Public Lands managed by the **Federal Government**

ECONOMIC IMPACT

Why should we transfer public lands to the state?

- The following presentation will answer that question and demonstrate how the federal government is making decisions that are costing state and local government millions of dollars a year.

Disclaimer

- All information in this power point was obtained from public sources and not from specific companies or industries.

- Some sources include:
  - University of Nevada, Reno, School of Business, Analysis of Impacts of Public Land Grazing on the Elko County Economy
  - The impact of Federal Land Policies on the Economy of Elko County, Nevada compiled by the Western Economic Analysis Center
  - Elko County Land Use & Natural Resource Management Plan
  - Latham & Watkins Client Alert Commentary "BLM issues Revised Proposed Rule on Hydraulic Fracturing on Federal and Tribal Lands"
  - Numerous BLM documents and media publications

About Northern Nevada's Rural Counties

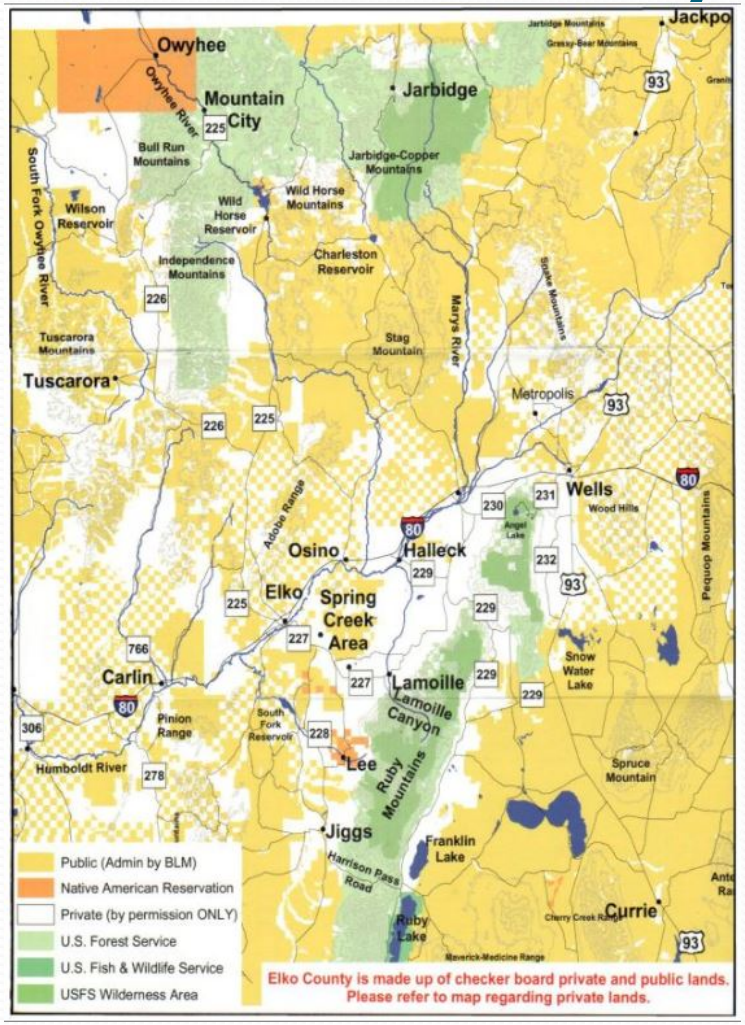
Primary Industries include:

- Mining
- Ranching/Agriculture
- Tourism
- Government
- 3 of 4 are land intensive

Federal land in Elko County

- 28.7% Private
- 62% of private land in checkerboard area
- 70% controlled by federal government
- 1.5% tribal
- 1.1% owned by state and local government

Source: BLM

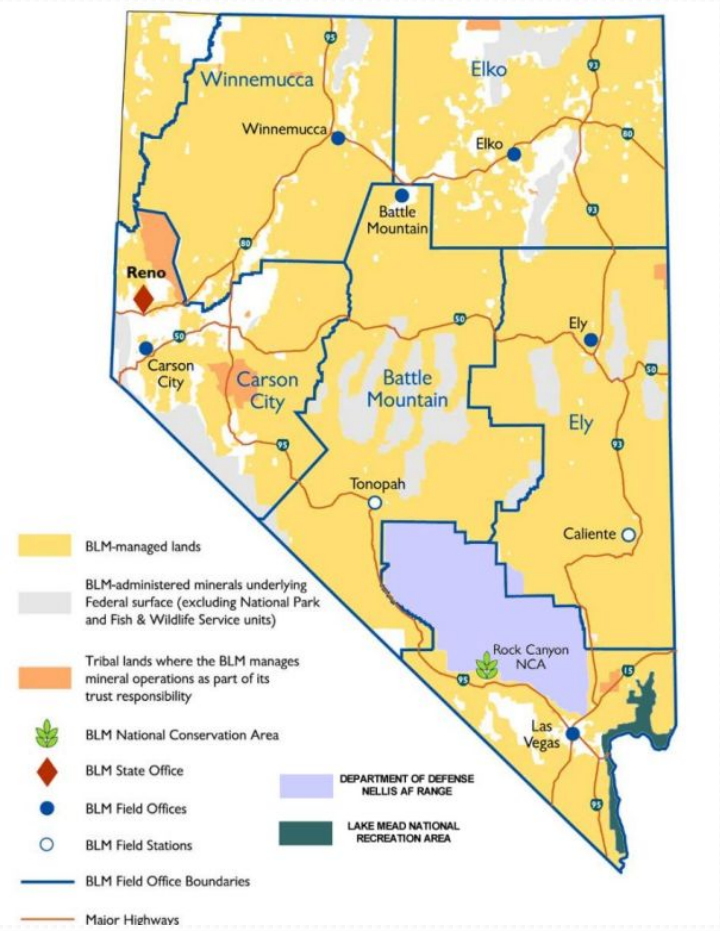


62% of private land is in the checkerboard area

Federal Land in Nevada

83% of Nevada Land is controlled and managed by the Federal Government

Source: BLM



Federal Government

- IS costing business millions of dollars in expenses and severe delays in cost recovery
- IS creating severe hardships that have resulted in lost business to the state
- IS greatly reducing the revenues that can be derived from business and local and state government
- Preventing us from growing our economy in target industries adopted by the state
- Cost Elko County millions of dollars in revenue over the last two years and for the foreseeable future

Here's How

- Permitting:
  - 7-10 years to get mining permits at a cost of 2 to 4 million dollars as compared to Canada with 3 to 4 years
  - Months to years to get utility permits such as ROW
  - Less grazing allotments to ranchers, even cost of lawsuits
  - Recreation permits taking a year and forcing unreasonable requirements on events and the volunteers that run them

BLM told us in a regional planning workshop that no one should attempt to get through their permitting process without hiring a consultant with the expertise to do so

Here's How Cont'd

- Land Acquisition
  - Checkerboard land – can not get contiguous land larger than 640 acres in the checkerboard area which covers most of Elko County. Allows BLM to control private land as well.
  - Local Government is not successful at acquiring land – County has had an application in since 2008 To acquire 280 Acres for recreation. Had NO response what so ever.
  - County also been trying to get the shooting range which has existed for 30 years disposed to the County. This process also started in 2008 with no resolution at present

Here's How Cont'd

- Access to public land
  - Being denied for a variety of reasons;
    - Sage Grouse
    - California Trail
    - Bull Trout
    - Travel Management Plans

Some specific examples

- China Mountain Wind Project – denied after completing the EIS and being ready to begin construction – due to the "interim rule for managing sage grouse"
  - 737 million dollar construction
  - 750 construction jobs
  - 50 FTE ongoing
  - 55 million in Taxes to Elko County

More examples

- Oil and Gas
- Permitting process – permits denied because of proximity to California Trail (reported by BLM in a recent County Commissioners meeting)
- Revised rule for fracking, compliance cost ranges from 12 to 20 million dollars

More Examples

- Mesa Exploration
  - Denied a permit without even going through the process because you could see the California Trail from their site, a part of the trail that is not developed or used in any way for the public benefit
  - Mesa moved their Reno office back to AZ

More Examples

- Aerospace Company that wanted to locate here but needed in excess of 1000 acres. We could not accommodate because of the checkerboard land and have not been able to get BLM to work with us to fix.
- Experimental Green Community that needed 2500 acres and again we could not accommodate.
- ATV Jamboree literally stopped due to the onerous requirements to utilize public lands. This event drew attendees from all over the nation that stayed in our hotels for 7 nights with an average $475.00 per day in expenditures per couple.

The problem

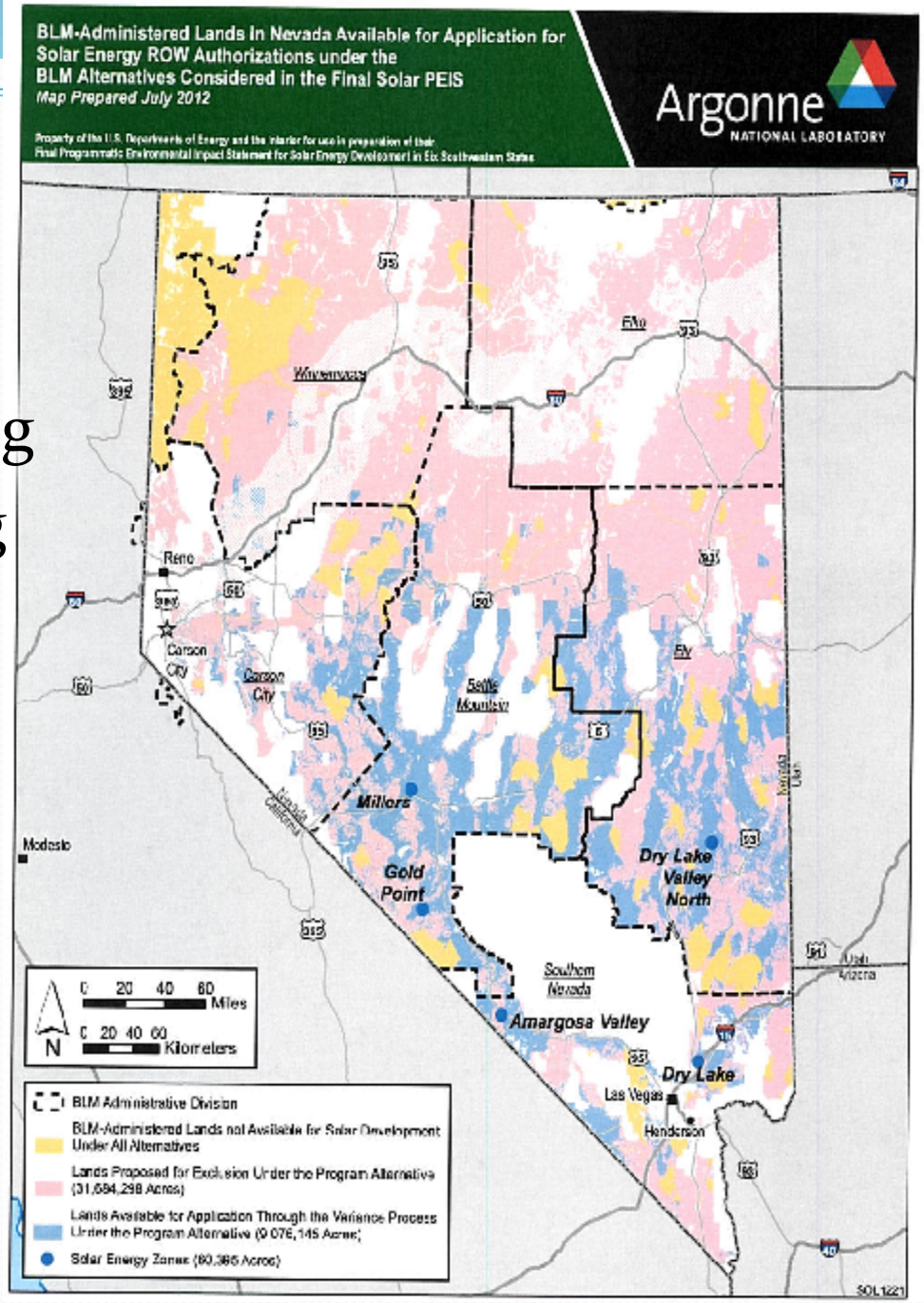
- There are long lists of folks in all of our industries that can sight economic impacts because of Federal management decisions for our public lands.
- Individually these decisions are major setbacks for state and local government, collectively they are killing our economy
- We have federal employees with authority to make decisions that either don't know or don't seem to care about the impact they create for state and local government
- They do not practice transparency as we do in state and local gov't, they are making decisions behind closed doors with no public input

Examples of Policies

- Sage Grouse Interim Management plan was adopted with no input from the public or governments within the areas proposed. It effectively stopped all permitting of any activity on those public lands unless they comply with these new sets of rules
- Mitigation of Sage Grouse and other obstacles is costing our companies millions of dollars in order to get permits
- Updated rule on fracking added an estimated cost of 12 to 20 million dollars according to Latham and Watkins.

The latest

Revoked all existing permits for mining and grazing in favor of granting solar permits



Policies con't

- Travel Management Plan –
  - Closed over 150 miles of existing roads
  - Disallows vehicles off roadways to retrieve game, etc. except in such a limited fashion it will not likely help
  - Can fine up to $5,000 for violations even if the road isn't marked as closed
- Land Exchange in Checkerboard area –
  - One exchange took place years ago that took 8 years to transact
  - None have taken place since

Policies con't

- Land transfers to local government –
  - Land that has been designated is not happening
    - Applications are filed and never responded to
- Grazing allotments –
  - The ranching industry has lost 50% of their allotments for cattle and 95% for sheep since 1980. The Federal Government could bankrupt all ranchers if they continue to reduce allotments
- Fire Management –
  - No proactive measures to avoid severe wild land fires
  - Average of 231,000 acres per year over the period of 2000 to 2011 that have burned in Elko County.
  - The Smoked Bear campaign estimates that is a loss of 690,000 animals, probably the single largest threat to sage grouse

Why we want to transfer our public lands to the state

- Growth in this state is severely limited due to lack of land to develop
- The policies that the federal government is passing are preventing use of public land in all of our industries and causing a **loss of millions of dollars a year**
- If they can not work with state and local government then we need to manage the land ourselves
- The federal government is reaping all of the benefits of our land with royalties, federal taxes and permit fees and at the same time causing a loss to many others

A final thought

- Federal policies impact - The cumulative losses to the economy of Elko County for the three industries annually is estimated at $570,549,000.00 according to the study by the Western Economic Analysis Center
- This same scenario is true in most of the rural mining and ranching counties
- The states revenues might be in much better shape if we were getting the kind of revenue that the federal government is from our public lands
- Consider that all the states that have their public lands are much wealthier than we are