



January 27, 2009

Nancy Killefer
Chief Performance Officer
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Ms. Killefer:

Congratulations on your appointment to Chief Performance Officer for the Obama Administration. We are pleased that President Obama has prioritized government efficiency and ensuring a fair return for taxpayers as a central component of good government. Your previous experience in the private sector and public service, and expertise in organizational practices are proof of your qualifications for the position.

We don't need to remind you that we are in the midst of some of the worst economic times that our Nation has ever faced. Extraordinary economic circumstances require extraordinary action. We are poised to assist you and your new office in reducing wasteful government spending in ways that not only protect and restore taxpayer's faith in our government, but also in our ability to protect and restore our air, water, wildlife, lands and climate.

While there are many, notoriously wasteful federal programs, we wish to draw your attention to a class of programs that not only drain the federal budget, but destroy public lands and resources as well. For decades the federal government has subsidized environmentally destructive resource use at the behest of powerful industries. The result is that public lands livestock grazing, wildlife trapping and killing, federal timber sales, public lands mining, and lost royalties have cost taxpayers billions, even while these activities have degraded our public lands, dirtied our air and despoiled our water.

Prominent researchers, including renowned biologists Dr. E.O. Wilson and Dr. Norman Myers, have found that perverse and environmentally destructive subsidies not only threaten ecosystems, air and water, but hinder our attempts to implement more sustainable forms of production. More efficient, environmentally benign or beneficial processes to produce energy, food and fiber have difficulty competing with more wasteful, ecologically harmful, subsidized competitors. In other words this is not just a matter of spending the taxpayers dollars wisely and protecting our environment, but also creating an economic and regulatory context which ushers in a new paradigm

that benefits human survival and co-existence with one another and with wildlife and our precious natural heritage.

Following are some examples of federal programs that we ask you to formally investigate and which must be reformed or eliminated to reduce wasteful spending and ensure a fair return to the federal government. Please note that this synopsis considers only the fiscal costs of these programs and does not attempt to quantify the additional social and ecological costs, nor the costs of restoring ecosystems and species degraded by these harmful land uses.

1. Federal Public Lands Livestock Grazing

USDI/Bureau of Land Management
USDA/Forest Service

Former Secretary of the Interior Bruce Babbitt has written that federal public lands livestock grazing “is the most damaging use of public land.” The Government Accountability Office reported that the federal government spends at least \$144 million each year managing private livestock grazing on 235 million acres of federal land, but collects only \$21 million in grazing fees—for a net loss of at least \$123 million per year. The Bureau of Land Management and U.S. Forest Service manage 98 percent of public land used for grazing, and accounts for the majority of federal grazing subsidies. Public lands ranchers were charged the federal minimum of \$1.35 per cow per month to graze public land in 2008; fees on equivalent private grazing lands averaged \$15.90 in 2007.

2. “Wildlife Services”

USDA/Animal and Plant Health Inspection Service/Wildlife Service

Wildlife Services spent \$117 million, including \$61 million of federal funds, to kill 2.4 million wild animals representing 319 species in fiscal year 2007 on behalf of agricultural interests and for other purposes. The euphemistically named agency annually kills coyotes, bobcats, cougars, raccoons, beaver, prairie dogs, Canada geese, robins, blackbirds, woodpeckers, gray foxes, red foxes, badgers, skunks, woodchucks, and marmots. The agency even occasionally kills threatened and endangered species, including grizzly bears, wolves and eagles, which federal taxpayers are paying other federal agencies to protect and restore.

3. Federal Timber Sales

USDA/Forest Service

The Forest Service timber sale program is devastating to our national forests and the federal budget. Taxpayers for Common Sense reported that the program annually spends hundreds of millions of dollars more than it collects from timber companies, costing American taxpayers \$407 million in 1998. The Forest Service no longer provides detailed accounting of its timber sale program, but the Government Accountability Office reported that reducing appropriations for the program could result in significant savings based on timber sale receipts collected in the 1990s. For example, during fiscal years 1995 through 1997, the Forest Service timber sale program cost taxpayers approximately \$1.2 billion.

4. Lost Mineral Royalties

USDI/Bureau of Land Management
USDI/Minerals Management Service

Natural gas is an important energy source, yet in the production of oil and gas, millions of dollars of this valuable product are unnecessarily wasted. Industry annually vents or flares 148 billion cubic feet of methane in natural gas production alone. With a value of more than \$5.00/thousand cubic feet, this amounts to more than \$740,000,000 of lost income. Much of this gas is federally owned. Not only does this represent a loss in royalty revenue for the United States, the escaped methane is a significant source of global warming pollution.

5. Lost Coal Royalties

DOI/Bureau of Land Management

The Powder River Basin in northeastern Wyoming is the country's leading coal producing region. In 2007 the basin produced 42 percent of the Nation's coal. Much of this coal is federally owned and managed by the Bureau of Land Management.

Despite the massive amount of coal produced in the Powder River Basin, the Bureau of Land Management has "decertified" the area as a coal production region. This allows coal mining companies, rather than the federal government, to propose and design coal lease boundaries. Not surprisingly, mining companies draw lease boundaries tailored to their needs, which often fail to meet federal standards for fair compensation and extraction of the resource. Since coal companies can propose their own lease boundaries, they often design boundaries that effectively deter others from bidding on the leases, thereby suppressing competition and preventing the government from receiving market rates for the leases.

6. General Mining Law of 1872

The General Mining Law of 1872 is a relic law that gives away billions of dollars in government subsidies to mining companies through below-cost sale of public lands and minerals. The 137-year-old law allows mining companies—including foreign interests—to patent public land and minerals for just a few dollars per acre—paying 1872 prices for land worth billions of dollars. Earthworks, a conservation organization interested in reforming the 1872 Mining Law, estimates that the federal government has given away more than \$245 billion in mineral resources through patenting since 1872. To add insult to injury, mining companies are not required to pay royalties on minerals taken from patented mines. Earthworks estimates that taxpayers are denied approximately \$100 million annually in royalty revenue as a result.

The 1872 Mining Law distorts the minerals market and elevates hardrock mining as the dominant use of public land, regardless of other potential uses. Mining fragments and destroys natural habitats. Abandoned mines are costly to restore and may threaten local watersheds and communities for decades.

On the day that President Obama announced the creation of the position of Chief Performance Officer, he stated “we can no longer afford to sustain the old ways when we know there are new and more efficient ways of getting the job done. Even in good times, Washington can’t afford to continue these bad practices. In bad times, it’s absolutely imperative that Washington stop them and restore confidence that our government is on the side of taxpayers and everyday Americans.”

Thank you for your prompt attention to this matter and we look forward to hearing from you. I will be in Washington, DC during the week of March 9-13 and would be pleased to meet with you to discuss these concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Horning". The signature is fluid and cursive, with a large, sweeping flourish at the end.

John C. Horning
Executive Director
WildEarth Guardians