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FISCAL IMPACT REPORT

SPONSOR _	Kysar	DATE TYPED	02/02/04	HB _	
SHORT TITLE Withdraw Changes to Jicarilla Forest Plan			n	SB	SM4

ANALYST Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring	Fund
FY04	FY05	FY04	FY05	or Non-Rec	Affected
			See Narrative		

SOURCES OF INFORMATION

LFC Files

<u>Responses Received From</u> Energy, Minerals & Natural Resources (EMNRD)

SUMMARY

Synopsis of Bill

Senate Memorial 4 encourages the Carson National Forest (CNF) Supervisor and the United States Forest Service (USFS) to withdraw the pending proposal to change the CNF management plan for the Jicarilla ranger district and the draft environmental impact statement issued to support that proposal.

The CNF Supervisor and the USFS are also encouraged to study alternatives that will increase the availability of energy resources from the Jicarilla ranger district; increase local, state and federal government revenues from those resources; increase the economic and job growth resulting from energy production; ensure the use of the Jicarilla ranger district for multiple purposes. appropriately protect the environment of New Mexico. Furthermore USFS and the Department of Interior (DOI) are urged to take the steps necessary to more efficiently and effectively regulate federal lands and natural resources for the benefit of citizens of New Mexico and the nation.

Significant Issues

• The United States depends upon the availability of energy supplies to protect the health and safety of its citizens, to provide for the payment for services such as education and infrastructure, to provide for economic stability and to provide for continued economic

progress and growth.

- The state of New Mexico is a national leader in the production of natural gas and oil, which has benefited the citizens of this state through the payment of taxes and royalties, the creation of jobs and the provision of supplies and services used by that industry and has benefited the nation by supplying needed energy resources.
- Significant reserves of oil and natural gas are located on federal lands controlled by the USFS and the DOI.
- Lands controlled by the USFS in the San Juan basin of northwest New Mexico located within the Jicarilla ranger district of the CNF contain more than one trillion cubic feet of recoverable natural gas resources.
- The staff of the CNF is proposing to eliminate development access to more than twothirds of the natural gas resources in the Jicarilla ranger district.
- The Bureau of Land Management has recently completed an extensive planning process and has published a revised resource management plan for the entire New Mexico portion of the San Juan basin, including the Jicarilla ranger district.
- The USFS has recently published its own draft environmental impact statement which has not adequately addresses the responsible development of energy resources within the Jicarilla ranger district.
- The draft environmental impact statement threatens to reduce the available supply of natural gas from the Jicarilla ranger district by more than sixty-eight percent, and this reduction threatens the availability of revenue to fund education, health and safety programs that would benefit the citizens of New Mexico and threatens economic stability and job growth in New Mexico's less advantaged and poorest rural areas.
- It is possible to regulate the development of natural gas reserves using methods that are prudent for the health and safety of citizens to provide for the multiple use of federal lands, to provide energy supplies for the benefit of the citizens of New Mexico and the nation and to provide needed revenues for governmental operations and economic growth.

FISCAL IMPLICATIONS

There are no direct fiscal implications in this memorial, but there will be significant reduction to future revenues if the federal government does not allow development in a significant part of the Jicarilla ranger station district.

DW/dm