Remarks of
The Honorable
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Assistant Secretary, Land and Minerals Management
Reclamation for Wildlife Summit
Louisville, Kentucky, June 23, 2005

Introduction

Good morning. I am very happy to be here for this meeting. It is the first-ever national summit on reclaiming mined land for wildlife sponsored by the Office of Surface Mining (or OSM). I hope you have enjoyed this morning's sessions. I know I am looking forward to learning more this afternoon.

I'd like to recognize the folks who put this forum together. About a year and a half ago, Dave Ledford of the Rocky Mountain Elk Foundation and Tom Bennett, former Commissioner of the Kentucky Department of Fish and Wildlife Resources, approached the Interior Department to discuss ways to encourage planting wildlife-friendly vegetation as part of coal mine reclamation.

We listened! As a result of discussions over several months, the idea for this summit was born and today, thanks to the hard work of a lot of people here in this room, it is a reality.

I would like to thank Dave and Tom, and also recognize the Rocky Mountain Elk Foundation. This Montana-headquartered organization is one of the founding members of the American Wildlife Conservation Partners and is helping to bridge wildlife and land-use interests at the Department of the Interior. They have worked overtime in the process. I also would like to thank OSM Director Jeff Jarrett for his leadership in putting this forum together and his staff for making it happen. And finally, let me recognize the coal industry, the state and local governments, and the many other groups and organizations represented here today.

This is an important kick-off to what I hope will be a continuing and productive dialogue on mine reclamation and wildlife habitat. You may not realize it, but by your participation you are helping to put in motion some of Secretary Gale Norton's highest priority initiatives – cooperative conservation, responsible energy development, enhanced recreation opportunities and abandoned mine reclamation.

Department of Interior

The Department of the Interior manages about 1 in every 5 acres of land in the U.S. Interior programs provide the resources for about 30 percent of domestic energy production in the country. This includes coal, oil and natural gas production as well as renewable energy such as wind, solar, geothermal and biomass energy.

I oversee three bureaus that are directly involved in energy production. The Office of Surface Mining, (OSM), The Minerals Management Service, (MMS) which manages off-shore oil and gas development, and when the Energy Bill passes, alternative energy; and The Bureau of Land Management, (BLM) which manages 700 million acres of onshore mineral estate, including more than 261 million surface acres managed for "multiple uses."

National Energy Policy and Interior's Roll

Director Jeff Jarrett spoke earlier this morning about the direction OSM is taking regarding reclamation and post mining land use and how you can – *need* to – be a part of that. Now, I would like to put this discussion into a larger context – and that is the President's Energy Policy and the Department of Interior's role in implementing it.

I was amused by the New York Times Liquified Natural Gas/LNG article last week that said the Century was shaped by coal, the century by oil, but concluded the century would belong to natural gas. *(June 15, 2005: "Demand for Natural Gas Brings Big Import Plans, Objections.").*

That <u>may</u> be true, but we all know that coal will continue to be a large part of our national energy portfolio for some time to come. Even with today's diverse energy portfolio that includes oil, natural gas, nuclear power, and renewable energy sources, <u>coal</u> remains our number one energy source – providing more than 50 percent of our electricity.

Many people ask, why do we continue to depend on coal? The answer is simple - It is abundant, affordable and available in America.

Today, we import 65 percent of the crude oil used in U.S. refineries. Just 20 years ago, we only imported about 25 percent. At the same time, we are facing a natural gas supply crunch in this country. Demand is increasing as gas has replaced coal in many new power plants. As a result, natural gas prices have skyrocketed. And while we still produce most of our natural gas here at home, the Department of Energy predicts that by 2025, demand will grow by 50 percent and domestic production by only 14 percent. That leaves a 36-percent gap in natural gas supply that will increasingly be met by imported LNG.

This is a global issue. In looking at the nation's energy situation, we have to look beyond our borders and think about global markets. And when we do that, it becomes clear there will be increased competition for energy in all parts of the world for some time to come. Energy demand is already rising exponentially in emerging economies such as China and India. Today, the Wall Street Journal reports that China is the second largest consumer of oil after the U.S. and is bidding against Chevron for ownership of Unocal Oil Company.

This global demand is driving up prices and will limit supplies, making domestic energy production that much more important to our national security and to our economy.

But the U.S. remains rich in coal. In fact, the United States owns about a quarter of the world's estimated coal reserves -- about 250 years worth by most estimates. That is why the President's energy policy recognizes the importance of coal. It directs federal agencies to provide regulatory certainty for coal-based electricity generation. And it calls for investments in clean coal technologies to address air pollution and carbon emission challenges.

The President's policy also looks forward. Frequently lost in the discussion is the fact that of the 105 National Energy Policy recommendations, over half are directed at conservation and alternative energy development. The reality is, however, we will continue to rely on coal-produced electricity for a long time while alternative energy sources are developed and brought online.

The National Energy Policy also makes it clear that we must produce energy in an environmentally responsible way. The President has said, "…energy

production and environmental protection are not competing priorities. They are dual aspects of a single purpose -- to live well and wisely upon the earth."

We at the Interior Department have taken these words to heart. We have made it a priority to ensure that energy development and environmental protection go hand in hand. Folks at OSM have been doing this for over 25 years. It is one of the most important purposes of the Surface Mining Control and Reclamation Act of 1977, which identified the need to strike a balance between protection of the environment and the Nation's need for coal as an essential source of energy.

Examples of Energy and Wildlife

Let me give you some examples of how we are working with the wildlife community in the Western United States where natural gas production and wildlife issues are in the national spotlight. (i.e. this month's National Geographic and a 2-part issue of Rocky Mountain Elk Foundation Bugle)

The United States has the sixth largest resource of natural gas in the world. These resources exist mostly off-shore and in five geologic basins near the Rocky Mountains from Montana south to New Mexico. Much of this resource is managed by the BLM. By law, BLM must balance energy development with a multitude of other public land uses, such as recreation, timber, wilderness, ranching, and protection of wildlife habitat.

As BLM intensifies permitting in these energy-rich areas, our wildlife partners have been actively involved with our efforts to protect habitat for sage-grouse, elk and a number of other species. Pinedale, Wyoming, is an area that is particularly rich in energy. It is also very rich in wildlife. These foothills provide important winter habitat for herds of pronghorn, mule deer and elk. The sage-grouse is a year-round resident. In addition, increasing numbers of people are moving into this picturesque area located not too far from the Yellowstone and Teton National Parks.

The Secretary has created a special Advisory Committee to involve the community in managing public land issues resulting from this increased activity. A wildlife working-group is focusing on monitoring big game and sage-grouse in and around natural gas developments. A full-time State game and fish biologist, funded by BLM and the Forest Service, is helping. Industry also has stepped up their efforts to protect wildlife habitat. Just this month,

Shell Oil announced a donation of $1 million to be used for sage-grouse research in Pinedale, Wyoming.

Jim Mosher, Executive Director of North American Grouse Partnership, wrote for the upcoming issue of *Grouse Partnership News*, that the more progressive energy companies, "for reasons of good stewardship and good business…want to operate in ways that are sensitive to and protective of the wildlife resources with which they share the landscape." These energy companies are burying their electric, gas and water lines, using narrow 2-track roads, and smaller well pads and co-locating facilities to make a smaller footprint on the land.

BLM and the wildlife community are working closely with energy companies to encourage them to take these kinds of extraordinary measures to protect wildlife and other natural resource values. My point is, while we take our responsibility to support energy development seriously, we are not the energy department. We manage for a number of public land uses. Our goal is to develop a higher standard for responsible energy development on public lands.

OSM and Reclamation

But private lands provide more habitat for a far greater number of wildlife species than do federal public lands. In fact, 75 percent of endangered species occur on private lands. And most private landowners want to protect wildlife on their lands, whether for " good stewardship" or "good business." The role of the Federal government should be to support these efforts.

The Office of Surface Mining has a long history of working with private landowners. OSM routinely interacts with the public on a variety of coal mining and reclamation issues.

Since its founding nearly 28 years ago, OSM, using fees paid by coal companies, has provided $1 billion in grants to States and Indian Nations to help fund regulation of active coal mines, and an additional $3 billion in grants to clean up health, safety and environmental hazards associated with abandoned coal mines.

OSM recently proposed a new revegetation rule to further encourage plant diversity on reclaimed mine lands and remove impediments to planting trees. *(The comment period on the draft closed May 17)*. It is our hope that, when

finalized, this rule will take us a long way toward restoring mined lands to the kind of healthy, thriving and diverse landscapes that existed before mining took place.

OSM recently sponsored a number of Arbor Day events, joining partners ranging from the U.S. Forest Service, and the American Chestnut Foundation, to State agencies to elementary schools. These partners planted hardwood trees on reclaimed mined land in several states. The tree plantings are an important part of OSM's Appalachian Regional Reforestation Initiative.

Coal companies have done some remarkable reclamation work. As far back as 1954, before the passage of the Surface Mining Control and Reclamation Act of 1977 (SMCRA), what is now Peabody Energy Corporation launched "Operation Green Earth" to plant trees and reintroduce fish and wildlife on mined lands. Today, we have the 2,000-acre Peabody River-King Fish and Wildlife Area in Southern Illinois and the 64,000-acre Peabody Wildlife Area in Western Kentucky.

The Sandow Mine in Texas operated by ALCOA Inc. (formerly the Aluminum Company of America) is one of several mines that have been recognized over the years for maintaining and improving the quality of wildlife habitat during and following active mining.

I would also like to mention a Western initiative that I just recently learned about from Peabody Coal called the Thunder Basin Grasslands Prairie Ecosystem Association. Their objective centers around private landowners taking the lead in a responsible, common sense, science-based approach to long-term management of their lands – 931,000 acres in Wyoming.

More exceptional reclamation activities are highlighted in OSM's annual "Excellence in Surface Coal Mining Reclamation Award Winners" program.

Importance of Cooperation

In this meeting today, we want to start to build on these individual successes– to bring more attention to the growing interest in creating fish and wildlife habitat as a viable post mining land use. For this we need your ideas, thoughts and experiences on how to achieve this. I give you my word that OSM will carefully consider all recommendations that come out of this summit. This is what we call Cooperative Conservation.

The Secretary introduced the 4-C's concept in 2000. Although the ideas are still sound, no one can seem to remember all the 4 Cs. Or some people name 5 or 3. But here they are: Communication, consultation, and cooperation, and all in the service of conservation. Today, we have simplified it. We talk about 2-Cs – Cooperative Conservation.

This meeting is "cooperative conservation" in action. In looking at the registration, I was impressed with the diverse audience here today. In addition to Eastern States we have Western, Midwestern and even international representation. You are gathered here with government, industry, utilities, wildlife groups, citizen groups, coal associations, and environmental engineering consultants.

This is an opportunity for a meaningful exchange of information – an opportunity to share your experiences from past accomplishments and ongoing operations. It is this collective knowledge that will help us shape the future. I would like to emphasize this point: We will listen to you, just as we have listened to the wildlife community's ideas about energy development in the West. And it's not a one-time offer -- it is an ongoing dialogue.

It is this kind of dialogue that the Secretary envisions when she talks about the Department's highest priorities – including responsible energy development, cooperative conservation, and enhanced recreation opportunities. By being here today, you are perhaps reaching outside of your "comfort zone," to help us identify, evaluate, support and apply innovation to the coal mining industry.

I want to thank all of you for your time, your input and for a willingness to think differently and creatively. I look forward to seeing the recommendations that come out of this summit.

Thank you for being here. I would be happy to answer any questions.

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