

Cubin Proposes to Relax Coal Leasing

On March 6, WORC testified at a hearing before the House of Representatives' Energy and Minerals Subcommittee, expressing concern about the impacts of H.R. 794. The bill was introduced by Representative Barbara Cubin (R-WY) and would eliminate many of the protections of the Federal Coal Leasing Amendments Act. The Federal Coal Leasing Amendments Act was created to require diligent development of federal coal leases and a fair return to federal and state taxpayers for the use of public minerals.

Specifically, H.R. 794 would:

- Give the Secretary of the Department of Interior the authority to reduce, suspend or forgive advance royalties during such periods of non-production. This authority would either be used as a special favor for specific companies, or to reduce advance royalties to all lessees.
- Eliminate the requirement of a surety bond to guar-

antee that bonus payments will be made. Requiring such financial assurance is a well-established business practice.

- Eliminate the 160-acre limit on land that can be added to leases without having to bid against other companies and make bonus payments. The acreage limit helps ensure that the lease modification process is used as it was intended, for adjustments to borders, and that the lease by application process is used when the lessee needs more coal.

Since bonus payments and royalties are shared equally with the states in which the coal is located, state as well as federal revenues would be impacted if H.R. 794 reduces those payments. H.R. 794 is expected to be included in the House Resources Committee's energy bill. Committee action on this bill is expected before the end of March. WORC's testimony can be viewed at www.worc.org.

—Sara Kendall

GM Wheat Won't Make Dough, Warns Economist

U.S. Export Markets at Risk

The price of spring wheat could drop by about one-third if a genetically modified (GM) variety is introduced commercially into Montana or North Dakota in the next two to six years, according to an agricultural economist's report prepared for WORC.

Dr. Robert Wisner, University Professor of Economics at Iowa State University, testified before the Montana and North Dakota legislatures. According to Dr. Wisner, many European and Asian grain buyers will likely refuse to buy any spring or durum wheat



More on genetically modified wheat p. 9

WESTERN ORGANIZING REVIEW

Editor

Brandy Hinkle, Communications Coordinator

Contributing Editors

John D. Smillie, Program Director

Sara Kendall, Washington D.C. Representative

Kevin Williams, Field Organizer

Kevin Dowling, Development Director

Jeri Lynn Bakken, Regional Program Associate

Gilles Stockton, Northern Plains Member

DeAnna Woolston, WCC Organizer

The *Western Organizing Review* is published quarterly by the Western Organization of Resource Councils Education Project, a private, nonprofit corporation which supports the charitable and educational activities of WORC.

WORC is a regional network of seven grassroots community organizations that include 8,250 members and 46 local chapters. WORC helps its member groups succeed by providing training and by coordinating regional issue campaigns.

© 2003 by the Western Organization of Resource Councils Education Project.

Contents

GM Wheat Won't Make Dough 1
U.S. Export Markets at Risk

EPA Attempts to Pollute Clean Water Act 6
Proposed rollbacks for streams and wetlands

Renewables Are Blowing in the Wind 8
Colorado considers the power of wind energy

Energy Policy Suffers Rolling Blackouts 10
Progressive energy policy threatens to short circuit

Trading Future Markets 12
Ranchers pressure world trade negotiators

New Rules Let Factory Farms Foul Water 14
Corporations allowed to pollute rivers and streams

Commentary 15
Irradiation, It's What's for Dinner?

The View from WORC 3

Around the Region 4

Western Organization of Resource Councils

WORC Offices

Billings Office

2401 Montana Avenue, #301
Billings, MT 59101
Phone: 406-252-9672 FAX: 406-252-1092
E-mail: billings@worc.org
Website: www.worc.org

Washington, DC

110 Maryland Ave. NE #307
Washington, DC 20002
Phone: 202-547-7040 FAX: 202-543-0978
E-mail: dc@worc.org

Montrose, Colorado

60584 Horizon Drive
Montrose, CO 81401
Phone: 970-323-6849 FAX: 970-323-6849
E-mail: montrose@worc.org

Lemmon, South Dakota

2307 5th Avenue NE
Lemmon, SD 57638
Phone: 701-376-7077 FAX: 701-376-7077
E-mail: jerilyn@worc.org

Member Organizations

Dakota Resource Council

P.O. Box 1095
Dickinson, ND 58601
Phone: 701-483-2851 FAX: 701-483-2854
E-mail: drc@dickinson.ctctel.com
Website: www.drcinfo.com

Dakota Rural Action

Box 549
Brookings, SD 57006
Phone: 605-697-5204 FAX: 605-697-6230
E-mail: drural@brookings.net

Northern Plains Resource Council

2401 Montana Ave., #200
Billings, MT 59101
Phone: 406-248-1154 FAX: 406-248-2110
E-mail: info@nprcmt.org
Website: www.nprcmt.org

Powder River Basin Resource Council

23 North Scott, #19
Sheridan, WY 82801
Phone: 307-672-5809 FAX: 307-672-5800

Email: resources@powderriverbasin.org
Website: www.powderriverbasin.org

Western Colorado Congress

Box 472
Montrose, CO 81402
Phone: 970-249-1978 FAX: 970-249-1983
E-mail: info@wccongress.org
Website: www.wccongress.org

Idaho Rural Council

P.O. Box 118
Bliss, ID 83314
Phone: 208-352-4332 FAX: 208-352-4645
E-mail: irc@rmci.net
Website: www.idahoruralcouncil.org

Oregon Rural Action

P.O. Box 1231
La Grande, OR 97140
Phone 541-975-2411 FAX: 541-975-1844
E-mail: maray@worc.org
Website: www.oraction.org

Revisiting Our Rights As a Republic

Shane Kolb

While I was helping my fifth grade son, Justin, prepare for a social studies test on how the United States government was formed, these questions arose. How was our government constructed? Is our government operating like its founders intended?

I thought it was a good time to refresh my knowledge of the mechanics of our government, the Constitution, and how it relates to WORC issues.

After adopting the Declaration of Independence in 1776, the Continental Congress developed the Articles of Confederation to avoid creating a government with too much power over the people. Under the Articles, states remained independent while being joined in a firm league of friendship. Congress, the main governing body, made laws for the new nation.

Problems arose when states were unable to enforce or interpret these laws. As a result, the national government was weak at home and powerless in foreign affairs. In 1787, each state sent delegates to Philadelphia to revise the Articles of Confederation.

The new Constitution divided the national government into three branches in an effort to prevent any one branch from becoming too powerful. The legislative branch includes the House and Senate, which are charged with making laws. Enforcement of laws falls to the executive branch, headed by the President. The judicial branch, the Supreme Court, interprets laws according to the Constitution.

Finally, they added amendments to the Constitution guaranteeing freedoms to citizens by placing limits on government. 'The Bill of Rights' are the first ten amendments.

At the end of the Constitutional Convention, Benjamin Franklin was asked what type of government the country had, he replied, "A republic, if you can keep it." Our founding fathers understood we needed a government that protected the rights and freedoms

of the people as defined in the Declaration of Independence: "The right to life, liberty and the pursuit of happiness."

As I reflected on this I began to wonder if our republic is being destroyed by threats to our freedoms. For example, when the attitude of big business is to acquire, not compete, huge trusts multiply like wildfire. We've seen how big corporations monopolize and influence domestic and international markets.

Last year, Congress passed Trade Promotion Authority allowing the President to negotiate trade agreements. The Constitution states, with advice and consent of two-thirds of the Senate, the President can make treaties with foreign nations. Congress was given the power to make laws concerning trade with other countries. But Trade Promotion Authority takes away this congressional right. How many of our citizens' rights and existing trade laws will be bargained away during these negotiations? Will we be powerless in dealing with foreign countries like we were under the Articles of Confederation?

The First Amendment states that people have the right to ask government to correct problems. As citizens, it's our duty to hold government accountable. George Washington summed it up best when he said, "The power of the Constitution will always be in the people." As citizens, we must not become complacent. Complacency has never been nor will it ever be a substitute for vigilance. By making the commitment to exercise our rights under the Constitution, we will keep our republic.

Shane Kolb is the new Chair of WORC. Shane ranches with his wife, Kathy, and their two sons in Meadow, South Dakota. Shane the Vice-Chair of Dakota Rural Action.



Bits and Pieces

The WORC Board of Directors elected Shane Kolb as the Chair of WORC for 2003. A rancher from Meadow, South Dakota, Shane is the Vice chair of Dakota Rural Action (DRA). Reed Kelly is WORC's Vice-chair. Reed ranches in Meeker, Colorado, and serves as a Senator in the Western Colorado Congress (WCC). Richard Parks is WORC's Secretary/Treasurer. Richard is a member of the Northern Plains Resource Council. He is a fly-fishing guide and owns a sporting goods store in Gardiner, Montana.

Other Board members are Shirley Effling from DRA, Donald Nelson and Wayne Fisher from Dakota Resource Council, Jack Thornborrow and Connie Clapier from Idaho Rural Council, Dena Hoff from Northern Plains, Pat Dirr and Chuck Koch from Oregon Rural Action, Skip Waters and Shane Cross from Powder River Basin Resource Council, and Curtis Imrie from WCC.

Several members of **Dakota Rural Action (DRA)** observed the February 10 hearing on Amendment E by the Eight Circuit Court of Appeals in St. Paul, Minnesota. Amendment E is a state constitutional amendment promoting family farms and limiting non-family farm, corporate ownership of livestock.

DRA is seeking to overturn a court decision declaring the amendment unconstitutional. "We're optimistic that the appellate court will return a decision that upholds the people's choice to limit corporate farming in this state," said Don Hoogestraat, DRA member. South Dakota approved Amendment E in November 1998. Immediately after the election, the South Dakota Farm Bureau challenged the constitutionality of the amendment. U.S. District Judge Charles B. Kornmann declared the amendment unconstitutional in May 2002.

A few weeks later, South Dakota voters reinforced their support of family farms and Amendment E by defeating a ballot measure that would have repealed the amendment. A decision is expected in the next 12-18 months.

Dakota Resource Council (DRC) gained a commitment from the governor to protect human health and air quality. In a letter to DRC, North Dakota Governor John Hoeven pledged "to work to see that air quality continues to improve and does not deteriorate."

Members had met earlier with state officials about air quality impacts from potential new energy facilities. North Dakota is spending millions of dollars to site a new coal-fired power plant in the state. A study released in September 2001 found that elementary school children living near coal-fired power plants in North Dakota had higher rates of breathing problems, from asthma to hay fever and allergies.

On January 25, 2003, members of the **Idaho Rural Council (IRC)** celebrated 17 years of grassroots community action in rural Idaho. John Monks, a hydro-geologist, presented a preliminary report on his water study in the Marsing area. Monks is testing for nitrates, ammonia, and bacteria and studying the movement of the water between the shallow and deeper aquifers that supply local wells.

Members of the local chapter, the Concerned Citizens of Owyhee County (COCOA), hope this analysis will help solve their water problems and assist other IRC members facing similar problems. COCOA members living within a mile of the banks of the Snake River in Owyhee County have seen their water quality drop drastically since 20,000 dairy cows in three dairies moved into the area. Since the annual meeting, IRC has focused on legislative proposals that would remove tools for homeowners and landowners to deal with undesirable land use.

The **Northern Plains Resource Council** is opposing a bill that would overturn a ban on cyanide heap leach gold mining in Montana. If passed, Montanans would have to vote once again on whether to allow cyanide heap leach gold mining in the state. Voters passed an initiative banning this mining method in 1998 by a 52%-48% margin. A legislative attempt

Bits and Pieces Continued

to repeal the ban was scuttled in 1999. Clean up of defunct cyanide heap leach mines is expected to cost Montanans \$56-\$61 million.

Oregon Rural Action (ORA) is campaigning to limit the size of retail stores. The La Grande city council will discuss

Order your Way Out West Rural Action Group Cookbook today! Send \$10 and 4.95 S & H to:
Way Out West Rural Action Group
957 Manns Creek Road
Weiser, ID 83672
rockingz@winnemucca.net



a potential ordinance in late March, and the Blue Mountain Chapter is considering a local initiative effort for neighboring Island City. In addition, ORA is working with a core group of members in Corvallis, called the Willamette Valley Action Council. These members are responding to po-

tential threats from the introduction of genetically modified organisms into the food supply.

The Wyoming Environmental Quality Council (EQC) sided with the Eagle Butte mine in deciding a 2,500-foot setback for blasting operations. The **Powder River Basin Resource Council** had pushed for a safer setback of 5,000 feet. "The Council is not adequately protecting the people," Powder River member Phil Hoy said. His property is adjacent to the mine.

Blasting releases toxic nitrogen dioxide and nitrogen oxide gases, and clouds of these toxic gases have passed through nearby residential areas. The EQC did limit blasts to 50,000 pounds, mandate low nitrogen oxide blasting techniques, prohibit blasting when the wind blows directly towards the 100 residents living near the mine, and require the mine to notify the Department of

Environmental Quality and residents if and when blasting is necessary.

Members of the Uncompahgre Valley Association, a local community chapter of the **Western Colorado Congress (WCC)**, told the Colorado Department of Agriculture to ban bio-pharm crops until the risks can be eliminated and the complexities of the technology are understood by the public. "Bio-pharm" refers to crops such as corn, soybeans and rice that are genetically engineered to produce pharmaceutical drugs and chemicals they do not produce naturally – including insulin, contraceptives, industrial enzymes and vaccines. Cultivated in open-air fields, pollen from bio-pharm crops could contaminate other crops.

The department held an informational meeting in Montrose, Colorado, on February 27. A panel gave presentations on bio-pharming, including health and safety issues, regulations, and economical feasibility. "Food safety is paramount, but also local economics enter into this," said Marv Ballantyne, one of about 50 members participating. "We've got quite an ag industry that grows food crops... If we get a reputation over whether it's safe or not, our market could go away and we'd be back to growing things that don't pay as well."

Western Colorado Action Network (WeCAN), the student and young adult group of WCC, scored a victory for renewable energy at Mesa State College in Grand Junction, Colorado.

The students voted overwhelmingly in favor of an increase in student fees to pay for clean, renewable wind energy. In the referendum that took place during the last three days of February, over 90% of the students who voted approved of a measure to raise student fees \$1 per student per semester. Money collected from this fee increase will support the development of wind power through Xcel Energy's Windsource program. The contract with Xcel to provide this wind-powered electricity will last for three years.

—Kevin Dowling

EPA Attempts to Pollute Clean Water Act

The Clean Water Act was enacted over 30 years ago to ensure that America's waters are safe and clean. Today, over 44 percent of our nations waters are still too dirty for swimming, fishing, supplying drinking water and supporting aquatic life.

Yet, the Environmental Protection Agency (EPA) and Army Corps of Engineers (Corps) are initiating a process that may remove Clean Water Act protections from many streams and wetlands across the nation. Under these new rules, factory farms, mines and other polluters could be free to dump into small streams and tributaries, ponds, springs, prairie pot-holes and many wetlands. For example:

- The discharge of water from coalbed methane operations into small, ephemeral streams could be exempted from Clean Water Act protections. If these streams are exempted, the methane industry would be given free reign to dump contaminated water into nearly every stream in the Powder River Basin, destroying many of the region's best hayfields and its agricultural base.
- The Idaho Rural Council's landmark victory against Bosma Dairy established the precedent that pollution from factory farms into groundwater connected to surface waters is a violation of the Clean Water Act. This important decision could be jeopardized by the new EPA rules.

Supreme Court Decision Opens the Door

In January 2001, the Supreme Court ruled that Clean Water Act protections don't apply to a very limited group of wetlands and ponds that do not cross state lines and are not navigable, such as prairie pot-holes. While the Court's decision set back protecting these waters from pollution, the legal loophole this decision created was quite narrow.

On January 10, under the guise of clarifying which water bodies are and are not covered by the Clean Water Act, the EPA and the Corps recently an-

nounced plans to further restrict which waters are protected from pollution under the Clean Water Act.

The EPA and Corps released an "Advanced Notice of Proposed Rulemaking," seeking public comment on what waterways should be protected. In addition to requesting comments on what wetlands are "isolated" (and should therefore be exempt from the Clean Water Act), the notice solicits public comment on whether other types of wetlands, streams, lakes and ponds should be removed from protection. Since these water bodies, including most isolated wetlands, are usually connected to major rivers and lakes, all of the nation's waters would be put at risk of increased pollution.

The agencies also issued a guidance memorandum directing their field offices to immediately stop applying the Clean Water Act to *all* isolated wetlands, not just those effected by the Supreme Court's ruling. The term "isolated" was not defined, opening the way for developers, mining companies, and other polluters to argue that all kinds of streams, non-navigable ponds, wetlands and other waters - even some streams and creeks - are "isolated."

Both the rulemaking and the guidance memorandum could lead to significantly more flooding, pollution and accelerated loss of wildlife habitat. The EPA estimates that about 20 million acres of wetlands (20 percent of remaining wetlands in the lower 48 states) could lose protection under the new guidelines. These wetlands are critical in helping to control flooding and in reducing water pollution. They also provide important wildlife habitat and support a wide variety of outdoor recreational opportunities.

—Sara Kendall

Action Alert:

Tell the EPA Not to Dilute the Clean Water Act
To email your comments, or for more information, visit www.worc.org

Irradiation, It's What's for Dinner?

By Gilles Stockton

In early December I heard an advertisement on the local radio station, sponsored by the Montana Beef Council, promoting the irradiation of beef. Since then, I have exchanged letters in the *Montana AgriNews* with the Montana Stock Growers and Minnesota Beef Council. I am coming to the conclusion that the people running the Beef Council don't feel they need to be accountable to the people that pay the checkoff.

My question is how did the Beef Council decide to spend checkoff funds to promote irradiation? No one ever asked me if I felt it was a good idea, and I doubt anyone ever asked any of you reading this.

I'm concerned that meatpackers will use irradiation to further reduce sanitary standards in the packing plants. This is not an idle concern because we have already experienced more contaminated beef since USDA moved to a new, packer-driven inspection system. I also worry that irradiation will allow more beef imports from countries that otherwise would not be able to meet even rudimentary sanitary standards.

Proponents of irradiation compare irradiation to pasteurization and claim that pasteurization and ignorant people are obstructing irradiation. Irradiation and pasteurization are not really comparable. Pasteurization is a technology available to anyone with a kettle and a fire. Irradiation, on the other hand, will tend to reinforce the monopolization of packing and retail food industries.

Pasteurization primarily helps to stem the spread of tuberculosis and brucellosis from animals to man. Irradiation is used to cover up fecal contamination from hasty and sloppy butchering.

Proponents of irradiation contend that science has concluded the process is perfectly safe, but there are reputable scientists who believe that irradiation has not been adequately tested. These scientists bring up the possibility that irradiation can result in chemical changes in the food that are harmful or carcinogenic in the long

term. Call me old fashioned or conservative if you wish, but I would prefer a better airing of the issue before experimenting on my family or someone else's family.

I also believe that there are two issues we should consider that are not at all related to the beef industry or food. First, where do we put the spent cobalt-60 or cesium-137?

Sixty years after the beginning of the nuclear age we still haven't figured out where to store the left over radioactive materials. Why add to the radioactive disposal problem if more sanitary slaughtering procedures will materially lessen our problem with contaminated beef?

More importantly, cobalt-60 and cesium-137 are the perfect materials for a "dirty bomb." Osama bin Ladin would love to get his hands on a few pounds of this stuff, and I for one don't think that we should make it any easier for him.

When you consider all of the arguments for and against irradiation, the negatives far outweigh the positives. I resent that the leadership of the Beef Council has the audacity to just start promoting irradiation without asking the livestock producer's opinion. If individuals running the Beef Councils are so convinced of the attributes of irradiation, they can form an organization and spend their own money to promote what ever they want - just stop using my checkoff money!

And by the way, I don't think that "Beef and Irradiated Manure - It's What's for Dinner" is a marketing slogan that will resonate with the consumer.

Gilles Stockton ranches in Grass Range, Montana, and is a member of the Northern Plains Resource Council.



Renewables Are Blowing In the Wind

With oil and gas arriving at the doorstep of nearly every county Western Colorado Congress (WCC) is active in, it sure is nice to put our hearts into renewable energy. This year the Colorado Legislature is mulling over a bill that will mandate the state's two large investor owned utilities, Xcel Energy and Aquilla, produce 900 Megawatts of their power from renewable resources by 2010.

A similar bill nearly passed the legislature last year, only to die during the last minutes of the session before it landed in conference committee. This year, WCC has been working within a broad coalition of

Using more renewable energy sources will help diversify the power supply and shield consumers from the price volatility that plagues energy markets

groups, from farmers to businesses to environmental organizations to build support for renewables.

As many rural Westerners know, we have economic, environmental and common sense arguments in our tool chest. Using more renewable energy sources



will help diversify the power supply and shield consumers from the price volatility that plagues energy markets (have you seen natural gas prices lately?).

Wind power is cost competitive with natural gas. In March 2001, the Colorado Public Utilities Commission ordered Xcel to invest in the 162 megawatt Lamar wind project saying "the acquisition of the Lamar facility will likely lower the cost of electricity for Colorado's ratepayers, and is justified on purely economic grounds, without weighing other benefits of wind generation."

The *Renewable Energy Atlas of the West* found sufficient wind resources exist in Colorado to provide over ten times the electricity currently consumed - and the vast majority of these resources are found in rural areas. Farmers with turbines on their property receive \$2-4 thousand per turbine per year. The state of Texas estimated that the 2000 MW renewable energy standard supported by then Governor George W. Bush would generate over 4 billion dollars in rural economic development.

Even with business and local government support and the Speaker of the House as our sponsor, we are facing a tough battle. The bill passed the House with flying colors, but is receiving a lot of opposition in the Senate. Despite being exempt from our bill, rural electric associations are lobbying hard against us. Stay tuned.

—DeAnna Woolston



“Every available indicator of foreign consumer demand points to a high risk of GM wheat rejection in export markets,” Dr. Wisner said.

Monsanto, a multinational biotechnology company, plans to introduce genetically modified wheat into

“Consumer attitudes are the driving force in markets, regardless of whether or not they are scientifically valid.”

Dr. Robert Wisner

Montana, North Dakota and other states as early as 2005. Monsanto’s “Roundup Ready” wheat is genetically engineered to resist the herbicide Roundup.

“Concerns of foreign consumers center around food and environmental safety questions, and perceived inadequacy of U.S. GM testing and approval processes,” Dr. Wisner said. “Consumer attitudes are the driving force in markets, regardless of whether or not they are scientifically valid.” Wisner said that foreign government approval does not assure consumer acceptance of GM wheat.

“In the past four years the U.S. has lost over a billion dollars of corn and soybean meal exports because of foreign GMO concerns,” said Wisner. According to Wisner, the risk of loss is higher with wheat since more of it is exported, and more of it will be labeled. Wisner also noted that other wheat-exporting countries have non-GM wheat supplies to sell buyers who don’t want U.S. GM wheat.

Wisner testified in support of legislation in Montana and North Dakota which would have required Monsanto and other companies to show that genetically modified wheat can be marketed overseas, and that GM wheat and conventional wheat can be segregated before they can sell GM wheat in Montana. Dr. Wisner’s report is available at www.worc.org.

—John D. Smillie

Key Findings of Dr. Wisner’s Report

- European Union surveys of consumers, a 2002 U.S. Wheat Associates, Inc. survey of Asian buyers and European Union GM policies, and problems with U.S. GM corn all are potential indicators of a probable very poor consumer response to GM wheat in export markets.
- The Canadian Wheat Board indicates more than 80% of its customers will refuse to buy genetically modified wheat.
- Japanese wheat buyers surveyed by U.S. Wheat Associates were unanimous in saying that they would not buy or use Roundup Ready wheat, regardless of U.S. and Japanese government regulations.
- U.S. wheat producers would lose between one-third to one-half of annual hard red spring wheat exports, or between 12.6% to 20.7% of total demand for U.S. wheat.
- They would also lose 71% to 87% of durum wheat exports (23-28% of demand for U.S. durum).
- Slashed exports would reduce the U.S. price of hard red spring wheat and durum to the price of wheat feed - a loss of one-third of the value of each crop.



Energy Policy Suffers Rolling Blackouts

Lights in Congress Going Dim

The House of Representatives is likely to vote on a comprehensive energy bill before the U.S. Senate, as early as March or April. Rep. Joe Barton (R-Texas) is circulating a draft bill that would provide continued subsidies for so-called “clean coal” technology, discourage federal oversight of the practice of hydraulic fracturing, limit the nuclear industry’s liability in the case of an accident, and include modest renewable energy production incentives.

Other political insiders expect the House to move an energy bill that looks very much like the one it passed in August 2001, otherwise known as HR 4. According to the *New York Times*, HR 4 was alarmingly one-sided and was “neither a sensible energy policy nor the right strategy for reducing our reliance on imported oil.”

On the Senate side, Sen. Pete Domenici (R-New Mexico), chair of the Senate Energy and Natural Resources Committee, recently held a series of six hearings on energy policy, including one focused on energy production on federal lands. Sen. Domenici plans to build an energy policy from scratch, and he has indicated that this task will not be done easily or quickly. Political observers don’t expect the Senate to move a comprehensive energy bill until late summer or early fall, if at all.

Narrowly focused, issue specific legislation is also being introduced in both the House and Senate. For example, Rep. Barbara Cubin (R-Wyoming) has introduced a bill to weaken federal coal leasing and reclamation requirements (see related cover story), Senator Jeff Bingaman (D-New Mexico) has introduced an Indian energy bill, and Senators Tom Daschle (D-South Dakota) and Richard Lugar (R-Indiana) have introduced a bill to promote the bio-fuels industry.

There appears to be bipartisan support for extending the federal wind production tax credit, a 1.7

cent per kilowatt hour tax credit for wind producers that expires on December 31, 2003. Senators Byron Dorgan (D-North Dakota) and Gordon Smith (R-Oregon) have introduced separate bills that would extend the tax credit for five and ten years, respectively.

Hydrogen Initiative Sparks Criticism

The Bush administration continues to talk a good line when it comes to renewable energy and energy efficiency measures, while throwing its weight behind fossil fuel and nuclear power production. In his State of the Union Address, President Bush proposed a \$1.5 billion government research and development program to replace the internal combustion engine with hydrogen-powered fuel cell cars. While this program sounds good, what Mr. Bush didn’t mention is that hydrogen has to be extracted from either fossil fuels or water. Today hydrogen is mostly extracted from natural gas, and it can also be extracted from coal, oil and even nuclear power.

According to Jeremy Rifkin, author of *The Hydrogen Economy*, “the White House’s enthusiasm for hydrogen suddenly becomes understandable. If fossil fuels and even nuclear power can be harnessed to produce hydrogen, the Bush Administration can have its cake and eat it too.”

Funds for Renewable Energy May Short Circuit

The Bush administration is proposing to slash funding for Section 9006 of the Clean Energy Title to the 2002 Farm Bill. Section 9006, which was to receive \$23 million a year in mandatory funds, is a loan and grant program designed to assist farmers and rural residents in purchasing renewable energy systems and making energy efficiency improvements.

The Bush administration proposed spending only \$18 million (instead of the \$23 million approved by Congress) on Section 9006 in fiscal year 2003, and no funding at all for fiscal year 2004. On February 15, Congress passed an omnibus appropriations bill for fiscal year 2003 that includes the full \$23 million in funding for Section 9006. Fiscal year 2004 funding for Section 9006 is still in limbo, and the House Subcommittee on Agriculture Appropriations will take up the 2004 budget sometime soon.

“Section 9006 is a win-win-win for farmers, economic development, and the environment because it helps farmers diversify their income with clean energy ‘cash crops’ and promotes rural economic development, while making the environment cleaner for everyone,” said Howard Learner, executive director of the Environmental Law and Policy Center. “These new programs are very popular, and they offer new incentives not available anywhere else. Reducing funding for them would seriously undercut the President’s energy independence and environmental quality objectives.”

Production Overloads Inspection and Enforcement

It appears that the Bureau of Land Management’s (BLM) budget request for 2004 is geared more to encouraging oil and gas drilling as part of President Bush’s National Energy Policy than to strengthening the agency’s inspection and enforcement activities.

For example, the BLM is seeking \$48 million from Congress to complete 18 land management plans and to amend 47 existing plans to accommodate increased industry interest in leasing mineral rich public land. Some \$10 million in additional money is earmarked for oil and gas production on BLM lands, and the budget contains a pledge by BLM to process 90 percent more drilling permits and an additional 400 oil and gas leases.

“The current approach to energy development in the United States harms our national security. U.S. energy policy is unnecessarily wasteful, unfairly subsidizes oil, coal and gas companies, and increases America’s reliance on foreign oil and gas supplies,” said Montana rancher Mark Fix, Chair of the Northern Plains Coal Bed Methane Task Force.

In his 2004 budget request, President Bush requested \$1 million to speed up the permit application process for coalbed methane development. Of that, about \$600,000 is earmarked for the Powder River Basin. In addition, the just approved 2003 budget for the Department of Interior includes \$1 million to process coalbed methane applications in the Powder River Basin.

Inspection and enforcement is a critical component of the federal oil and gas program. Yet, in the past, the BLM has suffered from a chronic lack of adequate funds for these activities. For example, the BLM’s Farmington field office in New Mexico conducted a technical and procedural review of its Inspection and Enforcement program in July 2000 and found numerous problems, including too few personnel and lack of reclamation after oil and gas drilling was complete.

New inspectors for the Farmington field office were finally authorized in late 2002 (more than two years after the problem was identified). With the Bush administration pushing for expanded oil and gas drilling on public lands across the West, it is essential that this problem not be perpetuated.

“The United States needs an energy system that will not run out, cannot be cut off, supports a vibrant economy, and safeguards our health and environment,” said Fix. “A clean and renewable energy future is within our grasp, but the vision, leadership and commitment are lacking.”

— *Kevin Williams*

Trading Our Future Markets

Concerns about impacts on U.S. producers

The U.S. Trade Representative (USTR), Robert Zoellick, has announced that the U.S. is pursuing a bilateral trade agreement with Australia. Many agricultural organizations have voiced concerns about the potentially negative impacts of such an agreement on American producers because they won't be able to produce beef at as low a cost as Australia.

A bilateral trade agreement is an agreement involving commerce between two countries. Historically, such agreements have been made as a way for one country to gain access to lagging markets for goods the other country needs. However, this is not the case in the Australia Free Trade agreement.

In comments to Zoellick, R-CALF-USA, a national, non-profit cattle association representing cattle producers in the areas of trade and marketing, anticipates no major benefits for U.S. cattle producers in an FTA with Australia. "Given Australia's relatively small population, its large cattle herd, and its position as the world's largest beef exporter, the potential of Australia becoming a significant importer of U.S. beef is small," R-CALF wrote.

Over one-third of all beef imported into the United States originates in Australia, and those imports continue to grow. For the last two years, Australia met the Tariff Rate Quota (TRQ), the maximum amount of beef it is allowed to import under the lower tariff rate. In 2001 Australia exceeded its quota. This year, those numbers are expected to exceed previous import numbers, even without a trade agreement.

According to the U.S. Department of Agriculture, the U.S. tariff rate quota on beef permits importation of 378,214 metric tons (416,035.4 U.S. ton) of Australian beef into the United States at a tariff of 2.2 U.S. cents per pound. Any additional

beef imported to the U.S. is charged a tariff of 26 U.S. cents per pound. The United States has no tariff on imports of purebred breeding cattle and imposes a tariff of 1¢/ per kilogram (2.2 pounds) on imports of all other beef cattle.

R-CALF is concerned about the expanded imports of live cattle to the U.S. "At the present time, Australia is only a minor exporter of live cattle to the United States." R-CALF said in its comments. "The possibility exists, however, that Australia could become a significant supplier to the U.S. market. Ships designed especially for livestock can carry up to 25,000 head of cattle at any one time."

According to Dennis McDonnell, R-CALF USA Trade Committee Chairman, the cost of beef production in Australia is approximately 50% of the cost of production in the U.S. McDonnell reports that this lower cost is a result of highly subsidized feed grain marketed by the Australian government, allowing feeders to get lower cost feed.

Currently, Australia is a minor exporter of live cattle to the United States. However, McDonnell estimates transportation costs for a 700-750 pound calf at about 27 cents per pound. That figure includes quarantine and veterinary costs. "Obviously, the Australian calf could be placed in a U.S. feedlot at substantially less than our average cost of production for the same weight calf," said McDonnell.

R-CALF is not alone in its concerns about the impact of the Australia Free trade agreement could have on U.S. livestock markets. In January, the National Cattlemen's Beef Association (NCBA) passed two resolutions opposing a free trade agreement with Australia. According to those resolutions, NCBA will "use all means at their disposal to defeat any change of trade policy with Australia that adversely impacts U.S. cattle producers."

The National Farmers Union (NFU) is also concerned with the market impacts of FTA with Australia. "NFU feels these negotiations will create a negative trade arena for U.S. agriculture producers," NFU President Dave Frederickson said. "U.S. producers are already facing low returns because of oversupply and substantial imports. These negotiations would further increase imports and further drive down U.S. commodity prices."

The issue of market concentration may also play a role. Australia's beef processing industry is increasingly concentrated. In 2002 Australia's second and fourth largest meat processors merged. Australia's largest meat processor is Australian Meat Holdings, which is owned by the American company Swift and Co., the United States' second largest meat packer.

An FTA with Australia would affect more than just beef. Australia has been a key import competitor in lamb, dairy, beer/wine and raw sugar. According to the Farm Bureau Federation, the lion's share of Australian agricultural imports into the U.S. is red meat (lamb).

In 2001, imports of dairy products were \$62 million from Australia, while exports from the US to Australia totaled \$6.8 million, according to the National Milk Producers Federation. Sugar imports may be affected too: as Australia is one of the lowest cost sugar beet growers in the world.

According to a letter to President Bush last fall from the American Farm Bureau Federation and 18 other groups, Australia's strict sanitary and phytosanitary (SPS) regulations, which are used to restrict food imports, need to be addressed before a final agreement is acceptable. "Australia frequently claims to have one of the most transparent SPS risk assessment processes in the world, yet it constantly deviates from its official procedures, and invents new

'reviews' that endlessly delay import decisions," the letter read.

Agricultural organizations are also calling for any FTA negotiations to protect the ability of U.S. producers to use strong and effective trade remedy laws. The anti-dumping and countervailing duty laws are a necessity to protecting agricultural commodities from unfair trade. These two provisions are designed to prevent other countries from importing commodities that compete with U.S. products at below the cost of production, which is called "dumping." Countervailing duties provide a mechanism for placing quotas and duties on 'dumped' commodities. Preserving these safeguards is vital to an agreement with Australia.

—Jeri Lynn Bakken

Principles of Community Organizing Training Session

July 12-15, 2003 - Billings, Montana

Become an effective leader in your community with tested organizing and fundraising skills. Training is **free** to members of WORC's member groups!



*Request your application and brochure
TODAY for this unique training in community
organizing from
WORC, 2401 Montana Avenue, #301
Billings, Montana 59101.
Phone 406/252-9672
Fax 406/252-1092
www.worc.org*

WORC's Congressional Score Card

The following votes illustrate how the 107th Congressional delegations from WORC states voted on WORC's priorities. A "+" is a vote in support of WORC's position, "-" is a vote in opposition, and "P" indicates "present."

- H1-Energy:** Vote on final passage of H.R. 4, the energy bill. The bill passed the House, but never passed the House-Senate conference committee. WORC opposed H.R. 4.
- H2-COOL:** Amendment to require country-of-origin labeling on perishable agricultural commodities. The amendment passed. WORC supported the amendment.
- H3-Fast Track:** Vote on final passage of H.R. 3009, which included a renewal of the President's Fast Track trade negotiating authority. The bill passed. WORC opposed the bill.
- S1-Arbitration:** Amendment to prohibit mandatory arbitration clauses in contracts between farmers and agribusinesses. WORC supported the amendment. The amendment passed.
- S2-Packer Ban:** Amendment to ban the ownership of livestock by meatpackers. The amendment passed. WORC supported the amendment.
- S3-EQIP:** Amendment to limit subsidies given to large factory farms to clean up pollution. The amendment failed. WORC supported the amendment.
- S4-Packer Ban:** Motion to table an amendment preserving the previously adopted livestock ownership ban. WORC opposed the motion to table, which failed.
- S5-Fracturing:** Amendment to require the federal government to study, rather than regulate, toxic oil and gas releases into drinking water supplies. The amendment passed. WORC opposed the amendment.
- S6-RPS:** Amendment to raise the amount of energy required to come from renewable sources from 10% to 20%. The amendment failed. WORC supported the amendment.
- S7-RPS:** Amendment to exempt states from federal renewable energy requirements. The amendment failed. WORC opposed the amendment.
- S8-Chapter 11:** Vote to table an amendment to ensure that trade dispute proceedings are open to the public. The motion failed. WORC opposed the motion.
- S9-Trade Laws:** Vote to table an amendment to exempt changes to U.S. trade remedy laws (antidumping and countervailing duty) from Fast Track procedures. The motion failed. WORC opposed the motion.
- S10-Chapter 11:** Vote to table an amendment to prevent the extension of NAFTA's special rights for foreign corporations to future trade agreements. The motion passed. WORC opposed the motion.
- S11-Fast Track:** Vote to close debate on H.R. 3009, which included a renewal of the President's Fast Track trade negotiating authority. The motion passed. WORC opposed the motion.

HOUSE	H1 Energy	H2 COOL	H3 Fast Track
CO-01 Baca		+	
CO-02 Latta		+	
CO-03 Melnick	-	+	-
CO-04 Schallert	-	-	-
CO-05 Hefner	-	+	-
CO-06 Tancerulo	-	-	-
ID-01 Miller	-	-	-
ID-02 Simpson	-	-	-
MT-AL Rehberg	-	+	-
ND-AL Pomeroy		+	
OR-01 Wu		+	
OR-02 Walden	-	+	-
OR-03 Blumenthal		+	
OR-04 DeFazio		+	
OR-05 Hooley		+	
SD-AL Thune	-	+	-
WY-AL Cobin	-	+	-

SENATE	S1 Arbitration	S2 Packer Ban	S3 EQIP	S4 Packer Ban	S5 Fracturing	S6 RPS	S7 RPS	S8 Chapter 11	S9 Trade Laws	S10 Chapter 11	S11 Fast Track
CO Campbell	+	+	-	+	-	-	-	+	+	-	+
CO Allard	-	-	-	-	-	-	-	+	-	-	-
ID Craig	-	+	-	-	-	-	-	+	+	-	-
ID Crapo	-	+	-	-	-	-	-	+	+	-	-
MT Baucus	+	+	-	+	-	+	+	+	-	-	-
MT Burns	+	+	-	+	-	-	-	+	+	-	+
ND Conrad	+	+	+	+	-	-	-	+	+	+	+
ND Dorgan	+	+	+	+	-	-	-	+	+	+	+
OR Wyden	+	+	-	+	-	+	+	+	+	+	-
OR Smith	P	-	-	-	-	-	+	+	+	-	-
SD Daschle	+	+	+	+	-	+	+	+	+	-	-
SD Johnson	+	+	+	+	-	-	+	+	+	+	+
WY Thomas	+	+	-	+	-	-	-	+	-	-	-
WY Enzi	+	+	-	+	-	-	-	-	+	-	-

New Rules Let Factory Farms Foul Water

On December 15, the U.S. Environmental Protection Agency (EPA) issued new rules governing water quality permits for factory farms. The rules have been widely criticized as allowing agribusinesses to continue to foul the nation's waterways with animal waste.

Large-scale animal factories, which raise thousands of animals and produce 220 billion gallons of manure annually, now dominate animal production across the country. These large-scale operations routinely over-apply liquid waste on land.

The waste runs off into surface water, killing fish, spreading disease, and contaminating drinking water supplies. The factory farms emit toxic fumes into the air.

Thirty years ago, Congress identified concentrated animal feeding operations (CAFOs) as point sources of water pollution to be regulated under the Clean Water Act's water pollution permitting program. The scale of animal production at individual operations has dramatically increased since then. As a result, the regu-

lations EPA developed in the 1970s are outdated and inadequate. The Clinton administration's EPA proposed new rules featuring several initiatives that would have protected the environment, but the Bush administration stripped them from the final rules after agribusinesses complained. The final rules:

- Legalize discharges of runoff contaminated with nitrogen, phosphorus, bacteria and metals into already polluted rivers and streams.
- Shield corporations that own livestock on factory farms from liability for the environmental damage they cause.
- Create new loopholes in the law, shielding factory farms from liability for animal wastes running off the land into waterways.

For a detailed description of the new rules, go to the Clean Water Network's website, www.cwn.org - and click on "Factory Farms."

-Sara Kendall

She's paid her subscription - have you?

Get yours today! Mail to *Western Organizing Review*, WORC, 2401 Montana Avenue, #301, Billings, MT 59101. Annual subscription is \$20 or save \$5 by purchasing a 2-year subscription for \$35.

Name _____

Address _____

City, State & Zip _____

Phone (home) _____

Phone (work) _____

Fax _____

E-Mail Address _____

Or use your *Master Card* or *VISA* Amount: \$ _____

Card Type: **MC** or **VISA** Card No.#: _____ Exp. Date: _____

Name as it appears on Card: _____ Signature: _____



Western Organization of Resource Councils Education Project
2401 Montana Avenue, #301
Billings, Montana 59101
billings@worc.org

ADDRESS SERVICE REQUESTED

NONPROFIT ORGANIZATION
U.S. POSTAGE PAID
PERMIT No. 352
BILLINGS, MT 59101

WESTERN ORGANIZING REVIEW

Volume IX, No. 1

March 2003

In this issue...

GM Wheat Won't Make Dough, Warns Economist
EPA Attempts to Pollute Clean Water Act
Energy Policy Suffers Rolling Blackouts
Trading Our Future Markets