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Reid, Ensign amendment restores geothermal revenues

By Rudy Herndon
The Humboldt Sun

WINNEMUCCA — Words are powerful things.

With a single sentence, the federal Minerals Management Service potentially wiped out hundreds of millions of dollars in funding for cash-strapped states, local government entities and even its sister agency, the U.S. Bureau of Land Management (BLM). But now, Nevada's congressional delegation is on the verge of restoring that funding with a few words of its own.

Last week, the U.S. Senate approved an amendment from Sens. Harry Reid and John Ensign that diverts royalties and other revenues from geothermal leases away from the federal government's coffers, and back to the states and counties where those leases are located.

The amendment, which was co-sponsored by senators from California and Idaho, gives 50 percent of all geothermal royalties to Nevada and other Western states, and it evenly divides the remaining half between the affected counties and the BLM.

The Reid-Ensign amendment was tucked into a much broader Senate bill that extends unemployment benefits to out-of-work Americans. Ensign voted against the overall bill, but he hailed the fact that the amendment sailed through the Senate with unanimous consent.

"Today is a big win for our state," he said in a March 9 statement. "The economy across our state has been truly hurting and the loss of geothermal royalties last year has (caused) counties in Nevada to lose out on hundreds of thousands of dollars."

Senate Majority Leader Reid thanked his colleagues for ensuring that Nevada's geothermally active counties will receive their fair share of revenues and royalties.

"As Nevada's economy continues to recover from the recession, it is important that our rural counties can access every source of revenue, especially those generated from the energy developed within their borders," Reid said. "As we begin our work on next year's budget, I will oppose any new efforts to cut Nevada counties out of the geothermal revenue picture."

Before they can do that, though, the current changes must still be approved by the House, and then signed into law by President Obama.

Rep. Dean Heller, R-Nev., is currently working with California Democrat Mike Thompson to pass the House version of the Senate amendment.

"I'm pushing on my side, and he's pushing on his," Heller said.

The job ahead of them is relatively simple: all they have to do is restore the same funding formula that was in place from 2005 until last October.

The formula was eliminated only after Congress approved a 71-page bill funding the U.S. Interior Department's budget for the federal government's 2010 fiscal year. Unbeknownst to lawmakers at the time, a sentence-long provision buried deep within the bill eradicated the funding to counties and states.

The provision was discovered only after President Obama signed the Interior appropriations bill into law on Oct. 30, according to Heller's office.

If the changes are scrapped, Churchill County alone could receive an estimated $4 million annually. At the same time, Pershing County received $235,558 in geothermal monies, while $62,697 trickled in to Humboldt County.

The latter figure might not sound like much. But Heller called the royalties a critically important source of revenues for communities where economic development opportunities are otherwise limited by a lack of private lands.

"In the current economic climate, cutting royalties will further hurt local communities that rely on these funds to provide important services to the public," Heller said last December.

The BLM's geothermal program itself is another loser: unless the changes are undone, its 25 percent share of revenues would continue to be diverted into the federal treasury.

Despite the hit to the BLM, its sister agency within the Interior Department defended the changes it submitted.

"These (2005) provisions are inconsistent with the normal 50/50 revenue sharing arrangements under the (Mineral Leasing Act of 1920) and set an undesirable precedent for future expansion of revenue sharing with local governments," the Minerals Management Service said in its budget justification.

While the BLM and the state's counties stand to lose from the status quo, the cash-strapped State of Nevada could suffer the greatest loss.

Since 2007, the state has received $35.6 million in geothermal royalties and revenues.

Reid seeks legislation against out-of-state waste

Sun Staff Report

WINNEMUCCA — Nevada Senator Harry Reid released draft legislation March 4 that, if passed, would allow state and local governments to refuse waste shipments from other states.

"Nevadans have voiced their opposition to proposals that would leave millions of tons of out-of-state trash near their communities, and the Trash Regulation and State Health Act (TRASH) would prevent this from happening," Reid said in a press release.

If Reid is successful in getting the legislation passed, it will provide governors the authority to veto any landfill not in operation as of March 15. Local governmental entities would be given the same power. It would allow those same entities to freeze waste import levels at existing sites and implement up to a 5 percent annual reduction in the tonnage of out-of-state waste received at any landfill.

According to a statement released on the act, it will require disclosure and reporting information to be submitted 30 days prior to entering into a state's permitting process.

In addition to these reporting requirements, governors and local governments would have the ability to rescind permits if banned substances are found in out-of-state waste shipments. However, this power could be exercised only after three instances of unapproved types of waste being found in out-of-state waste shipments.

The act also exempts railroads from common carrier requirements, thereby allowing them to refuse interstate waste shipments.

The draft legislation can be accessed at http://reid.senate.gov/newsroom/upload/trash-act-draft.pdf.

More information on the TRASH Act will be included in an upcoming issue of the Humboldt Sun.