directives.

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- Example of existing activities already being considered to be halted because of the U.S. Forest Service "roadmap" - "The climate-change program will have significant impacts on many of the trails we hike and backpack, including Shasta-Trinity National Forest hiking trails, Klamath National Forest hiking trails, Lassen National Forest hiking trails, and many others throughout the state." ([Northern California Hiking Trails Blog, 7/20/10](#))

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- Environmentalists want to use these rules to block any carbon emitting activity on federal land, which could include eliminating mining, logging, and oil/natural gas extraction jobs -- "Land-use decisions and policies regarding deforestation will either support or undermine efforts to curb harmful carbon pollution emissions," he said. "Today's initiatives help ensure that the Forest Service will support this effort, make consideration of climate change operational in the agency and help transform land management decisions by the government so that they reduce, not increase, greenhouse gas emissions in the atmosphere that threaten forests and communities alike." ([Mike Anderson, Wilderness Society, NY Times, 7/21/10](#))

NORTHWEST FOREST PLAN – WESTERN OREGON PLAN REVISIONS

On July 16, 2009, the Obama Administration decided to scrap the Western Oregon Plan Revisions (WOPR) developed by the Bush Administration. These revisions would have created thousands of jobs in the timber industry by doubling the amount of logging that could be allowed on 2.5 million acres of BLM-managed land. These jobs would have benefited struggling local communities in the Pacific Northwest, and in Oregon in particular. The Obama Administration claimed they were concerned about the impacts of logging on endangered species and the process by which the Bush Administration developed the revisions.

The Administration stated that despite blocking the logging plan, they would deliver timber and jobs for the people of the Pacific Northwest. Interior Secretary Ken Salazar stated that his agency is "going to concentrate on those areas that we think can get through the process." ([OregonLive.Com,10/13/09](#)) Acting Assistant Secretary for Land and Minerals Management Ned Farquhar stated at the time that we can "support a strong and sustainable forest industry by focusing on thinning, forest restoration projects, and certain types of regeneration harvests. If implemented correctly, timber harvests can increase the structural complexity of stands, provide better habitat for spotted owls and other wildlife, reduce the risk of catastrophic fire, provide revenue for western Oregon counties, and generate a reliable and robust supply of timber for local mills and biomass plants." He claimed that "we will keep offering timber for sale, we will do all we can to maintain western Oregon's timber infrastructure, and we will work with the timber industry to extend existing contracts." ([Environment News Service, 7/16/10](#))

Three months later, the Obama Administration proceeded to create a Western Oregon Task Force to make recommendations on how to proceed. Despite the continued economic downturn in these Pacific Northwest communities, the task force didn't release its findings until July 22, 2010. The net result of the Obama Administration's actions has been to essentially block the majority of timber job creation in the Pacific Northwest for an entire year, with no end in sight for high unemployment for struggling rural communities that rely on the timber harvesting industry.

This is in addition to the Clinton Administration's Northwest forest plan that reduced timber harvests in the Pacific Northwest from five billion board feet per year down to significantly less than one billion board feet per year. As recently as 1996, the Forest Service reported selling 776 million board feet which generated 10,618 jobs, \$305,073,000 in employment related income and \$45,763,000 in federal income taxes. If timber harvest levels were to go back to 5 billion board foot per year, the

[Forest Service 1996 Timber Sale Program Information Reporting System \(TSPIRS\)](#) data suggests a 5 billion board foot program would produce 68,414 jobs and generate \$1,965,676,546 of employment related income and \$294,864,691 of federal income tax revenue.

The Clinton and Obama Administration's policies have driven a once thriving timber economy in Oregon and Washington, and throughout the West, to near zero.

ECONOMIC IMPACT

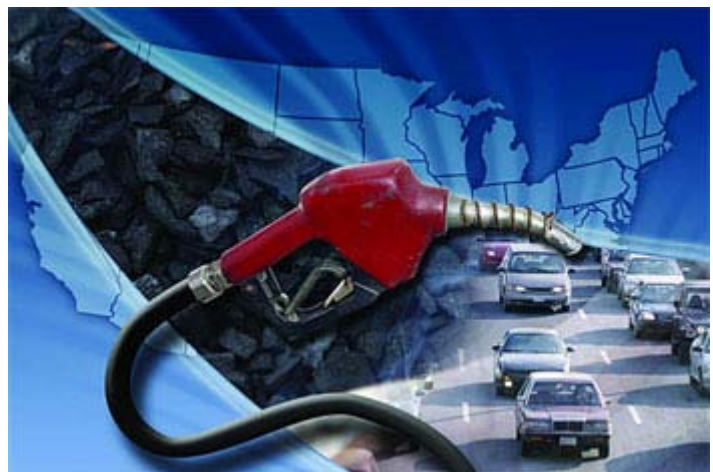
- “It took the BLM five years to complete this plan using the most comprehensive forest planning effort ever undertaken. It took this Administration six months to trash it. Now, after waiting more than a year since the WOPR was withdrawn, it is clear the Administration lacks the will to act to meet the needs of local communities, forest health and resiliency. Communities throughout western Oregon are facing extreme economic dislocation due in part to a lack of timber coming from the BLM forests. Communities in southwest Oregon have been particularly hard hit and are left to wonder if they have become a sacrifice zone for this Administration.” [\(Tom Partin, President of the American Forest Resource Council, SalemNews.Com, 6/23/10\)](#)
- “Unemployment in the counties most affected by the failure to manage these lands (Douglas, Lane, Curry, Coos, Jackson and Josephine) ranges from 12.4 to 16 percent. Counties long dependent on revenue sharing from timber sales also face an economic calamity as the County Payments program will end in 2011.” [\(SalemNews.Com, 6/23/10\)](#)
- “In logging towns, where unemployment is currently as high as 16 percent, that shortage of timber hurts.” [\(National Public Radio, 7/16/10\)](#)

According to the National Mining Association, "America has the world's largest reserves of recoverable coal, providing the country with an estimated 240-year supply of secure, domestic energy that is more affordable than alternative fuels. Its abundance accounts for why coal generates half of the nation's electricity – by far the largest share – and why coal's share is projected to grow to 54 percent of U.S. electricity generation by 2030, according to the U.S. Energy Information Administration (EIA)." Bottom line: Washington should not eliminate America's cheapest, most abundant form of energy and the jobs that support it.

Coal is cheap and abundant in America. Coal allows families and seniors all across America to live more affordably. States such as Wyoming, Montana, Utah, Colorado and North Dakota rely heavily on jobs and energy produced from mining coal. Unfortunately, this Administration has pursued a series of heavy-handed regulations and policies that will drive up energy prices for families and seniors across the nation, including the West, that rely on coal. These excessive regulations will also wipe out coal jobs throughout the West, and eliminate needed revenue to keep western communities alive.

COAL ASH REGULATIONS

This Administration has proposed the regulation of coal ash, the byproduct of burning coal in power plants, as a hazardous waste. This would have the effect of treating coal ash like nuclear waste and make it nearly impossible to operate a power plant with coal due to the costly requirements that would go along with such a designation. This is despite the fact that Carol Browner, White House Energy and Climate Czar, chose not to designate coal ash as a hazardous waste when she was head of the Environmental Protection Agency (EPA) during the Clinton Administration.



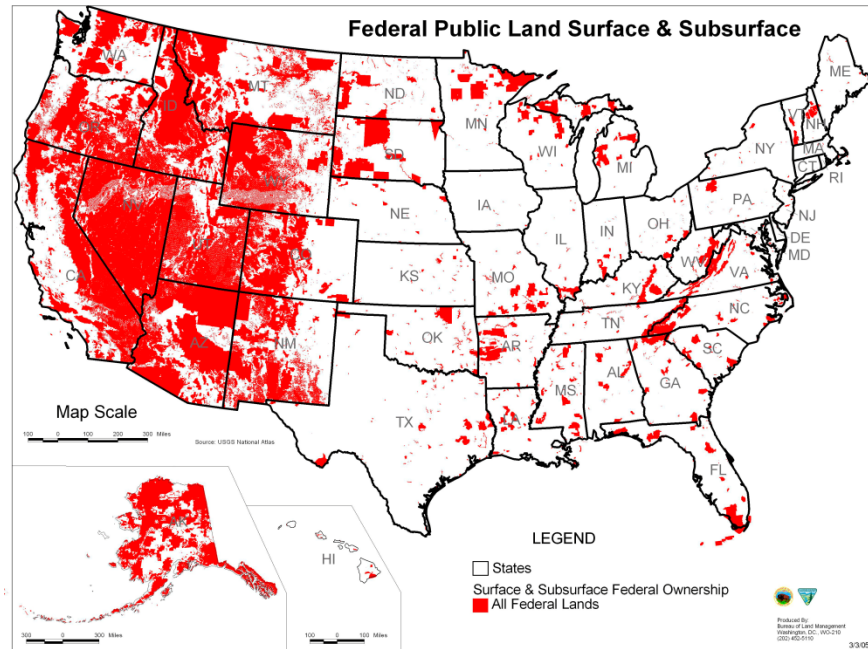
According to the Washington Post, "After electric utilities protested that such a move would cost billions, however, then-EPA administrator Carol M. Browner reversed herself and determined that coal ash amounted to a solid waste." ([Washington Post, 1/16/09](#)) This reversal will cost billions to the western economy and result in thousands of lost jobs.

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- "Regulating coal ash as a hazardous waste would add significant costs that ultimately would be borne by ratepayers, utility officials say. The proposal to regulate coal ash as hazardous waste - including converting to dry storage - would cost utilities an estimated \$20 billion, the EPA says. The exact cost to each utility is unknown." ([Arizona Daily Star, 6/20/10](#))
- "Utility companies argue that a federal hazardous-waste ruling would impose huge logistical challenges and add potentially billions of dollars in new costs. Other industries warn that an adverse EPA ruling could jeopardize the use of coal ash in such construction materials as cement mix and wallboard." ([Wall Street Journal, 1/09/10](#))

- "We think 250 to 350 coal units could be shut down, in an extreme scenario, and drive up the cost of electricity." ([Mr. Bryan Hannegan, Electric Power Research Institute, Wall Street Journal, 1/09/10](#))
- "Adoption of more stringent regulation--including regulating coal combustion byproducts as hazardous waste or mandating closure of certain types of ash-management facilities--will drive up costs for our customers without providing a commensurate health or environmental benefit." - ([Mr. Jim Roewer, Utility Solid Waste Activities Group, Wall Street Journal, 5/04/10](#))
- If EPA regulates coal ash as a hazardous waste, it will cost thousands of jobs in the recycling industry that uses recycled coal ash as a building material in the West according to Denver resident John Ward of Citizens for Recycling First - "Common sense tells us that everyday citizens will be greatly alarmed if they find out that a building material used in their homes, schools, offices and roadways is classified as a 'hazardous waste' in another location" and "Common sense says that risking an entire recycling industry over a regulatory turf battle is a bad idea. Common sense says that new coal ash disposal regulations should be enacted under Subtitle D and EPA should work to promote safe and environmentally beneficial recycling as a preferred alternative to disposal." ([John Ward of Denver, Citizens For Recycling First, 9/3/10](#))

This Administration and the Democrat leadership in Congress have made every effort to lock up lands from development, without considering the impact on jobs in the West.



SECRETIVE PLANS TO DESIGNATE NATIONAL MONUMENTS

A recently obtained [internal document](#) from the U.S. Department of the Interior revealed the Obama Administration was covertly considering the designation of at least 14 new National Monuments, and up to 140 million additional acres as “treasured landscapes.” According to the leaked memo, the Administration is considering using the Antiquities Act to designate or expand additional monuments in Arizona, Nevada, California, Colorado, Montana, New Mexico, Oregon, Utah, and Washington. In addition, despite the fact that Wyoming and Alaska are exempted from unilateral monument designations by law, the document states, “The BLM therefore particularly proposes that the Administration use the BLM’s land-use planning process to identify the management actions, including possible mineral withdrawals, necessary to protect sensitive resources in Wyoming and Alaska.”

With a stroke of a pen, the President could use the Antiquities Act to designate millions of acres of land without first notifying Congress or the affected Governors, tribes, or communities involved. National monument designations of this scope could have significant impact on many western-based businesses, ranchers, outdoor enthusiasts, property rights activists, and other rural citizens.

Westerners have seen firsthand how devastating a monument designation can be to communities and individuals. Secretary Salazar has claimed westerners “have nothing to fear” and [now insists there are no secret plans](#) to lock up millions of new acres of land. However, the Clinton Administration made similar assurances - and then proceeded to designate multiple monuments. Westerners have reason to be concerned as they have been down this road before.

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- Hundreds of Montanans woke up on January 18, 2001 - in the final hours of the Clinton Administration - to discover that they now lived within the boundaries of the "Upper Missouri River Breaks National Monument," created in an instant without any public input. "It's a huge grab for more federal intervention in our lives, and we don't need that,' said Montana cattle rancher Randy Smith." ([USA Today, 5/21/08](#))
- "The issue in the past is that they told us one thing and did the other. They never have taken into account how important the public lands are in the state. The last time they did that in Grand Staircase, they locked out a lot of ranchers, they locked out a whole bunch of clean coal." ([Vaughn Johnson, Utah Protester, MSNBC, 2/23/10](#))
- "These designations will have a devastating impact on surrounding communities because a monument designation forces out people dependent on public lands for their economic survival. Without logging, mining, drilling, and other resource management activities, communities in and around these new monuments lose their jobs. Economic collapse comes astonishingly fast as the infrastructure needed to extract, process and transport resources vanishes almost overnight. Meanwhile, our nation becomes increasingly dependent on foreign energy sources, timber, and even food." ([Visalia Times-Delta, 7/17/10](#))

LAND GRABS THROUGH WILDERNESS EXPANSION

In recent years members of Congress from large metropolitan areas and eastern states have begun proposing legislation to designate enormous swaths of legally-designated wilderness in the West to win favor with radical environmental constituencies. These large wilderness proposals rarely have the input or support of the impacted state or local communities. To date, over two-dozen wilderness bills have been considered in the Democrat-controlled 111th Congress. If each of these bills were enacted into law, roughly 44 million additional acres of land would be further restricted and withdrawn from multiple use management. Three bills alone (H.R. 39, H.R. 980, and H.R. 1919) introduced in the 111th Congress by members of Congress from New York and Massachusetts would lock up roughly 35 million acres of western land. If radical

environmentalists were successful enacting all their wilderness proposals, more than half of all federal lands would be closed to multiple-use.

The multiple-use management philosophy of public lands has been a bedrock concept that has sustained much of the West's rural economy for generations. It directs that federal agencies manage public lands and resources to produce the largest number of public benefits. Jobs and revenues that are generated through grazing, mining, timber operations and recreation are dependent on this type of balanced management and continued public access to federal lands.



These sectors are the economic engine for hundreds of local communities – communities that would disappear if their ability to use public lands for beneficial use were removed through excessive wilderness designations. Wilderness designations also ignore the westerners' reclamation success. That success is evidenced by the fact that lands now being proposed for wilderness designation contain active or prior oil, gas and other productive activities.

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- "...gains from wilderness recreation appear to be inconsequential and would likely be more than offset by losses associated with a decline in activities incompatible with wilderness." (Lilieholm, R.J. 1995. Wilderness and adjacent land issues. Pages 49-86 in Wilderness Designation in Utah: Issues and Potential Economic Impacts. USU AES Research Report 151)
- Wilderness designation could seriously impede economic development in some areas of the state depending on the control that the federal government exercises over water rights and uses on adjacent areas. . . (Lilieholm, R.J. 1995.)
- With regard to Rep. Carolyn Maloney's (D-NY) "Northern Rockies Ecosystem Protection Act" - "The impacts of this are pervasive -- from agriculture to recreation to access to mineral development [to] oil and gas mining," said Ryan Lance, Wyoming Democratic Gov. Dave Freudenthal's deputy chief of staff. "If this thing goes through, it turns everything on its head for most of the northwest corner of the state." ([Land Letter, 6/11/09](#))
- "The latest legislation was introduced by Rep. Maurice Hinchey (D-N.Y.), who has been introducing similar bills to create Wilderness in Utah since 1994. He has done so over the protest of Utah's congressional delegation and governor, who have fought the proposals, saying that the land Hinchey has proposed for Wilderness doesn't even meet the Wilderness definition because it includes roads and developments. Additionally, they argue, the creation of more Wilderness would hurt local economies." ([All Terrain Vehicle Association, 10/3/09](#))
- "Efforts to expand the nation's wilderness portfolio have generated negative feedback among some groups, however, especially in the West, where rural economies are closely tied to natural resource extraction, motorized recreation and tourism." ([Land Letter, 3/25/10](#))

Washington should be focused on fostering job growth, not adding additional permitting hurdles to get job creating projects approved in the West.

THE NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

The National Environmental Policy Act (NEPA) requires federal agencies to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions. As the majority of federal land is located in the West, comprising in some cases a majority of the land area in a western state, the attempt to develop energy resources and create jobs is tied to federal permitting requirements under NEPA.

In 2008, a petition was filed by the Sierra Club, Natural Resources Defense Council and International Center for Technology Assessment, asking that the White House Counsel on Environmental Quality include climate change in National Environmental Policy Act (NEPA) reviews. Despite the potential economic costs, President Obama's Chairman of the White House Council on Environmental Quality, Nancy Sutley, stated her agency has found "no basis" for excluding greenhouse gas emissions from NEPA reviews.

The net result of expanding federal permitting regulations to include climate change will make all energy more expensive for westerners and the nation as domestic energy sources remain stranded assets. This will result in thousands of western jobs lost to overseas energy production.

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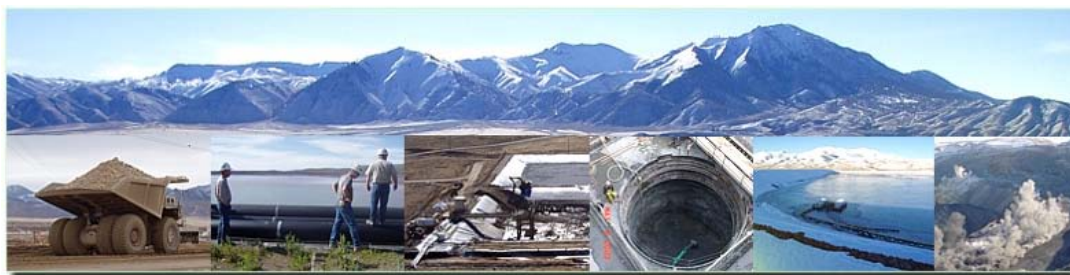
- "It could also open up new avenues for environmentalists to attack, delay or halt proposed government actions. The environmental impact statements originally required by the act have become routine battlegrounds for environmentalists, developers and others." – ([Los Angeles Times, 1/01/10](#))
- "NEPA, with its costly and time-consuming environmental reviews and impact statements, historically has been used by environmental activists to stall or prevent many hundreds and perhaps thousands of federal projects since it was signed into law in 1970. Activists do this by obtaining injunctions against proposed projects until the controlling federal agency has prepared a 'satisfactory' Environmental Impact Statement (EIS) under NEPA. The lawsuit and subsequent EIS have the effect of delaying a project often indefinitely thereby stymieing jobs and economic growth." – ([U.S. Chamber of Commerce, 2/20/09](#))
- "The preparation of environmental impact statements under NEPA takes almost three-and-a-half years." - ([Greenwire, 3/24/10](#))

Job Killing Policy #10 Eliminating Domestic Mining

Mining is the beginning of the supply chain for everything our society uses or consumes on a daily basis. Instead of encouraging investment in the domestic mining industry in order to create jobs, the Obama Administration and Democrats in Congress have implemented policies that send high-paying mining jobs overseas to countries with less regard for the environment. At the same time, that dangerously increases our reliance on foreign nations for the metals and minerals that power our economy.

MINERAL WITHDRAWALS, PERMITTING DELAYS, EXPANDED AUTHORITY

The Obama Administration and Democrats in Congress are attempting to withdraw from mineral entry lands containing strategic and critical minerals that are necessary for our national defense and the renewable energy industry. The Administration has segregated and proposed for withdrawal lands in Arizona containing 40% of known U.S. uranium deposits. The U.S. is already dependent on foreign sources for more than 90% of our uranium needs. If this Administration is serious about promoting nuclear energy and diversifying our energy portfolio, it should not restrict access to strategic metals and minerals like uranium.



In addition to blocking production of uranium, the Administration plans to designate new national monuments and expand conservation designations that will lock up millions of acres of land from mineral production (see Job Killing Policy #8). Democrats in Congress have gone outside their own regions to introduce plans to kill jobs in the West by imposing conservation designations. Designations like these (Grand Staircase, etc.) have already cost jobs and revenues in western states. Massive new monument designations will further restrict access to domestic resources (see Job Killing Policy #8). In addition, this Administration has implemented a Federal Register Notice review policy in which every Bureau of Land Management notice, even those of a routine procedural nature, must go through a rigorous and time-consuming 12-step review in the Washington, D.C. office, adding nine months to a year to what is already the most lengthy permitting process in the world. The end result is the delaying of job creation. In a survey by mining expert Behre Dolbear, the U.S. ranks last among mineral producing countries in terms of the time it takes to permit mining projects. It's no wonder the U.S. attracts only 7% of worldwide exploration dollars, down from 20% just 14 years ago.

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- “In 2009, the supply for more than one-half of U.S. apparent consumption of 38 mineral commodities came from imports, and the United States was 100% import reliant for 19 of those. U.S. import dependence has grown significantly during the past 30 years.” ([U.S. Geological Survey, Mineral Commodity Summaries 2010](#))

Job Killing Policy #10 Eliminating Domestic Mining

- “[t]he minerals and metals produced by our mines never go out of style. America’s basic industries, its armed forces, its consumer products and all of us in this hearing room use metals and minerals every day. As America needs the metals that mining produces, communities like Elko need the jobs that mining produces. These are the highest-wage jobs in the state of Nevada. They are jobs with benefits, paying wages that can sustain a family. And today no community can have enough high-wage jobs – jobs that allow hardworking people to pay their mortgage ... pay medical bills ... buy things for the kids ... and keep a car in the garage. Take away these jobs and you take away far more than income. You weaken the economic stability of our way of life. Suddenly, a lifestyle that one working parent could support now requires two working parents. The loss of these jobs obviously could not be replaced by local businesses in our community. In short, without mining, it would be a short distance between a thriving community and a failing one need of federal support.” (Elko NV County Commissioner Sherry Eklund-Brown in [testimony](#) before the Energy & Mineral Resources Subcommittee of the House Natural Resources Committee, 2/26/09)
- “Permitting delays are the most significant risk to mining projects. The situation [in the U.S.] is worsening due to increased regulations and pending negative revisions to the federal mining law, wetlands regulations....” (Behre Dolbear, [2010 Ranking of Countries for Mining Investment](#))



The War on Western Jobs

A Report by the Senate and Congressional Western Caucuses

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