Montana State Legislature (1)

Max S. Baucus

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STATEMENT OF MAX EAUCUS BEFORE THE MONTANA STATE LEGISLATURE
FRIDAY, JANUARY 16, 1981

MR. PRESIDENT, MR. SPEAKER, X DISTINGUISHED MEMBERS OF THE SENATE (HOUSE), LADIES AND GENTLEMEN, I WANT TO THANK THE SENATE (HOUSE) BI-PARTISAN LEADERSHIP FOR THIS OPPORTUNITY TO ADDRESS YOU THIS AFTERNOON.

INTRODUCTION

I AM HERE TODAY BECAUSE WE MONTANANS FACE AN OLD PROBLEM THAT DEMANDS OUR RENEWED ATTENTION: THE RELATIONSHIP BETWEEN MONTANA AND THE FEDERAL GOVERNMENT. OVER THE NEXT FEW YEARS, THE DECISIONS MADE HERE IN HELENA--AND THOSE MADE IN WASHINGTON, D.C.--WILL DICTATE WHETHER THE FEDERAL GOVERNMENT WILL SERVE AS A CONSTRUCTIVE OR A DESTRUCTIVE FORCE IN THIS STATE FOR DECADES TO COME. THESE DECISIONS WILL DETERMINE THE QUALITY OF LIFE IN MONTANA FAR INTO THE TWENTY-FIRST CENTURY.

IN THE WAKE OF THE 1980 ELECTION, WE ARE TEMPTED TO ADOPT A "WAIT AND SEE" ATTITUDE. SOME SUGGEST THE NEW ADMINISTRATION WILL RESPOND TO AN ANGERED ELECTORATE AND REVOLUTIONIZE THE FEDERAL GOVERNMENT: & UNWARRANTED FEDERAL INTERFERENCE WILL BE ELIMINATED.

NO ONE DOUBTS THAT THE STRONG WINDS OF POLITICAL CHANGE HAVE ONCE AGAIN SWEPT THIS LAND. INDEED, VOTERS HAVE EXPRESSED OLD FRUSTRATIONS WITH A NEW URGENCY.
BUT, THE VOTERS DO NOT ALWAYS OBTAIN WHAT THEY SEEK. WE WOULD BE WELL SERVED TO HEED THE MAXIM: "THE MORE THINGS CHANGE, THE MORE THEY REMAIN THE SAME." WE SHOULD REMEMBER THAT, AS THE 96TH CONGRESS OF THE UNITED STATES CAME TO AN END, MONTANA'S ABILITY TO CONTROL ITS OWN DESTINY LAY THREATENED BY A RASH OF ILL-ADVISED PROPOSALS... PROPOSALS THAT WILL LIVE ON AND, IF ADOPTED, CRIPPLE OUR ABILITY TO SHAPE OUR OWN ECONOMIC AND POLITICAL FUTURE.

SO FAR, THE MONTANA CONGRESSIONAL DELEGATION--WITH THE HELP OF MONTANA OFFICIALS AND CONCERNED CITIZENS--HAS SUCCEEDED IN PREVENTING UNWARRANTED FEDERAL INTRUSIONS. BUT, THE PROPOSALS THAT MONTANANS RIGHTLY FEAR WERE NOT DEFEATED ON NOVEMBER 4TH. THEY LIVE ON--AND WILL FACE US FOR THE REST OF THIS DECADE.

OUR PAST HAS PREPARED US TO MEET THE TEST OF THE PRESENT AND THE CHALLENGES OF THE FUTURE.

THE MONTANA RECORD

AS THE DECADE OF THE 1970'S OPENED, MONTANANS FACED ITS NEW CHALLENGES SQUARELY. WE DID NOT WASTE THE YEARS THAT FOLLOWED.

THE STATE REORGANIZED ITS EXECUTIVE BRANCH TO ENHANCE ITS RESPONSIBILITY AND TO MAKE IT MORE ACCOUNTABLE AND ACCESSIBLE TO THE PUBLIC.

THE STATE ADOPTED A STRONG, INNOVATIVE CONSTITUTION TO REPLACE THE 80-YEAR OLD DOCUMENT WRITTEN BY THE COPPER BARONS OF ANOTHER AGE.
THE STATE LEGISLATURE DRAFTED, DEBATED, PASSED AND REVISED A RESPONSIBLE FACILITY SITING LAW TO ENSURE THAT ENERGY PLANTS ARE BUILT ONLY AS NEEDED AND WHERE ENVIRONMENTALLY COMPATIBLE.

THE LEGISLATURE ADOPTED AND REFINED A TOUGH STRIP MINE RECLAMATION LAW THAT HAS SERVED AS A MODEL FOR OTHER STATES AND FOR THE FEDERAL GOVERNMENT.

WE ENACTED A WATER LAW DESIGNED TO ENSURE AN ORGANIZED, EVEN-HANDED DETERMINATION OF WATER RIGHTS AND BENEFICIAL USES.

AND, WE ADOPTED A REASONABLE COAL SEVERANCE TAX TO PAY THE COAL DEVELOPMENT COSTS WE WILL BEAR DURING AND LONG AFTER THAT ONE-TIME HARVEST OF AN IRREPLACEABLE RESOURCE.

IN SUM, MONTANA'S RECORD ON ENERGY MATTERS IS UNPARALLELED. WE HAVE INDICATED CLEARLY THAT WE WILL CONTRIBUTE TO NATIONAL ENERGY NEEDS IN A RESPONSIBLE AND TIMELY FASHION. WE SEEK NO ESCAPE FROM THAT OBLIGATION.

WE WILL NOT HAMSTRING NEEDED ENERGY DEVELOPMENT WITH DELAYS, CUMBERSOME PROCEDURES, OR UNREALISTIC REQUIREMENTS. NOR DO WE PROPOSE TO PROFITEER FROM THE NATION'S DISTURBING ENERGY PREDICAMENT.

BUT, WE ALSO INTEND TO MAKE CLEAR THAT MONTANA IS NO LONGER AND WILL NOT AGAIN BECOME A RESOURCE COLONY. IN DOING SO, WE INTEND TO DEMAND AND HELP STRUCTURE A NEW PARTNERSHIP WITH THE FEDERAL GOVERNMENT.
UNFORTUNATELY, MONTANA'S RECORD ON THESE MATTERS HAS NOT ENDED THE FEDERAL ATTEMPTS TO UNDERMINE OUR RIGHT TO SHAPE OUR OWN FUTURE. OUR WILLINGNESS TO COOPERATE HAS GONE LARGELY UNHEEDED.

MONTANA'S HISTORY IS LITTERED WITH THE WRECKAGE OF A SHORT-SIGHTEDNESS THAT DESTROYS COMMUNITIES, NEIGHBORHOODS, AND FAMILIES. ALL TOO RECENTLY, DESPITE OUR BEST EFFORTS, WE HAVE FELT AGAIN THE TRAGEDY OF COMMERCE UPROOTED--OF ECONOMIC ACTIVITY HALTED BY FORCES BEYOND OUR CONTROL AND HELD TO NO ACCOUNT.

IT IS AGAINST THIS BACKGROUND THAT THE FEDERAL ATTACKS ON OUR ENERGY PROGRAM APPEAR SO DISHEARTENING. FOR WE HAVE LABORED LONG AND TIRELESSLY TO CONVINCE THE FEDERAL GOVERNMENT THAT OUR APPROACH TO THE ENERGY CRISIS IS REASONABLE AND DESERVES SUPPORT.

WE HAVE HEEDED THE WORDS OF THOMAS JEFFERSON THAT THE ONLY WAY STATES CAN AVOID THE ABUSE OF NATIONAL POWER IS TO STRENGTHEN STATE GOVERNMENTS...AND THIS MUST BE DONE BY THE STATES THEMSELVES...

THE RECENT PAST MAKES IT CLEAR THAT THE TASK OF STRENGTHENING STATE GOVERNMENT IS ONE WITHOUT END.

CURRENT CHALLENGES

LAST YEAR, SOME MEMBERS OF CONGRESS MOVED AGAINST MONTANA'S COAL SEVERANCE TAX. THEY SUGGESTED THAT MONTANA AND OTHER WESTERN STATES WERE LIKE A LITTLE OPEC--EXACTING EXORBITANT TRIBUTE AT THE EXPENSE OF ENERGY CONSUMERS. A NUMBER OF BILLS WERE DRAFTED, INTRODUCED AND CONSIDERED ON THE SUBJECT. THE MEASURES PROPOSED A FEDERAL CAP THAT WOULD HAVE SLASHED OUR COAL TAX AND RUINED OUR BALANCED BUDGET.
IN A HAIL STORM OF BAD NUMBERS AND FAULTY ARGUMENTS, THE
ADVOCATES OF THIS SERIOUS FEDERAL INTRUSION FORCED THE PACE--
SLOWED ONLY BY THE WELL-MADE ARGUMENTS OF MONTANANS AT THE END
OF THE LEGISLATIVE SESSION.

OF COURSE, THEY WERE NOT PLEASED TO LEARN THAT MONTANA'S
SEVERANCE TAX GENERATES A SCANT ONE-TWENTIETH THE REVENUE PRODUCED
BY A TEXAS SEVERANCE TAX; THAT MONTANA'S TAX ADDS ON THE AVERAGE
ONLY ABOUT ONE PERCENT TO THE UTILITY BILL OF A TYPICAL MIDWEST
CONSUMER; AND THAT THE OIL SEVERANCE TAXES IN LOUISIANA, OKLAHOMA,
AND NEW MEXICO ARE MUCH HIGHER PER UNIT OF HEAT THAN MONTANA'S
COAL TAX. THEY WERE NOT PLEASED TO HEAR; BUT WE MADE OUR POINT.
AND, FOR THE TIME, WE HAVE PREVAILED.

A SECOND MAJOR CHALLENGE TO MONTANA'S FUTURE WAS THE PROPOSAL
TO CREATE THE ENERGY MOBILIZATION BOARD. THE IDEA SEEMED STRAIGHT-
FORWARD ENOUGH.

THE EMB, WE WERE TOLD, WOULD CUT RED TAPE, SWEET AWAY THE
BUREAUCRATIC COBWEBS, AND EXPEDITE AGENCY DECISIONS ON ENERGY
PROJECTS. WHY? BECAUSE THE UNITED STATES MUST END ITS DEPENDENCE
ON FOREIGN SOURCES OF OIL.

UNfortunately, LIKE THE DECEPTIVE VIGOR OF A DYING TREE, IT WAS
ALL TOO EASY TO BELIEVE AND ALL TOO GOOD TO BE TRUE.
THE EMB AS PROPOSED WOULD ACCOMPLISH ITS WORTHY OBJECTIVE IN A WHOLLY UNACCEPTABLE FASHION. IT WOULD NOT FOSTER FEDERAL/STATE COOPERATION, BECAUSE IT WOULD TREAT THE STATE OF MONTANA AS IF WE WERE MERELY A NUISANCE, OR AN OBSTACLE. THIS NEW SUPER BUREAUCRACY WOULD HAVE THE POWER TO IGNORE AND OVERRIDE STATE LAWS AND LOCAL ORDINANCES.

THE EMB COULD BLACKMAIL STATES WITH FEDERALLY ESTABLISHED DEADLINES. AND, IF THE DEADLINES WERE NOT MET--FOR WHATEVER REASONS--THE EMB COULD SIMPLY SUBSTITUTE ITS DECISION FOR THAT OF THE STATE, NOR WOULD MONTANA COURTS BE AVAILABLE TO CHALLENGE THESE AWESOME POWERS OF THE EMB.

IN SHORT, THE STATES WOULD BE THE VICTIMS, NOT THE PARTNERS OF AMERICAN ENERGY POLICY. STATE AND LOCAL AUTHORITIES WOULD BE SWEEPED FROM THE PATH AS THE FEDERAL JUGGERNAUT RUSHED TO ITS RELATED RENDEVOUS WITH THE NATION'S ENERGY CRISIS.

MONTANA'S RESPONSE

MONTANA'S RESPONSE TO THESE FEDERAL INTRUSIONS MUST BE BOTH MEASURED AND DIRECT. THIS IS NO TIME TO STOP THE FLOW OF INNOVATIVE LEGISLATION AND PROGRAMS THAT HAVE HIGHLIGHTED MONTANA'S PAST.

WE MUST BUILD ON THAT FOUNDATION AND NOT WEAKEN OUR RESOLVE TO EXERCISE THOSE POWERS RESERVED TO OUR STATE BY THE U.S. CONSTITUTION.

IF WE ARE SUCCESSFUL, MONTANA CAN LEAD THE WAY TO A NEW, PROGRESSIVE STATES' RIGHTS. MONTANANS--ALONG WITH OUR FRIENDS FROM OTHER STATES--CAN HELP CHART A NEW PARTNERSHIP WITH THE FEDERAL GOVERNMENT.
THAT RESPECTS OUR STATE'S CONSTITUTIONAL RIGHTS AND ALLOWS US TO DETERMINE OUR DESTINY.

BUT WE WILL NOT BE SUCCESSFUL IF WE GET SWEPT UP IN POSTURING AND RHETORIC THAT ONLY MAKES US APPEAR PAROCHIAL, NARROW AND SELFISH. WE MUST ACT RESPONSIBLY AND WITH GOOD SENSE, OR RISK LOSING THE HARD-FOUGHT VICTORIES OF THE PAST.

SAGEBRUSH REBELLION

THE LEGISLATURE SOON WILL FACE THIS DILEMMA WHEN IT CONSIDERS WHAT'S BEEN CALLED THE SAGEBRUSH REBELLION. THIS PROTEST, FED BY THE FRUSTRATIONS MANY OF US FEEL BECAUSE OF FEDERAL INTERFERENCE IN STATE AFFAIRS, MAKES A LEGITIMATE POINT.

IF BY THE SAGEBRUSH REBELLION, WE MEAN MAKING FEDERAL AGENCIES RESPONSIVE TO STATE CONCERNS, THEN I ENDORSE IT.

BUT, IF THE SAGEBRUSH REBELLION MEANS TRANSFERRING MILLIONS OF ACRES OF LAND FROM FEDERAL TO STATE OWNERSHIP, THEN I OPPOSE IT.

SUCH LAND TRANSFERS ARE POLITICALLY UNREALISTIC AND UNWORKABLE.

HOWEVER, EVEN IF THEY WERE ATTAINABLE, THEY POSE A SEVERE THREAT TO OUR STATE'S FINANCIAL FUTURE.

IN FISCAL YEAR 1980, MONTANA, FOR EXAMPLE, RECEIVED OVER $8 MILLION IN PAYMENTS IN LIEU OF TAXES. THIS WOULD BE LOST TO THE STATE.
WHETHER MONTANA COULD EVER REPLACE THIS SOURCE OF REVENUE IS AT BEST UNCERTAIN, IN VIEW OF THE FACT THAT STATE LANDS ARE TAX EXEMPT.

IN ADDITION, THE STATE WOULD BE FORCED TO EMPLOY HUNDREDS OF LAND MANAGERS--COSTING MILLIONS OF DOLLARS--TO OVERSEE THE 20 MILLION ACRES IN THIS STATE ALONE.

AND, INCREASED REVENUES WE WOULD RECEIVE FROM TIMBER SALES, MINERAL LEASING AND GRAZING PERMITS MOST LIKELY WOULD NOT OFFSET THESE LOSSES.

SUCH A MASSIVE LOSS OF REVENUE--AT A TIME WHEN THE STATE IS TRYING TO CUT ITS BUDGET--WOULD RESULT IN A FISCAL NIGHTMARE.

AS I ATTENDED THE CONFIRMATION HEARING OF INTERIOR SECRETARY NOMINEE JAMES WATT EARLIER THIS MONTH, I WAS IMPRESSED BY HIS MEASURED RESTRAINT ON THIS ISSUE. A STAUNCH ADVOCATE OF AN INCREASED STATE ROLE IN RESOURCE DECISIONS, HE MADE IT CLEAR THAT HE WOULD NOT FAVOR A MASSIVE TRANSFER OF FEDERAL LAND AT THIS TIME.

INSTEAD, HE ADVOCATED A "GOOD NEIGHBOR" POLICY--CHARACTERIZED BY MUCH CLOSER COOPERATION AND CONSULTATION WITH THE PEOPLE MOST DIRECTLY AFFECTED BY PUBLIC LAND MANAGEMENT DECISIONS.

WE SHOULD WELCOME THIS APPROACH. WE MUST NOT BE DIVERTED BY THE SABRE RATTLING OF AN ILL-CONCEIVED REBELLION.
WE MUST FOCUS ON THE REAL POINTS OF FEDERAL ATTACK ON STATES' RIGHTS AND MOUNT A FORCEFUL, EFFECTIVE DEFENSE. WHAT WE STARTED IN THE 1970'S, WE MUST CONTINUE THROUGHOUT THE 1980'S.

CONSTRUCTIVE RESPONSES

WE IN CONGRESS MUST WORK CLOSELY AND IN A BIPARTISAN FASHION WITH YOU IN STATE GOVERNMENT AS WE CONTINUE THIS CRITICAL TASK. IT IS IMPOSSIBLE FOR THOSE OF US IN CONGRESS TO STOP THE EMB AND SAVE THE COAL TAX ON OUR OWN. TO BEHAVE RESPONSIBLY IN DETERMINING OUR FUTURE WHILE CONTRIBUTING TO THE RESOLUTION OF SERIOUS NATIONAL DIFFICULTIES.

IF THE REST OF THE COUNTRY IS CONVINCED THAT MONTANA'S FACILITY SITING ACT IS REASONABLE AND IS BEING IMPLEMENTED REASONABLY, THEN THE ENACTMENT OF AN EMB BECOMES LESS LIKELY.

IF WE WISH TO IMPROVE OUR ChANCES OF STOPPING THE EMB, WE SHOULD ENSURE THAT OUR REVIEW OF PROPOSED ENERGY FACILITIES IS CONDUCTED IN A TIMELY, CONSISTENT MANNER. WE MAY BE ABLE TO STREAMLINE OUR REVIEW PROCEDURES SO THAT THEY OPERATE ON A ONE-STOP BASIS--WITH JOINT HEARINGS, JOINT STUDIES, AND A UNIFIED DECISION TIMETABLE AGREED UPON AND BINDING UPON ALL STATE AND FEDERAL AGENCIES INVOLVED.

IF WE WANT TO IMPROVE OUR CHANCES OF DEFEATING COAL TAX CAP PROPOSALS, WE MUST RENEW OUR EFFORT TO ESTABLISH THAT THE TAX IS CAREFULLY STRUCTURED SO AS TO COVER THE LEGITIMATE COSTS OF COAL DEVELOPMENT. WE WILL NEED TO EXPAND OUR ATTEMPT TO EDUCATE FEDERAL OFFICIALS IN THIS REGARD.
IN SHORT, IF IT BECOMES CLEAR TO THE REST OF THE COUNTRY THAT MONTANANS ARE INTERESTED IN DOING THEIR SHARE TO INCREASE OUR NATION'S ENERGY PRODUCTION, THEN IT IS LESS LIKELY THAT MONTANA'S RIGHT TO MAKE THOSE DECISIONS WILL BE CHALLENGED.

CONCLUSION

THese are tough challenges. They will test our abilities and our fortitude.

MONTANA'S CONGRESSIONAL DELEGATION WILL DO ITS BEST TO FEND OFF CHALLENGES TO OUR STATE'S COAL SEVERANCE TAX. BUT, WE CANNOT DO THE JOB ALONE. WE NEED YOUR HELP AND ASSISTANCE.

MONTANA'S STATE LEGISLATURE NEEDS TO IMPROVE OUR STATE'S GOVERNMENT. AND, WE MUST FIND WAYS TO WORK CONSTRUCTIVELY WITH ITS SISTER STATES TO BROADEN OUR STRENGTH.

IN RETURN, WE IN WASHINGTON WILL DO OUR BEST TO AID YOUR EFFORTS WHEREVER POSSIBLE.

WORKING TOGETHER, WE WILL HASTEN THE DAY WHEN STATES CAN ONCE AGAIN SERVE IN THE ROLE JEFFERSON FORSAW, AS THE TRUE BARRIERS PROTECTING OUR LIBERTIES.