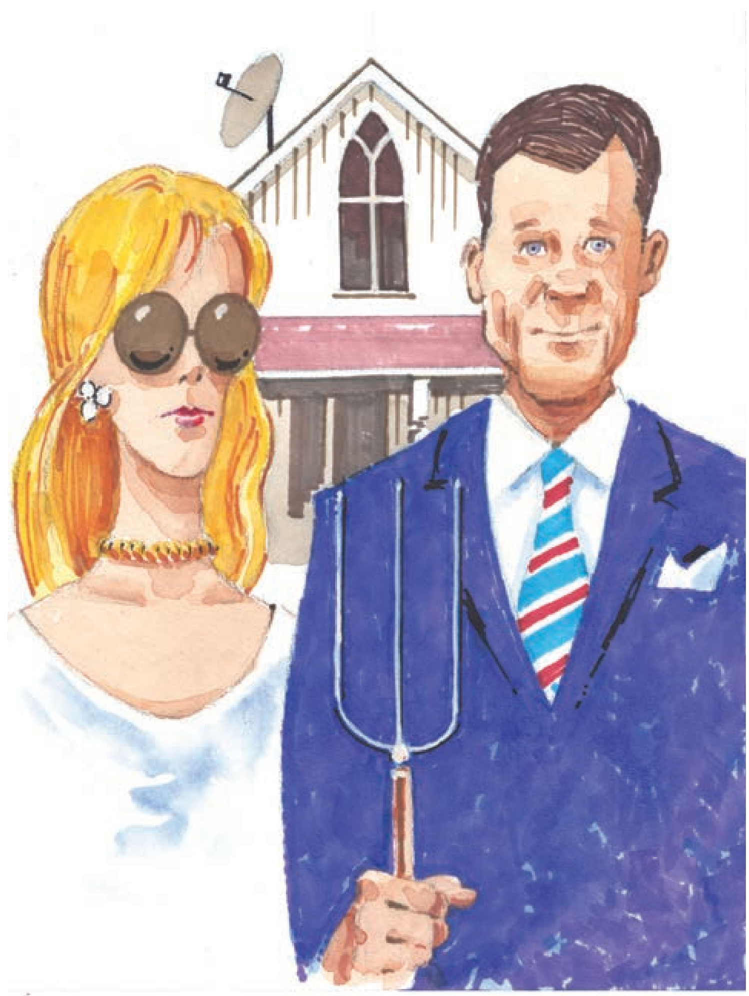
West First! Part II

Western Landowners Alliance promotes a new kind of welfare ranching for billionaires.
Words by Dave Skinner. Illustration by John Bardwell.



Sometime last spring, *RANGE* readers began passing on increased media and trade "chatter" about a relatively new Santa Fe-based environmental nonprofit calling itself the Western Landowners Alliance, or WLA, and we followed up. In the last issue, *RANGE* reported WLA's history as an offshoot of the notorious Wildlands Project and its philosophical roots in so-called Deep Ecology, while briefly profiling some of the landowners comprising this "alliance."

While there are some real family ranchers in the organization, many of WLA's members are first and foremost multimillionaires—even billionaires—who became wealthy doing things other than raising cattle. They are now applying their great good fortunes to buy up large scenic western ranches and manage them for "conservation" purposes.

WLA claims that its members represented "eight million acres of deeded and leased land across nine western states and Alberta" at its founding in 2011. Today, according to a story in *Energy and Environment News,* 15 million acres (private and public) are "represented" by WLA in 10 states and Canada.

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For perspective, USDA databases for the eight inland "mountain states" listed 326 million acres of grassland pasture and range in 2012, not broken out between private "deeded and leased" state and federal lands. Further, there were 98 million more forested acres in the mountain states open to grazing. Of that 420-plus million, 15 million acres isn't yet dominant, but it's a significant start. Further, if these acres (and possibly millions more) wind up being managed under a "conservation biology" model versus a production agriculture model, such new management implies significant changes for those lands and the associated local communities.

Could that happen? Yes, with the proper agenda and enough money. Is there both?

The Agenda

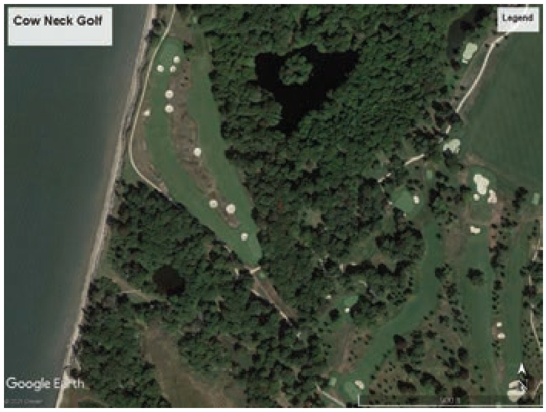
As for an agenda, there's a new buzz phrase floating around in the conservation political field: "30 by 30"—and we're not talking your Winchester 94. "Wildlands/Deep Ecology/conservation biology" is focused on a simple objective, repeatedly expressed since the middle 1980s: Set aside fully half (or more) of the world's land base and oceans in "natural" condition. Radical then, it's still radical today.

However, the U.S. Geological Survey, which maintains a Protected Areas Database (really), found that "only" 12 percent of America's land—about 200 million acres, including 111 million acres of federal wilderness—is in a "natural state," with 32 percent of ocean in the same "natural" condition.

How to get to 50 percent? Step by step, of course, breaking a "radical" whole into "reasonable" chunks. So instead of 50 percent today, right now, how about "protecting" a mere 30 percent of all land and water by 2030, then when that occurs move the goalposts? Say, to "50 by 50"?

With the COVID-19 nightmare dominating public awareness, there hasn't been much, if any, outside attention, never mind analysis, given to 30 by 30 except within the environmental community. But 30 by 30 has the full attention and support of the highest ranking Greens (and Green donors) in America.

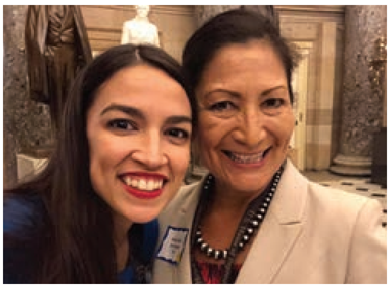
As an example, in early February last year, near the start of the COVID-19 pandemic, the American Geophysical Union (AGU)



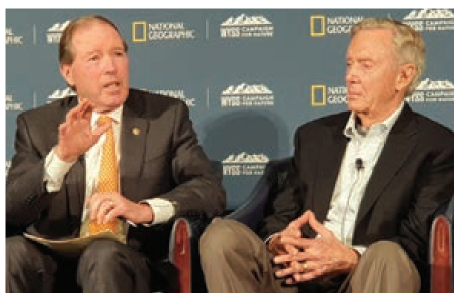
PHOTOS VIA INTERNET

reported on the proceedings of an event sponsored by *National Geographic* and the Wyss Campaign for Nature (now you know what Swiss eco-billionaire Hans Wyss is up to lately). Its topic was "an initiative to conserve at least 30 percent of land and ocean in the United States by 2030" and featured Sen. Tom Udall (D-New Mexico) sitting right next to none other than former Clinton administration Interior secretary (and immediately former League of Conservation Voters executive director) Bruce Babbitt.

For his part, Babbitt declared to attendees, "We've got to sell it [30 by 30] both as a slogan and as a concept that has real content [implemented policy]." Babbitt was joined by The Nature Conservancy's interim chief executive Sally Jewell (another Interior secretary, for Obama), who stated that 30 by 30 "means protecting the best, but it's also about improving the rest."



Even the fanciest publications and swankiest conferences can't hide the cold, hard reality that conservation easements are a terrible deal for actual producers stuck with paying their bills—and taxes—by growing food.



FROM TOP: Aside from exclusive Robins Island (purchased for $11 million with taxpayer "conservation" support equal to a $2.97 million discount), Louis Bacon has bought and "conserved" other shoreline properties visible from his island. Shown is Cow Neck across the Peconic Bay narrows to the southeast of Robins Island, 540 acres which Mr. Bacon bought in 1988 for $25 million. Prior to the easement in 2000 with the Peconic Land Trust, now covering 387 acres according to the Southampton Press: "Mr. Bacon paid $212,936.56 in annual property taxes. In 2014, that figure was, in fact, significantly lower: $25,564.24." But his easement allows nine golf holes; as of 2019 he'd built at least seven. ➤President Biden's Secretary of Interior Debra A. Haaland (D-NM) with socialist Rep. Alexandria Ocasio-Cortez (D-NY). ➤Sen. Tom Udall and Clinton's former Interior Secretary Bruce Babbitt discuss "conserving at least 30 percent of land and ocean in the U.S. by 2030."

The rest? Yep. A week prior to the 30 by 30 event, Sen. Udall had written in *High Country News* about 30 by 30, implying that he'd like to have "half protected by midcentury," which the AGU writer translated as setting aside "50 percent of U.S. land and water by 2050."

In October 2020, California Gov. Gavin Newsom (D) announced that California would take the 30 by 30 pledge, the first U.S. state to do so. On the international side, the United Kingdom is one of 30 countries to agree to set "30 by 30" goals.

As for 30 by 30 on the U.S. federal level, it's probably not a coincidence that in the 2019-20 U.S. Congress, the lead sponsor (with 43 co-sponsors) of House Resolution 835—to "establish a national goal of conserving at least 30 percent of the land and ocean of the United States by 2030"—is none other than Rep. Debra A. Haaland (D-NM), President Joe Biden's freshly confirmed, you guessed it, secretary of Interior.

Haaland's bill was introduced about the time of the AGU conference noted above, but saw no action. In the current session, Sen. Udall has already reintroduced a 30 by 30 resolution on the Senate side, but congressional consent might not be necessary to begin an overt federal program aimed at "rewilding."

Why not? Well, on January 27, President Biden signed Executive Order 14008, 15 pages of "Tackling the Climate Crisis at Home and Abroad." It aims to "center the climate crisis in foreign policy," halt federal petroleum leasing, announce a Civilian Climate Corps, and commit the U.S. government to "the goal of conserving at least 30 percent of our lands and oceans by 2030," with "stakeholder engagement," of course. What does that mean? According to *National Geographic,* it means enforceable designations of natural status on "an additional area twice the size of Texas, more than 440 million acres" by 2030.

Might the Western Landowners Alliance aim to play a role in all this? Indications are that WLA is already doing so. In mid-January, prior to President Biden's inauguration, WLA published an eight-page "1,000-day roadmap" calling on the Biden administration for a "major rollout" of environmental initiatives through executive orders, "especially major climate and biodiversity initiatives like 30 by 30."

In mid-February 2021, *Environment and Energy News* ran this story headline: "Could Biden Use Private Land to Reach 30 by 30 goals?" Are you surprised that Lesli Allison, Western Landowners Alliance executive director, was generously quoted in that article?

But that headline asks a good question. Could private lands help Biden implement 30 by 30? Absolutely, through conservation easements, either donated by landowners or purchased using Land & Water Conservation Fund monies, which late last year Congress voted to "fully fund, forever" $900 million each year for outright federal purchase of fee lands, cost-shared state buys of "outdoor recreation" infrastructure, and, of course, conservation easements.

The Money

Again, it is important to understand that at least some WLA members rank among America's highest net worthies—the sort of people who could pay cash out of pocket change for yet another mansion but instead choose a trophy ranch with a mansion-sized "lodge." Whether worthy by happy accident, gene-pool roulette, or simply wicked smarts, they all have the means (and willingness) to pay talented professionals who, for the right fees, provide the right advice not only on matters such as how to invest or spend one's fortune, but more relevant here, how to keep one's fortune, or even more relevant, how to build more of a fortune by using the fortunes of others—basically "other people's money," meaning, in truth, your money.

Federal taxpayer-supported conservation easements have been around since 1976, when Congress first authorized them along with certain tax benefits for charitable donations. Land-preservation organizations like The Nature Conservancy realized early on they could never raise enough money from their members to "save" all the land needing saving by simply buying and then maintaining natural properties for the long-term.

What to do? Permanently shift the very real burden of permanent land preservation to others via perpetual (emphatically not term) conservation easements, either purchased or, much preferred, donated. The Land Trust Alliance likes to tell prospects that conservation easement (CE) donors can "both save the land you love forever and...realize significant federal tax savings."

But that's not the whole story, especially for agricultural producers whose main asset is their farm or ranch, basically "the land-rich and cash-poor." Even now, after several reforms, donating a CE is a terrible Faustian bargain for agriculturalists.

Ag producers (over half one's income) can deduct up to 100 percent of their net income, so their tax deduction from a million-dollar easement donation is $800,000 spread out over 16 years. However, today's $50,000 income tax bracket is 22 percent, meaning the ag cash benefit nets out to just $176,000, and is even less considering net present value and inflation over 16 years.

What about after the "savings" are taken and the operating margin chokes back down? Well, a WLA "conservation finance" paper from late 2018 admits that "conservation easements often provide one-time payments and tax relief in exchange for ES [ecological services]." But many easements "cannot be assumed to adequately cover the maintenance and stewardship of ES in perpetuity."

Ironically, for high-net-worth people, conservation easement benefits are flatly a bargain. According to the Tax Policy Center, a non-ag, high-worth donor subject to 37 percent federal income tax, donating an easement valued at $900,000 in fair market value, pays $333,000 less in taxes over time, or $370,000 against a million. Nice! Furthermore, with enough total income, donors can cash out entirely in the first year, without any worries about discount rates or inflation.

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How has that worked out in practice? For WLA supporter and member Louis Bacon, pretty well. In 2012, according to The Nature Conservancy's "Where We Work" profile, Bacon's "first major conservation purchase occurred in 1993, when he bought Robins Island, a 434-acre, mostly undeveloped property in the Great Peconic Bay off Long Island. In 1997, he authorized a conservation easement to TNC, protecting the island in perpetuity, the first of many conservation easements he has authorized since."

To illustrate how fiscally savvy Mr. Bacon is, keep in mind that he began his hedge fund with a $25,000 inheritance in 1989. Just four years later, he bought the island, which he apparently still owns, at a bankruptcy court auction for $11 million (a development deal for over $15 million had fallen through). Good deal? Well, in a 2012 story about his "bold mission to save the American West," *Forbes* reporter Monte Burke wrote: "It was reported that Bacon got an $8 million tax deduction [for putting 90 percent of Robins Island under a conservation easement]...a neat way for wealthy environmentalists like Bacon to have their cake and eat it too." How much cake? A deduction of $8 million against the 37 percent income tax bracket carries a cash value of $2.96 million, which boils down to a nice 27 percent rebate for Bacon.

In short, if one is rich enough, one can buy a dream property, then immediately flip off a conservation easement (with proper provisions for a lodge, guest cottage, and other improvements) and grab millions in tax breaks. Who stands ready to help? Western Landowners Alliance, of course.

There's another factor to these high-worth easements that matters: If a ranch or other working land is purchased by someone who really doesn't need to run cattle, grow hay, or produce, nothing can prevent the new owner from fully rewilding their new prize, and/or happily terminating any associated grazing rights. While the federal 100 percent "deduction" for producers is contingent on the easement-encumbered property remaining "used or available for use in agriculture or livestock production," easements from nonproducer donors and the deductions therefrom have no such IRS requirement to remain in production. None.

The Bottom Line

With the cult of Deep Ecology influencing top government officials and Congress' leading proponent of 30 by 30 now America's secretary of Interior, what's next? Could 440 million acres be locked away in the next decade?

The good news is, it's aspirational nonsense. Keep in mind that the Land & Water Conservation Fund guarantees $900 million a year in funding for conservation. At that level, targeted funding could have sweeping localized impacts (for example, Montana's American Prairie Reserve), but even a fully funded forever LWCF cash stream will take forever to make a dent in 30 by 30.

At a price of $500 per acre, which is ridiculously low, even if every square inch is protected through conservation easements, a rock-bottom price tag on 440 million acres would be $220 billion and take 244 years of "full funding forever."

What about additional funding? In the necessary billions? The true desire of average Americans for a "rewilded" or "protected" world is more honestly reflected in actual history. After more than half a century, The Nature Conservancy itself only oversees about 3.25 million acres of conservation easements nationwide and has collected only about $4.5 billion worth of "land, buildings and equipment." Even in terms of government protection, after 50 years of blunt-force wilderness, monuments and roadless politics, America has approximately 200 million protected acres with, guess what, at least $20 billion in outstanding maintenance backlogs.

What about the 15 million acres represented by Western Landowners Alliance? Yes, it all could become a predator paradise tomorrow, perhaps bought out with a decade of LWCF cash, or donated outright like Rockefeller's Jackson Hole landgrab. But even the fanciest publications and swankiest conferences can't hide the cold, hard reality that conservation easements are a terrible deal for actual producers stuck with paying their bills—and taxes—by growing food.

As for taxpayers subsidizing the rewilding fantasies of filthy rich, *Forbes*-list lifestyle pretenders at the expense of not just family agriculture, but every working person in America, plus their children and grandchildren? Let's call that what it is: Welfare ranching for billionaires. ■

Part I of Dave Skinner's Spring 2021 "West First!" can be found at rangemagazine.com. His "Cowboys or Buffalo" American Prairie Reserve story can be found in Fall 2019.