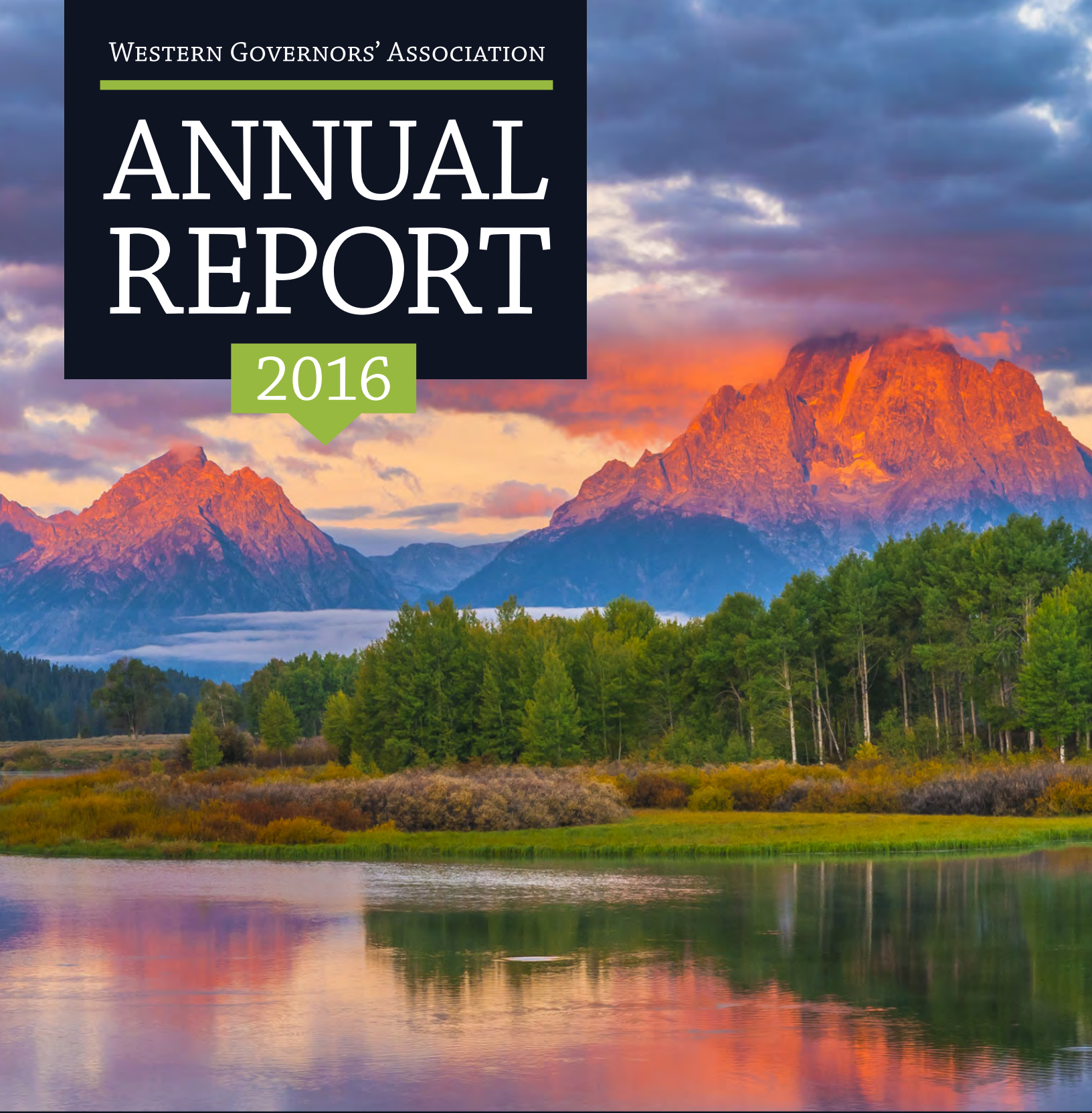


WESTERN GOVERNORS' ASSOCIATION

ANNUAL REPORT

2016



WGA Annual Meeting • June 12-14 • Jackson Hole, Wyoming

CHAIRMAN'S INITIATIVE



FOREST MANAGEMENT



TRANSPORTATION





MATT MEAD
Wyoming Governor

WGA Chairman

Dear Friends and Colleagues,

On Sept. 22, 2015, Interior Secretary Sally Jewell made an historic announcement at the Rocky Mountain Arsenal National Wildlife Refuge in Colorado: The greater sage-grouse would not be listed under the Endangered Species Act.

The ruling -- witnessed by myself and fellow Western Governors **Brian Sandoval** of Nevada, **Steve Bullock** of Montana and **John Hickenlooper** of Colorado -- came more than six years after the U.S. Fish & Wildlife Service determined that listing the greater sage-grouse under the ESA was "warranted" and established Sept. 30, 2015 as the ruling deadline.

Listing the bird whose range sprawls across an 11-state, 257,000-square-mile area would have negatively impacted western economies and our way of life. So Western Governors rolled up their sleeves and embarked on an unprecedented voluntary conservation effort. The ruling was not without its challenges: issues over resource management plans issued by federal agencies tied to the decision have led to litigation from Western states.

Knowing there was more work to do, I launched the *Western Governors' Species Conservation and Endangered Species Act Initiative* as Chairman of the Western Governors' Association. The Initiative has enabled states to share best practices in species management and explore how to improve the efficiency of the Endangered Species Act.

Initiative workshops featuring stakeholders from across the spectrum of the issue were held in the West, including my home state of Wyoming. I was honored that **Gov. C.L. "Butch" Otter** of Idaho, **Gov. John Hickenlooper** of Colorado and **Gov. David Ige** of Hawaii hosted workshops

in their states. (Learn more about the Initiative in this Annual Report.)

Western Governors' bipartisan policy efforts in the past year also included:

- WGA's first-ever "Mission to Washington, D.C." I led Governors **Steve Bullock** (Montana), **Jack Dalrymple** (North Dakota), **Dennis Daugaard** (South Dakota) and **Gary Herbert** (Utah) to Capitol Hill for discussions on the ESA and recognizing state expertise in resource management.
- Western Governors met with the Senate Commerce, Science and Transportation Committee in support of reauthorization of the Surface Transportation Board and federal transportation funding. The House subsequently approved the Fixing America's Surface Transportation Act, clearing the way for enactment of a comprehensive five-year transportation funding bill the following day.
- Year Two of the Western Governors' Drought Forum, the Chairman's Initiative of **Gov. Brian Sandoval**, saw WGA advocate for comprehensive legislation in response to West-wide drought.

And that's just some of the great bipartisan policy work from the past year by Western Governors. It's been an honor to be part of this effort, which preserves the West we all love, and I thank my fellow Western Governors for their support.

Matt Mead, Wyoming Governor

Dear Friend of the West,

New frontiers.

The conquest of new frontiers is a central element in the lore and allure of the American West. Whether it was Lewis and Clark crossing the Bitterroots in 1805, John Wesley Powell navigating the Colorado River through the Grand Canyon in 1869, or countless “Okies” traversing the desert in the 1930s in pursuit of a California dream, the West has attracted pioneers who thrive on challenges and are unafraid to try new things.

And so it is with Western Governors.

The Governors of Western states preside over the region of the country that is consistently rated the best for its economy, quality of life and natural splendor. To maintain and grow the strength of the West, these torchbearers have not been content to rest on their laurels or rely on the ways of the past. Rather, they have developed bold visions and exercised true leadership to implement innovative solutions to the challenges facing the nation and region.

Creating new tools to address the Western problem of water scarcity, developing new incentives to attract industry and an educated workforce, and designing new models of collaboration for the conservation of species and the management of public lands, the Governors are continuing the pioneering traditions of our Western forebears.



JAMES D. OGSBURY
WGA Executive Director

Likewise, the Western Governors’ Association is continually pursuing new ideas to better serve the Governors. During the past year, for example, WGA organized its first-ever “Mission to Washington, D.C.,” during which a bipartisan cohort of Western Governors blitzed Capitol Hill. They testified before

congressional committees, met with national political leaders and hosted special events. Under the auspices of the Western Governors’ Foundation, we have launched the first annual “Celebrate the West” high school art competition. WGA has also developed new communications tools to grow its social media presence and elevate the profiles of the Governors.

None of this new activity has detracted from the ongoing and deeply substantive policy work performed by WGA. The association proudly continues to set the national standard for the formulation of bipartisan public policy.

Where do we go from here? With Western Governors at the helm, we’re destined for new trails and uncharted waters. Although the route may be uncertain, the Governors will continue to drive us toward a better West, toward a better version of our pioneering selves.

James D. Ogsbury,
WGA Executive Director

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South Dakota

Gov. Gary R. Herbert
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Gov. Jay Inslee
Washington

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Species Management

Greater Sage-Grouse

ISSUE

In 2010, the United States Fish and Wildlife Service (FWS) determined that the greater sage-grouse was “warranted” for listing under the Endangered Species Act (ESA). In 2011, FWS agreed to reach a final listing decision by September 30, 2015. Listing the bird as threatened or endangered would, among other things, create a significant negative impact for Western economies.

ACTION

Western Governors initiated an unprecedented voluntary conservation effort across the 11-state, 257,000-square-mile range of the bird to avert a listing. That work included regular meetings of the Federal-State Sage-Grouse Task Force, WGA’s annual publication of the [Sage-Grouse Inventory](#), Congressional testimony, and promotion of the Policy Resolution, [Species of Concern and Candidate Species](#). FWS ruled on September 22, 2015, that the greater sage-grouse would not be listed as threatened or endangered under the ESA.

NEXT

The Governors continue to pursue their [December 2015 request](#) that the Department of the Interior (DOI) establish a preference for state-based mitigation programs that can meet or exceed core DOI mitigation requirements.



Governors John Hickenlooper, Matt Mead, Steve Bullock and Brian Sandoval joined Interior Secretary Sally Jewell, Forest Service Director Dan Ashe and Agriculture Undersecretary for Natural Resources and Environment Robert Bonnie last September for an event outside Denver at which Secretary Jewell announced the Greater sage-grouse would not be listed.

Wild Horse and Burro Management

ISSUE

The Bureau of Land Management and the U.S. Forest Service have been unable to adequately manage wild horse and burro populations in the West. The total Appropriate Management Level (AML) is set at 26,648 of these animals for all western states. As of March 1, 2016, there were an estimated 67,027 wild horses and burros on western rangeland.

ACTION

The 2015 WGA Policy Resolution, [Wild Horse and Burro Management](#), articulates the Governors’ position that these burgeoning populations present an urgent concern for western rangelands and ecosystems. In January of 2016, the Governors requested additional information on the Wild Horse and Burro Program from BLM Director Neil Kornze.

NEXT

Western Governors are prepared to work with federal partners to ensure that AMLs are developed, monitored and adjusted using a transparent and science-based process that utilizes the best available population estimates. This would be accomplished by increased collaboration between state agencies, federal agencies and private stakeholders with respect to population data and monitoring, public education and adoption programs.

Water

Protecting Water Quality from Forest Road Discharges

ISSUE

Stormwater runoff from forest roads has been managed as a nonpoint source of pollution under Environmental Protection Agency (EPA) regulation and state law since the Clean Water Act (CWA) was enacted. Western Governors support pollution control solutions consistent with the long-established treatment of forest roads as nonpoint sources.

ACTION

Western Governors assert that individual states must determine the scope and application of any EPA best management practices on forest roads across land ownerships. In comments to EPA, the Governors noted that the CWA does not require EPA to regulate forest road stormwater discharge.

NEXT

Western Governors asked EPA to engage in substantive consultation with Western Governors and state regulators prior to the initiation of a rulemaking process. States should also be invited to review any federal policy proposal regarding this issue well before it is sent to the White House Office of Management and Budget for finalization.



After years of drought in California, the Sierras received consistent snowfall this winter, however, the state is far from out of its drought.

DROUGHT FORUM

Funding for Water Data Programs

Since its 2014 launch, the [Western Governors' Drought Forum](#) has provided a framework for states and industry to share best practices, case studies and planning tools to better prepare for drought and mitigate its impacts. One of the consistent themes from the Drought Forum has been the importance of continued collection of water resource data such as that performed by the Snow Survey and Water Supply Forecasting programs of the U.S. Department of Agriculture's Natural Resources Conservation Service. In March 2016, the Governors urged the House and Senate Committees on Appropriations to adequately fund the Snow Survey programs.

Drought Legislation

Western Governors have communicated to Congress the need for a comprehensive, West-wide response to drought. In November 2015, the Governors shared possible solutions contained in the WGA Policy Resolution, [Water Resource Management in the West](#), with the Senate Committee on Energy and Natural Resources. In March 2016, they commended the Committee for its hearing to discuss pending western drought legislation and submitted WGA's letter with policy solutions for the hearing record.

Groundwater Directive

In 2014, the U.S. Forest Service (USFS) proposed a directive on groundwater resource management that ignored state authority over water management and was published without prior substantive consultation with the Governors.

WGA repeatedly and in multiple forums put USFS on notice that the authority to manage groundwater sits squarely with the states, and in April of 2015, the Service withdrew the proposal.

Transportation



Transportation Infrastructure Funding

ISSUE

Western highways and railways are under strain from increased use and underinvestment in repair and expansion.

ACTION

The 2015 WGA Policy Resolution, [Transportation Infrastructure in the Western United States](#), urges Congress to reauthorize the Federal Highway Trust Fund and Surface Transportation Board.

On September 29, 2015, Western Governors **Matt Mead, Steve Bullock, Jack Dalrymple** and **Dennis Daugaard** met with the Senate Commerce, Science and Transportation Committee to express support for reauthorization of these programs and for federal transportation funding. At the request of the Committee, Governors engaged with Members of the House of Representatives to urge passage of a companion bill.

RESULT

On December 3, 2015, the House approved final passage of the “Fixing America’s Surface Transportation (FAST) Act,” clearing the way for enactment of a comprehensive five-year transportation funding bill the following day.

Positive Train Control

ISSUE

Governors support implementation of Positive Train Control (PTC), technology designed to automatically stop a train before certain types of accidents occur.

ACTION

The Governors expressed concern in [October of 2015](#) that the December 31, 2015, deadline for nationwide implementation of PTC technology was not realistic for freight and passenger railroads. In fact, railroads and the shippers who rely on railroads would have suffered catastrophic consequences without an extension of the deadline.

RESULT

Congress passed the “Surface Transportation Extension Act of 2015,” which included an extension of the PTC deadline to December 31, 2018. The President signed this legislation into law on October 29, 2015.

Surface Transportation Board

ISSUE

The 2015 WGA Policy Resolution, *Transportation Infrastructure in the Western United States*, supports a strong and independent Surface Transportation Board to resolve railroad rate and service disputes and review proposed railroad mergers.

ACTION

[In August of 2015](#), the Governors communicated their support for the “Surface Transportation Board Reauthorization Act of 2015” (previously passed by the Senate) to leadership of the House Committee on Transportation and Infrastructure.

RESULT

The House approved the “Surface Transportation Board Reauthorization Act” on December 10, 2015, and President Obama signed it into law eight days later.



The State-Federal Relationship

Public Involvement in Forest Service Directives

ISSUE

Governors have an interest in effective management of the national forest and grassland systems, more than 75% of which is located in the West. The U.S. Forest Service (USFS), however, intends to adopt an abbreviated public process for its directive system, a key regulatory tool used to execute USFS programs. This would negatively impact public involvement to hold USFS accountable for its actions.

ACTION

[In March 2016](#), the Governors warned USFS that, “any process that reduces the Forest Service’s responsibility to actively inform the public of actions represents a step backwards. Abbreviating or streamlining the process from the existing (process) will not enhance input provided by the Governors, state governmental entities and the public.”

NEXT

The Governors seek to collaborate with USFS to expand, not abbreviate, opportunities for public involvement in the existing rulemaking notice-and-comment procedures. In addition, Governors will work with the agency to create a robust consultation process with Governors and state agencies.

Endangered Species Act Status Reviews

ISSUE

The current process for prioritizing status reviews and accompanying 12-month findings on petitions for listing species as threatened or endangered under the Endangered Species Act (ESA) needs clarification and does not properly recognize the role of states.

ACTION

Western Governors support U.S. Fish and Wildlife Service (FWS) work to refine the ESA status review process. In February of 2016, [the Governors urged FWS](#) to consider improvements, including the use of state data in status reviews, greater consideration of ongoing and proposed conservation efforts, and clarification of ambiguous terms. At WGA’s request, Congress has, for the past three years, directed land management agencies, including the FWS, to use state fish and wildlife data analyses as a primary source to inform land use, planning, and natural resource decisions. Congress has also urged Federal agencies to evaluate existing analyses of data prepared by the states, and to share federal data with state wildlife managers.

NEXT

Western Governors look forward to continuing work with FWS to identify improvements to render the ESA more efficient and effective.

National Seed Policy

The “National Seed Strategy for Rehabilitation and Restoration 2015-2020” seeks to ensure that there are appropriate and sufficient seed resources for rehabilitation and restoration of damaged landscapes across the country, including more than 2 million acres of western lands impacted by wildfire since 2012.

The Plant Conservation Alliance, a public-private partnership chaired by the Bureau of Land Management, led strategy development. WGA commented twice in 2015 on drafts of the strategy. Prior to that, WGA staff attended the Seed Conference in June 2014 in Washington, D.C. Conference participants included BLM Director Neil Kornze, FWS Director Dan Ashe and representatives from the Department of Interior and U.S. Geological Survey.

[The final strategy](#) released in August of 2015 reflects a number of changes based on Western Governors’ feedback, including recognition that non-native, non-invasive species may be needed to achieve site stabilization, wildfire breaks, or invasive plant control.

State Representation on EPA Science Advisory Board

ISSUE

The Environmental Protection Agency (EPA) uses the Science Advisory Board (SAB) to review the quality of scientific and technical information, evaluate research programs, and advise the agency on broad scientific matters. State experts often are not included on SAB panels for specific regulatory issues.

ACTION

In the WGA Policy Resolution,

Implementation of Farm Bill Tools

Nationwide Stewardship Contracting: Land managers use this tool to leverage public-private partnerships with flexible, cost-effective methods that promote forest health. The Governors have backed the permanent institution of stewardship contracting since its introduction on a pilot basis in 1999 by the U.S. Department of Agriculture (USDA). Permanent authorization of stewardship contracting was effected by enactment of the 2014 Farm Bill.

Good Neighbor Authority: The Governors have supported permanent status for this land management tool since it was launched on a pilot basis in Colorado and Utah in 2009. The tool allows the U.S. Forest Service (USFS) to enter into agreements that allow states to perform watershed restoration and forest management services on National Forest System (NFS) lands. Like Stewardship Contracting, it was permanently authorized in the 2014 Farm Bill.

Insect and Disease Designation Authority: The Farm Bill authorized the appropriation of \$200 million for work on lands designated by the Governors for priority treatment. Western states are working with their regional foresters on projects that will help reduce the threat of wildfires.

[Respecting State Authority and Expertise](#), Western Governors advocate for state involvement in the development, prioritization and implementation of federal environmental statutes, policies, programs, reviews and budget proposals. In its FY16 Omnibus Appropriations bill, Congress directed EPA to develop a policy statement on science quality and integrity for the SAB, including goals for increasing representation of states and tribes.

NEXT

Western Governors will monitor the development of EPA’s policy statement and work to ensure that state expertise and data are adequately represented in SAB proceedings.

BLM Planning 2.0 Initiative

ISSUE

The Bureau of Land Management (BLM) has proposed a rule, “Resource Management Planning,” to address landscape-scale issues and better involve the public and other governmental entities in resource management plan development. Western Governors assert that the

proposed rule reduces transparency and creates more confusion than clarity.

ACTION

[On May 25, 2016](#), the Governors commented on the proposal, declaring that they, “do not believe the Proposal presents positive changes in preparation, revision or amendment of land use plans.” Governors also were, “concerned by a lack of ongoing consultation by BLM prior to rule publication, as well as by provisions in the Proposal that would restrict public comment timelines, change public notice from the Federal Register, and restrict the Governor’s Consistency Review process.”

NEXT

Western Governors have requested clarification regarding the proposed Planning Assessment phase, including better defined state engagement, how state data and information will be used, and public citation of information on state data. The Governors also will work to secure early and ongoing consultation by BLM with Governors and state regulators as BLM revises the Land Use Planning Handbook.

Species Conservation and Endangered Species Act Initiative

As Chairman of the Western Governors' Association, Wyoming **Governor Matt Mead** launched the [Western Governors' Species Conservation and Endangered Species Act Initiative](#) in June of 2015. The Chairman's Initiative has since: created a mechanism for states and stakeholders to share best practices in species management; promoted the role of states in species conservation; and explored options for improving the efficacy of the **Endangered Species Act** (ESA).

Experts, observers and wildlife managers acknowledge that, in the 43 years since the 1973 passage of the ESA, changes to the Act are warranted. Regardless, proposed amendments to the Act are frequently opposed on the basis that any change represents the first step in the Act's dismantlement. The work of the WGA Chairman's Initiative has taken a significant step toward changing that narrative and will continue to advance that purpose in the years to come.

While the Initiative has examined the ESA to determine what is working and what is not, the effort goes well beyond consideration of the Act alone. A recurring theme of the Initiative has been pre-emption of the need to list a species in the first place, through emphasis on early identification of sensitive species and establishment of institutional frameworks to encourage collaborative voluntary conservation.

The Initiative has provided input from a wide spectrum of stakeholders for Western Governors to consider. This was accomplished in part through [workshops](#) hosted by **Governor Mead** in Wyoming, as well as **Gov. C.L. "Butch" Otter** in Idaho and **Gov. David Ige** in Hawaii. **Gov. John Hickenlooper** was joined at the Colorado workshop he hosted



Gov. Matt Mead launched his Chairman's Initiative at the Gray Reef Access Area outside of Casper, Wyoming.

by Gov. Mead, who also spoke. In all, more than 500 attendees participated in the workshops.

To expand the reach of the Initiative, all workshops were "livestreamed" on the web and [posted to YouTube](#). WGA also hosted a series of [webinars](#) (also available [on YouTube](#)) highlighting case studies and offering analysis of key issues in species conservation and the ESA. Since the first workshop in November of 2015, the Initiative's videos have been viewed roughly 4,500 times.

To ensure that all of the material from workshops and webinars remain readily available, WGA has launched a website for the Chairman's Initiative. The site includes conservation resources and best practices, as well as [Species Spotlight](#), a case study series examining challenges and opportunities in species conservation. WGA will continue to update the website to present the latest on species conservation and the ESA.

Through the Initiative, WGA has compiled and synthesized a vast array



of information, expertise and ideas on improving species conservation efforts and ESA implementation. Generally, this information can be organized by the following themes.

Incentivizing Proactive Voluntary Conservation:

A consistent theme has regarded the use of voluntary conservation as a means of pre-empting the need to list a species in the first place and effectively recovering imperiled species.

The Role of State and Local Governments in Species Conservation and ESA Implementation:

Workshops featured the robust engagement of local, state and federal wildlife experts who discussed how state resources – including data, science, analyses and manpower – can be better leveraged for the benefit of species.

Landscape Level Conservation and Ecosystem Management:

The merits and applicability of landscape level conservation strategies, in prelisting species conservation efforts and implementation of the ESA, have been closely examined. Initiative participants have emphasized the feasibility of these efforts and how to fund and implement them.



Investment in Science and Measurable Outcomes:

The use of science is fundamental to nearly all of the Initiative themes. Workshops and webinars, as well as responses to WGA questionnaires, have highlighted concepts such as uncertainty and risk, peer review, best available science, and the role of stakeholders in ESA scientific decisions.

Listing, Recovery and Delisting Process of the ESA:

Each step in the ESA process, from petitioning to delisting, was examined.

Law and Policy Recommendations:

An examination of discrete elements of the statutory and regulatory aspects of the ESA has been an essential component of the Initiative. The role of litigation in the ESA has also been an area of substantial focus.

Western Governors C.L. “Butch” Otter, top left, John Hickenlooper, above, and David Ige hosted and spoke at Chairman’s Initiative workshops in their states

Join the Conversation

WGA has launched a website that hosts content for the Chairman’s Initiative. Visit the website to watch videos from all workshop sessions as well as webinars examining case studies and key issues. In addition, you’ll find conservation resources and best practices, as well as the case study series, *Species Spotlight*. **Join the conversation at:**

 westgov.org/initiatives/esa-initiative



The work of the Western Governors’ Species Conservation and Endangered Species Act Initiative has just begun. WGA will continue the work launched by Gov. Mead in the months and years to come with a focus on improving all aspects of species conservation for the mutual benefit of wildlife and people of the West.

Energy & Air



Enhanced Oil Recovery

ISSUE

[Enhanced oil recovery](#) (EOR) using carbon dioxide (CO₂) represents a safe and proven method of domestic oil production, as well as an effective means for reducing CO₂ emissions. The installation of CO₂ capture equipment on a range of industrial processes could supply significant volumes of the gas to the EOR industry, but incentives are needed to encourage broader deployment of this technology.

ACTION

WGA staff spent time in the field learning about the EOR process and worked closely with experts to better understand the benefits. In July of 2015, Western Governors approved the WGA Policy Resolution, *Enhanced Oil Recovery*, which supports efforts to increase awareness of EOR's benefits and advocates policies and incentives to advance investment in enhanced oil recovery projects, infrastructure, technology and research.

NEXT

The Governors support the bipartisan *Carbon Capture Act*, which promotes the use of EOR technology by expanding the availability of the Carbon Dioxide Sequestration Credit. WGA will also work with the Environmental Protection Agency and other agencies, as well as Congress, to support increased deployment of CO₂ capture equipment.

Methane Emissions

ISSUE

Western states have developed regulatory and policy strategies, often in cooperation with industry, to reduce methane emissions from oil and natural gas production operations. The capture of methane emissions benefits the environment and promotes an economic use for this valuable resource. Federal agencies have begun to regulate methane emissions from the oil and gas sector and may pursue additional regulations that have the potential to be duplicative and unnecessarily expensive for states.

ACTION

The Governors addressed the issue of additional regulations in the 2015 WGA Policy Resolution, *Methane Emissions Regulation*. It requests that new federal regulations for methane emission reductions recognize state authority under the Clean Air Act. On April 22, 2016, the Governors submitted comments to the Bureau of Land Management Director concerning the agency's proposed rule ("Waste Prevention, Production Subject to Royalties, and Resource Conservation") to regulate venting and flaring of methane from oil and gas operations. The Governors reiterated their concerns, asked for clarity on BLM's formal implementation guidance, and reminded the agency that states have the right to administrative appeal.

NEXT

Western Governors will examine the final rule for "Waste Prevention, Production Subject to Royalties, and Resource Conservation" to ensure that the Governors' concerns have been addressed.

Renewable Energy Leasing Revenues

Western Governors support the sharing of federal leasing revenues with states and counties impacted by renewable energy projects on federal lands in their states. In a [February 2, 2016 letter](#) to Senate Committee on Energy and Natural Resources leadership, WGA again advocated that language

to enact such revenue sharing be included in the “Public Land Renewable Energy Development Act of 2015.” The letter noted that WGA could be of further assistance in promoting the revenue-sharing initiative being considered by the Committee.

Ozone National Ambient Air Quality Standard

ISSUE

The Environmental Protection Agency (EPA) has a statutory responsibility to propose revisions to the National Ambient Air Quality Standard (NAAQS) for ozone to protect public health. States have authority to implement those standards. The EPA released [a new NAAQS for ozone](#) on October 1, 2015, lowering the 2008 standard of 75 parts-per-billion to 70 parts-per-billion. Pre-existing levels of background ozone and other factors will make the standard difficult to attain in some western states.

ACTION

Western Governors requested that states be consulted by EPA prior to the new standard’s release. The Governors also stated that, if the ozone NAAQS is to be lowered, timely EPA implementation guidance and sufficient technical and financial support to states will be necessary.

NEXT

The Governors remain concerned about the impact of the new standard and urge EPA to account for the unique regional challenges facing Western states, including background ozone, transported ozone, high elevation, and ozone resulting from wildfire. Western Governors also seek more substantive federal-state consultation during ozone NAAQS implementation.



Exceptional Events

ISSUE

Western states have little or no control over certain conditions and events – such as wildfire, volcanic activity and high elevation – that contribute to high levels of ozone and other pollutants regulated under the Clean Air Act (CAA). The CAA “Treatment of Data Influenced by Exceptional Events” rule (Exceptional Events Rule), which provides one means of accounting for NAAQS exceedances resulting from factors outside state control, has proven difficult to use and has been inconsistently applied.

ACTION

[Western Governors contacted](#) EPA Administrator Gina McCarthy in August 2015 about the agency’s upcoming revisions to the Exceptional Events Rule. The Governors asked that EPA engage in substantive consultation with states in accord with the WGA Policy Resolution, [Respecting State Authority and Expertise](#). The Governors also submitted formal comments in February 2016 regarding proposed revisions to the Exceptional Events Rule.

NEXT

While expressing appreciation to EPA for addressing some state concerns in the proposal and related “Draft Guidance on the Preparation of Exceptional Events Demonstrations for Wildfire Events that May Influence Ozone Concentrations,” the Governors remain committed to removing ill-defined terms, such as “not reasonably controllable or preventable,” from the proposed rules. The Governors also are working to ensure the agency take, “several additional steps ... to ensure states’ obligations are commensurate with regulatory authority delegated to states in the CAA.”



Mining

Cleaning Up Abandoned Mines

ISSUE

On Aug. 5, 2015, as the Environmental Protection Agency (EPA) was investigating the Gold King Mine near Silverton, Colorado, excavation at the site resulted in a spill of about 3 million gallons of wastewater and tailings into Cement Creek, a tributary of the Animas River. The contaminated water traveled through Colorado, New Mexico, Utah and lands of the Navajo Nation and Southern Ute Tribe. The wastewater and tailings included heavy metals such as cadmium and lead, as well as toxic elements such as arsenic. The spill illustrated the critical importance to the West of addressing the issue of abandoned mine cleanup.

ACTION

The WGA Policy Resolution, [Cleaning Up Abandoned Mines in the West](#), calls on Congress to amend the Clean Water Act to legally protect volunteering remediating parties and supports efforts by Congress and the Administration to encourage public-private partnerships that would facilitate cleanups by “Good Samaritans” (parties who voluntarily undertake remediation efforts), including state and local governments. Western Governors had the resolution included as part of the record for an October 20, 2015 Congressional hearing on the topic.

NEXT

The Governors have offered to be a resource to Congress as it works to find legislative solutions to legally protect Good Samaritans. Governors seek solutions to assist the mining industry, states and non-governmental organizations improve conditions at abandoned mine sites.

Duplicative EPA Financial Assurance Requirements for Hard Rock Mining

ISSUE

The EPA is considering imposition of financial assurance requirements on the hard rock mining industry, even though western states have long managed their own regulatory programs to evaluate and approve bonding requirements for hard rock mining operations.

ACTION

On March 29, 2016, [Western Governors reached out](#) to EPA Administrator Gina McCarthy to express their concern with these potential new federal requirements, noting in part that EPA bonding requirements would be duplicative of existing state regulations and would, “impair western economies and the hard rock mining industry in America.”

NEXT

WGA has requested from EPA: an explanation of why existing state programs are insufficient to address bonding concerns; a detailed timeline for obtaining comments from Governors and state regulators; and a description of how EPA solicited information from Governors and state regulators regarding potential duplication of existing state requirements. EPA is under a court order to publish a notice of proposed rulemaking by December 1, 2016.

National Minerals Policy

ISSUE

Western states account for 75 percent of our nation’s metals production. Certain issues (such as permitting delays on federal land and the development of a clean-up fund and program for reclaiming abandoned hard rock mines) operate to discourage development of domestic resources.

ACTION

The 2015 WGA Policy Resolution, [National Minerals Policy](#), urges Congress to build on the “Mining and Minerals Policy Act of 1970” with, “legislation and policies that will unlock our mineral potential to ensure access to the metals that are critical to U.S. economic and national security—providing vital base materials for electronics, telecommunications, satellites, aircraft, manufacturing and alternative energy technologies (particularly wind and solar).” Western Governors also expressed support for legislative efforts to ensure timely access to those domestic minerals [in October 7, 2015 outreach](#) to the Senate Energy and Natural Resources Committee. The Governors urged the Committee to help streamline the federal mine permitting process.

NEXT

Western Governors will continue to advocate for legislation and policies that encourage responsible development of domestic resources.



Forest and Rangeland Health, Wildfires

Electricity Reliability and Forest Protection Act

ISSUE

Reliable electricity service and forest fire prevention are essential in the West. These two imperatives are related because when trees or other vegetation are too close to electricity transmission lines, fires can ignite and electric service reliability can be interrupted. Accordingly, it is critical to reduce the risk of fires caused by inadequate vegetation management in power line rights-of-way on federally-managed public lands.

ACTION

In August 2015, Western Governors [delivered a letter](#) to Representatives Ryan Zinke and Kurt Schrader in support of their bipartisan legislation, the “Electricity Reliability and Forest Protection Act.” The bill is intended to ease bureaucratic burdens on western states and utilities so that effective vegetation management practices can be more easily undertaken. This will help ensure reliable electricity service and reduce risk of fires.

NEXT

The Governors will continue their work to ease federal restrictions so that states and utilities may help reduce the risk of fires caused by unmanaged growth in power line rights-of-way.

“Fire-borrowing”

Western Governors have worked tirelessly in recent years to end “fire borrowing,” a budgetary practice that occurs when federal agencies divert funds from forest health and fire prevention programs to fight wildfires.

The leadership of Governors on the “fire borrowing” issue resulted in Congress increasing the 2016 wildfire budget for the U.S. Forest Service (USFS) almost 60% to \$1.6 billion, up from \$1.01 billion in 2015. In total, Congress appropriated \$3.2 billion in wildfire funding in FY16, including \$1 billion for the FLAME Act fund, which Western Governors strongly support.

These increases reflect the Governors’ concern that wildfire expenses should be fully funded and that spending for proactive management activities should not be diverted. Congress also directed the Forest Service, National Park Service and Bureau of Land Management to work with state and local governments to prioritize the removal of dead and downed trees on federal lands and projects to reduce wildfire threats to communities.

Western Governors, however, continue to seek a permanent funding solution, similar to that used by the Federal Emergency Management Agency for natural disasters, to avoid a repeat of past years. For example, in 2015 wildfires claimed a record 10.1 million acres nationally, with Alaska, California, Oregon and Washington especially hard hit. USFS had to transfer \$250 million from non-suppression accounts during the year to firefighting after the \$1.01 billion budget for suppression activities was exceeded. The diverted money included \$30 million from the State and Private Forestry account. This diversion had a negative impact on states’ ability to proactively reduce the threat of wildfire.

The Governors urged Congress to end “fire-borrowing” at an October 2015 hearing of the Senate Committee on Agriculture, Nutrition and Forestry, and in testimony delivered in March 2016 to the House Appropriations Subcommittee on Interior, Environment and Related Agencies. This work continues the Governors’ persistent efforts in recent years, which has included support for bipartisan “fire-borrowing” legislation in 2014 and 2015.

The Governors also have engaged with federal agencies on the practice. Additionally, WGA worked on wildfire management by collaborating with the Department of the Interior and U.S. Department of Agriculture on development of the Cohesive Wildland Fire Management Strategy.

Mission to D.C.

Wyoming **Gov. Matt Mead** and Montana **Gov. Steve Bullock** spearheaded the first-ever [“Mission to D.C.”](#), a bipartisan expedition of Western Governors to the nation’s capital for two days of hearings, private meetings with congressional and Administration leadership, and special events.

Western Governors **Jack Dalrymple** (North Dakota), **Dennis Daugaard** (South Dakota) and **Gary Herbert** (Utah) also took part in the visit on Sept. 29-30, 2015.

“We value our wildlife, it is part of our quality of life in the West,” Gov. Mead said at an ESA briefing before the **Senate Subcommittee on Fisheries, Water, and Wildlife**. “But we also value our economy and it’s hard to deal with the uncertainty caused by the ESA.”

Gov. Bullock advocated for increased state management over natural resource development during a hearing of the **House Natural Resources Committee**, noting: “We’ve aggressively pushed for constructive partnerships and active engagement with the federal government using our authority, expertise and research.”

The Governors also took part in a private roundtable discussion with the **Senate Commerce, Science and Transportation Committee** and hosted a pen & pad session with media. The mission was covered by a variety of media outlets, including the Associated Press, *The Salt Lake Tribune*, *Oil & Gas Journal*, Gray TV, *Washington Examiner* and E&E TV.



Wyoming Gov. Matt Mead led WGA’s first “Mission to D.C.,” which included two Capitol Hill appearances.



Montana Gov. Steve Bullock, WGA Vice Chair, joined Gov. Mead for a Senate briefing and a House hearing.

Meetings & Outreach

Western Governors demonstrated their strong leadership at WGA's [Annual Meeting](#) and [Winter Meeting](#), enthusiastically engaging in bipartisan policy discussions on the significant issues facing the West. The Annual Meeting at Incline Village, Nevada, was highlighted by a report on the first year of the **Western Governors' Drought Forum**, the Chairman's Initiative of **Gov. Brian Sandoval**. At the Winter Meeting in Las Vegas, the Governors dug into significant issues such as cybersecurity, funding for wildfire suppression and transportation infrastructure.



Western Governors, from left, at the 2015 Annual Meeting in Nevada: Bill Walker (Alaska), C.L. "Butch" Otter (Idaho), Doug Ducey (Arizona), John Hickenlooper (Colorado), Gary Herbert (Utah), WGA Chairman Brian Sandoval (Nevada), Jack Dalrymple (North Dakota), Steve Bullock (Montana), Eddie Calvo (Guam), and WGA Vice Chair Matt Mead (Wyoming).

OTHER HIGHLIGHTS:

- In February, the Governors had a frank exchange of views on regional issues with Cabinet officials in Washington, D.C. Governors **Matt Mead, Steve Bullock, Brian Sandoval, David Ige, Jack Dalrymple, Gary Herbert, John Hickenlooper, Jay Inslee, Dennis Daugaard, Bill Walker** and **Kate Brown** were joined by Interior Secretary **Sally Jewell**, Agriculture Secretary **Thomas Vilsack** and Environmental Protection Agency Administrator **Gina McCarthy**.
- **Gov. Mead** delivered the keynote address at the fifth annual State of the West Symposium, organized by the Bill Lane Center for the American West and the Stanford Institute for Economic Policy Research
- **Speeches:** WGA Executive Director **Jim Ogsbury** continued his tireless work to share the Governors' message, speaking dozens of times to a variety of groups, including the National Association of Regulatory Utility Commissioners, National Cattlemen's Beef Association, Family



Western Governors and Cabinet members, from left, Bill Walker (Alaska), Brian Sandoval (Nevada), Jack Dalrymple (North Dakota), Interior Secretary Sally Jewell, Kate Brown (Oregon), EPA Administrator Gina McCarthy, John Hickenlooper (Colorado), WGA Vice Chair Steve Bullock (Montana), WGA Chairman Matt Mead (Wyoming), David Ige (Hawaii), Dennis Daugaard (South Dakota) and Agriculture Secretary Tom Vilsack.

Farm Alliance and the Idaho Forest Group, where he was proud to share the stage with **Gov. C.L. "Butch" Otter**.

- **Testimony:** WGA offered testimony on behalf of Western Governors to the Senate's Environment and Public Works Committee (Improving the Endangered Species Act), the House Natural Resources Committee (Respecting State Authority, Responsibilities and Expertise Regarding Resource Management and Energy Development), and

the House and Senate Interior and Environment Appropriations Subcommittees

- **Media Report:** The Western Governors' work continued to generate strong coverage from media outlets such as the Associated Press, *Las Vegas Review-Journal*, Energy & Environment News, Bloomberg, *Reno Gazette-Journal*, *Idaho Statesman*, *Washington Examiner*, Reuters, *Denver Post*, *Durango Herald*, and *Honolulu Star-Advertiser*.

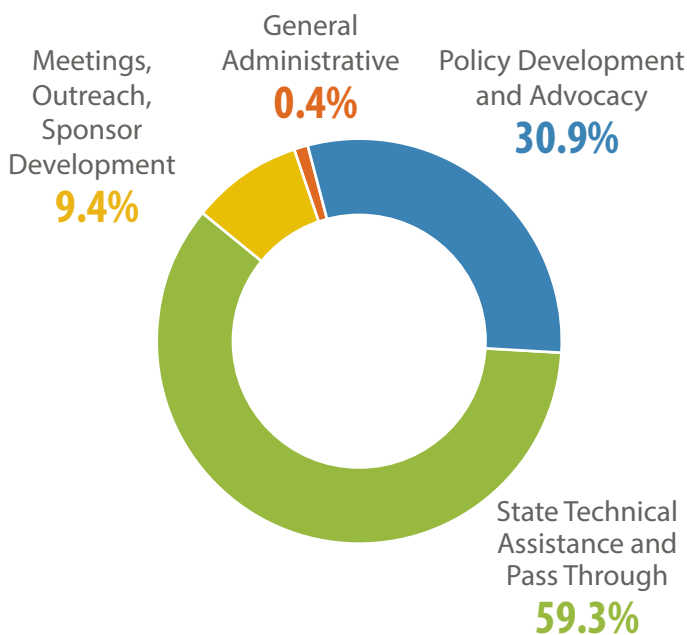
Finances

WGA's income is derived from member dues, sponsor contributions, meeting registration fees, grants, investment income, and other sources. WGA's income totaled \$6.4 million for the fiscal year, approximately 53% of which was granted by federal agencies for technical assistance to states and other contractors.

The following is excerpted from the audit report of JDS Professional Group, Certified Public Accountants, Consultants and Advisors. The information is for the fiscal year ending June 30, 2015.

Functional expenses

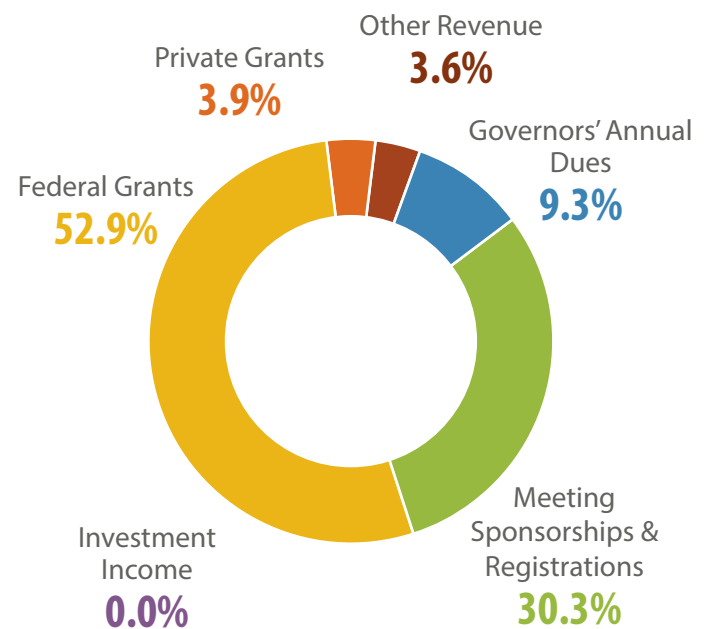
July 1, 2014 - June 30, 2015



Policy Development & Advocacy	\$1,875,732
State Technical Assistance & Pass Through	\$3,595,524
Meetings, Outreach, Sponsor Development	\$569,722
General & Administrative	\$22,963
Total	\$6,063,941

Revenues

July 1, 2014 - June 30, 2015



Governors' Annual Dues	\$593,900
Meeting Sponsorships and Registrations	\$1,931,262
Federal Grants	\$3,371,865
Private Grants	\$250,000
Investment Income	\$ (2,894)
Other Revenue	\$231,518
Total	\$6,375,651

ABOUT THE WESTERN GOVERNORS' ASSOCIATION

The Western Governors' Association represents the Governors of 19 Western states and 3 U.S.-flag islands. The association is an instrument of the Governors for bipartisan policy development, information exchange and collective action on issues of critical importance to the Western United States.

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WGA STAFF COUNCIL 2015-2016

The WGA Staff Council includes top policy advisors from each governor's office and meets regularly to review and guide association activity. The council reviews proposed work plans, budgets and policy resolutions, works out differences on regional issues, conveys recommendations to governors, and provides guidance to WGA staff.

Staff Council Chair: Jerimiah Rieman, Wyoming

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Nathan Butzlaff

American Samoa

Joseph Pereira

Arizona

Danny Seiden

California

Todd Ferrara

Colorado

John Swartout

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Hawaii

Laurel Johnston

Idaho

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Tim Baker

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Jason Nisbet

**Northern Mariana
Islands**

Esther Fleming

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