Exhibit No. 3
Date 3-14-05
Bill No. HB 201

House Bill 201
March 14, 2005
Presented by Larry Peterman
Senate Judiciary Committee

Mr. Chairman and Committee members, for the record I am Larry Peterman, Chief of Field Operations for Montana Department of Fish, Wildlife & Parks (FWP). The State of Montana through its Natural Resource Damages Program has worked diligently to see that Montana citizens receive fair compensation for natural resources that have been damaged by the release of hazardous substances in the upper Clark Fork River Basin. FWP has worked closely with program staff from the onset of this effort because many of the damages associated this lawsuit are to fish, wildlife and their habitats.

Montana achieved a partial settlement agreement with ARCO on April 19, 1999 that compensated Montanans for some of the losses. This settlement included $118 million plus interest and is now available and being used for projects that replace, restore or acquire natural resources similar to those that were damaged. These funds are being administered by the Natural Resources Damage Program in the Department of Justice with the help of a Council made up of citizens located throughout the upper Clark Fork Basin. A number of important projects have already been approved for funding and several are underway.

Unfortunately, Montanan's remains uncompensated for damages to natural resources in several portions of the Basin including the mainstem Clark Fork River, uplands surrounding the Anaconda Smelter, and a location known as Butte Area One. Montana and ARCO have agreed to attempt to negotiate settlement of these remaining claims when EPA issues the Records of Decision that will outline planned remedial actions at these sites.

To bring this action to a just conclusion, it is essential that we continue to fund this very successful litigation program. FWP therefore supports HB 201, which would re-appropriate unspent funds loaned to the Natural Resource Damages Program from the Coal Severance Tax permanent fund. FWP urges your continued support and look forward to seeing this effort through to conclusion.