

# BUILDING BACK BETTER:

HOW CONGRESS AND THE BIDEN ADMINISTRATION CAN SUPPORT CLIMATE RESILIENT WESTERN MOUNTAIN COMMUNITIES & REVERSE THE DAMAGE CAUSED BY THE TRUMP ADMINISTRATION



**The Mountain Pact**

January 2021

Founded in 2014, The Mountain Pact mobilizes local elected officials in over 80 Western mountain communities with outdoor recreation based economies to speak with a collective voice on federal climate, public lands, and outdoor recreation policy.

---

[www.themountainpact.org](http://www.themountainpact.org) | [info@themountainpact.org](mailto:info@themountainpact.org)



# TABLE OF CONTENTS

<b>Introduction</b>	<b>3</b>
<b>Oil And Gas Industry Bailouts</b>	<b>4</b>
Reduced Royalty Rates And Suspended Lease Payments	4
The Coronavirus Aid, Relief, And Economic Security (CARES) Act	5
<b>Energy Dominance Impact On Public Lands And The Climate Crisis</b>	<b>6</b>
The Release Of Methane Gas	6
Heat, Drought, Floods, & Wildfire	7
Dust On Snow	8
<b>Conclusion / Recommendations</b>	<b>9</b>







## INTRODUCTION

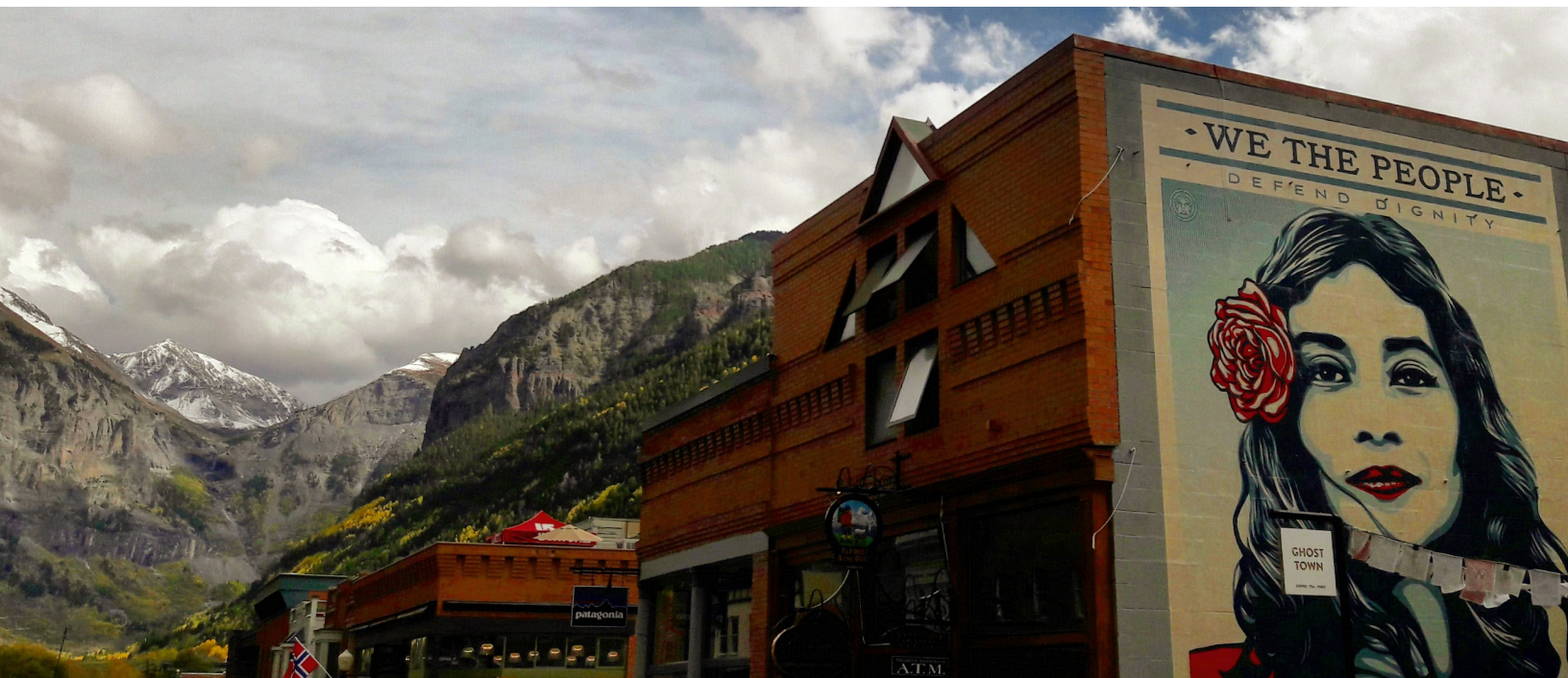
The catastrophic COVID-19 pandemic has brought economic hardship to our Western mountain communities while the Trump administration has been blindly loyal to, and financially supportive of, the dying fossil fuel industry.

As the public flocks outside to recreate, there are growing concerns about the increased burdens on our trails, public lands, and infrastructure. This is happening as the federal government has relentlessly pursued its “[energy dominance](#)” agenda to greatly increase antiquated fossil fuel development on public lands, weaken environmental regulations, and [fast track or eliminate environmental reviews](#) for proposed projects that increase harmful climate emissions and public health impacts. To bolster this harmful agenda, the [beleaguered fossil fuel industry](#) has received huge federal financial bailouts during COVID-19 with no return [to the taxpayers](#). At the same time, Western mountain communities have been [forced to do without meaningful federal relief](#) while shouldering the burden of increased unemployment, added public lands infrastructure needs, and costly

climate impacts. It’s estimated that state and local governments will suffer budget shortfalls of [\\$450 billion to \\$650 billion](#) due to the pandemic.

While the second pandemic relief bill includes a substantial federal investment in green technology, targeted aid for small businesses, and new legislation to cut the use of hydrofluorocarbons, the chemicals used in conditioners and refrigerators which contribute enormously to climate change, there is still much work to be done.

The Mountain Pact recommends that the Biden Administration and new congress: [halt new oil and gas leases on public lands and add conditions to permits](#); not provide any royalty relief and lease suspension provisions for the oil and gas industry in the future; [modernize](#) the country’s antiquated public lands royalty system and ensure those who profit from them provide a fair return to the taxpayers; and include conservation-friendly financial support for local governments which [are being forced to make deep budget cuts](#) because of COVID.





# OIL AND GAS INDUSTRY BAILOUTS

The Trump administration has been taking advantage of the COVID-19 pandemic by using tax dollars to bailout the already struggling oil and gas industry with these monies [mostly benefiting the high paid CEOs](#). Many of the companies that have received funding were already [drowning in debt](#) and [near bankruptcy](#) before COVID hit. And, the [royalty payments](#), the price that oil and gas companies pay for the privilege of drilling on public lands, that were [already below a fair price](#) before pre-COVID were slashed.

The Trump administration has a strong allegiance to the oil and gas industry and [deep ties](#) to extractive industries. The non-partisan [Campaign Legal Center](#), a non-profit organization whose mission is to advance democracy through law at the federal, state and local levels, published a [report](#) that found that hundreds of the oil and gas companies that benefited from the administration's financial relief are owned by Trump

political mega donors or individuals who have close ties to former clients of senior Department of Interior officials. On top of this, former oil and gas [industry lobbyists and executives](#) have been working in senior positions in the Department of Interior and the Environmental Protection Agency where they have [rolled back or reversed 84 environmental rules and regulations while working on another 20 rollbacks](#).

The fossil fuel industry is benefiting while communities, small businesses, and workers are suffering from the economic fallout of COVID-19 and having to spend limited dollars on personal protective equipment and other measures to keep their communities, customers, and employees safe.

The government largesse heaped upon the oil and gas industry during the pandemic has come in several forms:

## REDUCED ROYALTY RATES AND SUSPENDED LEASE PAYMENTS

The Trump administration has reduced royalty rates from [12.5% to .5% and suspended lease payments](#), which allowed companies to cease production while oil prices dropped to record lows.

- The Trump administration has cut royalty rates covering [400,000 acres in 467 cases](#) — extending Corona-virus aid of upwards of \$7 billion to 7,283 extractive resource companies including Exxon Mobil and BP. A nonpartisan watchdog has said that [it's not even clear](#) if the reduced royalty rates actually prevented these companies from shutting down wells amid the coronavirus pandemic and [over 10 percent](#) of these companies reported no jobs retained as a result of the loan. The Congressional Government Accountability Office (GAO) [has said](#) that the Bureau of Land Management (BLM) did not design its royalty relief policy to determine whether the relief was necessary to keep oil and gas wells operating. This royalty rate reduction has cost taxpayers [at least \\$4.5 million in May and June](#) and likely more.
- These reduced royalty rates have meant that state and county governments, which [typically receive a share](#) of oil and gas revenues, are left holding the short end of the stick. Schools and hospitals have to do more with less without while critical infrastructure repairs are being left unaddressed.



## THE CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT

- Dozens of oil companies and contractors are using a provision buried in the \$2.2 trillion pandemic stimulus Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was billed as a lifeline for the little guy who owned a small business, to receive a '[stealth bailout](#)' in the form of more than \$1.9 billion dollars in tax rebates.

For example, Diamond Offshore Drilling Inc. [was heading towards bankruptcy](#) when it took advantage of the provision to get a \$9.7 million tax refund. Then, it [asked a bankruptcy judge](#) to authorize the same amount as bonuses to nine executives.

- In an unprecedented move, the Federal Reserve, using monies allocated in the CARES Act, [purchased more than \\$355 billion in bonds](#) issued by companies in the battered oil and gas industry to support the reeling economy. This move lowered the risk of the companies' debt and they responded by issuing \$60 billion in new bonds.

A total of [56 oil and gas companies have issued \\$99.3 billion of debt](#) in U.S. markets since the Federal Reserve began its bailout of corporate debt markets in late March. Of those companies, the Fed has purchased debt bonds from 19. Because the debt is risky, the Treasury Department has reserved \$454 billion to cover the losses on the Fed's investments.

- The Paycheck Protection Program (PPP) - While the [Paycheck Protection Program](#) was marketed as relief for small businesses, the data show otherwise.

According to the [COVID Bailout Tracker](#), small businesses like those that dot Western mountain communities have been put through the wringer and denied the PPP relief President Trump promised as banks have [given priority to clients](#) "with the best relationships — not the neediest or most deserving." And while most companies could apply for PPP loans, it's striking that big oil companies [cashed in](#) while only between [\\$85 and \\$188 million in PPP loans went to just 239 renewable](#) wind and solar companies nationwide.



Hailey, Idaho Council Member Kaz Thea said, "Due to COVID-19, our budget is down and our community has been hit hard. As a mountain community, the service business and many restaurants, bars, and retail shops have been hit hard. Federal help would go so, so far."



Moab, Utah Council Member Kalen Jones said, "COVID has been hard for a number of reasons and our community could use smarter federal help. Stimulus money, especially for small businesses and local governments, is still needed as we progress through the pandemic. Pre-2020, our vibrant economy was built on visitation to our beautiful public lands. Royalty relief and rampant leasing to subsidize fossil fuels sends counterproductive market signals, undermines Moab's economy, is a distraction for our staff, council, and non-profit partners, and is counter to our efforts to avoid the worst case outcomes of climate change."



## ENERGY DOMINANCE IMPACT ON PUBLIC LANDS AND THE CLIMATE CRISIS

On top of bailing out the failing oil and gas industry, the Trump administration's prioritization of its "energy dominance" agenda and its increase in antiquated energy source development is also exacerbating the climate crisis. For the past four years, the federal government has [offered 50 million acres for oil and gas leasing](#) through draft and finalized resource management plans overseen by federal land agencies. This laser focus on [oil and gas development](#) on public lands and [deregulation](#) is jeopardizing public health

and contributing to the climate crisis through the release of vast amounts of potent greenhouse gas emissions. In fact, [if U.S. public lands were a country](#), they would rank 5th in the world for greenhouse gas emissions and greenhouse gas emissions associated with oil, gas, and coal from public lands equal 20% or more of total emissions. This increase in climate emissions directly affects Western mountain communities that are dealing with several dire, long-term, and costly [health](#) and [climate](#) impacts.

### THE RELEASE OF METHANE GAS

- Emissions from public lands are on track to [drastically exceed](#) the level that leading climate science says is necessary to avoid the worst effects of warming. The production of natural gas releases methane, a powerful greenhouse gas that [exacerbates](#) the health impacts of climate change. [Toxic chemicals](#) such as hydrogen sulfide, toluene, xylene and benzene are also released alongside methane during oil and gas industry production activities. [Data from the Intergovernmental Panel on Climate Change](#) suggests that more than half of the warming we will experience over the next two decades due to current emissions will be from the continued release of methane and other short-lived pollutants into the atmosphere.
- Even though methane is a powerful greenhouse gas, the Trump administration has [weakened methane regulations](#) on oil and gas companies that drill on public lands by relieving them of the requirement to detect and repair methane leaks.



Paonia, Colorado Trustee Dave Knutson said, "The biggest threat to our community of Paonia is climate change, exacerbated by the Bureau of Land Management's new Management Plan for the area. By opening up all nearby public lands to drilling instead of honoring our rural community's input. By increasing climate emissions, we are accelerating impacts that hurt our community. This year's drought required some of our irrigation ditches to be shut down prematurely due to "calls" on the water systems. Lack of irrigation water impacted our fruit and organic vegetable crops where we grow over half of the organic food for the State of Colorado. And finally, lack of snow has impacted recreation and has decreased capacity for irrigation which is critical to our ranchers and farmers."



## HEAT, DROUGHT, FLOODS, AND WILDFIRE

Severe heat and drought, conditions linked to climate change, are [making wildfires more frequent and intense](#) with catastrophic blazes spreading in unusual places and outside of normal fire seasons.

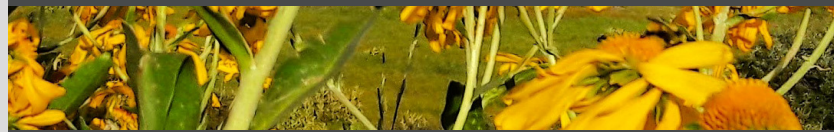
- Wildfire smoke causes an [increase in asthma, heart attacks, and strokes](#) although the long-term impacts [remain unclear](#). Farmworkers are particularly vulnerable to COVID and [suffer immeasurably](#) with the impacts of smoke from wildfires.
- Wildfires cause [more subtle impacts](#) including the closure of major transportation routes, which can impact businesses and consumers across the country. The closure of Colorado's Interstate 70 through Glenwood Canyon last summer while the [Grizzly Creek fire](#) raged disrupted lives, commercial trucking routes, and tourism.
- Climate change is already [straining the budgets](#) of mountain towns with concerns around availability and quality of drinking water and other infrastructure costs.
- The 2019 Verisk Wildfire Risk Analysis estimates that [more than 4.5 million U.S. properties](#) are at high to extreme wildfire risk.

Climate change is [increasing the likelihood of precipitation extremes](#), including droughts as well as heavy rainfall and resulting floods. Climate projections show large reductions in snowpack, which is a key source of water in the Southwest during the spring and summer and a draw for tourists in the winter.

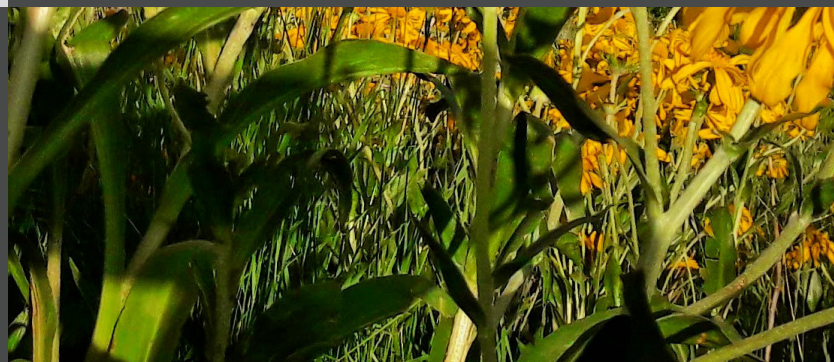
Ophir, Colorado Mayor Corrinne Platt said, "We're seeing less snow and less runoff which is our primary municipal water source. Last fall we had a fire within a mile of our town limit. We need to be looking forward to help out small communities, not a polluting and antiquated industry."



Glenwood Springs, Colorado Mayor Jonathan Godes said, "2020 was a hard year for Glenwood Springs. Between the quarry expansion and the Grizzly Creek Fire, our community has been dramatically impacted by a warming planet and the extraction industry. "Our Federal government should prioritize helping small communities and businesses across the country, and focus on the new renewable energy economy."



Steamboat Springs, Colorado Council Member Sonja Macys said, "This summer we were overtaken by dust and ash from nearby fires. It made outdoor recreation nearly impossible due to the danger and the greatly diminished air quality. We also continue to see Yampa River flows fall to dangerously low levels. For the past decade we've purchased additional water from the Stagecoach Reservoir for strategic water releases to keep the river alive. This year the Yampa River was placed on call for only the second time in its history. We need the federal government to prioritize communities over failing industries."







City of Aspen Mayor Torre said, "Aspen's ecosystems and tourism economy are heavily dependent on winter snowfall. Higher average temperatures over recent decades have shortened the winter season, resulting in a diminished snowpack. These changes to the snowpack have contributed to more consistent and severe drought conditions in the summers, as well as an increase in wildfire danger."

## DUST ON SNOW

- Changing climate patterns are [causing an increase in windblown dust](#) in the Southwest. This dust lands onto the snowpack, and causes an increase in the absorption of solar radiation and an earlier snowmelt, contributing to drought conditions and early spring runoff.

Tourism is [negatively impacted](#) as dirty snow isn't nearly as appealing as clean snow and snow that melts faster means fewer skier days.



Town of Frisco, Colorado Mayor Hunter Mortensen said, "Energy development on public lands really impacts our snowpack from the dust on snow events, which then leads to difficult water management for our town water supply. Furthermore, the faster the snow melts off from the dust events, the drier the forests become, increasing our wildfire risk and catastrophic potential impacts to our town."

Driggs, Idaho Mayor Hyrum Johnson said, "Our Yellowstone ecosystem is fragile, and very susceptible to the impacts of climate change. Over the last decade we've witnessed shorter winters, the ensuing worries about irrigation water for local agriculture, and a negative impact to our winter tourism businesses. We've also experienced extreme impacts from wildfires which impacts our summer tourism season and economy."



Town of Telluride Pro Tem Mayor Todd Brown said, "In my home in Southwest Colorado, we are again experiencing exceptional drought and seeing the long-term impacts of climate change that threaten our tourism-based economy. I am a ski instructor at our world-class ski resort whose seasons are experiencing less snowfall, warmer temperatures, and earlier melting in the spring. That earlier and faster snowmelt is impacting our water-based summer tourism, as well as the health of our surrounding forests. Sitting on the edge of the Four Corners Methane Hotspot, we experience more days of atmospheric haze every year, exacerbated by wildfire smoke as our drying climate contributes to longer and more intense wildfires."





## CONCLUSION/RECOMMENDATIONS

The Trump administration's dogged pursuit of oil and gas development on public lands has served corporate greed and is accelerating the climate crisis. This short-sighted and one-sided approach is hurting Western mountain communities, many with outdoor recreation and tourism based economies. It is long past time for a more balanced approach that considers the interests and needs of these many communities.

The climate change provisions in the second stimulus bill are very encouraging. However, the Biden Administration and the new Congress should still prioritize adopting reforms that will reverse the devastating impacts that the "energy dominance" agenda has had on Western mountain communities over the past four years. Public lands should no longer be given away for pennies on the dollar, financial support should be provided to local governments amidst the pandemic, and additional meaningful actions should be taken to address the climate crisis.

### **The Mountain Pact Recommends That The Biden Administration and 117th Congress:**

#### **1. Fight the climate crisis with bold action.**

- a. Halt [new oil and gas leases](#) on public lands and waters.
- b. Reject any royalty relief and lease suspension provisions for the oil and gas industry in future COVID relief packages.
- c. Support state and local clean energy building requirements and initiatives, emissions reduction programs and utilities with renewable energy goals.

#### **2. Help our Western communities.**

- a. Include conservation-friendly [financial support for local governments](#) in future COVID relief packages.
- b. [Modernize](#) the country's antiquated public lands royalty system and ensure that those who profit from them provide a fair return to the taxpayers.
- c. Ensure the outdoors is a place for all by prioritizing environmental justice.
- d. Restore environmental and public health safeguards.