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WESTERN GOVERNORS' ASSOCIATION

1998 ANNUAL MEETING

Partners for Tomorrow's West

**June 28-30, 1998
Girdwood, Alaska**

Briefing Materials

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Plenary Session I
***Partners for Tomorrow's West: Alaska Oil Exploration,
Production, and Transportation System – "Doing it Right"***

Session Summary

Sunday, June 28, 1998

1:45 - 3:15 p.m.

Columbia Ballroom

PARTICIPANTS

Richard Campbell, President, BP Exploration (Alaska), Inc.
Kevin Meyers, President and COO, ARCO Alaska, Inc.
Bob Malone, President and CEO, Alyeska Pipeline Company
Gene Burden, former Commissioner, Alaska Department of Environmental Conservation
Kevin Harun, Executive Director, Alaska Center for the Environment

SUMMARY

Governors and panelists will discuss Alaska's "Doing it Right" approach for oil and gas exploration, production and transportation. "Doing it Right" is a comprehensive interdisciplinary approach of managing resources so they can be used, enjoyed and sustained for present and future generations. "Doing it Right" emphasizes the importance of sound science, prudent management and responsive, meaningful public involvement to ensure that development is done in a manner that protects air, water, wildlife and habitat. It relies on developing partnerships with industry to hire locally and go beyond compliance while ensuring communities and stakeholders have the opportunity to participate and benefit at all levels.

Advanced industry practices and technologies employed by the oil and gas industry in Alaska have made exploration and development safer and have significantly reduced the environmental impact and footprint associated with oil and gas operations. The Trans-Alaska Oil Pipeline has undergone an intensive management review and upgrade in recent years and state of the art technology is being developed for tanker safety. Alaska's oil exploration, production and transportation system is an excellent example of partnering to solve major resource problems without sacrificing the benefits of a highly competitive industry.

OUTCOMES

Governors will learn about the innovative approach to oil and gas exploration, transportation and production in Alaska. These lessons may have application in other Western states.

RELATED MATERIALS

Alaska Doing it Right: Oil Exploration, Production, and Transportation System 2-6
Biographies 7-9

PARTNERS MINIMIZING DEVELOPMENT'S IMPACT

Alaska Doing it Right: Oil Exploration, Production, and Transportation System

Background

Alaska's North Slope is 43 million acres in size. Its ownership is a patchwork of Native Corporations and state, federal, and local governments. There is oil and gas development on approximately 20,000 acres of the North Slope. The 48-inch Trans-Alaska Pipeline traverses 800 miles and three mountain ranges to carry approximately 1.3 million barrels of crude oil each day from the oil fields of Alaska's North Slope to the pipeline's terminus in Valdez, the nation's northernmost ice-free port. Daily, two tankers carry Alaska's oil through Prince William Sound, a waterway known for its scenic splendor and valuable fisheries, to markets on the West Coast and Asia. Oil from the North Slope of Alaska provides 21 percent of the nation's domestic production of crude oil. The oil industry provides approximately 80 percent of the state of Alaska's revenues. Alyeska Pipeline Service Company, a consortium of operating oil companies on the North Slope, operates both the Trans Alaska Pipeline System (TAPS) and the Ship Escort Response Vessel System (SERVS).

"Doing it Right"

"Doing It Right" is a philosophy and policy direction developed by the Administration of Governor Tony Knowles. It is founded on the belief that resource development must be done "right," or not at all. "Doing it Right" is a comprehensive inter-disciplinary approach of managing resources so they can be used, enjoyed and sustained for present and future generations. It means working with communities and citizens to ensure

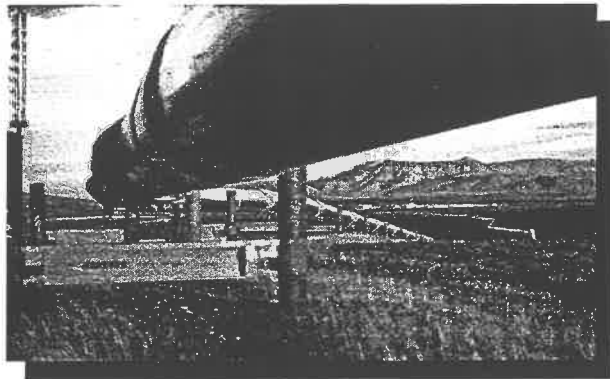
stewardship of Alaska's natural resources while protecting air, water, wildlife and habitat. It means protecting traditional practices and cultural values, such as the subsistence harvest of fish and game resources. It means providing well paying jobs for local communities and contracts for local businesses and ensuring decisions are community-based and communities have the opportunity to participate and benefit at all levels. It means challenging and partnering with industry as stewards to go beyond compliance. "Doing it Right" has three specific components:

- Sound science-bringing the latest and best scientific information about the resources to bear including the best technologies and local knowledge;
- Prudent management: a) ensuring conservation and sustainability, b) relying on resident contractors and workers, and c) including field monitoring and verification to assure quality information and adaptive management, prior to, during and following development; and
- Responsive, meaningful public involvement including stakeholders, communities, and citizens in ongoing public review.

Today, Alaska is developing the world's safest and most advanced oil exploration, production and transportation system and we are continually working to make it safer and better. This is our commitment to "Doing it Right." Oil on Alaska's North Slope is being explored and produced in an environmentally safe manner. With careful planning, healthy populations of wildlife, including caribou and waterfowl, can co-exist with oil development, and air, water quality and habitat can be protected. The Trans-Alaska Oil Pipeline has undergone an intensive management review

PARTNERS MINIMIZING DEVELOPMENT'S IMPACT

and upgrade in recent years and the most sophisticated technology is being developed for tanker safety.



Trans Alaska Pipeline

It is important to recognize the numerous technological advancements that have been made over the last two decades of oil development on Alaska's North Slope. These improvements have reduced the cost of oil production and have significantly reduced the environmental impact and footprint associated with oil and gas operations. These technologies and government incentives have encouraged the creation of new Alaska-based industries, such as the in-state manufacture of oil field modules that previously were built outside Alaska.

Below are some key examples that demonstrate Alaska is "Doing it Right."

Tanker Safety

Since the 1989 Exxon-Valdez oil spill, the oil industry, the state and U.S. Coast Guard have dramatically improved spill prevention and response. Two vessels accompany every laden tanker that transits Prince William Sound. One is a specially equipped escort response vessel. The other is a tug escort. The Ship Escort Response Vessel System (SERVS) which includes five emergency response vessels, numerous skimmers, response barges, boom and other equipment

located throughout Prince William Sound is the largest spill response organization in the United States. A new Vessel Tracking System operated by the U.S. Coast Guard tracks every tanker transiting Prince William Sound. The Prince William Sound Regional Citizens Advisory Committee is ever vigilant in advising the oil industry and government on improved spill prevention and response methods, and state and federal oversight has been significantly enhanced.

In the spirit of continuous improvement, the advisory committee and the communities and fishermen they represent identified some gaps and recommended spill prevention improvements. The Knowles administration convened a coalition of citizens, regulators, and the industry and asked them to make recommendations on improving tug escorts and the response system in Prince William Sound, based on a scientific risk assessment to identify the gaps in the transportation system. As a result, we implemented a number of safety improvements to reduce human error and improve vessel safety including:

- Commitment by industry to design and build two new, highly maneuverable 10,000 horsepower state of the art tractor tugs which will be the world's most powerful and technologically advanced tractor tugs and escort. The first of these tugs will arrive in Valdez in early 1999.
- Announcement by ARCO of the construction of two double-hulled tankers for Prince William Sound, expected to be on-line by the year 2000;
- Stationing the Gulf Service, a high-powered ocean rescue, as guard at the entrance to Prince William Sound since last spring;

PARTNERS MINIMIZING DEVELOPMENT'S IMPACT

- Improved location of the NOAA weather monitoring station, making for better weather reporting and helping make better decisions on weather closures; and,
- Implementation of a Safety Management Program, which improves the shipboard procedures by minimizing mechanical and human failures.
- Establishment of the Valdez Marine Operators Committee, a mariners forum for monitoring and evaluating tanker operations to provide continuous review and improvement of tanker operations. The committee has improved tanker transit procedures to:
 - Establish clear on-water operating zones for approaching and transiting Valdez Narrows;
 - Clarify escort vessel operators duty to question and, if needed, aid in correcting any abnormal tanker operations;
 - Increase on-water rescue training exercises for tug boat and tanker officers;
 - Provide additional crew members on the bridge of escort tugs when transiting the Valdez Narrows; and
- Creation of bridge simulators by shippers and Alyeska to jointly train tanker and tugboat officers and state licensed marine pilots under conditions which simulate Prince William Sound waters with tug and tanker interactions.

These improvements in tanker safety were possible because of the partnership we have with the industry and communities.

Minimum Impact Exploration and Production

- Roadless Development
New North Slope satellite oil fields like the Badami field, which is 25 miles from the existing infrastructure, are being developed without the use of a permanent access road. Temporary roads are built using snow and ice in the winter to erect necessary exploration or production infrastructure, but leaves no evidence when snow melts. This decreases gravel needs, eliminates miles of wetland fill, avoids road crossings of streams and rivers and reduces disturbance of wildlife species.
- Directional Drilling
Directional drilling or extended reach drilling has changed how industry taps distant oil accumulations in Alaska and around the world. Directional drilling allows access to oil in a large area from a single pad. Extended reach of a well refers to the horizontal distance, compared with traditional vertical drilling, from the top of the wellbore to the underground oil pool. Oil can be accessed up to four miles away from the surface pad, thus reducing the number of drilling pads needed to develop subsurface deposits. This technology greatly reduces habitat impacts onshore and additionally can allow tapping of offshore oil reservoirs from onshore. Instead of a causeway structure, a gravel island, an offshore rig or a subsea pipeline, a field can be accessed from onshore and impacts to critical, nearshore fisheries habitat can be avoided. Facilities can be located to minimize risk to critical wildlife habitat areas.

PARTNERS MINIMIZING DEVELOPMENT'S IMPACT

- Footprint Reduction
Oil production and exploration pad footprints have been reduced more than 80 percent over the past 20 years due to improved technology which allows much closer well-head spacing and smaller pads. Smaller pads are also possible because of the elimination of reserve pits that were once used to store drilling wastes but are no longer used. Drilling waste is now deep-well injected into confined geologic formations. In addition, advanced seismic-data acquisition and interpretation improves drilling efficiency. These technologies result in better pad placement, fewer dry holes and higher recoveries.
- Concurrent Restoration of Gravel Mine Sites
Gravel is required for construction of roads and pads, and this gravel is mined from sites on the North Slope. Gravel mines are sited to avoid important fish and wildlife habitats and to provide opportunities for fish and wildlife enhancements. Rehabilitation of the mine sites occurs concurrently with mining. In addition, every effort is being made to reduce the need to mine for gravel by restoring or rehabilitating old gravel pads and recycling the gravel.
- Waste Minimization and Pollution Prevention
Alaska is working in partnership with the oil industry and oil support industries to recycle scrap metals, anti-freeze, drilling fluids and used batteries. The state, in partnership with the industry, has an active field-wide pollution prevention program that includes materials inventory control, chemical substitution, and management review aimed at a continuous improvement of routine waste procedures. In addition, vehicles are operated to avoid

any contamination of water or soil. For example, every vehicle operator on the North Slope must place a drip pan under the engine when the vehicle is stopped.

Pipeline Safety

- Leak Detection and Monitoring
Alyeska leads the pipeline industry in leak detection capability. The new transient volume balance system is the best available technology for leak detection in the world. The system can detect whether a leak may be occurring and can identify the probable location. Also used is the Line Volume Balance system that senses leaks by checking the oil volume entering the line with the volume leaving the line. Deviation alarms are triggered when there are inappropriate variations in pressure, flow, and flow rate balance.
- Smart Pigs
Pigs are mechanical devices that travel with oil flow through the pipeline. The new generation of so-called "smart pigs" can detect internal and external corrosion and survey the shape of the pipe. Advances in pig technology introduced in 1994 allow more accurate determination of pipeline integrity. More than 35 ultrasonic testing and pigs have been run through the Trans Alaska Pipeline (TAPS) since start up. Corrosion monitoring pigs currently run through TAPS annually. High-resolution ultrasonic testing pigs can detect loss of wall thickness down to a few thousandths of an inch. The present generation of "smart pigs" gives more complete and reliable data a four-fold improvement above previous technology. This information can be used to prevent spills before they happen.

PARTNERS MINIMIZING DEVELOPMENT'S IMPACT

- Fiber Optic Communications
Presently, as a safety measure, if communications are lost to any valve or pump station along the TAPS Pipeline for more than two minutes, the pipeline is shut down until communications can be re-established. A new, state-of-the-art, fiber optic transmission system, offering digital transmission of data is presently under construction along the TAPS line. This new fiber optic upgrade will handle current and projected voice, video, and data needs, and will include a back up satellite communication system. These communications improvements will ensure safer operation of the pipeline because of improved surveillance capabilities.

Conclusion

This success represents the benefit of the partnership we continue to have in Alaska with citizens and industry on important resource issues. Just because we have had successes does not mean we stop being vigilant. To the contrary, we are working in a partnership with industry to encourage and challenge them to operate in the most environmentally safe manner possible.

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Biographies

Richard Campbell

Richard Campbell is President BP Exploration (Alaska) Inc., a position he assumed on Jan. 1, 1997, after serving five years as President of BP Exploration Colombia, based in Bogota. As President of BP's Alaskan operations, he is responsible for the company's oil and gas exploration, development and production activities on the North Slope, as well as its interests in the Trans-Alaska Pipeline System (TAPS) and various North Slope oil sales pipelines.

Campbell, 50, graduated from Glasgow University in 1969 with an honors degree in geology. Since joining BP in 1969 as a geologist, he has held numerous field, management and executive positions with the company.

Between 1969 and 1976, he had geologist assignments in Libya, Singapore, London, Italy, Scotland and Turkey. Management assignments included assistant to the regional exploration manager for Africa and the Middle East, head of the Review Group for the Central North Sea, head of exploration for Southeast Asia and head of the Regional Appraisal Group for Europe, Africa and the Middle East.

Subsequently, he held positions as general manager of BP Petroleum Development, Brazil; general manager of BP Petroleum Development, Egypt; business development manager for U.K. Gas, based in London; general manager for the Middle East, Europe, Africa and Canada, also based in London, and general manager for exploitation, Europe, based in Glasgow.

Campbell has a wife, Gabrielle, and three children.

Kevin O. Meyers

Kevin O. Meyers is President and Chief Operating Officer of ARCO Alaska, Inc. Meyers joined ARCO Exploration and Production Technology in Plano, Texas in 1980.

From 1980 to 1987, Meyers held engineering positions of increasing responsibility at the Plano Technology Center, including development of enhanced recovery technologies for the Kuparuk Shallow Sands project on Alaska's North Slope. In 1986-87, he was Director of Research for enhanced oil recovery studies on the heavy oil reserves in ARCO's West Sak Field, near Prudhoe Bay.

In 1987, Meyers accepted his first assignment with ARCO Alaska and became Regional Engineer in charge of West Sak development and later managed both the Kuparuk and Prudhoe Bay reservoir engineering departments.

In 1993, he transferred to Midland, Texas, to become Manager of ARCO's Permian Business Unit. The following year he returned to Plano as Vice President, Engineering and Technology, for ARCO International Oil and Gas Company. In January 1996, Meyers returned to Alaska as Senior Vice President, Prudhoe Bay Business Unit.

Dr. Meyers serves on the Chemical Engineering Advisory Board of the Worcester Polytechnic Institute and on the Anchorage Concert Association Board of Directors. He also serves on the boards of the Anchorage Symphony Orchestra, the Prince William Sound Oil Spill Recovery Institute (OSRI), Commonwealth North, and the Alaska Oil and Gas Association (AOGA).

Dr. Meyers earned undergraduate degrees in chemistry and mathematics from Capital University in 1975 and holds a doctorate in chemical engineering from Massachusetts Institute of Technology.

Bob Malone

Bob Malone is President, CEO, and COO of Alyeska Pipeline Service company, the organization that operates the 800-mile Trans-Alaska Pipeline System (TAPS). He was appointed to the position on September 1, 1996. Prior to becoming President of Alyeska, Malone was responsible for BP's majority interest in TAPS and other North Slope pipelines. In 1993 he came to Alaska as Vice President of BP Pipelines (Alaska) Inc., and a year later was named President. On January 1, 1995 he became Chairman of the TAPS Owner's Committee, which is comprised of the seven pipeline companies that own the trans-Alaska pipeline.

Malone began his career in 1974 with the Kennecott Copper Corporation in Ely, Nevada. Over a 12-year period he held a number of key engineering, operating, and staff positions with Kennecott throughout the Western United States and in the Corporate headquarters in New York City. In 1986 he was appointed Director of Health, Safety and Environment for BP America, headquartered in Cleveland, Ohio. In 1989 he was named Vice President of Operations for the Carborundum Company, a BP Chemicals subsidiary located in Niagara Falls, New York.

Malone holds a Bachelor of Science Degree in Metallurgical Engineering from the University of Texas at El Paso, and was an Alfred P. Sloan Fellow at Massachusetts Institute of Technology where he received a Master of Science in Management.

He currently serves on the Board of Trustees for the Nature Conservancy of Alaska and is a member of the Board of Directors for the Alaska Oil and Gas Association. Since 1996 he has been a member of Board of Directors for Alaska Public Telecommunications. He was recently appointed by Governor Tony Knowles to the Board of Directors for the Alaska Children's Trust.

Malone and his wife Diane Trujiollo Malone have two teenage sons, Ryan and Mike. Together, they enjoy many Alaskan outdoor activities.

W. E. (Gene) Burden

Gene Burden has been President of Burden & Associates, Inc. since 1996. He is an arbitrator and member of the commercial panel of the American Arbitration Association. His mediation and facilitation experience includes: conducting fact finding, convening stakeholders; and serving as mediator in resolution of wide array of natural resources and environmental policy matters including forest practices in response to the largest beetle infestation in North America; pre-lease sale effort on a 5.5 million acre oil and gas lease sale; disputes related to oil and gas lease sales including controversial river surface entry off-sets; dispute regarding regulations

governing remote and mobile air emissions permitting; development of regulations for Best Available Technology in the Oil Spill response area including facilitation of stakeholders reaching consensus on approach; and resolution of dispute on state water quality regulations including application of mixing zones.

Previous positions include Commissioner, Department of Environmental Conservation, State of Alaska; Senior Vice President, Operations and Marketing, Vice President, Environmental Services, Vice President, Government Affairs and Administration/ Manager of Human Resources, Tesoro Alaska Petroleum Corporation; Attorney, Private Practice; Vice President, Human Resources, Satelco, Inc.; Director, Labor Relations, Area Personnel Manager, GTE.

Mr. Burden's education includes the University of Texas, Arlington (BA-1970; MA-1974) and St. Mary's University (JD-1983). He was admitted to the Bar in Texas, 1984 and in Alaska, 1985.

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Board of Directors

Session Summary

Monday, June 29, 1998

7:30 - 9:15 a.m.

Prince Court

PARTICIPANTS

James Lee Witt, Director, Federal Emergency Management Agency
Felicia Marcus, Regional Administrator, EPA, Region IX
Fred DuVal, Deputy Assistant to the President for Intergovernmental Affairs

SUMMARY

At the Board of Directors meeting the governors conduct the annual business of the Western Governors' Association (WGA) and the Western Governors' Foundation (WGF). Prominent guests are often invited to brief the governors on issues important to WGA. Prefiled motions to conduct these items of business appear on pages 15 and 35.

Western Governors' Foundation

Action items for WGF include election of officers, approval of the George S. Mickelson Memorial Fellowship award, and approval of minutes. Staff recommend that the governors reappoint James Souby as President, Thomas Singer as Vice President, Paul Orbuch as Counsel, and Kristine Newton as Secretary/Treasurer.

Background

The Western Governors' Foundation (WGF) was established April 2, 1985 to provide WGA with a sister organization, organized as a public foundation to receive certain types of foundation funds. Until 1996, it functioned solely as a receptor for funds that WGA could not otherwise receive (such as funds from organizations which only grant monies to public foundations for federal tax reasons).

In February, 1996, the governors expanded the mission of the Foundation so that it can receive general contributions and make grants to WGA and other entities to support research and analyses of western policy issues. These amendments were prompted by two recent developments: the adoption of a new financing strategy in December, 1995 and recommendations from a legal review requested by WGA to ensure the Foundation is consistent with current laws and regulations.

The Board of Directors of WGF is the same as the Board of Directors of WGA. Staff members of WGA serve as officers of the Foundation. The WGF Bylaws require that "the officers of the corporation are to be elected annually by the Board of Directors." The officers process grant payments, review grant requests and make awards in accordance with the Board's direction.

The Foundation awards the George S. Mickelson Memorial Fellowship annually to the Chairman's state for further award to a deserving individual employee for training or a special project that cannot otherwise be funded.

Western Governors' Association

Action items for WGA include: approval of the proposed work plan and budget for the next fiscal year beginning July 1; approval of the annual report for the current fiscal year ending June 30; and acceptance of the annual reports of affiliated organizations (WIEB, WSWC and WICHE)*.

As the last action item following lead governor reports the Board of Directors will elect a new Chairman for 1998-99.

The Executive Committee and Staff Council reviews these items prior to the meeting and, following questions, recommends they be moved en bloc. The Lead Governors for major projects also may make brief reports at the meeting and other issues may be raised for consideration by WGA.

OUTCOMES

Approval of the annual reports for fiscal year 1998 and the projects, initiatives and budget proposed for fiscal year 1999.

RELATED MATERIALS

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* Western Interstate Energy Board, Western States Water Council and Western Interstate Commission for Higher Education

Board of Directors' Meeting

Monday, June 29, 1998

7:30 - 9:15 a.m.

Prince Court

PROPOSED AGENDA

- 7:30 - 7:35 a.m. **Conduct Annual Business of the Western Governors' Foundation. Discuss the Following and Take Appropriate Action:**
- Motion to approve WGF Business 15
- Minutes of 1997 WGF Annual Meeting
(Note: The minutes were approved at the WGA Winter Meeting in December and are available for review.)
 - Appointment WGF Corporate Officers FY 1999 15
 - 1998 George S. Mickelson Memorial Fellowship 17-31
- 7:35 - 7:45 a.m. **Convene the Meeting and Conduct Annual Business of the Association. Discuss the Following and Then Consider Motion to Approve in Bloc:**
- Motion to approve WGA Business 35
- Minutes of the WGA Winter Board Meeting 37-41
 - WGA Special Meeting Minutes, Feb. 24, 1998 43
 - Recommended Projects, Initiatives and Budget for FY 1999 45-59
 - Statement of Revenue and Expenses (ended April 30, 1998) 60-63
 - WGA Annual Report for 1998 handout
 - 1998 Annual Reports from Affiliated Organizations
 - Western Interstate Energy Board 65-69
 - Western States Water Council 71-75
 - Western Interstate Commission for Higher Education 77-84
- 7:45 - 8:30 a.m. **Reports and Action Items from Lead Governors**
- Current Lead Governor Assignments 85
 - Task Force Reports
 - Drought Task Force - Gov. Johnson 87-88
 - Floods Task Force - Governors Leavitt & Nelson 89-91
 - Federal Report - James Lee Witt, Director, FEMA
 - Telemedicine Action Report Update - Governor Schafer
 - Transportation Futures Project report - Governor Nelson
 - Regional Presidential Preference Primary - Governor Leavitt
 - Radioactive Waste Transportation - Governors Miller & Johnson
 - Public Lands and Waters Initiatives - Govs. Kitzhaber & Geringer
 - Fire--Seeking to Balance Its Role in Landscapes in the West 93-94
 - Air Quality Initiatives - Governor Leavitt 95-96
 - Federal Report - Felicia Marcus, Regional Administrator U.S. EPA, Rgn IX
 - Interstate Technology and Regulatory Cooperation 97-98
 - Other Items (please notify the Chairman or Executive Director)
- 8:30 - 8:45 a.m. **Elections and Overview of Incoming Chairman's Theme - Governor Geringer**
- Election of Chairman and Vice Chairman for 1998-99.
 - Approve proposed date (December 3-4) and location (Phoenix) for the 1998 Winter Meeting

8:45 - 9:15 a.m. **Report from the White House**
Fred DuVal, Deputy Assistant to the President for Intergovernmental Affairs

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Western Governors' Foundation

Board of Directors' Meeting Motion to Conduct the Annual Business of the Foundation

WHEREAS, the Articles and Bylaws of the Western Governors' Foundation require that the Board of Directors elect officers and conduct other items of business on an annual basis;

WHEREAS, The Members of the Board of Directors have reviewed the following items of business; and,

WHEREAS, The Executive Committee of the Board has reviewed the following business items in detail and recommend their approval;

NOW THEREFORE, the following actions are hereby taken by the Board of Directors:

1. James M. Souby is elected president, Thomas O. Singer is elected Vice President, Paul Orbuch is elected counsel and Kristine Newton is elected secretary-treasurer of the Western Governors' Foundation.
2. The 1998 George S. Mickelson Memorial Fellowship in the amount of \$15,000 is awarded to the State of Alaska for the education proposal submitted by Millie Ryan.

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EDUCATION PLAN

**THE GEORGE S. MICKELSON
MEMORIAL FELLOWSHIP**

SUBMITTED BY:

**MILLIE RYAN, HEALTH AND SOCIAL SERVICES PLANNER II
GOVERNOR'S COUNCIL ON DISABILITIES AND SPECIAL EDUCATION**

April 23, 1998

The Honorable Tony Knowles
Governor of Alaska
P.O. Box 11001
Juneau, AK 99811-0001

Dear Governor Knowles:

Enclosed please find my application for the George S. Mickelson Memorial Fellowship. I am very excited about the opportunity to further my professional development. I will apply the skills and knowledge I gain to foster public policies that advance the independence, productivity and inclusion of Alaskans with disabilities and their families.

As indicated, my education plan involves participation in an internship at the newly established Center for the Study and Advancement of Disability Policy at The George Washington University Medical Center. The center is designed to conduct research and provide technical assistance and training regarding public policy issues that affect persons with disabilities and their families.

I propose to use the knowledge and skills acquired through this internship to address an issue that significantly affects Alaska and the member states, territories and commonwealth of the Western Governors' Association: the equalization of employment opportunities for people with significant disabilities.

I believe my experience and resume attest to my qualifications for this professional development opportunity. I applaud the Western Governors' Association for carrying forward Governor Mickelson's commitment to excellence, education and economic development. I look forward to the selection committee's response.

Sincerely,



Millie Ryan
P.O. Box 244251
Anchorage, AK 99524-4251

**PERSONAL EDUCATION PLAN
FOR
MILLIE RYAN**

INTRODUCTION

As a member of the National Association of Developmental Disabilities Councils (NADDC) and a former employee of the Alaska Division of Vocational Rehabilitation, the applicant is uniquely qualified to advance disability employment policy in partnership with NADDC members from the western region. The internship opportunity with the Center for the Study and Advancement of Disability Policy will enable the applicant to gain perspectives on disability policy from one of the foremost authorities in the country.

NADDC is the national organization of Developmental Disabilities Councils that advocate and work for change on behalf of people with developmental and other significant disabilities, and their families. NADDC is comprised of nationwide State, Territorial and Commonwealth Councils authorized by the Developmental Disabilities Assistance and Bill of Rights Act. Members also meet regularly on a regional basis to share information and resources about state and local policy, programs and services. Under the Developmental Disabilities Assistance and Bill of Rights Act, all Developmental Disabilities Councils are mandated to address the employment needs of people with developmental and other significant disabilities.

THE NEED FOR ACTION

The employment picture for Alaskans with significant disabilities is dismal, as it is for the rest of the western region; 64 percent of adults who receive services from the Division of Mental Health and Developmental Disabilities are unemployed compared to the average State unemployment rate of 9 percent. Of those individuals who are working, the majority only works part-time.

During the Council's recent three-year planning process, Alaskans with significant disabilities identified the following barriers to their employment: the fear of losing health benefits; financial disincentives; fragmented systems; general lack of knowledge of Social Security work incentives; lack of comprehensive vocational services; and limited work opportunities. The applicant is overseeing the Council's efforts to address these barriers.

The provision of specialized vocational rehabilitation services that include benefits counseling, career planning, education, training, job development, and placement is currently being piloted at Juneau Work, a division of REACH, Inc. The applicant is assessing the general level employer awareness regarding existing work incentive programs and resources and identifying the specific incentives and resources desired by employers.

In addition, a contractor is currently conducting research to:

- identify any Alaska-specific administrative, policy and legal barriers to employment; and
- assess the targeted population to determine the number and profile of those who want to work and their experiences in using existing work incentives, and identify the specific types of long-term supports and adaptations necessary for them to find and keep employment.

The project task force will use the program evaluation and research data to design and advocate for an effective work incentive system in Alaska. Task force members include: individuals with significant disabilities; state policymakers and funders of services; members of the legislature; and representatives from planning and advocacy boards for people with disabilities, the Social Security Administration, vocational and independent living providers and employers. The project task force will develop incentives for all stakeholders: people with significant disabilities, employers, public and private vocational providers, public and private insurers and funders, and taxpayers.

The Council is working with eight other states that are developing work incentive programs. Although each of the states, Alaska included, will be able to make some changes at the state level, the extent of that change will be severely limited without major change in federal policy. The interstate collaboration across these states will be used to lay the foundation for national systems change, including the development and coordination of a national advocacy agenda.

The Council is also developing recommendations for a) integrating initiatives to increase the employment of people with disabilities into State and local economic development activities; and b) providing hands-on economic and business information, support and counseling for individuals with disabilities who are interested in self-employment, cooperatives or other entrepreneurial employment.

These projects pose complex policy issues that affect a number of State agencies, including the Alaska Mental Health Board, the Division of Mental Health and Developmental Disabilities, the Division of Vocational Rehabilitation, the Division of Medical Assistance, the Division of Public Assistance, the Division of Senior Services, the Department of Commerce and Economic Development and the Department of Community and Regional Affairs. Furthermore, the impact of national legislation and regulations significantly increases the complexity of these issues.

THE EDUCATIONAL OPPORTUNITY

The applicant will use the \$15,000 George S. Mickelson Fellowship to intern with the Center for the Study and Advancement of Disability Policy at The George Washington University Medical Center in Washington D.C. The center conducts research and

provides training and technical assistance regarding public policy issues that affect persons with disabilities and their families, including those with developmental and other significant disabilities. It is designed to serve as a catalyst for promoting public policies that advance the independence, productivity and inclusion of persons with disabilities and their families.

The director of the center, Robert "Bobby" Silverstein, J.D., is recognized nationally as a leader in disability policy. As staff director and chief counsel for the Senate Subcommittee on Disability Policy (1987-1997) and counsel to the House Subcommittee on Select Education (1985-1987), he helped craft and secure passage of the Americans with Disabilities Act. He also served as the chief staff person responsible for more than 20 enacted bills and numerous disability-related amendments to other bills concerning job training, education, civil rights and health. Mr. Silverstein holds a J.D. from the Georgetown University Law Center and a B.S. in Economics from the University of Pennsylvania's Wharton School of Finance and Commerce.

U.S. Senator Tom Harkin (D-Iowa) described Mr. Silverstein as "the driving force behind all important disability policy enacted over the last decade." He further added, "There is simply not a more knowledgeable, skillful, accomplished, and respected person in the field of disability policy in our entire nation." The George Washington Medical Center is also nationally known and well respected for its health policy research activities.

Internship activities include:

- ◆ researching employment initiatives that have proven effective in either addressing the work disincentives that affect people with significant disabilities or creating employment opportunities
- ◆ helping develop public policies that advance the productivity of people with significant disabilities
- ◆ assisting in outreach efforts to educate state and local policymakers and advocates about these policy issues and solutions
- ◆ providing writing research and writing support for broader public education activities related to the employment of individuals with disabilities.

The George S. Mickelson Memorial Fellowship award will be used to offset the costs of plane fare, housing and lodging during the internship period. Should the applicant be selected for the fellowship, the specific length and dates of the internship will be negotiated with Mr. Silverstein. The applicant will pay any expenses beyond the limit of the George S. Mickelson Memorial Fellowship award.

INSTITUTIONAL AND SPONSORSHIP COMMITMENT

Approval for the applicant's participation in the George S. Mickelson Memorial Fellowship has been granted by David Maltman, Executive Director of the Governor's Council on Disabilities and Special Education. Should the applicant be selected for the fellowship, Mr. Maltman will authorize administrative pay to be given to the applicant during the fellowship absence. The applicant agrees to sign a contract to continue in State service for one year or more following the completion of the internship.

Millie Ryan
P.O. Box 244251
Anchorage, AK 99524-4251
(907) 333-7250

Health and Social Services Planner - State of Alaska, Governor's Council on Disabilities and Special Education (current employment - hired on July 1, 1996)

- Assume responsibilities for designing, coordinating, developing, evaluating and updating the State Plan for Individuals with Developmental Disabilities and their Families, in coordination with Council members and staff. Develop and disseminate surveys targeted towards individuals with developmental disabilities, service providers and the general public. Conduct community forums and secure public input to help formulate the plan. Facilitate planning meeting with Council members, staff and other key stakeholders. Compile and analyze data to prepare the plan in accordance with federal requirements. Secure public comment on proposed plan. Prepare plan for submission to the U.S. Department of Health and Human Services, Administration for Children and Families. Develop condensed version of the plan for distribution to the general public. (25%)
- Collaborate with other planning agencies such as the Alaska Commission on Aging, the Alaska Mental Health Board, the Governor's Advisory Board on Alcohol and Drug Abuse and the Alaska Mental Health Trust Authority to analyze planning needs and develop services to better meet the needs of individuals with developmental disabilities. (15%)
- Collaborate with service agencies such as the Division of Mental Health and Developmental Disabilities, the Division of Vocational Rehabilitation, the Division of Senior Citizens and the Division of Public Health to compile all available information related to service data, trends, needs, issues and coordination of services for services for comprehensive planning. (15%)
- Research, analyze and prepare technical reports about issues impacting people with developmental disabilities. Develop and submit proposals and budgets to the Alaska Mental Health Trust Authority on behalf of trust beneficiaries with developmental disabilities, in coordination with Council members and staff. (15%)
- Coordinate studies, surveys, analyses and research to determine the current status, need for, potential of and possibility of implementing or expanding strategies to improve services for individuals with developmental disabilities. Analyze policies and make recommendations for change. (15%)

- Assist local communities to develop and implement local action plans that will increase the independence, productivity and inclusion of people with disabilities in community life. Provide professional and technical assistance regarding strategy implementation and available resources. (15%)

Program Coordinator - State of Alaska, Division of Vocational Rehabilitation
(October 1, 1990 - June 30, 1996)

- Assume responsibilities for designing, coordinating, developing, evaluating and updating the comprehensive State Plans for Vocational Rehabilitation and Supported Employment and the Strategic Plan for the Division of Vocational Rehabilitation. Coordinate needs assessments to determine the specific needs of individuals with developmental, physical and mental disabilities for vocational rehabilitation services. Secure public input to help formulate plans. Facilitate planning meetings with internal staff and external stakeholders. Compile and analyze data to prepare plans in accordance with federal requirements. Conduct public hearings on proposed plans. (25%)
- Develop and submit grant applications and proposals to funding authorities; monitor progress of proposal and negotiate any amendments necessary to gain approval and funding of project. (20%)
- Coordinate feasibility studies, surveys, analyses and research to determine the current status, need for, potential of and possibility of implementing or expanding strategies to improve the vocational rehabilitation service delivery system. (10%)
- Establish methodologies for formal evaluation of new strategies and measurement/analysis of costs, benefits and goal achievement. Continually analyze strategies and evaluate strategy implementation. Prepare narrative and statistical reports and make recommendations for change. (10%)
- Assist planning and programming personnel in the Division of Mental Health and Developmental Disabilities, the Governor's Council on Disabilities and Special education, the Alaska Mental Health Board and the Alaska Occupational Information Coordinating Council to analyze planning needs and develop work programs to better serve individuals with disabilities. Provide technical assistance to program/regional staff as they develop program or regional plans to assure conformity with state and federal regulations. Make field trips to coordinate program/regional planning and development activities with overall state planning. (10%)
- Coordinate special projects relating to vocational rehabilitation planning, policy analysis and program development. Serve as staff advisor to program manager on activities impacting upon professional specialty areas. (10%)

- Act as the representative for the division director's office in meetings with state officials, other governmental agencies and the public to discuss and design plan activities and service delivery. Represent the division at statewide meetings and on interagency task forces. (5%)
- Through close coordination with the director's office, assure the vocational rehabilitation program follows overall objectives of state and federal government. Stay current with state and federal regulations and interpretations and advise director's office of issues that may impact the program. Recommend policy and/or a plan of action based on findings and assist in implementation of recommendations. (5%)
- Provide professional and technical assistance on strategy implementation, service delivery issues, resource access and program development for division staff, service providers, consumer groups and other agency staff. Prepare and disseminate program information to division staff, other governmental agencies, consumer groups, private agencies and the general public (5%)

Project Coordinator – State of Alaska, Division of Vocational Rehabilitation
(October 1, 1990 - October 31, 1992)

- Develop and submit grant applications and proposals to funding authorities; monitor progress of proposals and negotiate any amendments necessary to gain approval and funding of project. (20%)
- Write the three year State Plans for Title I (General Services), Title VI, Part C (Supported Employment), and Title VII, Part A (Independent Living) and the State Facilities Plan; develop annual attachments and updates for each plan. Incorporate the findings of continuing statewide studies into the development of each plan. Assure that the public has an opportunity to review and provide public comment and input on state plans. (15%)
- Assume major responsibilities for planning, developing and evaluating new programs in independent living, supported employment and transition from school to adult life for persons with developmental, physical and mental disabilities. Integrate new programs into the existing vocational rehabilitation service delivery system on a statewide basis. (15%)

- Provide professional and technical assistance in implementation of programs, continuous quality improvement, service delivery issues, program development and resource access for division staff, service providers and other agency staff. Develop curricula and provide training related to new programs and approaches for division staff, service providers and other agency staff. Participate in planning statewide conferences. Prepare and disseminate program information to division staff, other governmental agencies, private agencies and the general public. (15%)
- Act as the representative for the division director's office in meetings with state officials and other governmental agencies to discuss and design program activities, training courses and service delivery. Develop cooperative agreements with other governmental and private agencies to further develop independent living, supported employment and transition services. (10%)
- Develop policies and establish administrative procedures for implementing programs on a statewide basis including accountability procedures. Identify, analyze and document policy and procedural problems and recommend corrective action. Establish methodology for formal evaluation of new programs and measurement and analysis of costs, benefits and goal achievements. Continually analyze and evaluate program implementation. Participate in regional program reviews. Prepare narrative and statistical reports and make recommendations for change. (10%)
- Serve as staff to the Statewide Independent Living Council and the Transition Advisory Committee. Recruit members and recommendations for appointments to the director's office. Provide leadership for both short-term and long-range planning to assure programs meet state needs and federal requirements. (10%)
- Through close coordination with the director's office, assure programs follow overall objectives of state and federal governments. Stay current with state and federal regulations and interpretation and advise director's office of issues that may impact programs. (5%)

Supported Employment Coordinator – State of Alaska, Division of Vocational Rehabilitation (December 1, 1986 – September 30, 1990)

- Plan, develop and administer all supported activities for individuals with severe disabilities, i.e. developmental disabilities, traumatic brain injury and/or severe mental illness. (20%)
- Coordinate all division field activities with local service agencies to develop supported employment programs enabling persons with severe disabilities to secure and maintain employment. Develop policies and procedures for the program. (20%)

- Represent the division in meetings with other agencies and school districts regarding all aspects of special project design, including planning procedures and objectives. (20%)
- Develop and conduct workshops, seminars, classes or other meetings on supported employment and division activities. Provide technical assistance to division staff, grantees and service providers on challenging behavior, budget concerns, service delivery, program development and resource access. (15%)
- Coordinate and monitor all aspects of project evaluation. Prepare written project evaluation reports. Develop and monitor the \$415,000 budget for the project. (10%)
- Develop and coordinate resource development activities through grant writing, federal and state agency liaison, and private sector involvement. (10%)
- Prepare and disseminate information on supported employment to division staff, non-profit agencies and appropriate public agencies. (5%)

Director – Sitka Vocational Resources (November 1, 1984 – November 15, 1986)

Responsible for the development and operation of a vocational and residential program for persons with developmental, physical and/or mental disabilities residing in Sitka, including:

- Staff employment, training, technical assistance, supervision and evaluation. (30%)
- Implementation and monitoring of policies and procedures. (10%)
- Budget development and preparation. (10%)
- Fiscal management. (10%)
- Program evaluation and monitoring. (10%)
- Marketing and job development. (10%)
- Grant writing. (5%)
- Community relations and public relations. (5%)
- Maintenance of records necessary for fiscal management and staff and consumer records. (5%)

- Coordination and communication with other agencies and professionals serving individuals with disabilities. (5%)

Executive Director – Riverside Training Centers, Inc. (November 1, 1976 – October 15, 1984)

Responsible for the operation of a vocational and residential program for adults with developmental disabilities residing in Columbia County, including:

- Staff employment, training, technical assistance, supervision and evaluation. (30%)
- Budget development and preparation. (10%)
- Fiscal management. (10%)
- Fund raising and grant writing. (10%)
- Program evaluation and monitoring. (10%)
- Long-range planning. (5%)
- Community relations and public relations. (5%)
- Marketing. (5%)
- Coordination and communication with other social service agencies and professionals. (5%)
- Maintenance of records necessary for fiscal management and staff and consumer records. (5%)
- Development and implementation of policies and procedures. (5%)

Director – Camp Rivendale, Tualatin Hills Park and Recreation District (June 6, 1976 – September 9, 1976)

Responsible for the operation of a day camp for individuals with developmental disabilities, including:

- Training and supervising 11 paid staff. (30%)
- Organizing and directing camp activities. (20%)
- Program development. (20%)

- Training and supervising volunteers. (10%)
- Establishing and maintaining rapport with campers' parents. (10%)
- Supervising, assessing and evaluating campers. (10%)

Recreation Instructor – Eugene Park Bureau (March 1, 1976 – May 31, 1976)

Responsible for teaching recreation activities for individuals with developmental disabilities, including:

- Teaching leisure activities in an activity center program. (25%)
- Leisure counseling. (25%)
- Assisting consumers in locating recreational resources in the community. (25%)
- Assisting consumers in locating volunteer opportunities in the community. (25%)

Assistant Director of Specialized Recreation – Portland Park Bureau (September 1, 1971 – August 31, 1975)

- Responsible for developing and operating a recreation program for Portland citizens with developmental, physical and/or mental disabilities, including:
- Organizing, directing and teaching recreational activities. (35%)
- Supervising and providing technical assistance to ten part-time staff and numerous volunteers. (25%)
- Special projects. (20%)

Assistant Director, Camp Ky-O-Wa (day and residential camp for individuals with developmental disabilities).

Director, Integrated Playground Program for Children with Developmental Disabilities.

Director, Oregon Games for the Physically Limited.

- Recruiting and training volunteers. (10%)
- Coordinating and communicating with other agencies in the community to promote recreational and social opportunities for individuals with disabilities. (10%)

Education

- Bachelors of Arts, 1971 – University of Oregon, Recreation and Park Management (emphasis in Recreation Leadership).
- 45 hours towards Masters Degree in Therapeutic Recreation, 1975-76, University of Oregon.
- Certificate of Completion, Extension Series Group VI, 1982 – Seattle University.

References

- Furnished upon request.

George S. Mickelson Fellowship Application
Application deadline: April 24, 1998

NAME: Millie Ryan JOB TITLE: Health and Social Services
Planner II
DEPARTMENT: Health and Social
Services DIVISION: Governor's Council on Disabilities
and Special Education
WORK ADDRESS: P.O. Box 240249 WORK PHONE: 269-8992
Anchorage, AK 99524-0249
NAME OF IMMEDIATE SUPERVISOR: David Maltman

Background and Qualifying Criteria

1. Resident of a member state and full-time state employee.
2. Commitment to public service and to state government, and be willing to sign a contract to return to the state for at least one year of service to the state.
3. Willingness and ability to share with WGA member states information and advice acquired during the fellowship experience.
4. Willingness and ability to apply skills and knowledge acquired during the fellowship experience to emerging issues in public service and state government.
5. Commitment, ability, education, and experience necessary to complete the requirements of the program or educational activity to be funded by the fellowship.
6. Receive the approval from his/her supervisor to take the leave necessary to complete the educational opportunity (administrative pay may be given during the fellowship absence).

TO APPLY:

1. Complete the information requested at the top of this form.
2. Attach a detailed plan which describes the educational opportunity you are proposing, including the benefits to be gained, the time frame, and your intent to share information learned with the WGA and other member states.
3. Attach a resume which demonstrates your ability, education, and experience relative to the completion of the program.
4. Sign this form at the bottom, attach necessary paperwork and forward it to John Vezina at the Governor's Office.

I certify I meet the qualifying criteria. My educational plan and resume are attached.

Millie Ryan
Signature

4/23/98
Date

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NORTH DAKOTA FOREST SERVICE

State Forester
Phone (701) 228-5422

307 First Street East

Bottineau, ND 58318-1100
Fax (701) 228-5448

December 10, 1997

James M. Souby, Executive Director
Western Governors' Association
600 17th Street
Suite 1705 South Tower
Denver, CO 80202-5452

Dear Mr. Souby:

Thank you for awarding me the George S. Mickelson Memorial Fellowship. The fellowship made possible my participation in the Senior Executive Fellows Program at the John F. Kennedy School of Government at Harvard University from September 29 through November 21, 1997. It was a tremendous honor to receive the fellowship and to attend the Harvard program.

The Senior Executive Fellows Program is clearly the most outstanding leadership training opportunity I have ever experienced during my career. I believe the training made a significant contribution toward my career goal of improving my public leadership and management skills for the development of effective state and private land management policies in North Dakota, the western United States and American-affiliated islands of the Pacific. The training will help me address state and private forestry leadership priorities identified by North Dakota and the member states, territories and commonwealth of the Western Governors' Association.

I deeply appreciate the Western Governors' commitment to South Dakota Governor George S. Mickelson's ideals of excellence in public service. The Harvard program exemplifies those ideals.

Best wishes to you for a joyous holiday season!

Sincerely,


Larry A. Kotchman
North Dakota State Forester

TREES FOR TOMORROW

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Western Governors' Association

Board of Directors' Meeting Motion to Conduct the Annual Business of the Association

WHEREAS, the Articles and Bylaws of the Western Governors' Association require that the Board of Directors elect officers when necessary and conduct other items of business on an annual basis;

WHEREAS, The Members of the Board of Directors have reviewed the following items of business; and,

WHEREAS, The Executive Committee of the Board and/or the Staff Council of the Association have reviewed the following business items in detail and recommend their approval;

NOW THEREFORE, the following actions are hereby taken by the Board of Directors:

The Minutes of 1997 WGA/WGF Winter Meeting and February 24, 1998 special business meetings are approved;
the WGA Workplan and Budget for FY 1999 are approved;
the WGA Annual Report for 1998 and year to date financial status report are approved;
the 1998 Annual Reports from Affiliated Organizations, WICHE, WIEB, WSWC are approved.

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**WESTERN GOVERNORS' ASSOCIATION
WESTERN GOVERNORS' FOUNDATION**
Winter Board Meeting
MINUTES

- A. MEETING Board of Directors
- B. DATE/TIME December 5, 1997, 1:30pm
- C. LOCATION The Westin Seattle
Seattle, Washington

D. OVERALL MEETING OBJECTIVES:

- To conduct the mid-year business of the Association
- To review the financial status of the Association
- To review and adopt policy resolutions
- To review the WGA work plan and projects and provide direction to the staff

E. PARTICIPANTS

In attendance were Governors Tony Knowles (AK); Jim Geringer (WY); Gary Locke (WA); Bob Miller (NV); Tauese Sunia (AS); John Kitzhaber (OR); Michael Leavitt (UT); Ben Nelson (NE); Roy Romer (CO); Edward Schafer (ND). Also in attendance: Lt. Governor Fran Ulmer (AK) and WGA Executive Director Jim Souby. The meeting was Chaired by Governor Knowles.

F. INFORMATION AND DECISIONS

1. The Chairman opened the meeting by describing his theme and priorities for the year. In his theme, *Partners for Tomorrow's West*, Governor Knowles envisions partnership and collaboration as the keys to solving the many problems facing the region, particularly in the natural resources management and public service delivery areas. WGA is the right size and makeup to address specific issues in these areas. Governor Knowles reminded the governors that the annual meeting is scheduled for June 28-30 in Girdwood, Alaska, and that he is considering a pre meeting tour for the governors to Prudhoe Bay and Valdez to observe the recent safety and environmental features incorporated in the Trans-Alaskan Pipeline System.

Governor Knowles stated his top political priority for WGA was reauthorization of the Endangered Species Act along the bi-partisan principles adopted by the western governors. He asked Governor Leavitt, WGA Lead Governor for the issue, for an update. Gov. Leavitt noted that the main reauthorization vehicle was Senate Bill 1180 sponsored by Senators Chafee, Kempthorne, Baucus and Reid. He noted that Senator Majority Leader Lott had some problems with the bill which was delaying its consideration on the Senate floor. He called on WGA Washington Office Director Rich Bechtel to describe the substantive basis for current opposition to the bill. Opposition to S.1180 comes from two sources, the environmental community, represented by Earth Justice, and southern waterway interests, represented by two experienced litigators who are consulting with Senator Lott. Following Bechtel's issue by issue summary, Gov. Leavitt noted that S.1180 still looked like the best bet for any reauthorization that advanced the western governors' interests and noted he and WGA's working group would review these new issues and try to help resolve them in a way that maintains S.1180's momentum and prospects.

Gov. Kitzhaber reported that the bill represents the right approach to species recovery which is the purpose of the Act in the first place. He explained his Oregon Plan for Coho Salmon recovery would be bolstered by the provisions in S.1180. In connection with the Columbia River Salmon recovery

efforts, Governor Kitzhaber noted that he does not want the Interior Secretary to appoint the Northwest Power Planning Council as the recovery agency. The Council should not be ruling on recovery activities in a specific state.

Gov. Geringer provided a handout on ESA recovery funding, noting that the states, not the federal government are spending big money on ESA. He recommended that WGA send a letter to Senators on the Appropriations Committee citing the need for full funding. Governor Kitzhaber recommended that the letter also restate the purpose of the ESA which is not listing but recovery. WGA staff were directed to work with the ESA working group to prepare a letter for consideration in Congress' upcoming budget deliberations.

2. Governor Miller reported on recent BLM proposals to draft new rules under the federal mining law. Gov. Miller believes the proposed reforms are too stringent when compared with economic realities and the existence of state mining programs. He further explained his concerns over BLM's certification that full consultation had occurred with the western governors. He suggested that WGA send a letter to the Administration stating that the BLM has not complied with the Congressional direction to have meaningful consultation with states regarding mining reform. The governors agreed and staff were directed to prepare correspondence for signature by the concerned governors.

3. Lead Governor reports:

- a. Transportation - Governor Nelson reviewed the history of the transportation project at WGA. Currently, the task force is focused is on the western rail system: safety and noise issues related to heavy rail activity in small communities and freight congestion and delays related to recent mergers. WGA plans to hold a regional round table regarding western freight issues early this spring with a goal to achieve solutions on the ground. Governor Nelson referred the governors to WGA resolution on this issue.
- b. Health Passport - Governor Schafer explained that this is an effort to deploy 25,000 SmartCards in three communities: Bismarck, North Dakota; Reno, Nevada; and Cheyenne, Wyoming. The demonstration will test smartcards as a delivery and administrative mechanism for health and nutrition programs. It is a partnership between the three states, several federal agencies and local public and private concerns in each community. The overall goals are to increase the quality of care, decrease the costs of care, help families better manage health, and improve access to health care.

Governor Schafer also reported on the WGA *Telemedicine* initiative. The project is presently focusing on interstate licensure for physicians and universal service. He stated that the previously issued Action Report is being reviewed and updated. Governor Sunia requested that American Samoa be included in this project.

- c. Indian Health - Governor Leavitt described this health project explaining that it stemmed from the new federal child healthcare act. The WGA Task Force on Indian Health issued a report exploring the various options available under this program to improve health care of Indian and Native Alaskan children. Rod Betit, Utah Health Director, described how the program was used to treat twice as many patients as would have been otherwise treated in Utah.
- d. Flood Mitigation - Governors Nelson and Leavitt reported that the recovery cost for recent western flood damage is staggering. The WGA Floods Task Force met and developed 21 recommendations for flood mitigation. These recommendations have been published in a report from WGA. Floodplains need to be better managed for prevention rather than facing the extreme damage when prevention measures are not undertaken. Governor Miller complimented the staff who prepared the report. There was discussion surrounding the

timeliness of this report, because FEMA has recently been shifting its focus to mitigation as well. It was moved by Governor Leavitt and seconded by Governor Locke that the board accept this report. The motion passed unanimously.

- e. Air Quality - Governor Leavitt updated for the public record the resolution that was passed in an earlier governors' round table. The resolution was enacted earlier in order to meet an EPA comment deadline. The resolution urges EPA to continue support for the Western Regional Air Partnership (WRAP) and strongly urges EPA provide a mechanism in its regional haze rule to accept the recommendations of the Grand Canyon Visibility Transport Commission as an alternative way to achieve the "reasonable progress" for visibility improvement called for in the Clean Air Act. He suggested that the EPA regional haze rule and its relationship with the concept of central coordination, local control be added to the February agenda and that Browner and western senators address the new environmental management paradigm represented by the Commission's process. Governor Miller raised concerns over Mexican emissions and tribal constraints connected with the WRAP but voiced support for WGA's Air Quality Initiative.

Governor Leavitt asked Jim Souby to report on a recent meeting of the Lead Governor's staff and EPA personnel on the proposed haze rule. Souby noted that the meeting was inconclusive but that EPA agreed to conduct a follow-up meeting in the West. The meeting is tentatively scheduled for San Francisco or Salt Lake City the week before the NGA meeting. In response to a question from Governor Romer, Souby noted he is concerned over EPA's apparent reluctance to fully embrace the Grand Canyon process. He explained that rule is being prepared at EPA's North Carolina research and planning offices by technical staff. Governor Romer offered to call the Administration and arrange a meeting for the governors with EPA's leadership if the meeting in February is not successful.

- f. Open Lands - Governor Geringer reported on *The Land of Wide Open Spaces* conference he hosted in September. He handed out the list of recommendations from the conference and noted they are under evaluation. One lesson from the conference is the need for data so that communities can anticipate development rather than just react to it. Staff will be working with other organizations such as the American Farmland Trust to sift through the recommendations and create an action plan. Copies of the full conference report may be obtained from WGA.

Governor Geringer proposed that WGA combine the Open Lands project with the Great Plains Partnership as there are many issues common to both projects. A combination could result in more efficient and effective uses of WGA and state staff time as well as improve the prospects for WGA funding. WGA staff will review this possibility and provide the Governors with an update at the breakfast meeting at NGA in February.

- g. International Trade - Governor Nelson reviewed a current lawsuit against Massachusetts in which the WTO challenged the state's procurement law sanctioning entities that do business with Burma. At issue in the suit is state sovereignty. The governors recently sent a letter to President Clinton in support of the state. There has not yet been a response. Also, Governor Nelson reviewed the Multilateral Agreement on Investment, that is intended to level the playing field for investors. The United States Trade Representative needs to protect state sovereignty in current negotiations. In addition, Governor Nelson explained that the Senate added Korea to the Visa Waiver Pilot Program, but the House did not. WGA will monitor this legislation and keep the Governors posted.

- 4. It was moved by Governor Schafer and seconded by Governor Leavitt that: all reports presented during the lead governor reports be approved; the audit, management status, financial status and

grants received reports be approved; and that the minutes of the 1997 Annual Meeting as corrected for spelling be approved. The motion passed unanimously.

5. Proposed resolutions were reviewed and discussed. They included: Regional Haze Rule (97-021), Partnerships for Quality Rail Service (97-022), Tobacco Litigation Settlements (97-023), Consensus Building (97-024), National Universal Service Fund for all High Cost Telecommunications Customers (97-025), and, Federal Facility Environmental Programs (Resolution 89-007). With concurrence of the sponsor, Resolution 89-007, Federal Facility Environmental Programs, was tabled until the WGA breakfast meeting at NGA. The other resolutions were moved forward for consideration.

It was moved by Governor Schafer and seconded by Governor Nelson that those resolutions moved forward for consideration be adopted with Resolution 97-025 amended so that to all references to "rural areas" will be added "and island territories." The motion passed unanimously.

6. Governor Miller proposed that WGA send a letter to the Administration urging that the Department of Interior withdraw its proposed rules under which the Department would assume responsibility for negotiating a gaming compact if a state and tribe reach an impasse. The Governor circulated a draft letter for approval of the governors noting it was consistent with previous WGA policy and current NGA policy. Upon motion duly made, seconded and passed unanimously, the policy and transmittal letter were approved.
7. Governor Geringer proposed that the WGA work plan be amended to add a "smart" communities project based on Governor Schafer's Watford City example. The staff would look into innovative ways communities are capitalizing on information technologies, an issue of growing importance with the growth of the Internet and the new FCC Universal Services Fund. The Chairman also repeated Governor Romer's proposal for a governors' round table on education standards and testing in the spring. Upon motion duly made, seconded and passed, the work plan was amended to include both projects.
8. Governor Knowles reviewed his proposed action plan for the next six months leading up to the Annual Meeting, June 28-30, in Girdwood, Alaska. The plan calls for strong support for reauthorization of the Endangered Species Act in accord with the western governors' principles; development of a compendium of best practices for natural resources management in the West that will demonstrate the region's concern and action to protect its environment and quality of life; and a proposed media swing by the WGA leadership to advise key newspapers and other leaders in the East about these matters. Governor Kitzhaber moved and Governor Nelson seconded that the Chairman's action plan be approved. The motion passed unanimously.
9. Governor Leavitt suggested that WGA work to develop a new "shared doctrine" for environmental management in the West. He explained he had been contemplating this idea after he was invited to speak at a Chataqua forum on environmental policy in New York. The doctrine would be based on principles the governors have advanced over the years and lessons learned from state and regional efforts such as Governor Kitzhaber's Oregon Plan and the Grand Canyon Visibility Transport Commission. He noted that boundaries mean less and less in society and that collaboration across boundaries is crucial to solving problems in the West. Governor Leavitt proposed that these ideas be shared as soon as possible so they might even be included in western governors' State of the State addresses. Governor Leavitt noted that the new doctrine would have to appeal to the public and media. Governor Kitzhaber agreed to work with Governor Leavitt on the new doctrine. The two governors will report back on their progress at the WGA Senate breakfast.
10. Jim Souby explained that the Western Political Leaders from the Western Region of the National Association of Counties, the Western Municipal League and the Council of State Governments - West have asked WGA to partner with them on a general statement of interests and cooperate on

issues from time to time. This issue will be taken under advisement by the governors and discussed at the next WGA meeting. Souby was directed to continue to meet with the leaders.

11. There being no further business, it was moved by Governor Leavitt and seconded by Governor Schafer that the meeting be adjourned. The motion carried, and the meeting was adjourned at 2:45 p.m.

Submitted

Kristine Newton, Secretary/Treasurer

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WESTERN GOVERNORS' ASSOCIATION
Special Business Meeting
MINUTES

- A. MEETING Board of Directors
- B. DATE/TIME February 24, 1998, 8:45 a.m.
- C. LOCATION J.W. Marriott Hotel, Washington, DC
- D. MEETING OBJECTIVES:
- 1) To conduct special scheduled business of the Association, including:
 - Review and approval of proposed policy resolutions
 - Review and approval of a Statement of Cooperation with legislative and local government organizations
 - Review and approval of a proposed Memorandum of Understanding with federal agencies concerning flood mitigation and response
 - 2) To conduct other business brought before the Board for consideration
- E. PARTICIPANTS
The meeting was chaired by Governor Knowles. Governors Batt, Schafer, Geringer, Hull, Johnson, Leavitt, Locke, Miller, Nelson, Romer, Sunia and Wilson were in attendance. Executive Director Jim Souby was also in attendance.
- F. INFORMATION AND DECISIONS
- 1) It was moved and seconded that:
 - ◆ Proposed policy resolutions 98-001 entitled "Principles for Environmental Management in the West," 98-002 "Federal Non-Tribal Fees in General Water Adjudications" and 98-003 "Federal Facility Environmental Programs" be approved.
 - ◆ The proposed Statement of Cooperation with legislative and local government organizations be approved as amended by Governor Sunia.The motions passed unanimously.
 - 2) Governors Nelson and Leavitt proposed adoption of a Memorandum of Understanding between WGA and the Federal Emergency Management Agency, Department of the Interior, Department of Defense, Department of Commerce and Department of Agriculture. Interior Secretary Bruce Babbitt, FEMA Director James Lee Witt and Department of the Army Assistant Secretary John H. Zirschky expressed support for the agreement. The MOU was approved unanimously.

There being no further business the meeting was adjourned at 9:15 a.m.

Submitted

James M. Souby, Executive Director

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Western Governors' Association Recommended Projects and Initiatives for FY99

The Western Governors' Association adopts an annual Work plan which directs the staff to undertake programs and projects addressing issues of gubernatorial concern. Many projects have a lead governor or co-lead governors and some are led by a gubernatorial task force. The Chairman's agenda sharpens and integrates parts of the work plan.

MISSION

WGA identifies and addresses key policy and governance issues in natural resources, the environment, human services, economic development, international relations and state management. The issues are selected by the governors based on regional interest and impact. WGA helps the governors develop strategies for complex, long-term issues as well as immediate concerns. Through WGA, the governors develop and advocate policies that reflect regional interests and consensus.

The WGA has six basic objectives:

1. ***Develop and Communicate Regional Policy***
2. ***Serve as A Leadership Forum***
3. ***Build Regional Capacity***
4. ***Conduct Research and Disseminate Findings***

5. ***Form Coalitions and Partnerships to Advance Regional Interests***
6. ***Build Public Understanding and Support for Regional Issues and Policy Positions***

PROGRAMS

The WGA Work plan is consolidated under five main programs:

1. regional development, including investment in people and development of regional and international strategies for growth;
2. lands and waters, concerning management, conservation and investment in our natural resources;
3. environmental management, addressing pollution prevention and control, waste management, facility siting, and site clean-up issues;
4. "Bringing the West to Washington", providing information on key issues in order to inform and influence federal policy; and
5. Administration and Development, Providing program and fiscal oversight, integrating activities and helping the governors identify emerging issues and develop strategies.

Regional Development Program

The mission of the Regional Development Program is to improve the quality of life in the West, enhance its global competitiveness, and help foster technology markets, with an emphasis on new applications of information and communications technology in higher education, health care and human services

Recommended Programs for FY99

Smartstates

Leavitt
Schafer & Geringer (CERA)

The goal of the SmartStates initiative is to help decrease time and costs for deploying new state information technology applications in the West and help standardize approaches, where warranted.

Key activities this year will include:

- * identifying emerging state information technology applications or procurements.
- * facilitating regional cooperation and demonstration on the identifies applications or procurements.
- * identifying barriers to the implementation of IT applications and developing options for governors to address these barriers.
- * supporting and evaluating demonstrations of Centers of Excellence in Rural America (CERA) and disseminate results of pilot projects to other states (pilot projects currently underway in North Dakota and Wyoming).

Budget: \$55,818 - to be raised

Health Passport Project

Schafer

The goal of the HPP is to demonstrate that advanced electronic card technology can be used across government programs and jurisdictions, and with the private sector, to improve service to citizens. Objectives of the HPP this year include:

- * Conduct health card field demonstrations in the cities of Bismarck, North Dakota; Cheyenne, Wyoming; and Reno, Nevada involving roughly 22,000 pregnant women, mothers and children eligible for public health programs in these communities.
- * Conduct an evaluation of the programmatic and technical performance of the HPP system and report the findings to the governors and other interested parties.

Budget: \$600,000 (HHS, North Dakota, Nevada, Wyoming)
\$1,292,647 to be raised

Regional Barriers to Telemedicine Schafer

The goal of the WGA telemedicine effort is to remove barriers to the delivery of medical services via technology.

Focus this year will be on multistate interstate licensure, confidentiality, liability, and reimbursement. WGA will identify two to three states to participate in model approach to interstate physician licensure procedure.

WGA will also monitor federal activities and develop multistate regional positions on implementation of the Telecommunications Act of 1996 particularly with respect to the universal service provisions.

Budget: \$17,200 - Unrestricted

International Relations

Technical Assistance for Trade Policy and International Agreement Implementation

The goal of trade policy effort is to ensure that U.S. international trade policy does not infringe upon state sovereignty.

During the year WGA will help define the impact on state sovereignty of increased global integration, monitor World Trade Organization, NAFTA, and NAFTA environmental institutions' issues impacting states. WGA will also assist states and others on trade issues of specific concern.

Lead Governor: Nelson (NE)
Budget: \$17,160 - Mott & Hewlett Foundations

U.S.-Mexico Border Environment Dialogue

The goal of the Border Dialogue is to improve the environment along the U.S.-Mexican border by facilitating state-to-state exchanges and capacity building to assist states in the development of coordinated planning and programs across the border.

Specific activities will include:

- * Facilitate establishment of a permanent ongoing forum for the environmental agencies of the ten U.S.-Mexico border states to exchange information and cooperate on border environment issues and programs.
- * Facilitate the states' identification and implementation of short- and long-term projects resulting in demonstrable benefit to the border region.
- * Assist states with implementation of the binational communiques from the Ten State Retreats.

* Promote a refocus of national, bilateral, and multilateral resources to regional, state or locally based solutions regarding environmental degradation and infrastructure in the border region.

Lead Governor: Bush (TX)
Budget: \$129,501 - Ford & Mott Foundations

Transportation Futures Nelson, Leavitt & Miller

The goal of the Transportation Futures initiative is to increase the capacity, efficiency, safety and competitiveness of the Western regional transportation system.

OBJECTIVES AND STRATEGIES

- * Implement recommendations of the public-private Transportation Futures Task Force.
- * Determine the appropriateness of establishing a western freight partnership.
- * Work with the Western Premiers of Canada and the Governors of Northern Mexico on improving border crossing efficiencies.
- * Engage western and national transportation leaders and the U.S. Department of Transportation to identify Western transportation priorities and take advantage of those opportunities afforded by the reauthorization of ISTEA, the Local Rail Assistance Program, and the Essential Air Service Program.
- * Maintain capacity within WGA to partner with federal, state and private transportation leaders to take advantage of specific opportunities to address regional and state transportation issues (e.g. WGA's 1997

work on abandonment of the Tennessee Pass Route and mitigation of highway/rail freight congestion).

Budget: \$16,386 - U.S. DOT

Regional Presidential Primary Leavitt

The goal of the regional presidential primary is to help increase western state and regional influence in national affairs, the understanding of western issues in national parties and candidates, and the prospects for western candidates for national office.

OBJECTIVES AND STRATEGIES

* Convene and staff a task force of interested states to explore creating a multistate presidential preference primary. First meeting targeted for Fall 1998. States currently interested/targeted include UT, NV, ID, WY, CO, and AZ. Montana, New Mexico, and possibly other western states will be invited to participate as observers.

* Provide regional/national public relations push based upon task force objectives to create public understanding and visibility.

Budget: \$12,743 - Unrestricted

Electric Industry Restructuring Johnson

The goal of this initiative is to foster the development of a competitive and reliable western electric power system. The initiative will be guided by the governors' directives in WGA Resolution 97-003.

Key activities will include:

* maintaining a forum for interested parties to exchange information and coordinate actions.

* fostering regional resolution of issues affecting the western grid and development of new approaches to maintain and enhance the reliability of the western grid in a competitive market.

* sharing information on state/provincial action to protect consumers and continue certain public purposes in a competitive market.

* evaluating the regional implications of developments affecting the western grid, such as proposed FERC rules, federal legislation, and new technologies.

Budget: WIEB support

LANDS AND WATERS PROGRAM

The mission of the Lands and Waters Program is to help state leaders develop solutions to the management problems on western lands and waters arising from changing demographics, economic conditions, and environmental priorities.

Recommended Programs for FY 99

Lands Kitzhaber & Geringer

The goal of the Lands initiative is to identify, develop and implement common state/federal objectives for management of western lands. Seek to achieve balanced and sustainable management practices and advance those interests in community, state and federal forums.

OBJECTIVES AND STRATEGIES

* Continue legislative efforts on Endangered Species Act reform.

* The WGA Natural Resource Group will develop and implement strategies to address the following priority issues;

- 1) prescribed fire planning, coordination and implementation through demonstration projects and organization of forum to review related policy issues, and
- 2) work with the FS and BLM to improve state, local and tribal input into federal land use planning and management processes.

* Work with the Western Drought Coordination Council to implement the *WGA Drought Response Action Plan* recommendations.

* Implement the recommendations from the WGA report *An Action Plan for Reducing Flood Risk in the West*.

* Through the WGA Mine Waste Task Force, continue to work cooperatively with the BLM as they work to rewrite the BLM surface management mining regulation (3809 rules). Ensure that state perspectives and programs are provided for in the revised rules.

* As opportunities arise, collaborate with other interested parties to identify and address coastal issues, explore regional approaches to coastal/ocean governance and state-federal strategies to manage ocean resources and uses.

Budget: \$48,829 - Unrestricted
\$15,076 - BuRec and University of Nebraska
\$10,000 - FEMA
\$28,432 - Bureau of Land Management and U.S. Forest Service

Water

Geringer & Kitzhaber

The goal of the Water program is to help states develop creative solutions to changing needs and values associated with water

quality and quantity by establishing and encouraging cooperative processes among state, local, and federal interests.

OBJECTIVES AND STRATEGIES

* Conduct a series of meetings on specific issues with states and EPA to address state implementation of the Clean Water Act's Total Maximum Daily Load (TMDL) program.

* Continue to shape federal legislative and administrative actions that impact western water management, particularly with respect to the Clean Water Act, including Section 401, good samaritan clean up of abandoned mines, and arid areas issues.

* Work with the states to identify and share state 'best practices' for relicensing of hydropower facilities. Organize a forum for states and other interests in order to exchange points of view and share information.

* Encourage federal follow through on responsibilities regarding negotiation of Indian water rights, approval of agreements, funding, and implementation of settlements.

* Assist states with watershed planning and implementation efforts.

Budget: \$133,127 - Unrestricted and to be raised

Stewardship of Natural Resources

Geringer & Kitzhaber

The Stewardship initiative's private sector, voluntary contribution to the environment is linked to the Shared Environmental Doctrine initiative. The goal of the Stewardship initiative is to help western states maintain and protect their economic and biological

diversity, recreational opportunities, scenic values and agriculture by preserving open space, and agricultural lands and by improving the quality of western watersheds.

STRATEGIES

- * Conduct a symposium to showcase local stewardship partnership success stories and introduce tools to new users.
- * Produce reports, analyses, brochures, feature articles and other media products that will improve awareness of available models.
- * Conduct a strategic farm and ranch land mapping project using advanced information technology in partnership with the American Farmland Trust, state agriculture and natural resource agencies, and state universities. Identify agricultural lands at risk, forecast alternative futures, and help develop and implement local land protection programs.
- * Identify, analyze and advance promising new tools at the federal, state and local levels that will help preserve open space and agricultural lands and improve the quality of western watersheds and develop a policy agenda for consideration by the governors.
- * Provide support to promising models currently underway that address the decline of species and habitat loss or fragmentation (including the High Plains Partnership for Species At Risk, Lesser Prairie Chicken Interstate Working Group and Black Tail Prairie Dog Effort, etc.).

Budget: \$25,000 - Unrestricted
\$100,000 - National Fish & Wildlife Foundation

\$200,000 - To be Raised from Challenge Funds for the National Fish & Wildlife Foundation

\$55,000 - Private Foundations (ARCO, Packard Foundation)

\$104,317 - To be raised

ENVIRONMENTAL MANAGEMENT

The mission of WGA's Environmental Management Program is to provide the Governors with a mechanism for implementing regional environmental policies and programs, including environmental protection and restoration, waste management, safe and uneventful transportation of wastes and advance regional equity in the national environmental debate.

Shared Environmental Doctrine Leavitt & Kitzhaber

The goal of the Shared Environmental Doctrine is to improve effectiveness and efficiency of environmental protection programs in the West and to ensure growth in the region does not come at the expense of the superior quality of life that attracts new residents and tourists to the region.

OBJECTIVES AND STRATEGIES

- * Complete an analysis of best practices and policy issues as they relate to the resolution the governors adopted in February. Disseminate results widely.
- * Create and update briefing notebooks for governors to use in speaking engagements and editorial board visits to explain the shared doctrine.
- * Identify opportunities and draft speaking points for governors to testify before

Congress on the need for flexibility, state and regionally tailored solutions, and innovative more cost-effective approaches to regulation.

Budget: \$10,052 - Unrestricted

Air Quality Initiatives

Institutional and Regulatory Reform

The goal of the Regulatory Reform project is to demonstrate that air quality standards and goals can be achieved faster, more efficiently and at a substantially reduced cost over current programs through the implementation of incentive-based regulatory approaches and institutional reforms in the air quality planning process.

OBJECTIVES AND STRATEGIES

- * Determine the cost savings associated with the use of incentive-based approaches to meeting air quality standards and goals over existing command and control programs.
- * Implement the recommendations of the Air Quality Initiative Steering Committee for improvements in the air quality planning process.
- * Develop detailed market-based program option, including mobile sources, and perform modeling to demonstrate potential cost savings of market-based programs over traditional programs.
- * Develop implementation strategies for replacing expensive or outmoded programs with more efficient and less expensive market-based alternatives.
- * Develop implementation strategies for recommendations to improve institutional arrangements between the state and federal

governments for meeting air quality objectives in the West.

- * Ensure that the process of reforming institutional and regulatory approaches to air quality management does not result in “backsliding” on air quality objectives.

Lead Governor: Leavitt

Budget: \$1,752,497 - To be raised

Western Regional Air Partnership (WRAP)

The goal of the WRAP is to promote implementation of the recommendations of the Grand Canyon Visibility Transport Commission (GCVTC) for protecting visibility on the Colorado Plateau and to address other western air quality issues with the consent of WRAP membership.

OBJECTIVES AND STRATEGIES

- * Facilitate, coordinate and monitor state, tribal and federal implementation of GCVTC recommendations.
- * Develop strategies for addressing regional haze in parks and wilderness areas outside the Colorado plateau and track progress towards meeting visibility goals.

Lead Governor: Leavitt (UT)

Budget: \$331,132 - To be raised from the U.S. Environmental Protection Agency

Mexican Air Quality Project

The goals of the Mexican Air Quality Project is to assist the national, state and municipal governments in Mexico in building the institutional capacity to develop and manage air quality programs and to promote the use of technologies in Mexico

that will result in lower air pollution emissions.

OBJECTIVES AND STRATEGIES

- * Continue the development of an emission inventory methodology and an emissions data management system for Mexico.
- * Improve mobile source emission estimation techniques by testing vehicles in the border regions.
- * Enhance the utilization of energy efficient processes and technologies, and the use of cleaner fuels, by creating a clearinghouse for providing information on current and proposed energy related projects and potential demand in the border region; providing forums for encouraging partnerships between energy users and suppliers; and, working with Mexican officials to remove barriers to the development of cleaner energy production.

Lead Governor: Leavitt
Budget: \$491,115 - U.S. Environmental Protection Agency

Border Crossings **Transportation Efficiency Project** Nelson and Lead Governors for Regional Haze

The goal of the Border Crossings initiative is to eliminate obstacles to efficient freight movement in high volume corridors and at key international terminals, including those on the U.S. - Mexican and U.S.-Canadian borders.

OBJECTIVES AND STRATEGIES

- * Maintain the dialogue with state and federal transportation, justice, environmental, and commerce officials, motor carriers, shippers and interested

parties on increasing the efficiency of the movement of goods and services across the U.S.- Mexico border.

- * Survey state, local, and federal officials, motor carriers and shippers to define the principal border congestion issues and potential solutions.
- * Convene a roundtable of state, federal and Mexican officials, motor carriers and shippers to discuss potential solutions to the root causes of congestion identified in the survey.
- * Evaluate the most promising solutions for demonstration and evaluation
- * Prepare a report documenting the research, the results of the bi-lateral roundtable, and the level of commitment necessary to implement the options.

Budget: \$100,000 - U.S. EPA
\$104,477 - To be raised from EPA

Radioactive Waste Transportation and Management Batt, Johnson & Miller

The goal of this program is to ensure the safe and uneventful movement of radioactive waste through western states.

OBJECTIVES AND STRATEGIES

- * Implement the Cooperative Agreement between DOE-Carlsbad Area Office and WGA to prepare states and local communities in anticipation of transuranic waste shipments to the Waste Isolation Pilot Project (WIPP).
- * Implement the 1996 Memoranda of Agreement between USDOE and WGA, and establish a program to assist the western states plan and prepare for other shipments

(e.g. foreign research reactor spent nuclear fuel, low level radioactive and mixed waste, surplus plutonium and weapon shipments).

* Prepare technical and policy analyses of emerging public and private radioactive and mixed waste shipping policies and disseminate them to the governors.

Budget: \$1,522,681 - U.S. DOE

Abandoned Mine Cleanup Partnerships

Miller & Leavitt

The goal of the Partnerships is to help state and federal agencies protect the environment and improve public safety by accelerating cleanup of abandoned mines in West. Reduce barriers to cleanup and increase coordination, investment, and action.

OBJECTIVES AND STRATEGIES

* Facilitate and coordinate state agency participation with federal agencies, the mining industry, and the environmental community on abandoned mine issues. Cooperative action will focus on the following: preparing a brief annual report for Governors and Congress identifying the number of high priority sites in each state by land ownership. Identify policy obstacles to increased cleanups and develop options for policymakers.

Budget: \$55,631 - National Mining Association and Bureau of Land Management

Interstate Technology and Regulatory Cooperation

Wilson & Nelson

The goal of the ITRC is to help protect the environment by reducing permit review time for new technologies resulting in accelerated

and more cost effective cleanup of waste sites.

OBJECTIVES AND STRATEGIES

* Implement, refine, and evaluate mechanisms for interstate cooperation and possible reciprocity for the permitting of new technologies and other regulatory improvements to speed the governmental review of promising technologies.

* Pass through funding to western states to review new technologies (Rapid Commercialization Initiative) and to help staff regional working groups developing consensus technology regulatory guidelines and protocols (Interstate Technology and Regulatory Cooperation working group).

* Develop and disseminate multi-state consensus regulatory protocols for 10 emerging technologies and gain state acceptance for their use.

* Spin off ITRC initiative to Environmental Council of the States by March 1999.

Budget: \$2,352,449 - U.S. Department of Energy, U.S. Department of Interior, U.S. Department of Defense and U.S. EPA

Regional Waste Policy Development

WGA Chairman

The goal of the Regional Waste Policy effort is to develop consensus on policies and strategies for implementing Western and federal environmental, waste management and public protection policies.

OBJECTIVES AND STRATEGIES

* Educate the Administration and Congressional leaders about Western waste

management and environmental protection concerns and policy positions.

* Identify and pursue opportunities to advocate Western environmental and economic interests in regional, national and international fora.

* Administer the Regional Waste Management Protocol which has been reissued for the Governors' signature, and prepare an annual profile and status report.

* Monitor emerging regional, national and international environmental positions, policies and legislation and alert the governors to those issues that would either support or have negative impact on the region. Where appropriate, prepare responses for the governors' action.

Budget: \$31,782 - Unrestricted

WASHINGTON, D.C. OFFICE

Chairman and Vice Chairman

The WGA Washington, DC office assists the western governors, both individually and in concert, in explaining and advancing western policy objectives in federal law, regulations, and administrative decisions.

Monitoring and Lobbying

OBJECTIVES AND STRATEGIES

* Conduct Delphi surveys on one to three legislative issues over the year, resources permitting.

* Provide information to governors and staff council on Congressional and other federal activities via memos, telephone calls and conferences.

* Using WGA's policy resolutions as the principal lens, develop coalitions, provide technical assistance to allies as issues arise, and influence the shape of federal law, regulations, and administrative decisions.

* Work with Congressional committees to have governors and western representatives participate in hearings.

Bringing the West to Washington

OBJECTIVES AND STRATEGIES

* Organize periodic "Bringing the West to Washington" teams to educate policy makers about the western perspective on current legislative and emerging issues.

* Work with agencies to plan meetings in the region when federal officials are traveling in the West.

* Organize trips by relevant Congressional Committee members and staff to the West in order for them to obtain first-hand experiences of state programs and innovations.

Budget: \$325,618 - Unrestricted

ADMINISTRATION & DEVELOPMENT

Overall Administration

Ensure that WGA's mission, goals and objectives are met to the maximum extent practicable and as efficiently as possible.

OBJECTIVES AND STRATEGIES

- * Support the governors' policy development efforts with well staffed, efficient working groups and an effective, well understood and broadly disseminated policy resolutions process.
- * Support the governors' interaction on policy matters with well conceived and executed winter and annual meetings, and other gatherings, as directed.
- * Assist the Chairman in the successful implementation of his theme.
- * Facilitate WGA's governors, staff council, working groups and affiliates linking electronically with e-mail and file transfer capability. Continuously improve WGA's capacity and value to the states through information technologies.
- * In accordance with the direction received from the governors, integrate the members and policy processes of relevant multi-state organizations with WGA to the maximum extent practicable.
- * Support the governors' efforts to implement multi-state, non-partisan (bi-partisan) development strategies that bolster the region such as a western presidential primary.

Communications Plan

OBJECTIVES AND STRATEGIES

* For all audiences, internal WGA working groups and the public, WGA will continue to provide the following communications products or services: press releases, general and program-specific newsletters, annual report, occasional white papers and op-ed pieces, Internet home pages for WGA and individual programs, and sponsorship of conferences and workshops.

* **Internal Communications** -- continue to provide a quarterly management status report; hold annual/winter board meetings and Staff Council meetings and a spring Staff Council meeting to develop the work plan; hold conference calls for groups of governors on issues that clearly require their direction and agreement; prepare summaries of major meetings.

* **External Communications** -- continue to develop and improve Internet home page; publish *Western Governors Report*; prepare articles on WGA projects or activities for appropriate media outlets; and at the request of governors' offices, develop replies to media coverage concerning WGA issues when clarification or a correction is needed.

* To increase the combined political power of the Western states, WGA will improve communications and work on select issues with the Council of State Governments-West, the Western Interstate Region of the National Association of Counties and the Western Municipal Conference and other associations when appropriate. These efforts will be guided by the goals described in the *Statement of Western Political Leaders*, adopted by the governors on February 24, 1998.

Western Governors' Foundation Chairman and Vice Chairman

The Foundation supports WGA programs and policy development on issues selected

by the governors. These generally fall in several key areas including information technology and governance, natural resources, the environment, human services, economic development, international relations and state management.

GOALS

- * Become an active philanthropic organization along the lines of an operating foundation, one that funds research and programs, not general grant-making;
- * Provide strategic “capital” so WGA and other organizations can conduct research and develop innovative policies and programs to help the region and meet its needs; and,
- * Provide funding for the annual meeting and other important events.

OBJECTIVES AND STRATEGIES

- * Award the George S. Mickelson Fellowship, annually.
- * Implement a fund raising strategy for the WGF.
- * Prepare administrative and legal guidelines for Foundation operations including grant making criteria and procedures.

Budget: \$126,552 - Unrestricted

The proposed WGA FY99 workplan and budget includes the following federal individuals on loan to the Western Governors' Association:

<u>Name</u>	<u>Agency</u>	<u>WGA Program</u>
Bruce Flinn	Bureau of Land Management	Public Lands, Water
Roseann Gonzales	Bureau of Reclamation	Drought
Sylvia Gillen	Natural Resource Conserv. Svc.	Stewardship of Natural Resources
Shelley Nolde	U.S. Forest Service	Prescribed Fire

Funding for the salaries of these individuals is covered by the loaning federal agency.

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Western Governors' Association
Fiscal Year 1999 Proposed Budget

Estimated Revenue:

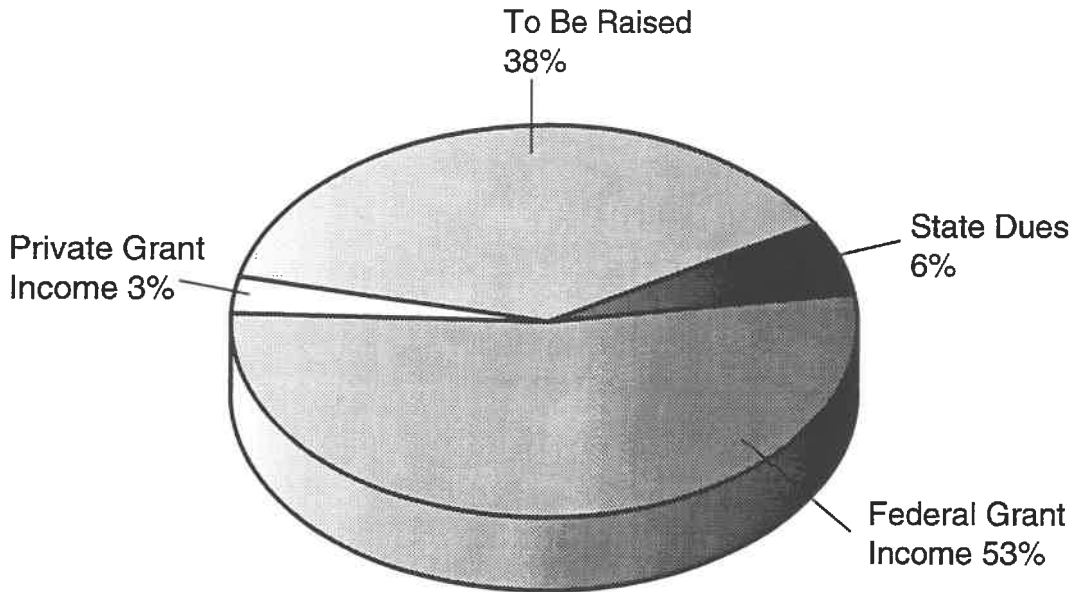
Unrestricted:		
<i>State Dues</i>	\$588,000	
<i>Interest Income</i>	35,000	
Restricted:		
<i>Federal Grant Income</i>	5,296,465	
<i>Private Grant Income</i>	301,661	
<i>To be Raised</i>	<u>3,844,096</u>	
Total Estimated Revenue		<u><u>\$10,065,222</u></u>

Expenses by Program Area:

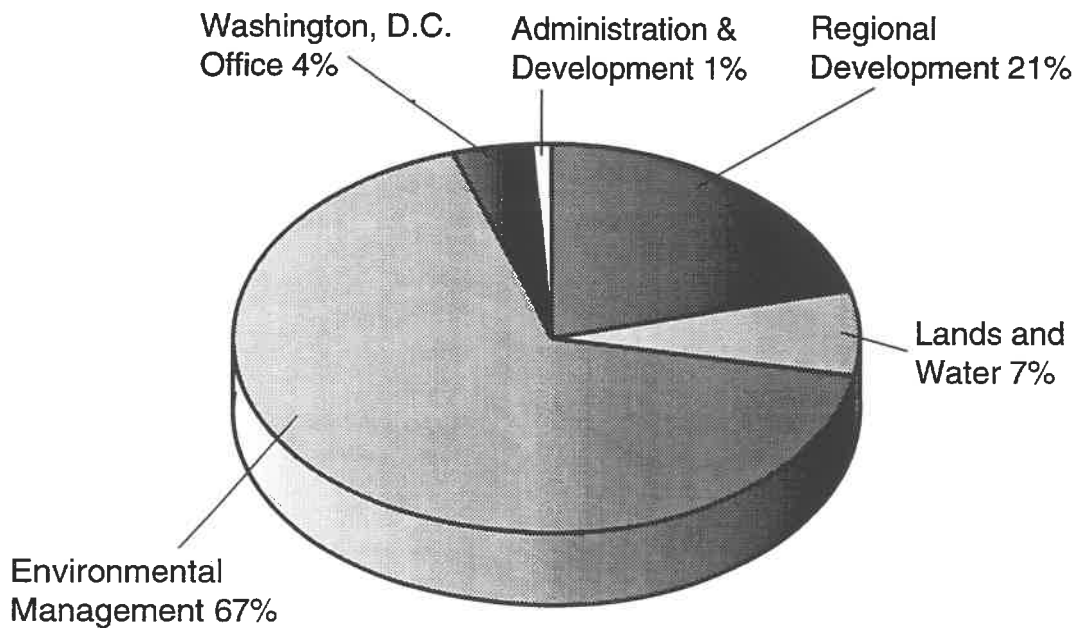
<i>Regional Development</i>	\$2,141,455	
<i>Lands & Waters</i>	719,781	
<i>Environmental Management</i>	6,751,816	
<i>WDC Office</i>	325,618	
<i>Administration & Development</i>	<u>126,552</u>	
Total Expenses by Program Area		<u><u>\$10,065,222</u></u>

Western Governors' Association
Fiscal Year 1999 Proposed Budget
Graphic Representation

Estimated Revenue



Expenses by Program Areas



Western Governors' Association

Summary Statement of Revenue and Expenses

For the Third Quarter Ended April 30, 1998

Revenue

<i>State Dues</i>	582,000.00	
<i>Contributions</i>	75,500.00	
<i>Registration Income</i>	12,649.44	
<i>Federal Grant Income</i>	2,110,703.92	
<i>Private Grant Income</i>	264,046.76	
<i>Other Income</i>	137,772.68	
Total Revenue		3,182,672.80

Expenses

<i>Salaries & IPA Salaries</i>	701,730.18	
<i>Payroll Taxes and Benefits</i>	163,076.33	
<i>Professional Contractors</i>	549,781.29	
<i>State Contract Payments</i>	921,931.43	
<i>Equipment & Depreciation</i>	55,456.73	
<i>Insurance & General</i>	3,001.15	
<i>Office Supplies</i>	19,845.92	
<i>Postage & Shipping</i>	30,011.45	
<i>Printing</i>	52,824.04	
<i>Publications & Subscriptions</i>	15,485.54	
<i>Rent</i>	85,919.86	
<i>Telephone & Communications</i>	71,529.88	
<i>Travel & Meetings</i>	417,375.13	
<i>Annual Meeting Expenses</i>	37,031.87	
Total Expenses		3,125,000.80

Net Income

57,672.00

Unaudited

Western Governors' Association
Summary Statement of Expenses by Program Area
For the Third Quarter Ended April 30, 1998

Expenses

<i>Regional Development</i>	501,998.45
<i>Lands and Waters</i>	213,089.77
<i>Environmental Management</i>	1,974,671.79
<i>Washington, D.C. Monitoring</i>	234,759.49
<i>Administration and Development</i>	<u>100,299.85</u>
Total Expenses	<u><u>3,024,819.35</u></u>

Unaudited

Western Governors' Association
Dues for Fiscal Year 1998
As of 4/30/98

STATE/TERRITORY	BUDGETED	RECEIVED
ALASKA	36,000	36,000
AMERICAN SAMOA	6,000	6,000
ARIZONA	36,000	36,000
CALIFORNIA	30,000	36,000
COLORADO	36,000	36,000
GUAM	6,000	
HAWAII	36,000	36,000
IDAHO	36,000	36,000
KANSAS	0	0
MONTANA	0	0
NEBRASKA	36,000	36,000
NEVADA	36,000	36,000
NEW MEXICO	36,000	36,000
NORTH DAKOTA	0	36,000
N MARIANA ISLANDS	0	0
OREGON	36,000	36,000
SOUTH DAKOTA	36,000	36,000
TEXAS	36,000	36,000
UTAH	36,000	36,000
WASHINGTON	36,000	36,000
WYOMING	36,000	36,000
TOTAL DUES	\$ 546,000	\$ 582,000

Western Governors' Association

Projected Net Income/(Loss)

As of April 30, 1998

Current Unrestricted Net Income/(Loss)		101,407.78
Add: Budgeted Income to be Earned	56,709.00	
Less: Budgeted Expenses	<u>(115,168.10)</u>	
Net Budgeted Expenses		<u>(58,459.10)</u>
Projected Net Income Before Adjustments		42,948.68
Adjustments		
Projected Program Over Expenditures	(127,944.74)	
Projected Program Savings	<u>22,000.00</u>	
Total Adjustments		<u>(105,944.74)</u>
Projected Net Income/(Loss) After Adjustments		<u><u>(62,996.06)</u></u>

Note: This is a projection based on current expenditures and revenue. Our financing strategy assumes that this year we will earn \$100,000 on the fundraising for the annual meeting. If we meet this goal, WGA will reflect a zero income/loss for the year.

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REPORT OF THE WESTERN INTERSTATE ENERGY BOARD

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|------|--|
| I. | WIEB Support in Implementation of WGA Policies |
| II. | Other WIEB Support of WGA Activities |
| III. | Other WIEB Activities |
| IV. | Budget, Staffing, Membership |

I. WIEB Support in the Implementation of WGA Policies

A. Competitive and Reliable Western Electric Power System (97-003)

The resolution directs WIEB's Committee on Regional Electric Power Cooperation to work to implement the governors' policies. The table shows the status and next steps for the key elements of the governors' resolution.

<i>Governors' Policy</i>	<i>Current Status</i>	<i>Next Steps</i>
Expand non-discriminatory transmission access	One independent system operator (CA ISO) began operation 3/31; work on a second ISO in Northwest/Rocky Mtn. states has largely ceased due to the inability of BPA to commit to join, cost-shifting concerns, and the need to quantify the benefits of the proposed ISO; a third ISO in the Southwest is still under discussion. Without an ISO (or some other means of insuring independent operation of the transmission system), it is unlikely that a more efficient power market will emerge.	In the absence of an ISO in the Northwest/Rocky Mtn. states, there will be a need for increased enforcement by FERC of open transmission access rules. FERC is holding regional conferences on the role it should play in the formation of ISOs. An evaluation of the benefits of an ISO in the Northwest/Rocky Mtn. states is continuing.
Implement a new approach to ensuring reliability in a competitive market	Western Systems Coordinating Council, the industry reliability council in the western grid, is testing a new approach to reliability in 1998. The North American Electric Reliability Council is proposing to reinvent itself and enforce mandatory reliability standards.	Ensure that efforts in the western region to establish appropriate, measurable and enforceable reliability standards are not preempted by a new North American organization. The Board is working with the industry in reexamining the appropriate organization of grid management functions in the Western Interconnection. A workshop is planned for the fall to examine alternative means of evaluating the commercial and reliability impacts of different reliability standards.

<i>Governors' Policy</i>	<i>Current Status</i>	<i>Next Steps</i>
Adopt appropriate system benefit charges	Three states which are implementing retail competition (CA, MT, AZ) have included system benefit charges. NV and AZ have adopted portfolio standards requiring a minimum sale of renewable energy.	
Mitigation of market power	In the absence of a Northwest/Rocky Mtn. ISO, vertical market power will remain a problem. Even with an ISO in CA, locational market power will need to be mitigated. CA investor-owned utilities, Montana Power, and Portland General Electric are divesting much of their generation to mitigate market power.	Stricter enforcement of open access rules by FERC may help mitigate vertical market power where no ISOs have been formed. Evaluation of market power remains a high priority.
Reexamine adequacy of consumer protection measures	States granting retail access are requiring suppliers to be certified by the state PUC in order to weed out bad actors. Consumer protection programs are a feature of all state retail access programs.	An emerging issue is the quality of customer information, including information on the sources of electricity the customer is buying.
Any federal legislation should: not preempt states; enable the creation of efficient markets; and require FERC to give deference to regional decisions.	Congressional restructuring bills are unlikely to be enacted this session. Pursuant to a letter from the WGA, in January the Treasury Dept. approved rules that allow public power to join ISOs without jeopardizing their tax-exempt bonds. No progress has been made in enabling BPA and WAPA to join ISOs. Inability of BPA to participate was one reason why the Northwest/Rocky Mtn. ISO died.	Monitor Congressional action. Consider developing statutory language to provide the legal underpinning for a new reliability management system.

B. Transportation of Spent Nuclear Fuel and High-Level Radioactive Waste Under the Nuclear Waste Policy Act (97-015; 96-019; 95-020; 93-003; 92-004)

The Governors have called for DOE to promulgate regulations to provide technical assistance and funding to states and tribes under Section 180(c) of the NWPA that: apply to all shipments to a monitored retrievable or interim storage facility and repository regardless of whether such facility is publicly or privately owned; establish Regional Training Advisory Teams of states and tribes to review and coordinate plans along shipment corridors; and prohibit SNF/HLW shipments until DOE has identified shipping routes and Section 180(c) funds and assistance have been made available to states at least three years prior to the start of shipments, notwithstanding any sudden changes in DOE's shipping schedule.

Little progress has been made. The latest version of OCRWM's 180(c) policy, released on April 30, 1998, fails to resolve all of the governors' concerns. As a result, western states may not be properly prepared to receive SNF/HLW shipments should they occur prior to DOE's projected repository opening date in 2010. Such early shipments could occur as the result of: current litigation against DOE; pending legislation forcing the construction of an interim storage facility in Nevada; or the construction of proposed private interim storage facilities in Utah and Wyoming.

The Governors have also called for the preparation of a comprehensive transportation plan that includes the analysis of all needed transportation safety activities in a single document, the development of responsible criteria for selecting shipping routes and the development of a sound methodology for evaluating optional mixes of routes and transportation modes. In April, WIEB and other regional groups representing over 40 states, signed a joint letter calling on DOE to use the Waste Isolation Pilot Plant Transportation Safety Program Implementation Guide as a model for transportation planning.

OCRWM, however, has not committed to developing a comprehensive transportation plan for the NWPA program. Nor has the agency committed to developing mode and route selection criteria. Instead, in a recent request for proposals, OCRWM is seeking to delegate to private contractors the responsibility for selecting modes and routes.

C. Clean-Up of Abandoned Mines Under the Surface Mining Act (SMCRA) (97-001; 96-013)

The governors have called for an end to the practice by the federal government of withholding the appropriation of funds derived from a fee on coal production. The fee is to be used to clean up abandoned mines. Specifically, the governors urge that the surplus in the Abandoned Mine Land (AML) Trust Fund be appropriated for state mine-reclamation programs.

No progress has been made. The President's proposed FY 99 budget continues to limit appropriations from the AML Trust Fund. As a result, the surplus in the fund will grow to \$1.5 billion. Appropriations in FY 99 would again be limited to \$178 million, well below the level of fund collections. Funding for minimum state programs would be set at \$1.5 million, instead of the \$2 million authorized. The result is continued underfunding of abandoned mine clean-up in western coal states.¹

There are a growing number of diverse interests (southern states, midwestern states, contractors, mining industry, environmental groups) which want to see AML funds appropriated for reclamation. This may provide an opportunity to reverse the current appropriations policy in coming years.

D. Delegation of MMS Royalty and BLM Oil and Gas Inspection Functions (95-002)

The governors support more efficient ways of managing federal mineral royalties and inspecting oil and gas wells, including the delegation of such functions to states.

New rules by the Minerals Management Service (MMS) authorize the delegation of some functions to states. However, key functions, such as collection of royalties, are not delegable, according to MMS. Therefore, there is little interest by states in accepting the limited delegation. States are now focusing on MMS's efforts to test the use of a Royalty-In-Kind (RIK) program to cut administrative costs and increase state and federal royalty revenue. MMS is developing pilot RIK programs for onshore federal oil in Wyoming and offshore (Section 8(g)) oil in Texas.

BLM has refused to adopt the states' suggestions on more efficient means of conducting oil and gas well inspections and has not agreed to the states' delegation proposal. Congressional options are now being considered.

¹ In FY97, Colorado received in AML grants only 33.2 cents for each dollar paid in AML fees, Montana 30.6 cents, New Mexico 30.1 cents, North Dakota, 48.6 cents, Utah 37.1 cents and Wyoming 23.4 cents. Bucking this trend, Alaska received \$2.89, Kansas received \$12.60, and Texas received \$1.16 for each dollar paid in AML fees.

II. Other WIEB Support of WGA Activities

Monitoring global climate change developments: At the governors' direction, last June, WIEB produced a briefing paper on the state of the science of global climate change, options for controlling greenhouse gas emissions, and the status of international negotiations. The Board continues to monitor developments since the Kyoto agreement in December.

The President has proposed various budget and tax measures to reduce emissions, however, most analysts believe it will be difficult for the U.S. to meet the emissions budget under the Kyoto agreement, which would require the U.S. to reduce total greenhouse gas emissions to seven percent below 1990 levels between 2008 and 2012 (or an estimated 34 percent below the presently forecast level in 2010). At present, prospects for Senate ratification of the Kyoto agreement are poor.

WGA Environmental Doctrine: WIEB continues to provide staff support for this WGA initiative, particularly in the area of air emissions from energy use.

Foreign Research Reactor Spent Fuel Shipments: WIEB provides technical support on routing and cask issues associated with proposed shipments through the Concord Naval Weapons Station in California to the Idaho National Engineering and Environmental Laboratory.

Hardrock Abandoned Mines and BLM 3809 Regs: WIEB provides assistance to this WGA initiative based on the Board's extensive experience in coal mine regulation and restoration of abandoned mines under SMCRA.

Expanded use of renewable energy: WIEB is providing assistance to the Western Regional Air Partnership in its efforts to implement the renewable energy recommendations of the Grand Canyon Visibility Transport Commission.

Sulfur content of gasoline: WIEB is providing information on the impact of new federal standards that would reduce the sulfur content of gasoline.

III. Other WIEB Activities

WIEB continues to be the forum in which western **coal mining regulatory** agencies interact with the federal Office of Surface Mining. Primary emphasis has been on refocusing OSM's oversight of states on environmental outcomes (not process reviews) and improving technical assistance to states. WIEB has had some success in changing OSM oversight policy. OSM won a Hammer Award for changing its oversight policy to focus on environmental outcomes.

Sharing innovations (e.g., Utah's energy management program for the National Park Service, British Columbia's greenhouse gas trading system; Colorado's transportation innovation grants to local communities) among western states and provinces remains a high priority.

Evaluating the concept of a **western advanced transportation technology consortium**, possibly as an expansion of the existing CalStart organization.

WIEB has provided comments to the Department of Energy on its **National Energy Strategy**.

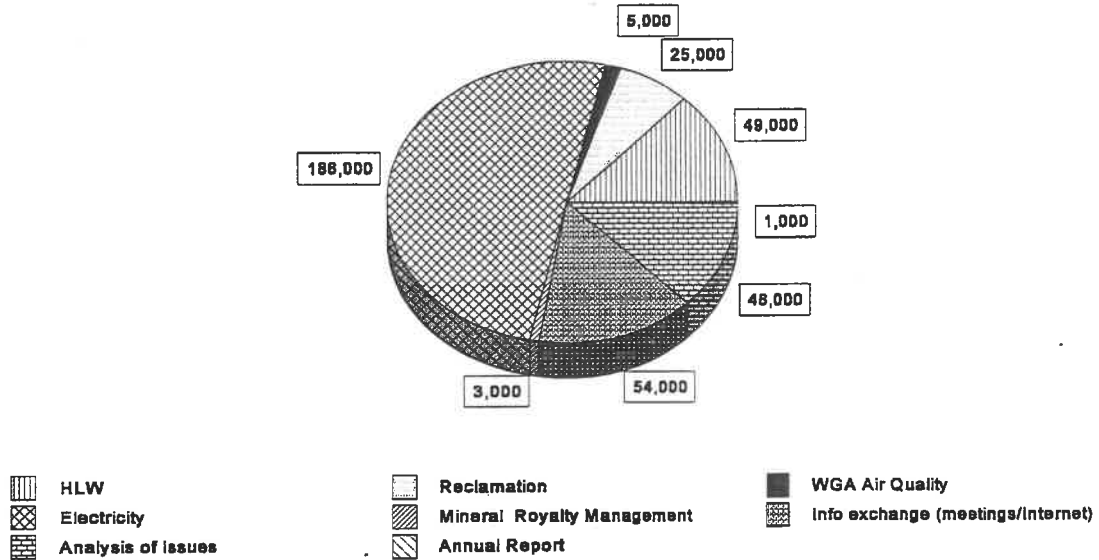
WIEB continues to produce a **weekly newsletter on western energy developments** which is available at <http://www.westgov.org/wieb/news.html>.

IV. Budget, Staffing, Membership

During the current year, staff at WIEB has been reduced from 4.5 FTE to 3.5 FTE. The current year WIEB budget is \$371,000. The Board-approved FY 98-99 budget is \$369,000 and does not include a dues increase for the 24th consecutive year.

The pie chart shows the expenditure of resources by program.

FY 98-99 Budget Allocation By Program



Following are the governors'/premiers' appointments to the Board:

Alberta (Associate Member)	John Donner
Arizona	Jack Haenichen
British Columbia (Associate Member)	Cheryl Brooks
California	William Keese
Colorado	Tom Brotherton
Montana	Mark Simonich
Nebraska (Associate Member)	Bob Harris
Nevada	Rose McKinney-James
New Mexico	Jennifer Salisbury, First Vice-Chair
Oregon	John Savage, Treasurer
Saskatchewan (Associate Member)	Dan McFadyen
Utah	Jeff Burks, Chair
Washington	K.C. Golden
Wyoming	John Nunley, Second Vice-Chair

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REPORT OF THE WESTERN STATES WATER COUNCIL TO THE WESTERN GOVERNORS' ASSOCIATION

June 3, 1998

ORGANIZATION

Mission: The Western States Water Council was created by the western Governors in 1965. It serves as a resource to the Western Governors' Association on water policy matters, and provides an ongoing forum to address water policy issues which do not require the personal involvement of the Governors, but do require the involvement and collective attention of the Governors' appointed representatives.

The Council exists to: (1) foster cooperation among states in water development, conservation, management and protection; (2) provide information to individual member states regarding a broad spectrum of water policy issues which affect them; (3) influence federal laws and policies to protect western state interests and prerogatives; (4) serve as a forum for the exchange of views and strategies pertaining to western water issues; and (5) facilitate the advocacy of western states' positions in water right cases before federal courts.

Coordination with WGA: Council members are appointed by their respective Governors, and serve at their Governor's pleasure. However, to further assure that the Council is responsive and accountable to the Governors, proposed policy positions are sent to the respective members of the WGA Staff Council in the Governors' office and the WGA staff 30 days before the Council's meetings. Council representatives are asked to solicit their governors' input regarding proposed WSWC positions and consult with the appropriate WGA Staff Council member. WGA staff also review proposed WSWC policy positions, involving the lead governor where appropriate. Governors may respond to the proposed policy positions in a number of ways to assure their concerns are addressed. A procedure is provided by which the Council may act on matters of urgency, but must wait to distribute the position until there is adequate time for gubernatorial review, unless the WGA Executive Director determines that special circumstances warrant a waiver.

Additionally, the Council stands ready to assist, in consultation with the WGA staff, in the preparation of proposed WGA policy resolutions. Draft Council work plans are also submitted at the spring meeting of the WGA Staff Council meeting each year in order to further assure integration of regional policy development. Following each Council meeting, a report of the activities and positions adopted at the meeting is sent to the Governor of each member state. The Council has also enhanced its means of electronic communication with the WGA and its member states. The Council has its own home page with a link to the WGA home page and E-mail and other Internet capabilities. The Council is now applying this technology to many facets of its work.

Membership: The Governor of each of the following member states appoints up to three Council members, and alternate members if desired.

Arizona	North Dakota
California	Oregon
Colorado	South Dakota
Idaho	Texas
Nevada	Utah
New Mexico	Wyoming

Alaska, Montana, and Washington are currently associate member states, whose representatives receive all Council materials and may participate at Council meetings, but cannot vote. Washington will return to full membership effective July 1, 1998.

Governors are *ex-officio* members. A complete list of current officers, committees, and subcommittees is included as part of this report.

Staff: Three professional employees serve on the Council staff. Two have law degrees, and the third has a masters' degree in public administration. One full-time secretary and two part-time secretaries are also employed. The Executive Director is Craig Bell.

Policy Formulation: Official WSWC policy statements are adopted at the Council's meetings. Statements may be initiated by Council members or may result from the work of one of the WSWC's committees. In fact, the committees direct much of the policy analysis and issues examination. A brief discussion of each committee's activities follows.

Legal Committee: Provides guidance on the legal aspects of programs which relate to water resources and water quality; develops and reviews proposed Council positions on current legislation, laws, administrative rules, and activities relating to water resources, water rights, related land use, and Indian issues; follows court cases pertaining to water issues, and authorizes and supervises staff preparation of *amicus* briefs for use by member states in important cases having West-wide implications.

Water Quality Committee: Provides guidance on water quality protection and proposed environmental aspects of programs of interest to the Council; reviews and develops proposed Council positions on water quality, environmental standards, and problems relating to water resources in the western United States.

Water Resources Committee: Focuses on water resources planning, conservation, and other developments of interest; reviews and develops proposed Council positions on current legislation, regulations, and criteria; develops plans, and addresses problems relating to water management, conservation, and development.

Budget: The Council's FY98-99 operating budget will be \$382,416. The yearly dues are \$25,000 per member state.

Address: **Western States Water Council**
Creekview Plaza, Suite A-201
942 East 7145 South
Midvale, Utah 84047
(801) 561-5300
(801) 255-9642 (FAX)
nswswcpo.craig@state.ut.us (EMAIL)

CURRENT ACTIVITIES AND PRIORITIES

Preface: The following does not purport to be a comprehensive listing of all activities the Council contemplates during the coming year, but rather a sampling of priority matters that we feel would be of interest to the governors.

Western Water Management: The State Role in Watershed Initiatives

Consistent with the previous work of the Council, and the WGA, the Council has been asked by the WGA to prepare a report on the state role in local watershed initiatives. Building on the work that led to the development of the Park City Principles, and the growing interest in promoting watershed management and planning initiatives at the local level as a promising approach to identifying and resolving pressing water-related problems, the Council is preparing a report for consideration by state officials identifying options for consideration to promote effective local watershed efforts.

Western Water Policy Review Advisory Commission

The Western Water Policy Review Advisory Commission is about to release its final report on water laws, programs and institutions in the West pursuant to authorization by Congress. Its report will be submitted to the Secretary of Interior. The Commission consists of 22 members, 12 of whom are members of Congress who have leadership positions on relevant committees, and the other 10 are appointees of the Administration. Consistent with the proposed work plan of the WGA, the Council has previously prepared and submitted a report on the following topics on a state-by-state basis: (1) identifying and describing significant present and anticipated water problems in each state; (2) discussing problems of rural communities related to water supply and water treatment; (3) the needs and opportunities for additional storage or other arrangements to augment existing supplies; (4) providing illustrations of significant innovations in water management at the state, regional, or local level; and (5) communicating views related to how federal water-related programs affect the states, both positively and negatively, providing examples where possible. A copy of this report was provided to Council members, as well as WGA staff and members of the Staff Council. Further, the Council responded to the recommendations of the Commission contained in its draft report and anticipates responding in like manner to its final report.

Other WGA Work Plan Items

Consistent with the proposed WGA work plan, we also plan to help monitor federal legislative and policy solutions that impact western water management, particularly with respect to the Clean Water Act and its implementation, to continue to support negotiated settlement of Indian water right disputes, and to find ways to deal more effectively with water quantity and quality interrelationships.

Federal Water Claims Report

Given recent developments, it appears that federal claims to water may be expanding. Federal claims not based on state law threaten preemption of state authority over the appropriation and allocation of both surface and groundwater, and displacement of state water rights holders that are economically dependent on those rights. In order to determine these federal claims to water, states must launch very expensive and time-consuming state court adjudications. The Council has distributed a survey having four primary purposes: (1) to gather the information that will serve as the basis of the report to the Western States Water Council on Federal Non-Indian Water Claims; (2) to shape the context for dialogue among Council members and potentially with representatives of various federal agencies; (3) to provide a medium for the sharing of information and strategies used by other

states to respond to various federal claims to water; and (4) to assess the impact, in terms of time and financial resources, spent in handling, processing, negotiating, or adjudicating such federal claims. The Council's Legal Committee plans a discussion with appropriate federal representatives, held in conjunction with regular Council meetings in November, 1998, at Sparks, Nevada, to facilitate these purposes. The report will be prepared in advance of this discussion.

Endangered Species Act Symposium

ESA reauthorization continues to be on the Congressional agenda. At the same time, several reforms have been initiated during the last three years. For example, the "safe harbor" initiative allows the Fish and Wildlife Service or the National Marine Fisheries Service, in cooperation with appropriate state agencies and tribal governments, to provide property owners with certain assurances in return for voluntarily entering into an agreement enhancing the recovery of the listed species. A "no surprises" policy was formalized with the purpose of ensuring landowners who comply in good faith with an endangered species habitat conservation plan that they will not later be required to provide additional land or financial compensation. At the same time, various groups continue to be active in seeking to enforce their interpretation of the Act pursuant to its citizen suit provisions.

A Council symposium will examine the experience of states with challenges associated with implementation of the Act, and particularly the reforms that have been initiated by the Administration. This examination will include an evaluation and assessment of reforms passed by the Congress, if Congress reauthorizes the Act in the interim. Symposium participants will also share experience with federal/state cooperative approaches, such as the Colorado River and Platte River recovery plan agreements, and the agreements in the Northwest that rely on state conservation efforts as a means to avoid a listing.

Bureau of Reclamation Initiatives

As the Bureau of Reclamation proceeds to identify proposed initiatives, consistent with its new mission focused on water management, rather than water development, the Council will be providing input. These Reclamation initiatives include water conservation and reuse, facilitating water transfers and markets, and the transfer of federal water projects to interested state and local entities. The Council plans to develop guidelines/recommendations for consideration as such proposals are advanced.

Other Items

The Council annually sponsors a water information management systems workshop to promote technology transfer and allow states to share data and information resources. This forum is a means for states to establish a network of expertise and help each other more efficiently use information management technology in providing essential state services, while avoiding past mistakes and duplication of effort, given the experience of other states. Some of the potential applications include water rights adjudications and administration, customer services and the dissemination of information over the internet, real-time streamflow information for flood control and other purposes, and many other management and decision making support services.

Finally, the Council will continue to publish and distribute its weekly newsletter, which it has been doing for over twenty years. It provides member states, governors, and other subscribers with a brief, timely and accurate description and analysis of water resource issues important to the West.

WESTERN STATES WATER COUNCIL OFFICERS, COMMITTEES AND SUBCOMMITTEES

June 3, 1998

OFFICERS: Chair - Gordon W. Fassett (Wyoming)
Vice-Chair - Francis Schwindt (North Dakota)
Secretary/Treasurer - Michael Brophy (Arizona)

EXECUTIVE COMMITTEE - Gordon W. Fassett - Chair
Francis Schwindt - Vice-Chair

Subcommittees with designated Chair:

Management - Gordon W. Fassett (Wyoming)
WGA/WSWC Steering Group/National Water Policy - David A. Sprynczynatyk (North Dakota)
WSWC Water Policy Seminar - Roland Westergard (Nevada)

LEGAL COMMITTEE - John Hatch - Chair (South Dakota)
Martha Pagel - Vice-Chair (Oregon)

Subcommittees with designated Chair:

Federal Reserved Water Rights - Mike Brophy (Arizona)
Endangered Species Act - Dee C. Hansen (Utah)
Legal Education - Roderick E. Walston (California)
General Adjudication Fees - Steve Sanders (Oregon)

WATER RESOURCES COMMITTEE - Chuck Lile - Chair (Colorado)
Jeanine Jones - Vice-Chair (California)

Subcommittees with designated Chair:

Ground Water Recharge Study - D. Larry Anderson (Utah)
Federal Water Project Transfers - Jeanine Jones (California)
Water Transfer Policy - Michael Turnipseed (Nevada)
SDWA Water Conservation - Mike Pearce (Arizona)

WATER QUALITY COMMITTEE - Edward C. Anton - Chair (California)
Wallace N. Cory - Vice-Chair (Idaho)

Subcommittees with designated Chair:

Clean Water Act Reauthorization - Edward C. Anton (California)

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*A briefing paper for the Western Governors' Association Meeting, June 1998
1998 Executive Summary*

WICHE is addressing several regional priorities:

➤ **Western Governors University implementation** — WICHE's Western Cooperative for Educational Telecommunications, under contract with WGU, is concluding work on three important elements of this new competency-based enterprise: development of the *SmartCatalog*[™], the involvement of education providers in the pilot phase, and the selection of vendors of central student services including an online bookstore and library.

➤ **Providing policy support** — WICHE's work enables states, campuses, and systems of higher education to expand the use of information technology in higher education, anticipate enrollment changes into the next century, and better understand the dynamics of the changing student clientele.

➤ **Expanding educational access** — WICHE's undergraduate, graduate, and professional-level student exchange programs are helping more than 9,000 students pursue degrees this year in programs that might not be available in their home states.

➤ **Developing educational leaders in North America** — working with partner organizations in Canada and Mexico, WICHE's Consortium for North American Higher Education Collaboration is developing internationally competent higher education leaders and coordinating cross-border resource sharing.

➤ **Facilitating higher education strategic planning** — through a series of Western Policy Exchange state-level roundtables and regional-issues forums, WICHE is convening key public and private sector decisionmakers from western states to develop policy plans for systematic change in higher education.

➤ **Expanding access to regional data and policy options** — WICHE uses electronic and print information to help education policymakers become better informed about complex issues and policy alternatives.

Helping Western States Face Change

The Western Interstate Commission for Higher Education (WICHE) is a regional agency established through interstate compact in the 1950s. **Compact signatories are Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. North Dakota and South Dakota formally affiliated with WICHE in the 1980s.** WICHE facilitates cooperative planning, resource sharing, and collaboration among the western states, their colleges and universities, and systems of higher education to help meet the needs for an educated workforce.

Educational Telecommunications

The Western Cooperative for Educational Telecommunications has nearly 200 members in 35 states and six countries and is a leader in providing state policymakers, higher education systems, and campuses assistance in developing and evaluating technology-based programs.

The Western Cooperative's activities include providing a consulting service for institutions on telecommunications development; serving as a clearinghouse for information on educational telecommunications technologies, policies, and practices; promoting effective support services for students in distance learning programs, and training college and university distance education managers who are new to the field through its Institute for the Management of Distance Education.

The Western Governors University was founded by the Governors of several western states with the vision of making higher education more accessible. The Western Cooperative, under contract with WGU, has developed the specifications for the *SmartCatalog*[™]; determined the criteria for selecting affiliated education providers and their learning products; and defined the student support services that will be available to WGU students, such as an online bookstore and an online library offering over 60 databases. It has been working on the WGU project since 1995.

Policy Development

In 1997 the WICHE Commission created a **Policy Agenda Committee** to define and respond to key issues facing western states and their colleges and universities. The committee's **top two priorities center around helping decisionmakers better understand the changing student clientele and issues related to the expanding use of information technology in higher education, particularly its effects on state higher education budgets.** WICHE's policy support will yield recommendations and guidelines that can be utilized by states and institutions through planning and budgeting processes.

Policy Information

WICHE provides a wide range of information that supports states' interests in higher education public policy issues. Providing opportunities for discussion of issues and policy options, supplying quantitative and qualitative information and analyses to support decisionmaking, identifying issues and tracking trends are key services provided to the member states.

WICHE's Western Policy Exchange, a three-year project launched in 1996 and supported by the W. K. Kellogg Foundation, **has addressed several critical policy topics of interest to western states.** WICHE and its partner organizations have involved more than 400 key leaders, including Governors and their staff, legislators, state and campus education leaders and business representatives, at nine roundtables in Arizona, Idaho, Montana, New Mexico, South Dakota, and Washington to consider education issues within their own states as well as those shared by other states. **Issues related to access and delivery of higher education in states facing high growth** dominated a regional policy forum held in California.

WICHE's reports and publications address a number of higher education policy issues. WICHE recently published a fifth edition of its popular national study, *Knocking at the College Door: Projections of High School Graduates by State and Race/Ethnicity 1996-2012.* Other new reports include an annual update of tuition and fees in public higher education in the West and several issues of WICHE's *Policy Insights* that address growth and access in western states, review legislative sessions in the West, discuss states' undergraduate tuition and policies, and track job and migration trends. Much of this information is available on WICHE's World Wide Web site at www.wiche.edu.

Assisting Students in the West

WICHE's interstate student exchange programs open up fields and programs to students throughout the West. Various exchange mechanisms benefit students and their families at the undergraduate, graduate, and professional levels.

This year, **more than 8,000 studied through the Western Undergraduate Exchange** that opens hundreds of programs to nonresidents. Students pay 150 percent of their school's resident tuition, substantially less than the normal nonresident rate. States with excess capacity benefit by attracting students seeking educational opportunities at affordable costs.

More than 10,000 professionals, most in health professions, have graduated through WICHE's Professional Student Exchange Program, and most have stayed in the West to contribute to the region through their careers. Nearly 900 enrolled in 15 available professional fields this year. Their home states appropriate funds to help pay the cost of their education outside the home state. In addition to opening access for students to professional programs, the PSEP eliminates the need to create duplicating programs in each state. This year WICHE developed a report focused on the health-related professions of each western state to help policymakers better anticipate future workforce needs.

WICHE's Western Regional Graduate Program makes 111 distinctive graduate programs available to nonresidents on an in-state-tuition basis. More than 200 students participate at 35 institutions in 14 states.

WICHE also administers a regional program and is a **partner in a national effort to address the shortage of minority faculty members.** Through the **WICHE Doctoral Scholars Program,** 36 students are being mentored as they work toward academic careers. Fourteen universities in 12 WICHE states participate in the regional program, as well as eight outside the region. WICHE partners with the South Regional Education Board (SREB) and the New England Board of Higher Education (NEBHE) as part of the national Compact for Faculty Diversity. Scholars and faculty from the three regions take part in an annual Diversity Institute to build the scholars' teaching skills and to assist faculty in developing supportive environments for graduate students of color.

Facilitating Collaborations

Recognizing that higher education's challenges cross state and national boundaries, WICHE, working with regional and national partners, **created the Consortium for North American Higher Education Collaboration (CONAHEC) to link business and education leaders in Canada, Mexico and the U.S.** Key leaders considered how to form business-education alliances at a North American Educational Leadership Seminar in Mexico in November 1997. Also, presidents of higher education institutions along the U.S.-Mexico border met to create BORDER PACT, Border Partners in Action, to work together to address common social issues. The Consortium continues to expand its Educational Leadership Network (EL NET), a major Internet resource.

Another example of partnerships serving western higher education is the **Northwest Academic Forum**. WICHE provides administrative support to the forum which includes academic officers of public institutions, university system offices, and statewide higher education coordinating boards. Forum members met in April to consider the changing roles and critical issues facing chief academic officers, particularly in the forum member states of Alaska, Idaho, Montana, Nevada, North Dakota, Oregon, Washington, Wyoming, and British Columbia.

WICHE's Western Cooperative for Educational Telecommunications (described earlier) provides a third example of a regional collaboration which benefits education policymakers and practitioners.

Assisting Mental Health Systems

Now in its 43rd year, **WICHE's Mental Health Program seeks to assist states as they prepare a qualified mental health workforce and improve systems of care for mental health consumers and their families.** This year the program disseminated a regional survey identifying challenges facing state mental health authorities in an environment of managed care and welfare reform; published cultural competency standards for managed mental health services to Latinos, Native Americans, African Americans, and Asian Americans/Pacific Islanders; and co-sponsored a tele-mental health services conference in Denver to assess the status of telecommunications and mental health services in rural/frontier areas.

Summary of Revenues, Expenses, and Net Assets

Net Assets (July 1, 1996)		\$1,094,864
REVENUES		
State dues		1,153,000
State mental health program fees		155,500
Student exchange (1)		11,275,557
Grants and contracts		2,172,093
Fees, interest, and other income		888,248
TOTAL		\$15,644,398
 EXPENSES		
Student exchange (1)		11,275,557
Student exchange program management		245,692
Compact for faculty diversity (2)		859,880
Constituent relations and special projects		480,518
Policy and information		527,394
Educational telecommunications		982,366
Mental health program		665,654
Basic operations (3)		647,837
TOTAL		\$15,684,898
Net Assets (June 30, 1997) (4)		\$1,054,364

(1) Funds received from states and disbursed to schools in the student exchange program.

(2) Includes \$449,556 in subcontracts with the New England Board of Higher Education and the Southern Regional Education Board, which are partners with WICHE in the Compact for Faculty Diversity.

(3) Includes the expenses of Commission meetings and operations of the executive director's office, communications, general publications, controller's office, and administrative and technical support services; net of indirect cost reimbursements and direct chargebacks to accounts.

(4) This includes revolving accounts that are dedicated for specific purposes, a required minimum contingency reserve, book value of furniture and equipment, and a general fund carryover.

The Commission

WICHE's 45 Commissioners are appointed by their Governors from among State Higher Education Executive Officers, college and university presidents, legislators, and business leaders from the 15 western states. This regional Commission provides governance and policy and priority guidance to WICHE's staff, located in Boulder, Colorado. As of May 1998, Commissioners are:

Alaska

Diane M. Barrans, executive director, Alaska Commission on Postsecondary Education, Juneau;

Johnny Ellis, state senator, Anchorage;

Jerome Komisar, president, University of Alaska Statewide System, Fairbanks.

Arizona

Frank Besnette (WICHE vice chair, 1998), executive director, Arizona Board of Regents, Phoenix;

Rick Lavis, executive vice president, Arizona Cotton Growers, Phoenix;

Daniel Schottel, state representative, Tucson.

California

Phillip G. Bardos, former member of the Los Angeles City Board of Education and the California Community Colleges Board of Governors, Channel Islands;

Judith Chambers, vice president for student life, University of the Pacific, Stockton.

Colorado

Audrey Alvarado (WICHE chair, 1995), associate dean for student and external affairs, GESPA Graduate School of Public Affairs, University of Colorado, Denver;

Joe D. May, president, Pueblo Community College;

Dwayne C. Nuzum, executive director, Colorado Commission on Higher Education, Denver.

Hawaii

Gerald L. De Mello, director of university relations, University of Hawaii at Hilo;

Raymond S. Ono, vice president and manager, King Banking Center, First Hawaiian Bank, Honolulu;

Lawrence Shoji Wakui, former state director, State Employment Training Office, University of Hawaii Community Colleges, Pearl City.

Idaho

Gregory G. Fitch, executive director for higher education, State Board of Education, Boise;

Jack Riggs, state senator and physician, Coeur d' Alene;

Charles Ruch, president, Boise State University.

Montana

Richard Crofts, commissioner, Montana University System, Helena;

Francis J. Kerins, former president of Carroll College, Helena;

Emily Swanson, state representative, Bozeman.

Nevada

Richard S. Jarvis, chancellor, University and Community College System of Nevada, Reno;

Paul Page (WICHE chair, 1996), vice president for university advancement, University of Nevada, Reno;

Raymond D. Rawson, state senator, Las Vegas.

New Mexico

Everett Frost, president, Eastern New Mexico University, Portales;
Pauline Gubbels, state representative, Albuquerque;
Bruce D. Hamlett, executive director, Commission on Higher Education, Santa Fe.

North Dakota

Roy Hausauer, state representative, Wahpeton;
Larry Isaak, chancellor, North Dakota University System, Bismarck;
Joe Peltier, vice president, North Dakota Board of Higher Education, Arthur.

Oregon

Roger J. Bassett, commissioner, Oregon Community Colleges and Job Training Partnership Act Administration, Salem;
Joseph W. Cox, chancellor, Oregon University System, Eugene;
George E. Richardson, Jr., manager of federal and local government relations and community affairs, Northwest Natural Gas Company, Portland.

South Dakota

Robert Burns, distinguished professor and acting director, W.O. Farber Center for Civic Leadership, University of South Dakota, on leave from: Political Science Department, South Dakota State University, Brookings;
David R. Gienapp, lawyer and president, South Dakota Board of Regents, Madison;
Robert T. (Tad) Perry, executive director, South Dakota Board of Regents, Pierre.

Utah

Cecelia H. Foxley, commissioner of higher education, Utah State System of Higher Education, Salt Lake City;
Lyle Hillyard (WICHE chair, 1998), state senator, Logan;
Dale O. Zabriskie, president, Zabriskie & Associates, and member, State Board of Regents, Salt Lake City.

Washington

Don Carlson, state representative, Vancouver;
Marcus S. Gaspard, executive director, Washington State Higher Education Coordinating Board, Olympia;
Ken Jacobsen, state senator, Seattle.

Wyoming

Philip L. Dubois, president, University of Wyoming, Laramie;
Rae Lynn Job, state senator and director of special projects, Sweetwater School District #1, Rock Springs;
Charles J. Yates, manager of surface operations, Solvay Minerals, Green River.

For further information concerning WICHE activities and a list of currently available publications, examine WICHE's site on the World Wide Web (www.wiche.edu) or contact:

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**WESTERN GOVERNORS' ASSOCIATION
FY 1999 CURRENT LEAD GOVERNORS**

Note: Governors names in **bold** are leaving office. Governors names in *italics* are up for re-election.
Lead Governor assignments are generally confirmed at the Winter Meeting.

PROGRAM	LEAD FY 1999	GOVERNORS' TASK FORCE STATES
<p>Regional Development</p> <p>SmartStates * Health Passport * Rural Health & Telemedicine * Transportation Futures International Trade & Relations Border Environment Regional Presidential Primary Electric Industry Restructuring</p>	<p>Leavitt Schafer Schafer Nelson, Leavitt & Miller Nelson <i>Bush</i> Leavitt Johnson</p>	
<p>Environmental Management</p> <p>Shared Environmental Doctrine Air Quality Initiative Western Regional Air Partnership Border Crossing Transportation Efficiency Regional Waste Policy Nuclear Waste Transportation * WIPP Project Interstate Technology & Regulatory Cooperation Abandoned Mine Waste</p>	<p><i>Geringer, Leavitt, Kitzhaber, Knowles</i> Leavitt Leavitt Nelson Chairman Miller & Batt <i>Johnson</i> Nelson & Wilson Leavitt & Miller</p>	<p>Wyoming, Utah, Washington, Arizona, Nebraska Arizona, Colorado, Idaho, Montana, North Dakota, New Mexico, Oregon, Utah, Washington and Wyoming <p style="text-align: center;"><u>Waste Task Force</u> Washington, Idaho, California, Nevada, Arizona, New Mexico, Colorado, Utah, South Dakota, Nebraska, Texas</p> </p>
<p>Lands and Waters</p> <p>Regional Water Policy Land Management * NEPA Reform * Drought * Floods * Endangered Species Act Stewardship of Natural Resources</p>	<p><i>Geringer & Kitzhaber</i> <i>Geringer & Kitzhaber</i> <i>Geringer & Kitzhaber</i> <i>Johnson</i> Nelson & Leavitt <i>Knowles & Leavitt</i> <i>Geringer</i></p>	
<p>Washington Office</p>	<p>Chairman & Vice Chairman 85</p>	

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Improving Drought Response While Reducing Vulnerability to Future Drought

Background

Responding to the devastating drought in the Southwest in 1996, the governors of the western states adopted a resolution in the Spring of 1996 which led to the report, the *WGA Drought Response Action Plan*, which the governors approved in November 1996. The report includes a number of recommendations to improve federal and state responses to drought and emphasized the need for incorporating mitigation and preparedness measures in governmental drought programs. The governors identified two recommendations as priority actions:

- One key recommendation called for the creation of a regional drought coordination council. As a result, a Memorandum of Understanding between WGA and several federal agencies was signed in early 1997. The MOU established the Western Drought Coordination Council (Council) to work toward improving drought response in the West.
- The second key recommendation called for the establishment of a national drought policy framework. At the same time that the Council was being established, WGA was working with Senator Domenici (R-NM) to get a bill introduced (S 222) that would establish a federal advisory commission to review current federal, state, local and tribal drought authorities and programs and advise the President and the Congress on the creation of an integrated, coordinated federal policy designed to prepare for, mitigate the impacts of, respond to, and recover from serious drought emergencies.

Western Drought Coordination Council

The Council, co-chaired by New Mexico Governor Gary Johnson and USDA Deputy Secretary Richard Rominger, held its second annual meeting on June 4, 1998, in Albuquerque, New Mexico, during which a work plan for Year 2 was adopted.

As part of the Council-approved work plan for Year 1, several products have been developed to assist federal, state, tribal and local entities in their drought planning activities including the following:

- In October 1997, the Council started publishing *Western Climate and Water Status*, a quarterly report that compiles information on water supply, snowfall and other climate-related issues from scientists and technicians for use by policy-makers (<http://enso.unl.edu/wdcc/quarterly>).
- "How to Reduce Drought Risk," a vulnerability assessment guide for state, regional and community drought planners, was developed by the Council and is being field-tested in the States of New Mexico and Arizona, as well as the Hopi Tribe.

- Drought-related information is made available through the Council web site (<http://enso.unl.edu/wdcc>). One of the items available at the website is an enhanced version of the Catalog of Federal Drought Assistance Programs, first compiled by FEMA.

The National Drought Policy Act (S. 222/HR 3035)

S222, the National Drought Policy Act of 1997 passed the Senate in November 1997. The House companion bill, HR 3035 introduced by Congressman Joe Skeen (R-NM), is currently making its way through the House. If enacted, the bill would create a commission, on which several signatories of the WGA MOU establishing the Western Drought Coordination Council would be designated as members, including two governors—one from the East and one from the West.

Rep. Skeen's staff has indicated that the HR 3035 will pass the House in June (the House Transportation and Infrastructure Committee favorably reported the bill to the floor in May), and that it could be enacted before the August recess. If so, the Commission would have to be appointed within 60 days, and would have to complete its report 18 months after enactment. Looking ahead, once the report is made, it will take the Administration and Congress at least a couple of years—maybe more—to enact legislation that addresses the issues and recommendations of the Commission. Once a national drought policy is enacted, the Western Drought Coordination Council will need to re-evaluate its mission and goals in light of the new policies. In any case, until Congress enacts such legislation, the reasons for creating the Western Drought Coordination Council will remain.

The Western Drought Coordination Council is committed to supporting and coordinating with the National Drought Policy Commission without in any way duplicating efforts. Indeed, the Act directs the Commission to collaborate with the Council “in order to consider regional drought initiatives and the application of such initiatives at the national level.” The WDCC's Year 2 Work Plan directs the Steering Group to interact with the Commission to ensure that its activities complement, but do not duplicate, those of the Commission.

Other

The State of Texas, through SB 1, requires the Texas Water Development Board to develop a state water plan which “provides for certain goals related to the orderly development, management, and conservation of water, as well as drought preparation and response.”

The States of New Mexico and Arizona as well as several tribal entities have begun development of drought contingency plans which address preparedness and mitigation as well as response.

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Floods Risk Reduction

General Background on Flood Issues

In the past few months, flooding has significantly affected a majority of states in the West and northern plains, causing a number of fatalities, destroying businesses, homes and public facilities, and severely harming farming and ranching operations. It is estimated that over \$5 billion in federal, state and local funds will be spent helping western communities and agricultural interest recover from the 1996/1997 flood season.

Recent changes in federal policy are increasing the focus on non-structural alternatives (such as encouraging participation in the National Flood Insurance Program (NFIP)), in order to reduce the cost of flood disasters to the federal, state and local governments.

Recent federal policy changes and new initiatives indicate the federal government has accurately recognized that all disasters are local and hence, disaster mitigation projects to resolve property losses should be 'local' as well.

Over the past several decades, we have learned how to more effectively manage floodplains in the West through management techniques which provide for the appropriate balance between risk reduction and maintaining the important natural functions for fish and wildlife. Yet, the greatest challenge remains communicating and implementing these management techniques.

Recent WGA Actions on Floods

In response to a number of recent flood events in the West and the recurring threat of future floods, the Western Governors' Association approved WGA Policy Resolution 97-005, *Flood Mitigation and Recovery Issues*. The resolution directed WGA to establish a task force to develop a vision of how to reduce future vulnerability and damage from floods and to provide strategies to regulate activities in floodplain areas.

The recommendations developed by the task force were incorporated into the report, *An Action Plan for Reducing Flood Risk in the West*, which was presented to, and adopted by, the governors at the Seattle Winter Meeting in December 1997.

To implement the key recommendations in the WGA report that involve the federal government, WGA signed a Memorandum of Understanding (MOU) with FEMA, USDA, Interior, the Corps of Engineers, and Commerce (NOAA) on February 24. The MOU authorizes the signatories to collaboratively pursue partnerships on the following "hub" issues: 1) 'reinvention' of floodplain mapping, 2) improving flood risk/warning systems, 3) improving data sharing with state, local and tribal governments, and 4) improving disaster recovery program delivery.

WGA Floods Task Force

WGA held a floods task force meeting in Phoenix on April 30, 1998. The meeting was intended to further develop and discuss the key issues outlined in the MOU and to discuss the four "hub" issues outlined in the MOU. As a result of the discussions, the group agreed to the following action items:

1. **Floodplain Mapping** The work group focused their efforts on the three priority issue areas associated with FEMA's proposed modernization of the flood hazard mapping program. The issues areas include:
 - a) Reviewing the FEMA proposal, and its relationship to other federal programs associated with the issue, to determine if WGA should develop a specific position supporting all or components of the proposal.
 - b) Making recommendations concerning the possible role of 'pilots' in the implementation of the FEMA modernization proposal. The pilots would look at how new technology could be used/tested, the appropriate role of states and local governments in the pilots and what criteria/standards would be used in selecting the pilots.
 - c) Suggesting ways to improve local community involvement and ownership of flood hazard maps in the future.

The work group prepared a draft report which is currently under review by the broader WGA floods task force and membership. Based upon comments received, WGA may then develop a letter to the appropriate agencies and the Office of Management and Budget noting the WGA recommendations. The letter should be completed by July 15, 1998.

2. **Challenge 21** - On April 22, 1998, the Department of the Army's Office of Civil Works sent up proposed legislation to Congress that would allow the Army Corps of Engineers to more effectively reduce flood damages and restore floodplain ecosystems. The new initiative, called *Challenge 21*, would expand the use of non-structural flood damage reduction measures and would allow for more effective coordination of federal programs on a watershed basis.

The WGA Floods Task Force concluded that the goals of the 'Challenge 21' program are consistent with the WGA floods report but the legislative proposal lacks state involvement in the program. As a result, the governors have recommended amendments to the congressional committees of jurisdiction that would ensure that states have a role in designing and implementing the projects and studies, and in developing the criteria for selecting projects under the program.

3. **Flood Warning/Gauging** - WGA will develop a draft paper which highlights some of the new ideas/technology concerning flood warning/gauging systems. The paper will note some of the newest thinking (Arizona State-wide System, Corps of Engineers new partnerships, etc.) on this issue. The paper will also identify some of the barriers to expanding the use of flood warning systems. It would be used to add to the 'tool box' of available flood mitigation measures. The paper should be prepared by mid-summer for review by the task force and finalized by early fall.

4. ***Disaster Response & Recovery*** – FEMA is currently testing a number of new ideas to improve their Public Assistance Program. Feedback from state and local governments is very limited at this time concerning the effectiveness and communications with state/local governments. FEMA will provide the WGA floods task force with some specific feedback from the pilot programs. Based upon that feedback, WGA will schedule a conference call of the task force to discuss if additional future action is needed on this issue.
5. ***State Trust Funds*** – WGA will develop a background paper on the appropriate role and use of state trust funds for floods and other disaster mitigation and response. The paper will include ‘model’ legislation for a state trust fund. The paper should be completed by mid-summer 1998.
6. ***Floodplain Development*** – The Bureau of Reclamation in consultation with the Corps of Engineers will develop a background paper which discusses the impacts associated with development within floodplains, approved by local governments, downstream from water detention structures which create impacts due to operational releases from the dams associated with high flow events. The draft paper will be provided to task force members for review and should be completed by mid-summer 1998. A conference call will follow the review at which time the task force would determine whether follow-up action is needed on this issue.

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Fire -- Seeking to Balance Its Role in Landscapes in the West

Fire suppression efforts this century have had a variety of effects on different plant communities, soil, wildlife, and water in the West. In areas where fire naturally occurs in periods of 150-300 years, the effect of fire suppression is not as noticeable as in areas where there is frequent fire occurrence (e.g., a grassland system with a 3-5 year fire interval).

There has been aggressive fire suppression on most land in the West for the past 100 years. Land management policies were implemented based upon the belief that wildfires were catastrophic and all fires were to be quickly extinguished.

Past management has proven to be detrimental to forests and grasslands adapted to frequent low-intensity fires. The natural low intensity fires removed litter, dead wood and ladder fuels that, when accumulated over time, set the stage for today's large, intense, ecosystem damaging wildfires.

Land managers and research findings support the beneficial role fire plays in wildlands. This does not imply that fire suppression does not have a place in the management of wildlands. There will always be a need to protect life, property and important natural resources. The magnitude of this is demonstrated daily with the increasing wildland/urban interface problems.

The federal land management agencies, along with many state agencies, have revised their policies and are increasing their use of prescribed burning programs. Nationally, it is projected that the federal agencies alone will increase the use of prescribed fire for the purpose of reducing fuel loading, from 750,000 acres in 1996 to approximately 4,000,000 acres annually by the year 2005.

This will require developing new partnerships, paying greater attention to setting priorities jointly and cooperating in decision making processes to meet the expected outcomes and achieve agreed upon management goals. Some likely goals include:

- Reducing the risk to wildland firefighters and communities;
- Reducing the size, number and effects of large catastrophic wildfires;
- Restoring fire as a natural element to the ecosystems, where appropriate;
- Seeking to reduce total smoke emissions over time; and
- Creating a program that is community based in its development and implementation.

Like any major initiative there are barriers and issues to be overcome. They include:

- Public acceptance of the program including its risks and benefits;
- Air quality and smoke issues;
- The shortage of skilled people to accomplish the tasks; and
- Changing agency and community values, cultures and expectations.

The future offers these challenges and probably more. The Western Governors' Association sees an opportunity to assist with issues associated with public awareness, risks, air quality and benefits of fire and other tools to achieve management goals. WGA conducted a forum on prescribed fire issues in May, 1998 in Portland, Oregon and has established a steering committee to develop a work plan to address prescribed fire issues, opportunities and barriers.

Current priorities for WGA actions include:

Liability - review liability issues associated with prescribed fire and provide innovative solutions and creative examples of how states, local governments, federal agencies, and non-governmental organizations are addressing the issue.

Improve Program Coordination - review various agency programs and seek to make improvements to: protect public and firefighter health and safety, maintain or improve air quality, share limited resources, and improve the cooperation in and synchronization of:

- Prescribed fire policies;
- Burning programs;
- Priorities (for who burns on a given day); and
- Resource availability (people/equipment/money).

Regional Assessments - develop regional assessments of forest and range health, public risks, fire hazards, and regional air quality issues. Assessments would be used in: (1) determining how much burning needs to be conducted to achieve the goals over a given time period; and (2) setting regional priorities for prescribed fire programs.

Air Quality - the WGA Western Regional Air Partnership (WRAP) subcommittee has developed a detailed work plan which will address the air quality issues associated with prescribed fire. The work of the two WGA groups will be closely coordinated to ensure sharing of information and resolution of issues.

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Air Quality Initiatives

Regional Haze Rule

Discussions with EPA and interests groups over EPA's proposed regional haze rule have continued since the close of the proposed rule's comment period in December. It now appears the final rule will likely be promulgated in late summer or early fall. EPA's final proposal was to be sent into the federal/OMB review process this month.

In April, EPA signaled it was going to accept a number of WGA's recommendations. This created a flurry of activity because of two factors. First, EPA indicated they would need to add detail to some of the WGA language (i.e., in essence, interpret the language). Secondly, other interest groups took an interest in and became concerned over the WGA language. As a result, WGA convened a group of stakeholders to build a consensus around, and add substance to, key issues of concern. The group consisted of two representatives each from industry and environmental organizations and one representative from the Department of Interior and the National Tribal Environmental Council. WGA was represented by environmental staff from Utah and Colorado.

A major part of the discussion focused on what it means to "approve the Grand Canyon Visibility Transport Commission's recommendations." A balance was sought between having enough specificity in the rule to create a clear expectation for state actions, and leaving states with the flexibility to deal with the uncertainties associated with the recommendations.

A second major focus was on defining EPA's role in regional partnerships (e.g., in the Western Regional Air Partnership which will be facilitating the implementation of the GCVTC recommendations). The desire is to replace the current process of states developing plans and EPA doing prolonged reviews of these plans and often remanding them back for further state action, with a contemporaneous partnership where feedback from EPA comes at "the table" and where EPA resources are focused more on joint problem solving with states and less on after the fact judgments of state efforts.

Finally, ways to create incentives for participation in regional efforts to solve regional problems were explored. Central to these discussions was the need for parties investing resources in these efforts to have an expectation of a significant payoff.

The results of the negotiations were submitted to the governors in June.

Western Regional Air Partnership

The Western Regional Air Partnership (WRAP) is starting up stakeholder based forums to promote the recommendations of the Grand Canyon Visibility Transport Commission. A major effort has been put into selecting co-chairs for each forum. A market trading forum supported by an emissions inventory group has been meeting on a regular basis.

Mexican Air Quality Projects

Work on the four air quality projects with Mexico is proceeding as follows:

- **Emissions Inventory Project.** This project is focused on developing the capacity of federal, state and local governments to perform emissions inventories. Recently EPA agreed to fund the development of an inventory for Tijuana. WGA contractor assistance will be reduced for this effort as compared to the level of assistance we are providing for the Mexicali inventory. With this reduction in assistance, Mexican state and federal officials will assuming the primary responsibility for managing the project.
- **Border Energy Project.** This project is focusing on increasing the market for cleaner fuels and energy efficient processes in the border region. In late May, a WGA delegation went to Mexico City to secure support from federal agencies for the project. While the trip was successful in gaining support for the development of a market data base for the border region, additional work is needed to resolve conflicting role definitions among various Mexican agencies.
- **Air Quality Management Training.** Professor William Auberle of Northern Arizona University will spend his sabbatical working with WGA on a training program for upper level environmental managers in Mexico. Air quality is an evolving issue in Mexico and many upper level managers have little or no training in the complexities of the technical and policy issues associated with this field. Auberle will develop a training course and delivery mechanism in cooperation with Mexico's Institute for National Ecology.
- **Border Congestion Study.** This project is designed to accomplish two objectives. The first is to identify how the myriad of institutional and infrastructural conditions have created congestion problems affecting both air quality and commerce along the U.S.-Mexico Border. The second is to assemble key stakeholders from both sides of the border for a workshop to develop consensus recommendations and action items to alleviate congestion. The project is scheduled to be completed and a report issued to the governors by June 1999.

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Interstate Technology & Regulatory Cooperation

Background

In June 1995 the Western Governors approved a regional technology codicil directing their environmental agencies to develop and test mechanisms for interstate regulatory cooperation on the permitting and evaluation of new environmental technologies. In response, the states created a workgroup called the Interstate Technology and Regulatory Cooperation (ITRC) project. One of the goals of this effort was to overcome regulatory barriers to the \$9 billion annual cleanup market so that less money would be spent on regulatory red tape.

Almost immediately state interest in this effort spread across the nation. After pilot testing several different approaches, the ITRC developed a mission of focusing on creating tools and strategies to reduce interstate barriers to the deployment of innovative hazardous waste management and remediation technologies. To accomplish this mission, the ITRC has decided to focus on:

- developing guidance documents intended to help regulatory staff and technology vendors in the deployment of innovative technologies; and
- establishing a network of technical resources and support for implementing new ideas back in their own organizations.

The use of these guidance documents and ITRC network, offers a consistent approach to the review and approval of specified technologies to clean up a specific site. This saves the state time in reviewing applications, training costs, and helps lessen the uncertainty associated with innovative technologies. Likewise, these tools offer industry a consistent and predictable process for the regulatory review and approval of a technology. Similarly, the ITRC offers technology developers a guide to the collection of performance data that will likely be requested by regulators when their technology is commercialized.

Current Status

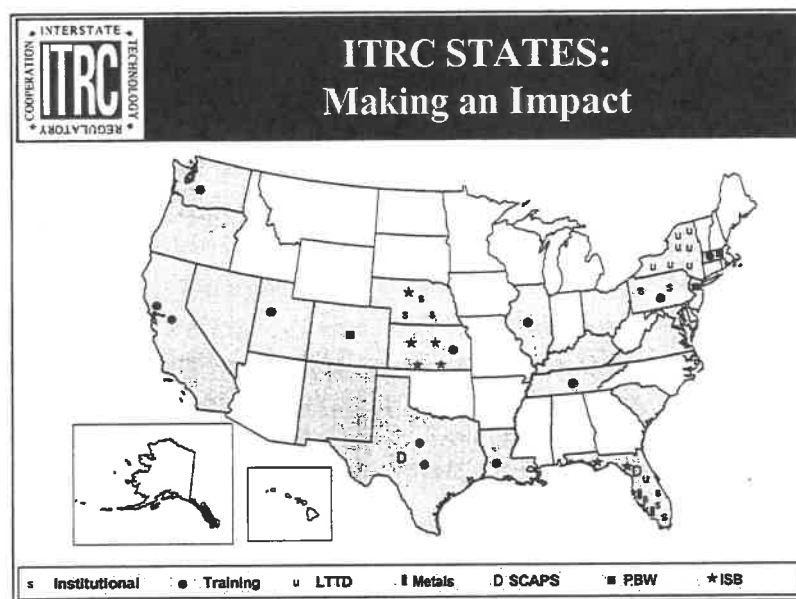
Currently the ITRC has expanded to include more than 24 states, three federal partners (DOD, DOE, EPA), stakeholders, and two state associations (WGA and SSEB). WGA's role has been to provide support to the state-led management team and administer the \$3 million annual budget. These funds are used primarily for state grants and contractor support to the participating state staff. In addition, WGA has provide technology circuit rider(s) to brief states and assist with implementation of multi-state technology protocols and is responsible for identifying emerging policy issues for governors.

To date, the ITRC has developed (either final or near final) 24 guidance documents intended to help regulatory staff and technology vendors in the deployment of innovative technologies. In general, ITRC guidance documents are defined as providing a regulatory perspective on the informational needs (background and/or regulatory requirements) of state environmental agencies to approve the use of a specified technology.

As a result of using these guidance documents and taking advantage of the ITRC network, 15 states have reported 43 examples of how the ITRC has benefitted cleanup activities in their state. A preliminary analysis of these examples has identified several important themes and trends. This includes:

1. reducing the time for regulatory approval by as much as 20%;
2. creating a predictable pathway for regulatory approval which is contributing to the reduction in the price of the technology; and
3. various institutional changes that will have long-lasting effects in the daily practices of participating states.

The following map highlights the states that are currently active in the ITRC and the initial benefits that they have experienced as a result of participating in the ITRC.



Action Required

Over the past year, the ITRC has matured from an effort that was exploring different mechanism to promote regulatory cooperation to a standing organization focus on program implementation and integration with state environmental agencies. In addition, as you can see from the map above, the state participation in the ITRC is spread across the nation. Combined, these factors have created a need for the ITRC to seek affiliation with an organization with national membership. As a result, the ITRC, with support from WGA staff, have signed a Memorandum of Understanding with the Environmental Council of States (ECOS) to transfer affiliation from WGA to ECOS.

In support of “spinning-off” the ITRC a resolution has been proposed to:

- highlight the accomplishments of the ITRC;
- “spin-off” the ITRC to the Environmental Council of States;
- provide direction to WGA to continue a minimal level of effort to communicate the lessons learned from this and related projects.

Biographies

James Lee Witt

James Lee Witt was appointed by President Clinton and confirmed by the U.S. Senate as Director of the Federal Emergency Management Agency in April, 1993. He was the first agency head who came to the position with experience in emergency management, having previously served as the Director of the Arkansas Office of Emergency Services for four years.

As FEMA Director, Mr. Witt coordinates federal disaster relief on behalf of President Clinton, including the response and recovery activities of 28 federal agencies and departments, the American Red Cross and other voluntary agencies. He also oversees the National Flood Insurance Program, the U.S. Fire Administration and other proactive mitigation activities that reduce loss of life and property from all types of hazards. Mr. Witt administers budgetary resources of \$7 billion and oversees 2,500 employees located in Washington, D.C. and 10 regional offices.

Since taking office, Mr. Witt has led FEMA through more than 176 Presidentially declared disasters in some 3,655 counties in all 50 states and territories, including the most costly flood disaster in the nation's history, the most costly earthquake, and a dozen damaging hurricanes. He reorganized FEMA into a proactive customer-focused agency recognized by President Clinton and Vice-President Gore as a model for successful government. The agency has received increasing public accolades and specific honors in recent years, including, in 1996, the Innovators in American Government award from the John F. Kennedy School of Government, at Harvard University.

In February, 1996, President Clinton elevated Mr. Witt to cabinet status - a first for a FEMA Director.

Mr. Witt's professional career includes the formation of Witt Construction, a commercial and residential building company. After 12 years as a successful business man and community leader, he was elected County Judge for Yell County, serving as the chief elected official for the county, with judicial responsibilities for county and juvenile court. At age 34, he was the youngest elected official in Arkansas, and was later honored for his accomplishments by the National Association of Counties. After being re-elected six times to the position, Mr. Witt was tapped by then-Governor Bill Clinton to assume leadership of the Arkansas Office of Emergency Services.

Frederick Price DuVal

Fred DuVal began his tenure as Deputy Assistant to the President for and Deputy Director of Intergovernmental Affairs in May 1997. The White House Office of Intergovernmental Affairs is responsible for maintaining contact with state and local elected officials nationwide on policies, programs and issues and then communicating those views to the President and his advisors. DuVal serves as lead liaison to statewide elected officials and for the U.S. territories.

From June 1993 to April 1996, DuVal served as Deputy Chief of Protocol of the United States. He managed a staff of fifty professionals for the visits of foreign leaders to the United States, events at the State Department, diplomatic accommodation and Blair House.

Before his Presidential Appointment, DuVal was a partner of Nelson, Robb, DuVal and DeMenna, one of Arizona's largest public affairs and lobbying firms. From 1980-1985, DuVal served as a top assistant to Governor Babbitt in Arizona and was responsible for all state legislative and federal government affairs. He also directed Babbitt's 1978 campaign for Governor.

While in Arizona, DuVal was a regular political commentator on Phoenix radio and television and has lectured on political and international issues at institutions such as the Kennedy School of Government at Harvard University.

DuVal has had a lifelong interest in civic and educational issues, having served as a trustee of Prescott College, on the National Advisory Board of the Udall Center for Public Policy, the Board of Directors of Valley Big Brothers and the Desert Botanical Gardens. DuVal has also been active in the Phoenix Council on Foreign Relations and the Phoenix Art Museum.

Mr. DuVal graduated from Occidental College in 1976 and was selected a Luce scholar. He obtained his law degree from Arizona State University in 1980. DuVal has a five-year-old son, William.

Felicia Marcus

Felicia Marcus was appointed Regional Administrator of the U.S. Environmental Protection Agency (EPA) Region IX on October 4, 1993.

Prior to joining the EPA, Ms. Marcus served as the President of the Board of Public Works for the City of Los Angeles. Ms. Marcus also has extensive background as a private sector and public interest lawyer as well as a community organizer. She has served as the director of litigation for Public Counsel, a public interest law firm, an associate of the law firm of Munger, Tolles & Olson, a visiting fellow at the Center for Law in the Public Interest, a law clerk of the Honorable Harry Pregerson (9th Circuit Court of Appeals), and legislative assistant to Congressman Anthony C. Beilenson.

Plenary Session II
Mining, "Doing It Right:"
Sound Science, Prudent Management
and Meaningful Public Involvement

Session Summary

Monday, June 29, 1998
9:30 - 11:30 a.m.
Columbia Ballroom

PARTICIPANTS

Dennis Wheeler, Chairman, President and CEO, Coeur d'Alene Mining Company
John Rense, Chief Operating Officer, NANA Regional Corporation, Inc.
Michele Brown, Commissioner AK Department of Environmental Conservation

SUMMARY

Governors and panelists will discuss mining success stories in Alaska that involve local hire, environmental stewardship and coordinated multi-agency permitting. They will also discuss partnering with communities and stakeholders to preserve water quality in the exploration and development of new mines. The discussion will then shift from active mine sites to acceleration and clean up of old, abandoned mine sites.

They will also discuss Alaska's "Doing it Right" approach to mining which emphasizes the importance of sound science, prudent management and responsive, meaningful public involvement to ensure that development is done in a manner that protects air, water, wildlife and habitat. It relies on developing partnerships with industry to hire locally and go beyond compliance while ensuring communities and stakeholders have the opportunity to participate and benefit at all levels. Governors will discuss similar situations in their states.

OUTCOMES

Governors will gain an understanding of how mining companies in Alaska are "Doing it Right" and involving local communities, citizens, native organizations, and hiring local work forces in mining operations.

A resolution proposed on abandoned mine cleanup by Governor Romer will be discussed and voted on at the close of this session.

RELATED MATERIALS

Mining Industry in the West	103-104
Coeur Properties, Kensington Mine: Permitting Near Completion	105
Coeur Environmental Stewardship	107
Cominco Exploration & Operations Red Dog Mine	109-112
Red Dog Mine: A Partnership Success Story	113-116
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Mining Industry in the West

Mining in the West of non-coal resources is valued at nearly \$20 billion annually. While metal mining such as gold is currently below production levels of the last few years, mining for industrial minerals continues to flourish. While 30% of the total U.S. value of production is mined in four western states -- Arizona, Nevada, California, and Utah -- mining takes place in every western state.

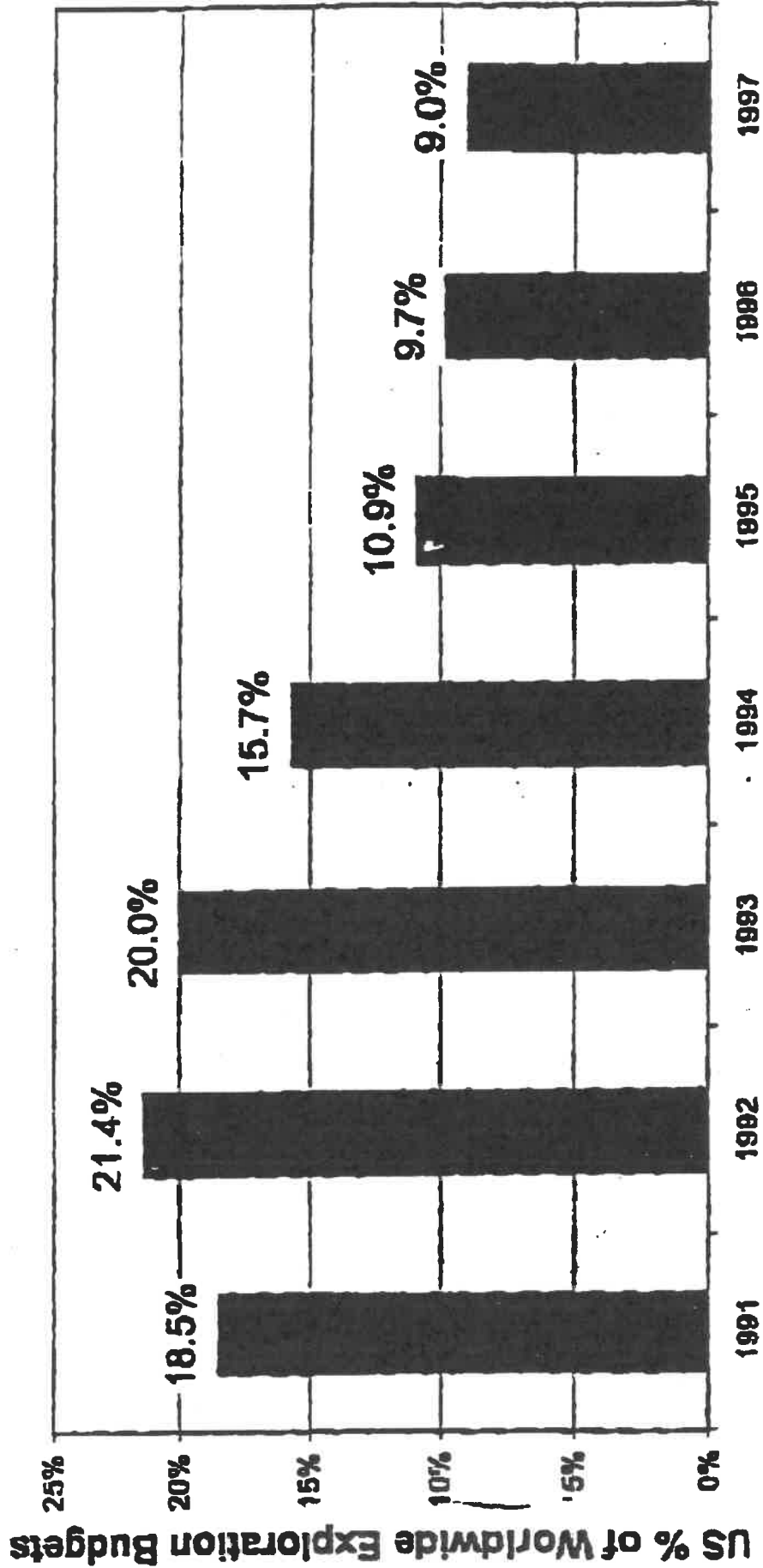
Value of Nonfuel Raw Material Production 1997 - in \$1,000

AZ	\$3,520,000
NV	\$3,030,000
CA	\$2,821,000
UT	\$1,760,000
TX	\$1,700,000
WY	\$996,000
NM	\$994,000
AK	\$827,000
KS	\$547,000
WA	\$522,000
CO	\$521,000
MT	\$498,000
ID	\$442,000
SD	\$340,000
OR	\$272,000
NE	\$161,000
HI	\$99,900
ND	\$31,600
West	\$19,082,500
U.S.	\$39,500,000

Average weekly earnings for employees in the metal mining business are \$787 per week and \$679 per week for employees in the industrial minerals mining sector.

As the chart on the following page illustrates, the percentage of worldwide exploration spending by the mining industry has declined in the U.S. since 1993. The percentage of exploration spending in the U.S. has dropped to one in every ten dollars in 1997 compared to one in every five dollars in 1993.

EXPLORATION SPENDING IN THE UNITED STATES AS A PERCENT OF WORLDWIDE EXPLORATION BUDGETS

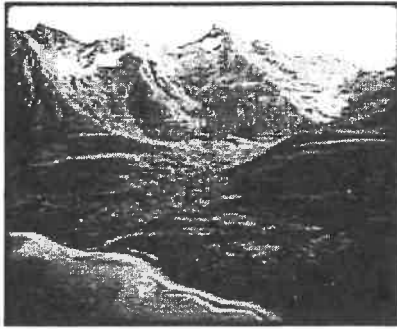


Source: Metals Economics Group & Mining Engineering



Properties

KENSINGTON: Permitting near completion



After less than two years under Coeur's full 100 percent control, the Kensington gold project in Alaska closed in on the final permits needed to build the mine.

Early in 1997, the draft Supplemental Environmental Impact Statement was issued by the U.S. Forest Service. Other major draft permits were also issued by the Environmental Protection Agency and the U.S. Army Corps of Engineers. A large mine permit from the City and Borough of Juneau, was also anticipated.

With the necessary board approval, Kensington would have a construction timetable of approximately 18 months and capital cost confirmed by a feasibility study update at approximately \$197 million. Meanwhile, the Company continues to work on further optimization of the project.

Under current reserves, mine life is estimated at 200,000 ounces of gold production for at least 10 years. Development work in 1996 identified eight new exploration targets at the mine in addition to the 1.9 million ounces of proven and probable reserves.

With Kensington, Coeur has actively sought the input of community based groups including a consortium of seven environmental interest groups (the Kensington coalition), local fishing groups, and many other community members. Unique partnerships were also reached with Alaska Native groups on the project. As a result, Coeur's plans for Kensington go beyond the regulatory minimums, and have incorporated changes - including the use of dry tailings disposal - that will enhance the project's overall environmental design and improve construction, operation, and ultimately reclamation.

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-HOME-

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Environmental Stewardship

ENVIRONMENTAL POLICY



Coeur has a strong regard for environmental protection and environmental safety concerns and will conduct its activities in such a manner as to protect the physical environment, our employees and the general public. We will comply with applicable environmental and product safety laws and regulations and develop and implement a program to ensure compliance. We will be

both responsible and responsive in our efforts relative to environmental protection and environmental safety. This policy can be simply stated as ***"Producing and Protecting"***.

To accomplish this policy:

The Company will design and operate our facilities to reflect consideration of the need to protect the environment, our employees and the general public. The Company will implement reasonable operational procedures to ensure we are effective in addressing environmental concerns, including:

- Conduct environmental reviews of operations and activities to ensure compliance, reduce liabilities, improve profitability and report these findings;
- Conduct appropriate research to develop more effective methods for protection of the environment and public health;
- Establish accountability for all employees to exert leadership and commitment to continual improvement in environmental awareness; and
- Ensure employee awareness of the policy and their involvement in its implementation.

We will encourage and be involved in the development of reasonable environmental legislation and regulations.

We will develop, obtain and disseminate pertinent information to our employees and alert them to environmental and product safety trends and problems.

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Exploration & Operations

RED DOG

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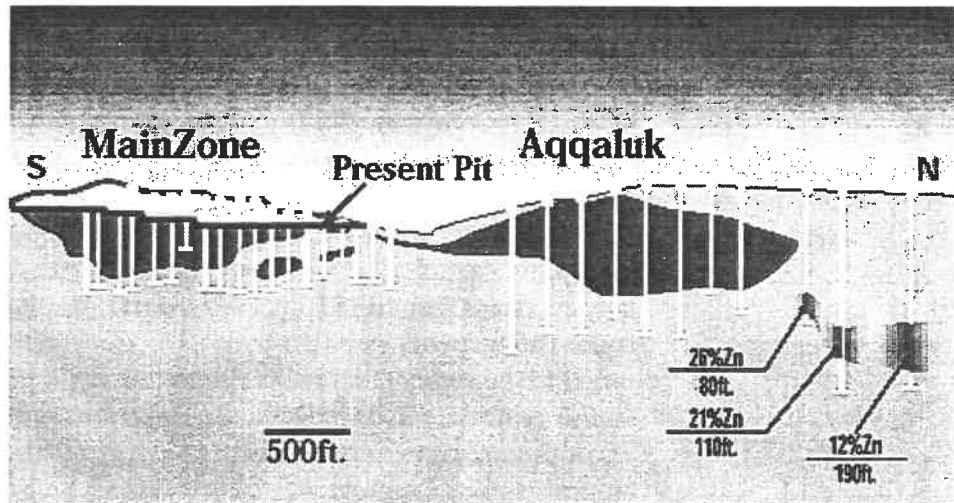
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The Red Dog open-pit zinc-lead mine is located in northwest Alaska, about 145 kilometres northeast of Kotzebue. The property is owned by the NANA Regional Corporation and leased to Cominco Alaska Incorporated, a wholly owned subsidiary of Cominco American Incorporated. NANA is a corporation organized under the provisions of the Alaska Native Claims Settlement Act. Under the lease agreement, Cominco Alaska owns and operates the Red Dog mine facilities and NANA receives an annual royalty payment amounting to 4.5 percent of the value of annual production. This rate of royalty payment will continue until Cominco has recovered its capital investment, including interest and the advance royalties previously paid to NANA. From that point, NANA will receive a share of the net proceeds of production from the mine, starting at 25 percent and increasing to 50 percent in successive increments of 5 percent at five-year intervals.

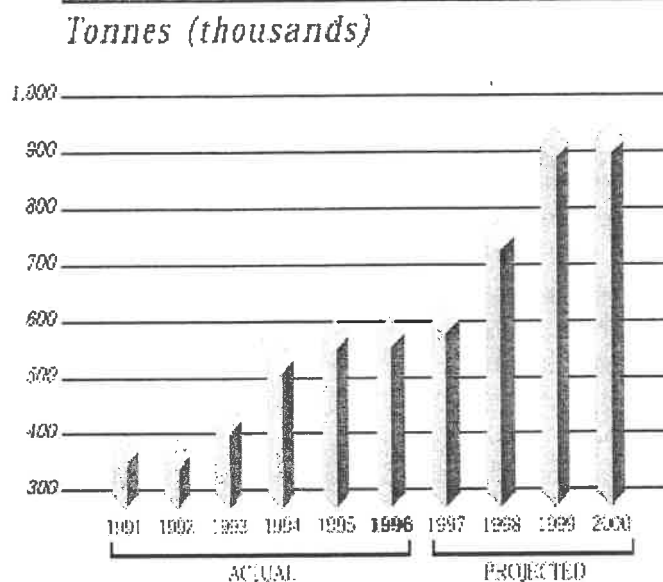


Longitudinal section showing new mineralization discovered beneath northern edge of the Aqqaluk deposit

Mining and milling are carried out year-round. Zinc and lead concentrates are trucked 85 kilometres from the mine to the port site on the Chukchi Sea and stored until the three-month summer shipping season.

Production of both zinc and lead concentrates has steadily increased throughout the mine's six-year operating history, and Red Dog is now the world's largest producer of zinc in zinc concentrate.

Red Dog zinc concentrate production 1991 - 2000



Process modifications in the concentrator have resulted in dramatic increases in zinc and lead recoveries throughout 1996. At the Red Dog mine, zinc recovery increased to more than 82 percent in 1996 from 75 percent in the previous year, while lead recovery increased to 57 percent, up from 37 percent in 1995. As a result, approximately 157,000 fewer tonnes of ore milled in 1996 produced a greater amount of both concentrates than in 1995. In 1997, attention will be focused on concentrate quality.

Red Dog had another record shipping season in 1996, with 706,400 tonnes of concentrates loaded onto ships bound for markets in Canada, Europe, Japan and Korea. This is a significant increase over the 642,200 tonnes shipped the previous year.

Red Dog

	1996	1995
Ore milled (tonnes)	2,098,000	2,255,200
Zinc		
Average ore grade	18.7%	19.0%
Concentrate (tonnes)	587,200	585,200
Average concentrate grade	55.3%	55.6%
Average mill recovery	83%	75%
Lead		
Average ore grade	5.0%	5.8%
Concentrate (tonnes)	111,700	91,900
Average concentrate grade	55.6%	55.0%
Average mill recovery	57%	37%
Silver		
Average ore grade (g/tonne)	96.8	95.0
Average ore grade (oz/ton)	2.82	2.77
Average mill recovery	66%	53%
No. of employees at year-end	326	337

A 40 percent production rate increase was approved in 1996. This project is a major undertaking that requires additional housing facilities, a new crushing plant, another semi-autogenous grinding (SAG) mill, another ball mill and additional filtering and flotation capacity, as well as additional trucks and other mining equipment. The total cost for the mine and mill production rate increase will be U.S.\$104 million. The port facility must also be expanded. Storage and shipping capacity will be increased along with accommodations and fuel storage. This will be funded by the Alaska Industrial Development and Export Authority (AIDEA) at a cost of approximately U.S.\$85 million. AIDEA will recover its costs from Cominco through a toll on concentrates handled at the port.

Construction for the production rate increase facilities began in 1996 and will continue through 1997 and into the early part of 1998. In 1999, the first full year at the increased production rate, Red Dog is expected to produce over 900,000 tonnes of zinc concentrate. All of the additional production has been committed under long-term contracts to existing and new zinc and lead consumers in the major markets of Europe and Asia. In total, more than 20 smelters and refineries around the world will benefit from this long-term, reliable supply of zinc and lead concentrates.

Exploration drilling during the summer partially delineated a new mineralized zone immediately north of the Aqqaluk deposit with an estimated Possible Resource of 7 million tonnes at 16 percent zinc. One drill hole intersected 20 percent zinc over 33 metres, while a second drill hole, 120 metres away, intersected 12 percent zinc over a 58-metre interval. Additional drilling of this deeper zone will occur during the 1997 drilling season.

By year-end, all the major permits for the production rate increase project were in place. Preliminary environmental monitoring began in anticipation of the future development of Aqqaluk. Archaeologists under contract to Cominco Alaska identified a cultural site, which will be

excavated, recorded and studied. This will provide a significant contribution to the understanding of the early history of the region.

Although operations are at a relatively early stage in terms of overall mining life, reclamation was done in 1996 at waste rock sites and near the air-strip. This reclamation work will be continued in 1997.

Through Cominco's efforts to improve the quality of the effluent discharged from the tailings pond, water quality in Lower Red Dog Creek has improved sufficiently to allow fish migration into regions that were previously uninhabitable.

Red Dog works very closely with its native partner to employ qualified NANA shareholders in the operation. An aggressive training program continues to develop qualified people for Red Dog and the mining industry. Approximately 51 percent of the employees are NANA shareholders.

During the year, there were 10 lost-time accidents for a frequency of 2 accidents for every 200,000 hours worked, compared with a frequency of 3 in 1995.

Red Dog Mine: A Partnership Success Story

The story of the Red Dog mine is a story of more than an incredibly large and high-grade ore body developed in one of the most harsh and inaccessible regions on earth. It's also a saga of how society's mineral -- and social -- needs can be met through cooperation. The mine project has brought together diverse groups on a scale rarely seen, including traditional subsistence hunters and modern miners, environmentalists and developers, wilderness park planners and road builders, Canadian business leaders and Alaskan political leaders.

From the beginning, cooperation -- mixed with a healthy dose of optimism -- has been the key to timely development of Red Dog, despite what many industry experts suggested was an impossible undertaking.

Scope of the Mine

Red Dog's main deposit contains about two-thirds of all U.S. zinc reserves and the reserves are among the world's largest. The mine, costing \$450 million to develop, is expected to produce for at least 50 years. Zinc is an anti-corrosive galvanizing agent for steel used in items ranging from nails and pipes to automobile bodies and bridge girders. Zinc compounds also are fed to animals as a mineral supplement and applied to fields as a trace element to aid plant growth. Most flashlight batteries contain zinc as a major component, and all tires manufactured in the Western World contain approximately a third of a pound of zinc oxide. Every copper penny struck since 1983 contains 97.6 percent zinc and just 2.4 percent copper.

Red Dog's output will be shipped to other countries because the United States lacks smelters. Ironically, much of the refined zinc imported by the United States in the future may come from the Red Dog Mine. In Alaska, the impact will be considerable. Economists estimate that the mine will inject some \$5 billion into the state's economy during the course of its expected 50-year production life.

Alaska will receive revenues from corporate income taxes and a mining license tax. An even greater benefit will come from wages and royalties paid by the company operating the site -- Cominco. The 280 jobs created directly by the mine and its storage and port facilities generate a \$15 million annual payroll, most of which recirculates in Alaska. Royalty payments to the land owner, NANA Regional Corp., are expected to be about \$1 billion over 50 years. Because NANA was established in accordance with the Alaska Native Claims Settlement Act of 1971, 70 percent of the royalties will be distributed statewide among all Alaska Native corporations.

While the entire state stands to gain long-term from Red Dog development, northwest Alaska is experiencing immediate benefits. More than 150 of the new mine jobs are held by natives from Kotzebue and surrounding villages. The cash flow from entry-level wages, averaging \$35,000 a year, is a significant economic boost to an Indiana-sized region whose 6,500 residents experience unemployment rates ranging from 20 percent to 70 percent. The mine is a significant revenue base for Northwest Arctic Borough operations.

A Major Discovery

For generations, Inupiat Eskimos hunting in the DeLong Mountains had been aware of the orange- and red-stained creek bed whose waters eventually flow into the Wulik River. For them, the staining was much less significant than the caribou migrations and salmon runs, as well as the arctic char and grayling fish species populating area streams. Fish couldn't survive in the mineral-stained creek. To geologists, these stains meant the presence of mineralized rock.

To Mine or Not?

To resolve the mining question, NANA officials conducted meetings in villages throughout the region, seeking consensus on whether to allow mineral development in the heart of a wilderness whose wildlife had sustained the native Inupiat for several millennia. But the Inupiat, motivated by the demands of a modern cash economy, were purchasing snowmobiles, rifles, boats, and clothing to improve their subsistence lifestyle. Paychecks were proving to be as important as hunting game. For them, the mineralization along barren Red Dog Creek had gained a new significance.

In 1979, NANA shareholders approved the concept of mineral development, with three stipulations: maximizing shareholder employment, enforcing strict environmental controls and giving NANA the right to close down all or part of the operation if it seriously impacted subsistence habitats or activities, and guaranteeing that any joint venture agreement with the operating company provide an adequate cash return to NANA.

In 1980, NANA's selection rights were ratified with passage of the Alaska National Interest Lands Conservation Act. The native corporation began considering offers from major mining companies to develop Red Dog on a joint-venture basis.

Previous conflicts between the natives and the developers were erased when Cominco emerged with the favored proposal. The resulting agreement, signed in 1982, was significant because it meant the merging of two separate objectives: NANA's primary interest in the long-term survival of its people and Cominco's desire to generate profits for its shareholders.

The agreement permitted the mining company to lease NANA's property at Red Dog, finance and build the mine, market the product, maintain the integrity of the environment, and employ and train natives from the region. NANA officials selected Cominco as a partner in part because the Vancouver, B.C.-based company, founded in 1906 as Consolidated Mining and Smelting Company Ltd., had strong Arctic mining experience and was the largest zinc and lead producer in the West. Involved in exploration, mining, smelting, refining, and research, the company now accounts for about 10 percent of Western World production.

Another reason Cominco was selected was the company's policy of hiring local natives. Cominco agreed to a goal of employing a work force comprised totally of local natives by the 12th year of the mine's operation. Currently, the local hiring rate has reached about 60 percent -- remarkable considering the virtual lack of mining experience among natives in the region. Meanwhile,

Cominco is sponsoring programs to train native workers and students for technical jobs and management positions.

Cominco also was willing to protect long-term employment prospects by capping annual production at 2.1 million metric tons of ore, regardless of the price of zinc. This guarantees a mine life of 50 years, and probably much longer if, as seems likely, new reserves are discovered.

NANA also was drawn to the royalty package Cominco offered. The native corporation received an initial payment of \$1.5 million, an advance royalty of \$1 million a year during construction, and a production royalty of 4.5 percent of net smelter return. The production royalty will increase to 25 percent of net proceeds income after capital recovery, then increase to 50 percent net proceeds income over 25 years, where it will remain for the life of the mine.

Of greater importance to NANA was Cominco's commitment to the region's environment. Cominco, recognized for its strong environmental track record related to its operations in arctic and subarctic regions of Greenland and Canada, was willing to abide by environmental protection decisions made by a committee of local Inupiat leaders. For example, the committee has the authority to close the mine road for up to 3 weeks in order to protect migrating caribou.

Working Together

For both Cominco and NANA, the period from 1982 to 1987 was used to obtain financing, sample ore, develop project plans, undertake environmental studies, and survive seemingly endless rounds of negotiations and public hearings.

One of the primary considerations for the mine was a transportation link to the coast. After months of discussions with NANA elders and surveys of alternative routes, a 52-mile corridor was selected that generally avoided important caribou migration paths, fish spawning areas, and waterfowl nesting sites. This route, however, extended 23 miles through Cape Krusenstern National Monument. It took, literally, an act of Congress to approve the easement.

While the Sierra Club, Wilderness Society and other influential conservation groups condemned NANA's request for the easement, the route was endorsed by the National Audubon Society, and by subsistence hunters in the region who were facing the greatest environmental impact from development.

However, Cominco still needed \$150 million to finance the 52-mile road, port, and dock complex. At the time, zinc prices hovered between 35 and 40 cents a pound. Already seeking \$300 million in construction and capital loans, the company would have difficulty obtaining the additional funding from the world's major lending institutions.

So, while the team pressed Interior Department staff and Congressional leaders for a road easement, NANA and Cominco officials also lobbied a third partner, the state of Alaska, to finance the needed infrastructure. Their 3-year effort was carried out in a statewide political environment of intense skepticism about megaprojects. Ultimately, NANA leaders played a pivotal role in convincing the Alaska legislature to allocate \$ 150 million for road, shoreline

storage and port facilities. In return for the state's investment, Cominco guaranteed Alaska's government \$ 12 million a year in toll fees or, potentially, \$600 million during its projected 50-year life. That figure included a 6.5-percent rate of return on the original state investment of \$150 million.

Financing for the transportation system was approved in May 1985. The land transfer was finalized in September 1985 when Congress approved an exchange of NANA lands for a corridor through the national monument.

The next challenge was for NANA to create a local government that could tax mine revenues and distribute the benefits to area residents. No borough had been established earlier within the NANA region because communities had no tax base to support local-government services.

Although Red Dog was part of the NANA region, it was initially situated within North Slope Borough boundaries. If taxed by that borough, benefits would go only to residents of villages outside the NANA region.

The boundary issue triggered a conflict between the oil-rich North Slope Borough and the cash-poor NANA Region. The battles, which split Eskimo families and friends, were fought with memoranda, media, ballots, and litigation. Even anthropologists were called upon to demonstrate that the Red Dog area was, traditionally, NANA territory. Ultimately, a state commission approved a boundary change that separated NANA lands from the North Slope Borough. The decision was reviewed by the Alaska State Legislature, and withstood legal challenge in the Alaska Superior Court.

By June 1986 the state began building the DeLong Mountain Transportation Corridor and Red Dog was within the newly created Northwest Arctic Borough. Production at the mine began in 1989 and the first ship leaving with zinc ore concentrate pulled out of port in July of 1990. In 1996, Alaska agreed to an \$85 million expansion of the state-owned port facilities to enable the Red Dog Mine to increase its output.

The story of Red Dog proves that development can be done right if partnerships are formed among local communities, industry, the state, and the federal government.

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Biographies

Dennis Wheeler

Mr. Wheeler is the Chairman of the Board, President and Chief Executive Officer of Coeur d'Alene Mines Corporation (NYSE: CDE), an international gold and silver producer headquartered in Coeur d'Alene, Idaho with operations in North America, Chile and the Pacific Rim.

Mr. Wheeler serves on the Board of Directors of Sierra Pacific Resources (NYSE: SPR). He is a former President and a current member of the Executive Committee of the Silver Institute, an international organization of miners, refiners, fabricators and manufacturers.

He was the 1994 recipient of the American Institute of Mining, Metallurgical and Petroleum Engineers Environmental Conservation Distinguished Service Award, that association's highest environmental award.

Mr. Wheeler serves on the Boards of Directors of the Gold and Silver Institutes, and the National Mining Association. He is also a U.S. Director of the World Gold Council, an international organization based in Geneva, Switzerland, dedicated to enhancing worldwide markets for gold.

Mr. Wheeler served as President of the Idaho Board of Education and is on the Board of the Idaho Chapter of the Nature Conservancy. In May of 1998 he was inducted into the University of Idaho's Alumni Hall of Fame. He is also the recipient of the "Significant Sig" award of Sigma Chi Fraternity.

John A. L. Rense

John Rense, Chief Operating Officer for NANA Regional Corporation, has been with NANA for over 10 years. NANA is the Alaskan Native Corporation located in NW Alaska and based in Kotzebue. Mr. Rense works out of the Company's Anchorage office.

Mr. Rense's responsibilities include the oversight of NANA's oil field service, tourism, hotel property management, arts and craft and other operations. With almost 1,100 employees, NANA is one of the State's largest employers. He is also involved with the oversight of NANA's ownership interest in the Red Dog Mine north of Kotzebue.

John has degrees in engineering and economics from the Colorado School of Mines.

Michele Brown

Michele Brown was appointed commissioner of the Department of Environmental Conservation on January 20, 1996, by Governor Tony Knowles.

Ms. Brown formerly was a DEC deputy commissioner, regional administrator of the southcentral region which was headquartered in Anchorage, and an assistant attorney general in the Alaska Department of Law, where she represented and advised the Departments of Environmental Conservation, Natural Resources, Fish and Game, and Community and Regional Affairs. In that position, she worked extensively on the *Exxon Valdez* spill response to deal with many of its legal, regulatory, and enforcement problems.

In 1993, Ms. Brown was appointed as senior environmental specialist for the USAID Mission in Moscow, where she administered the agency's environmental technical assistance projects to Russia, including sustainable natural resources management, industrial environmental management, and multiple source pollution management in the widespread regions of the country.

Ms. Brown attended college at the University of California, Berkeley, and received her law degree from the University of California, Davis. Alaska has been her home since 1977. She is married to Jeff Berliner, and has two children: Larisa, 11, and Brenn, 15.

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Plenary Session III
A Shared Environmental Doctrine for the West

Session Summary

Monday, June 29, 1998

1:30 - 3:00 p.m.

Columbia Ballroom

PARTICIPANTS

Bill Auberle, Northern Arizona University

Jim Martin, Salmon Technical Advisor, Oregon Governor's Office

Jack Shipley, Watershed Coordinator, Applegate Partnership (invited)

John Sturgeon, President, Koncor Forest Products, Anchorage Alaska

SUMMARY

Under state and federal law, states have broad authority for resource management and environmental protection. Recently, states have begun to experiment with new ways to execute this authority often in partnership with local agencies and other public and private interests. This experimentation is based on a growing understanding that new strategies are necessary if states are going to address environmental issues and stewardship effectively in the 21st Century.

At the same time, recent reports, for example by EPA's Inspector General, indicate that monitoring and enforcement is becoming an increasingly difficult way of doing business for both state agencies and EPA offices under current command and control pollution control strategies. Permits are backed up, facilities are overdue for inspections and limited resources are stretched further and further. Land and water conservation strategies are beset by the same problems. Meanwhile, problems are changing and intensifying as the West grows. No sooner are large, easily identified pollution sources brought under control than other environmental threats emerge. Individual behavior such as land use decisions and vehicle use as well as highly technical issues concerning minute levels of toxic agents and their transmission are now known to have significant impacts on our natural wealth and personal health.

In view of these changes, the Western governors are developing a shared environmental doctrine for the West which will help guide natural resource and environmental policy making in the region in this complicated situation. The doctrine rests on an underpinning of collaborative approaches, stresses performance and positive feedback and rewards solutions to problems. It would inform the public and enlist the participation of local and private participants as well as federal partners. The governors will discuss the doctrine and examples of its implementation in western states with representatives of the Western Regional Air Partnership, Oregon's Salmon Plan, the Applegate Watershed Partnership, and Alaska's timber industry.

OUTCOMES

As a result of the session the governors and participants will have a good understanding of the shared environmental doctrine, an agreement on its development, a general timetable for its public roll-out and a strategy for possible interstate implementation and federal participation.

RELATED MATERIALS

WGA Resolution 98-001, Principles for Environmental Management in the West 121-125
An Example of the Shared Environmental Doctrine's Principles in Practice:
 The Grand Canyon Visibility Transport Commission 127-129
Biographies 131-132

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SPONSORS: Governors Leavitt, Knowles, Kitzhaber and Geringer
SUBJECT: Principles for Environmental Management in the West

A. BACKGROUND

1. Throughout the 1990s, the population growth rate in the Western United States has surpassed that of every other region of the country. Much of this increase is fueled by in-migration to the West, both from other regions of the United States and from outside the country. The West's population increased by over six million with nine out of the ten fastest growing states in the nation. Migrants to the West seek a better quality of life, as measured by better jobs, a cleaner environment, open spaces and recreational opportunities, strong and safe communities, and a brighter future for their children, while current residents seek to protect these same qualities. Paradoxically, it is growth that both energizes the current economic prosperity and threatens the other qualities Western citizens seek to protect.
2. At the same time, the economy of the West has changed dramatically. While its historic base of natural resource-related industries such as farming, fishing, mining, wood products, and tourism remain central to its economy, the West has diversified and now counts telecommunications, recreation services, transportation, information technologies, software and entertainment companies among its larger employers. Furthermore, all Western businesses now compete in a robust international economy that demands superior performance for businesses to survive.
3. Population mobility and growth, new businesses, rapid communications and the attendant increased diversity in values are changing political dynamics in the region. These forces make policy-making more complex and difficult, occasionally hardening positions on issues and polarizing public debate. Often, inflexible federal requirements compound the problem and help create a zero-sum atmosphere surrounding environmental issues.
4. As these trends continue, we must find new ways to vest our citizens with policies that both protect the heritage and traditions in the West that are valued and advance the kind of development that will maintain the region's extraordinary quality of life.
5. The nature of environmental and natural resource problems is changing. As large, easily identified sources of pollution are controlled, the threat to the environment has shifted to diffuse, numerous, and smaller scale sources that are more difficult to control through enforcement-based command and control regulation. Agricultural consolidation and fragmentation due to dispersed development have affected land-use patterns, threatening good stewardship born of locally controlled, and economically sustainable agriculture.

6. New computer and communications technologies, as well as new environmental monitoring and characterization technologies, create opportunities for implementing innovative solutions for preserving and enhancing the environment and communities of the West. In addition, the accelerating pace of technological change makes even more imperative the need to avoid mandated technological solutions. Innovative solutions hold the prospect of achieving the desired environmental outcome and increasing economic wealth.
7. During the 1990s, the Western governors have experimented with a variety of ways to improve management of the natural resources of the West. Valuable lessons have been learned from regional, interstate projects and public-private partnerships such as development of the Park City Principles for Water Management, the Great Plains Partnership, the Grand Canyon Visibility Transport Commission and from individual state efforts such as The Oregon Plan for Salmon and Watersheds, the Texas Regional Water Supply Planning Process, Trails and Recreational Access for Alaska and the Wyoming Open Lands Initiative. These efforts have demonstrated that the environmental strategies that work best have strong governors' commitment, vested local support, and federal collaboration.

B. GOVERNORS' POLICY POSITION

1. Based on extensive state and regional experience, the Western governors commit to a new doctrine to guide natural resource and environmental policy development and decision-making in the West. That doctrine is based upon the principles below, each of which is dependent upon the others. The integration of these principles is critical to their interpretation and the success of the new doctrine.

National Standards, Neighborhood Solutions - *Assign Responsibilities at the Right Level*

The federal government is responsible for setting environmental standards for national efforts. These standards should be developed in consultation with the states and in the form of scientifically justified outcomes. National standards for delegated programs should not include prescriptive measures on how they are to be met. States should have the option of developing plans to meet those standards and ensuring that the standards are met. Planning at the state level is preferable because it allows for greater consideration of ecological, economic, social and political differences that exist across the nation. A state can tailor its plans to meet local conditions and priorities, thereby ensuring broad community support and ownership of the plans. States can also work together to address conditions and issues that cross their boundaries. It is appropriate for the federal government to provide funds and technical assistance within the context of a state plan to achieve national standards. In the event that

states do not want to develop their own plans the federal government should become more actively involved in meeting the standards.

Collaboration, Not Polarization - *Use Collaborative Processes to Break Down Barriers and Find Solutions*

The old model of command and control, enforcement based programs is reaching the point of diminishing returns. It now frequently leads to highly polarized constituencies that force traditional actions by governmental authorities without first determining if they are the most effective ways to protect environmental values. Successful environmental policy implementation is best accomplished through balanced, open and inclusive approaches at the ground level, where interested public and private stakeholders work together to formulate critical issue statements and develop locally based solutions to those issues. Collaborative approaches often result in greater satisfaction with outcomes, broader public support, and lasting productive working relationships among parties. Additionally, collaborative mechanisms may save costs when compared with traditional means of policy development, and can lessen the chance that an involved party will dispute a final result. To be successful however, and given the often local nature of collaborative processes, private and public interests must provide resources to support these efforts.

Reward Results, Not Programs - *Move to a Performance-Based System*

Everyone wants a clean and safe environment. This will best be achieved when government actions are focused on outcomes, not programs, and when innovative approaches to achieving desired outcomes are rewarded. Federal and state policies should encourage "outside the box" thinking in the development of strategies to achieve desired outcomes. Solving problems rather than just complying with programs should be rewarded.

Science For Facts, Process for Priorities - *Separate Subjective Choices from Objective Data Gathering*

Competing interests usually point to the science supporting their view. It is best to try to reach agreement on the underlying facts surrounding the environmental question at hand before trying to frame the choices to be made. Using credible, independent scientists can help in this process and can reduce the problem of "competing science" but it may not eliminate it. There comes a time in the collaborative process when the interested stakeholders must evaluate the scientific evidence on which there may be disagreement and make difficult policy decisions.

Markets Before Mandates - *Replace Command and Control with Economic Incentives Whenever Appropriate*

While states and most industries within the states want to protect the environment and achieve desired environmental outcomes at the lowest cost to society, many federal programs require the use of specific technologies and processes to achieve these outcomes. Reliance on the threat of enforcement action to force compliance with technology or process requirements may result in adequate environmental protection. Such prescriptive approaches, however, reward litigation and delay; cripple incentives for technological innovation; increase animosity between government, industry and the public; and increase the cost of environmental protection. Market-based approaches and economic incentives which send appropriate price signals to polluters would result in more efficient and cost-effective results and may lead to quicker compliance.

Change A Heart, Change A Nation - *Environmental Understanding is Crucial*

Governments at all levels can develop policies, programs and procedures for protecting the environment. Yet the success of these policies ultimately depends on the daily choices of our citizens. Beginning with the nation's youth, people need to understand their relationship with the environment. They need to understand the importance of sustaining and enhancing their surroundings for themselves and future generations. If we are able to achieve a healthy environment, it will be because citizens understand that a healthy environment is critical to the social and economic health of the nation. Government has a role in educating people about stewardship of natural resources. One important way for government to promote individual responsibility is by rewarding those who meet their stewardship responsibilities, rather than imposing additional restrictions on their activities.

Recognition of Benefits and Costs - *Make Sure Environmental Decisions are Fully Informed*

The implementation of environmental policies and programs should be guided by an assessment of the costs and benefits of different options and a determination of the feasibility of implementing the options. The assessment of the feasibility of implementing options should consider the social, legal, economic, and political factors and identify a viable strategy for addressing the major costs.

Solutions Transcend Political Boundaries - *Use Appropriate Geographic Boundaries for Environmental Problems*

Many of the environmental challenges in the West span political and agency boundaries. Challenges may be circumscribed by specific transboundary water or air sheds, and their solutions may better be defined by the geography of certain markets or biologic factors rather than by the geography of a single political jurisdiction. Recognizing these factors voluntary interstate strategies as well as other partnerships may be an important tool in the future.

2. The Western governors call on the leaders in the public and private sector as well as Native American leaders, Congress and the Administration to embrace these principles in their environmental policy and decision-making.

C. GOVERNORS' MANAGEMENT DIRECTIVE

1. WGA staff shall distribute this resolution to the President; Vice President; the Council on Environmental Quality; the Administrator of the Environmental Protection Agency; the secretaries of Interior, Energy and Agriculture; the chairmen and ranking minority leaders of the relevant committees of Congress; the Western delegation to Congress; Western tribal leaders; leaders of business associations and environmental institutions; and interested CEOs.
2. Governors direct WGA to incorporate these principles into its projects and activities in environmental and natural resources policy development and to work with the states to identify specific areas where they have been demonstrated and adopted or may be in the future.
3. Governors direct WGA to communicate the commitment of the governors to these principles to organizations, institutions and media concerned with environmental protection and natural resources management and to seek opportunities to expand their practical application in regional policy development and programs.

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An Example of the Shared Environmental Doctrine's Principles in Practice: The Grand Canyon Visibility Transport Commission

"The Colorado Plateau's national parks and wilderness areas provide a unique, panoramic visual experience for people from around the world. This experience depends on maintaining high visual air quality in the region, which is threatened by haze from predicted growth over the next fifty years."

These opening lines from the Report of the Grand Canyon Visibility Transport Commission capture both the scale and challenge taken up by western Governors in 1992. Haze, largely in the form of microscopic particles, diminishes many spectacular Western panoramas.

A Regional Forum for a Regional Issue

In 1977, Congress formally recognized the importance of visibility. The Clean Air Act Amendments of that year included as a national goal, the prevention of any future, and the remedying of any existing, impairment of visibility in mandatory Class I federal areas caused by man-made air pollution. Fifteen years following the enactment of the national visibility goal, the National Research Council's report, *Protecting Visibility in National Parks and Wilderness Areas, 1993*, concluded, in part, "...Little progress has been made toward the national visibility goal established by Congress 15 years ago."

Three years prior to the seminal NRC report, Congress had reached a similar conclusion. The Clean Air Act Amendments of 1990 reinforced the national visibility goal. The amendments called for EPA to create innovative regional entities to develop recommendations for achieving reasonable progress toward the national goal. One such regional body was mandated - the Grand Canyon Visibility Transport Commission.

By mid-1992 the Commission had made considerable progress under the guidance of Governors Symington and Leavitt as Chair and Vice Chair respectively. Further, the EPA Administrator expanded the Commission's charge to include visual air quality in all Class I areas over the expansive Colorado Plateau. Thus 15 spectacular national parks and wilderness areas in New Mexico, Colorado and Utah were added to the statutory charge of the Grand Canyon Visibility Transport Commission. These additional areas included acclaimed national treasures such as Mesa Verde, Bryce Canyon and Maroon Bells. In short, the Commission was asked to attack regional haze over much of the Rocky Mountain West.

"One of the most notable aspects of the Commission's work has been to bring together representatives of industry and environmental organizations in a common purpose." This statement by Governor Symington reflected a guiding principle adopted by the Commission. The often stated objective was to achieve broad consensus on strategies to achieve the national visibility goal through active participation by a wide range of interests. Staff support by the Western Governors' Association included a mandate to assure that all "stakeholders" and interests were full participants in the development of conclusions and recommendations.

A Western Plan for Progress Toward the National Visibility Goal

The report of the Grand Canyon Visibility Transport Commission to the United States Environmental Protection Agency in June 1996 was the culmination of a process unique in its scope and public process. Collective political leadership by Federal Land Managers, Governors and Tribal Leaders was supported by scientists and a public committed to protecting western vistas. Collaboration and consensus were sought and achieved through four years of study and intense deliberations. This plan to improve and protect vistas on the Colorado Plateau was broad, aggressive and consistent with key principles established by the Commission.

The challenge of these principles was reflected in the scope of recommended air quality management strategies. Specific plans were spelled out for addressing many sources of regional haze.

The most significant contribution of the Grand Canyon Visibility Transport Commission is its demonstration of how an amazingly complex problem, affecting vast reaches of the West and its people, can be addressed successfully through broad examination and collaboration. This successful approach is consistent with a broad statement of environmental principles adopted by western governors in early 1998. In Policy Resolution 98-001 Principles for Environmental Management in the West, the Western Governors' Association built on the collaborative process for environmental decision making among federal, state and tribal leaders. The following principles, in particular, from the policy resolution reflect the successful experience of the Grand Canyon Visibility Transport Commission:

* "National Standards, Neighborhood Solutions"

Air quality at 16 national parks and wilderness areas on the Colorado Plateau is directly affected by air pollution from near and distant "neighbors." Through the active participation of eight neighboring Governors, many tribal leaders and key federal land managers in the region, the resulting Report of the Grand Canyon Visibility Transport Commission presents a neighborhood plan for progress toward the national visibility goal.

* "Collaboration, Not Polarization"

The causes and effects of regional haze in the West concern the people of the West and all who enjoy the region's spectacular vistas. Hence, solutions to this complex problem necessitated active inclusion of all interests. The 17-member Grand Canyon Visibility Transport Commission, its 70-plus member Public Advisory Committee and numerous scientific and communications committees assured that all special interests and the general public worked collaboratively to find consensus and broad support for the recommended solutions.

* Science for Facts, Process for Priorities

The comprehensive review by the National Research Council, Protecting Visibility in National Parks and Wilderness Areas, provided an important scientific foundation to the work of the Commission. Yet several million dollars of additional research was necessary to support the

consensus solutions to regional haze on the Colorado Plateau. Equally importantly, the extensive research was presented to all interests in a manner and form that allowed effective discussion and debate. To assure full understanding of the many complex studies, the collaborative process required both more public meetings and an extension of seven months to the Commission's initial schedule. This extension in time to assure broad consensus in support of the recommendations was given unanimous support.

* Solutions Transcend Political Boundaries

"Visibility and visual air quality are daily issues for the inhabitants of the Colorado Plateau....Haze and visibility problems do not respect state and tribal boundaries." These conclusions from the Report of the Grand Canyon Visibility Transport Commission were supported by study after study. Indeed the contributions of air pollution from sources in Mexico, and to a lesser extent Canada, add to the U.S.-caused haze on the Colorado Plateau. Thus most solutions to the problems of regional haze are regional. Effective implementation of the Commission's recommendations requires actions at the local, tribal, state, national and international levels.

1998 Progress Report

The commitment of the Grand Canyon Visibility Transport Commission to address the blight of regional haze on the vistas of the Colorado Plateau continues. The Western Regional Air Partnership is a successor regional air quality oversight initiative. This voluntary, collaborative initiative is comprised of more than 20 states, tribes and federal agencies from throughout the West. Governor Leavitt, Co-chair of the Partnership, opened the first meeting with the observation that through the Grand Canyon Visibility Transport Commission "We have done something important. Let's build on that success to assure that our vistas are forever protected from the haze that threatens our legacy." From that beginning, political leaders, scientists, interested citizens from throughout the West, and others have re-committed to programs to rid the West of man-made regional haze.

Concurrently, the Environmental Protection Agency has responded to its Clean Air Act mandate to protect visibility in Class I areas. Although necessarily national in scope, the proposed EPA regional haze rule must recognize the role of regional forums for developing optimum solutions; and for state and tribal governments to convert those strategies to action plans. WGA and members of the WRAP are suggesting ways this can be done. No final EPA rule has been proposed as of June 15, 1998.

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Biographies

William M. Auberle

Bill Auberle is Associate Professor of Civil & Environmental Engineering at Northern Arizona University (NAU) in Flagstaff. He concurrently serves as Director of the nationwide American Indian Air Quality Training Program. His environmental career began more than 30 years ago. Bill served as an environmental regulatory official in Ohio, Missouri & Colorado. He later formed the environmental consulting firm of Yates & Auberle, LTD., and served as its president before joining NAU in 1991. He is a licensed professional engineer, a Diplomate of the American Academy of Environmental Engineers, a Qualified Environmental Professional (QEP) and a Fellow Member of the Air & Waste Management Association. He served for four years as chair of the Public Advisory Committee to the Grand Canyon Visibility Transport Commission. He currently serves as a member of EPA's Clean Air Act Advisory Committee.

Jim Martin

Jim Martin is the Project Leader for the Oregon Plan for Salmon and Watersheds and on assignment to the Governor's Office from the Oregon Department of Fish and Wildlife to coordinate with state and federal agencies, local government, grassroots groups and citizens in the affected areas. Jim has 28 years experience with ODFW as Chief of Fisheries, statewide harvest manager, district habitat biologist and in fish research. His areas of expertise include harvest management, genetics, and administration. He has a MS in fisheries and biometrics (1976) and a BS in wildlife management from Oregon State University (1969).

Jack Shipley

Jack is chairperson of the North Applegate Watershed Protection Association and board member of the Applegate Partnership in Southwest Oregon. Jack holds a Bachelor of Science degree in Horticulture and Park & Recreation Administration from Texas Technological College in Lubbock, Texas and a Master of Science degree in Planning and Administration from the University of Oregon in Eugene, Oregon.

Jack worked on the Oakridge District of the Willamette National Forest from 1963 to 1965 as a resource planner. In 1966 he moved to Helsinki, Finland where he worked as a resource planner on the Green Belt system for the City Planning office. In 1969 Jack returned to Oregon where he served as the Park and Recreation Director for the City of Grants Pass and was later appointed Director of Public Works Field Services in 1979.

Jack is a small woodland owner, stockman and an independent oil and gas producer in Texas and Oklahoma. Jack is currently serving as a member on the State of Oregon, Southwest Oregon Regional Forest Practice Advisory Committee; the State of Oregon, Healthy Stream Partnership Advisory Committee and the Southwest Oregon Federal Province Advisory Committee. Jack lives with his wife Suzan, on their farm in the Applegate Valley, 18 miles south of Grants Pass, Oregon.

John L. Sturgeon

Graduated from University of Minnesota in 1970, with a B.S. degree in Forestry. Worked for the U.S.F.S. in Alaska in timber management until 1974. Was employed by the State of Alaska since 1974 in various capacities and from 1982 until July of 1986 as State Forester under two Governors.

He has served as a Director of the Alaska Forest Association since 1986, as a member of Alaska Board of Forestry since 1986 (Chairman for 6 years). He is the current Vice President of the Resource Development Council. Three Governors have appointed him to their transition teams.

He has been President of Koncor Forest Products Company since 1986. Koncor has logging operations in Southcentral and Southeast Alaska, and a log marketing division in Tacoma and Beijing. Koncor sells its products into Japan, Korea, Taiwan, Mainland China and U.S. domestic markets. Annual sales have averaged between \$70-75 million in the past few years. Koncor is a joint venture of three native village corporations that formed in 1977. John travels extensively to the orient on marketing efforts. In the 1997 Alaska Business Monthly annual directory of Alaskan owned businesses, Koncor was ranked the 12th largest in overall revenue.

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Plenary Session IV
Advancing Western K-12 Education: A Conversation on the
State of the Art in Standards and Assessment for Western Schools

Session Summary

Tuesday, June 30, 1998

9:15 - 10:45 a.m.

Columbia Ballroom

PARTICIPANTS

Robert Schwartz, President, Achieve, Inc.
Ken Thompson, President, ARCO Alaska
Shirley Holloway, AK Commissioner of Education

SUMMARY

Most Western states now have higher academic standards for K-12 education in place or under development. But standard-setting is only the first step on the journey to improve student achievement. Without better assessments, a well trained and motivated teacher force, and accountability systems that reward high performance, a knowledgeable and engaged public, a school culture that supports continuous improvement, higher standards are unlikely to produce higher achievement.

What are the policy levers available to governors to move this agenda forward? What are the lessons to be learned from corporate restructuring that might be applied to public education? How might states work together to share best practices in implementing higher standards? How might states collaborate on new assessment development or technology-based professional development for teachers? These are some of the questions governors and their education advisors will explore in conversation with knowledgeable corporate and educational leaders.

OUTCOMES

During this session, governors, participants and observers will discuss leading state efforts on standards and assessment; partnerships between business and government to build public support for higher standards; opportunities for multi-state collaboration on assessment; and the potential for the Western Governors University to advance technology-based teacher development.

RELATED MATERIALS

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ARCO and Education

In every country in the world, education remains central to full participation in civic life. Education is unique in its ability to equip people with the knowledge, discipline, skills and creativity needed to become self-reliant adults, able to compete in today's global economy.

ARCO gives education the highest priority through its philanthropic programs. In the past three years alone, ARCO and its employees have given nearly \$12 million to educational projects of all sorts. We focus on improving the educational achievement of every child and the quality of instruction all children receive.

For ARCO, this is a worldwide commitment. Wherever our business goes, our social commitment goes, too. By helping young people around the world succeed in school, ARCO hopes to strengthen their chances for becoming contributing members of pluralistic, democratic societies.

ARCO contributes where its employees live and work. The company gives to organizations and institutions that address these priorities:

Precollege programs aimed at promoting

- Ready-for-school activities, including parent training and early childhood services for at-risk children.
- Academic achievement through improvements in grades, classroom attendance and school completion levels.
- Increased interest in mathematics and science resulting in higher enrollment and success rates in college preparatory courses and in plans to pursue math/science careers.
- Parent effectiveness through increased involvement in public school education, especially among low-income families.
- Professional staff preparation and development through programs that incorporate school restructuring issues as part of the curriculum for teachers, counselors, and administrators; programs that improve the qualifications and effectiveness of mathematics and science teachers; and teacher-training curricula on language development and English-language acquisition.

Higher education programs designed to enhance

- Minority student achievement and retention by increasing the number of minority students who successfully complete undergraduate degrees in disciplines of interest to the energy industry (including engineering, chemistry and the geosciences) and by increasing the number of colleges and universities with effective minority student retention programs that are part of the institution's budget.

Other educational activities such as

- Special projects at selected research universities.
- Groups conducting policy analyses and programs to address demographic change, teacher quality, effective schools and other relevant issues in key ARCO communities.
- Scholarships for minority students through recognized national organizations.

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Achieve, Inc.

About Achieve

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In March 1996, the nation's governors and top corporate leaders came together at the National Education Summit at IBM's conference center in New York. Their purpose was to help refocus the country's attention on the National Education Goals set six years earlier, and to urge states and communities to accelerate the pace of reform in the schools in order to meet those goals.

At the Summit, the governors committed themselves to move ahead quickly to put in place in their states internationally competitive academic standards, new assessments to measure student achievement against those standards, and accountability systems based on school and student performance. The corporate leaders committed to support the work of the governors by urging employers to request and review high school transcripts from entry-level job applicants; by taking a state's academic standards and educational performance into account in their business location or expansion decisions; and by forming state business coalitions to provide public leadership and advocacy for standards-based reform.

To help governors, business leaders, and state education policymakers carry out these commitments, Summit participants agreed to create a new organization, Achieve. As an independent, non-partisan, not-for-profit organization overseen by a board of six governors and six corporate leaders, Achieve has three principal purposes:

- to serve as a resource center to states on standards, assessment, accountability and technology;
- to help states benchmark their academic standards and assessments against the best national and international exemplars, and to provide advice and assistance to states on implementation strategies; and
- to provide sustained public leadership and advocacy on behalf of the movement to raise academic standards and improve student performance.

Achieve has a small core staff with offices in Cambridge, MA, and Washington, DC. In order to maximize its resources and avoid duplication of effort, most of its work will be carried out in partnership with other national educational, governmental, and business organizations



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that share a commitment to its mission and goals. Achieve's first three projects, outlined below, are a national electronic clearinghouse on standards and assessments; a pilot benchmarking initiative; and a collaborative effort to help interested states work together on assessment issues. Additionally, later in 1998, Achieve, together with the Business Roundtable and the National Governors' Association, will sponsor a working conference for governors and corporate leaders on building effective state coalitions to support standards-based reform.

National Clearinghouse

In 1997, Achieve launched a website (www.achieve.org) designed to provide electronic access to an on-line database of quality information about academic standards, assessments, and accountability systems. Key to the design of the clearinghouse is a searchable database of actual state standards organized by grade level and subject. While many websites contain states' standards, the Achieve site is unique in permitting users to make direct comparisons of the standards on-line. Math standards from forty states are currently available on the website, and more states are expected to join as their standards are finalized.

After a competitive bidding process, Achieve selected the State Education Improvement Partnership (SEIP), a coalition of state-based organizations led by the Council of Chief State School Officers (CCSSO), to be its clearinghouse content provider and partner in further development of the site. The plan is to add English language arts, science, and history/social science standards to the database. In addition, we are working with staff from the Third International Math and Science Study (TIMSS) to determine which of their materials can be incorporated into the site. Finally, we are exploring the availability of standards, examinations, and textbooks from high-achieving foreign countries in order to build those materials into the Achieve clearinghouse. State standards for English and math will be available on the website by summer, 1998; science and history standards will soon follow.

We also intend to expand the database to include supporting materials that will help bring standards to life in the classroom. Specifically, educators have asked for examples of assessments linked to standards, examples of student work that meet the standards, and examples of accountability systems linked to standards. By facilitating the electronic sharing of standards, assessments, and student work among states, we believe that Achieve can play a significant role in helping all states develop and implement quality standards.

Benchmarking Service

One of Achieve's primary goals is to develop a sophisticated, reliable process for benchmarking standards and assessments so that interested states can determine how their academic expectations compare to the expectations in other states and countries. We are currently working with two states—Michigan and North Carolina—in a pilot project to help us



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design our benchmarking process. By the fall of 1998, we plan to offer benchmarking assistance to other interested states.

Our benchmarking process will include the analysis of standards and assessments as a package, rather than simply looking at standards alone, as other groups have done in the past. The process will include a thorough evaluation of the quality and rigor of a state's standards and tests, and it will also measure the degree of alignment between the two. Achieve's benchmarking efforts will not be designed to grade or rank states. Instead, we will offer a service that is diagnostic in nature, yielding detailed information that we hope states will find useful as they strive to raise standards and improve performance.

Just as successful businesses use the benchmarking process to learn from their global competitors, Achieve will draw on the best examples of standards and tests from the U.S. and abroad. Particular attention will be paid to the resources available from the National Assessment for Educational Progress (NAEP), the Third International Math and Science Study (TIMSS), and other reputable international comparisons. Benchmarking will be conducted at the request of states and the reporting of results will be confidential.

After another competitive bidding process, we have selected two organizations—the Council for Basic Education (CBE) and the University of Pittsburgh's Learning Research and Development Center (LRDC)—to be our partners in this work. These two organizations have significant experience working with standards and assessments and share Achieve's confidence in the power of benchmarking to improve organizational performance.

Achieve's benchmarking work has several goals. One is to help governors and state leaders determine whether the academic expectations in their schools are strong enough. This requires an external, independent analysis of a state's standards and tests that would help answer the question: "How do our academic expectations compare with the expectations of other leading states and nations, and what can we do to strengthen them?"

The other goals of benchmarking have to do with capacity building and thinking through what needs to happen at the state, district, and school levels in order to successfully implement higher standards. Successful businesses not only engage in external benchmarking, but they build a culture of striving for clear goals and learning from best practice into the daily work of their employees. We hope to help foster this kind of thinking through our benchmarking work as well.

Assessment Partnership

In January 1998, Achieve brought together teams from 20 states to explore ways we might help them work together to strengthen their capacity to measure and improve student performance. The states we invited are all committed to the implementation of comprehensive



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reform programs based on high standards, and the teams who represented them included senior education department officials, governors' policy advisors and statewide business organization leaders. Virtually all of these states have either developed new assessments pegged to their academic standards, or are in the process of doing so. The conference was designed to explore a variety of strategies by which states might collaborate on assessment issues, ranging from cost-sharing of new assessments to embedding a common set of test items in existing assessments.

There was extraordinary interest among the 55 conference participants in pursuing three next steps:

- convening a work group of assessment directors from interested states to develop a plan for embedding a large enough pool of common items in existing state tests to enable participating states to set common performance standards and compare student scores among and within states;
- taking advantage of the TIMSS database to analyze the alignment of state standards with the most commonly used mathematics and science textbooks and standardized tests; and
- working together to develop a common communications and public engagement strategy to ensure continuing public support for high standards as the states move into the implementation stage, and especially as they begin to hold staff and students accountable for performance against the standards.

Some states also expressed interest in the possibility of sharing assessments or collaborating on the development of new assessments, particularly in subjects and grades where substantial investments have not yet been made. The specific areas that generated the most interest were reading assessments in the early elementary grades and end of course high school exams in various subjects (c.g., Algebra I). There was also some interest in high school exit exams.

Achieve will move ahead rapidly in the months ahead to work in partnership with states on these assessment initiatives.

* * *

The Achieve Board of Directors and staff hope that the information and assistance we provide in these critical areas will help to support the work of states and will help build a sustained national commitment to rigorous academic standards and improved student performance in our schools. For more information about these and other Achieve activities, please contact our Cambridge, MA, office at (617) 496-6300, or our Washington, DC, office at (202) 624-1460. Also, please visit our website at www.achieve.org.

February 1998

Truth and Consequences

by Robert B. Schwartz

May 28, 1998

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Archives

Also See

No to Traditional Standardized Tests -- Monty Neill outlines an alternative to No. 2 pencils and multiple-choice bubbles.

Puzzling Pastimes -- Brian Connolly navigates the maze of online tests and puzzles.

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Search

The movement for higher academic standards in our schools is at bottom fueled by a radically democratic vision. That vision is of a school system no longer organized principally around the notion that some young people are suited for college and others for work, but rather around the idea that *all* young people need to be prepared for a lifetime of both work and further learning.

What do all young people need to know and be able to do if they are going to support a family, contribute to their community and lead fulfilling lives? And what must each of us do -- parents, teachers, students, administrators, businesses, higher-education institutions, civic organizations, social-service agencies, taxpayers and voters -- if this vision of all children leaving school equipped to be productive citizens is to be realized?

These are the questions states and school districts are asking as they develop ambitious new academic standards and begin to face the daunting challenge of ensuring that higher standards in fact lead to improved student performance.

Key ingredients: assessment and accountability

Many things must change, especially in schools and communities serving high concentrations of low-income and minority students, if high standards are to lead to improved outcomes. All students need access to a curriculum that reflects the standards, appropriate textbooks and other instructional materials, and teachers who have been trained to teach to the standards. Because in a standards-based system time and effort are the variables, extra help and support must be provided for those who need it, including community-based after-school and tutorial programs, as well as special summer programs.

Even if all these provisions are in place, however,

student achievement is unlikely to improve significantly without two other essential ingredients: an assessment system that accurately measures performance against the standards and consequences tied to performance.

Getting the assessment system right is no easy task, especially as states and school districts move away from a reliance on low-level, fill-in-the-bubble, norm-referenced tests and move toward tests that are more challenging, require more open-ended responses and measure student mastery of more intellectually demanding work.

But the struggle to create a new generation of tests that are more performance-based and worth teaching to, and that accurately measure the knowledge and skills we say we value, will be for naught if at the end of the day there are no rewards for success or penalties for failure.

There are consequences for performance as our system is currently constructed, of course, but for the most part they are hidden from those who most need to know about them until it is too late.

Why tests matter

If you drop out of high school, your income is likely to be a third less than those who graduate. If you take low-level general math and science courses rather than geometry and chemistry, you will have effectively foreclosed the possibility of going to a four-year college.

If you have the bad luck to attend a high school with low academic standards, even if you have taken courses labeled geometry and chemistry and gotten As and Bs, you will probably be unprepared to do college-level work, as the six out of 10 California students discover when they are assigned to remedial math or English in the California State University system (a system that only admits students who graduate in the top third of their classes). MORE...

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Truth and Consequences

by Robert B. Schwartz
May 28, 1998

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No to Traditional Standardized Tests -- Monty Neill outlines an alternative to No. 2 pencils and multiple-choice bubbles.

Puzzling Pastimes -- Brian Connolly navigates the maze of online tests and puzzles.

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About the only American high-school students for whom consequences for performance are visible are the relative handful of kids competing for seats in our most selective colleges and universities. In most other nations with whom we compete, students understand that how well they do in school will have a direct bearing on what happens to them next, whether their goal is further education, career training or employment. Employers and higher-education institutions in other countries look at student records, examination results and teacher recommendations, motivating virtually all students to take school seriously.

There undoubtedly are several reasons why U.S. students were unique among those who participated in the Third International Mathematics and Science Study (TIMSS) in losing ground comparatively as they moved from fourth to eighth to 12th grade. But one obvious explanation is that so few of our students have any incentive to work hard in high school.

It is not any great secret that in the absence of consequences, most kids choose to coast. In a 1997 Public Agenda report entitled "Getting By: What American Teenagers Really Think About Their Schools," three out of four kids agreed that "most kids would pay more attention to their schoolwork and study harder" if their school "required students to learn more and tested them before they were allowed to graduate." Even among students defined as "hard-core disengaged," two out of three agreed.

The responsibilities of adults and students

Clearly, it is unfair to put the entire burden of accountability for learning on students. Adults must assume primary responsibility. Over time we must re-establish the common-sense proposition that a high-school diploma means that a student has

acquired a solid foundation of core academic knowledge and skills. Employers and colleges and universities must reach out to work with schools to help ensure that teachers and students know what is required to succeed in their respective settings, and they must make special efforts to support young people trapped in our lowest-performing schools.

Teachers and administrators must be given the flexibility and autonomy they need, coupled with access to continuing high-quality professional development, to fashion the most situationally appropriate and effective strategies for helping their students meet the standards. But if, after sustained help, they are unable to deliver, they must be replaced by those who can.

Taxpayers and voters, if they are serious about seeing their oft-repeated support for higher standards translate into improved student performance, must be willing to back credible-standards implementation plans with adequate resources and political support.

In the last analysis, however, the students themselves must assume responsibility for their own learning. To award diplomas to students who do not have the knowledge and skills to function in college or in the labor market is a cruel hoax. Unless and until we are willing to attach consequences to performance, we will be perpetuating that hoax.

Pass it on

 Send this article to someone you know.

Robert B. Schwartz is the president of Achieve Inc., a resource center for governors and business leaders that seeks to help improve student achievement and raise the level of educational standards.

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Do what you love

5/28/98 Paul Rosenberg rad@gte.net

Here's a test: (Q1) [multiple choice] Who called for a social transformation that "will restore the individual by ABOLISHMENT OF GRADES in school on up through the university; by

Standards Set: So What Now?

Ten years ago standard setting was no more than a gleam in the eye; only visionaries talked about it. Five years ago it was tough work; a few risk takers took standards on. Today dozens of school districts, large and small (and most states), have confronted the task of setting standards.

Although standards setting still requires some heavy lifting, the process is no longer threatening. And while it still is not easy, at least it is straightforward.

What is not routine is how to measure performance against the standards and identifying consequences for failing to meet them. The issue today is knowing what to do with standards once you have them. This is as it should be: Measuring performance and holding people to consequences is the hard part. It also is the most useful aspect of the exercise.

Record Setters

Conceptually, the task is not complicated. Properly designed standards are designed to be measured. Indeed, in the world beyond school, standards and measures are nearly indistinguishable. In both amateur and professional athletics, for example, standards are measures. A four-minute mile, 60 home runs in a sea-

The hard part is
measuring student
performance
and applying
consequences
for failure

son, a .400 batting average—those are the standards competitors use to measure their own (and others') performance. Note that they are self-measuring. They were set by the greats, not an independent third party. The best of the best is as good as it gets. No one claims to be as good as Ted Williams without hitting .400 over a season or as good as Babe Ruth without 60 home runs. But neither is anyone diminished when he or she exerts maximum effort and plays by the rules.

An example closer to home is that favored by light plane pilot (and Colorado Governor) Roy Romer. More important than the fact he holds student-pilot class

standing is whether or not he knows how to take off, navigate and land. What's important is how the pilot performs.

So too in modern schools. Standards are instrumental, but they are not an end in themselves. More important than class standing or distribution on a bell-shaped curve is performance. Can your students measure up to world-class standards? Can they perform as well as or better than the competition?

Most schools have not reached this point. The reason is not hard to fathom. Most schools and most educators still are not sure what standards are all about, what their overarching purpose is and what they should be used for. In many cases, people fear standards. They are afraid standards will be used as a bludgeon to change the system.

Value Added

The first order of business, then, is to describe what standards (and their measurement) are all about. They are not about ridicule, shame or embarrassment. Standards are not a modern incarnation of the dunking stool or stocks. To the contrary, high standards, when they are met and when people strive to meet them, are a badge of honor.



John Murphy, president of a Florida-based consulting firm and a former superintendent, poses outside portable classrooms in Weston, Fla.

To expect students to reach high standards is a vote of confidence in their capacity for hard work and enterprise, the two traits most in demand in the bigger world beyond school. Standards should be a tool to fine-tune performance and report results.

Standards are the tool of choice to identify and measure the "value added of schooling." Standards are the way we measure what difference going to school makes. Does Johnny know algebra, can Suzie understand Shakespeare, does Mark know Latin, does Juan understand chemistry? (Only rarely are these subjects—and most of what we learn at school—mastered at home. School is where rich academic content is acquired.)

Rightly understood, standards also permit us to ask tough questions about groups of students, teachers, schools and programs, not just individuals.

How many black males are taking algebra, for example, or how many Title I kids go on to demanding course work in high school? How are ESL students doing in the program configuration used in this district? What do we know about similar kids in different programs? What bearing does a teacher's preparation have on student performance? Do

teachers with master's degrees in math do better with AP math students than those without? Do absences cluster among certain students, and if so, among whom?

The list of questions is quite literally endless, and the ones that are appropriate depend on the circumstances and resources of each district. A low-wealth

school district with large concentrations of minority students should be concerned with basic skill development. But so too should any district with a measurable number of youngsters—no matter how small—who are not keeping up. And no district is so well off that it will be problem free.

Indeed, that is the most important lesson that a standards-driven system has to offer. There is no finish line. Getting better in one year should be an incentive to get even better the next. Perfection is an endlessly retreating goal, just out of grasp.

Constructive Comparisons

Why do we stress this obvious point? Because of the (understandable) tendency of organizations to rest on their laurels, particularly when they have the opportunity to compare themselves to someone who is not doing as well as they are. Thus, Montgomery County Md., one of the nation's premier school districts, is

"Put simply, what every school district in America needs is an academic audit, a systematic way to examine and analyze academic performance by relevant categories."

typically compared to Washington, D.C., one of the nation's most troubled districts. If such a comparison is designed to make Montgomery County residents feel better, it is a fool's paradise. Their competition is with Tokyo's and Bonn's best schools, not low-achieving schools at home.

If such a comparison is used constructively, to help District of Columbia schools, teachers and students do better, it can be worthwhile. But the comparisons cannot be broad brush, district to district. They must be targeted and focused, used to develop insights into pro-

"Organizations don't change because they see the light. They change because they feel the heat."

gram and school improvement. Again, comparisons are not designed to embarrass people but to provide a framework for improvement.

To be useful, comparisons among students, teachers, schools and districts must first compare like to like. For example, a district with large numbers of low-performing youngsters should find a district with similar students who are doing well and ask tough questions to find

out why. What is the successful district doing that we are not? How can we improve our performance? How can we re-deploy our resources to get more bang for the buck?

In many respects, the last question is the most important, for embedded in it is the notion that more money is not always the answer. Indeed, how you spend what you've got is more important than how much you have.



To be sure, more money is always welcome, but its absence cannot be used as an excuse for low academic performance. And from the standpoint of public support, there will be more money for education when there is more education for the money.

The public—by and large—is generous, and the surest way to gain and hold public support is to commit to a program of high standards and honest reporting of results.

A New Imperative

Put simply, what every school district in America needs is an academic audit, a systematic way to examine and analyze academic performance by relevant categories. Its purpose is to improve the allocation of district resources, both tangible and intangible, to increase academic performance for all children.

At issue is not the old bromide, "all children can learn," but the imperative of the standards-driven district: "all children shall learn."

How to do this? First, every district must have a vision for itself. It must build a culture that encourages and rewards high standards. To do so, it must take an objective and realistic look at itself. Once the vision has been set, conduct an audit of the instructional program delivery system and student outcomes.

Review instructional and management services and survey the community to gauge perceptions of parents, employers, political and civic leaders, higher education representatives, students and teachers. All of this data can be used to establish the reality base, which then should be compared to the vision. If a gap exists between the vision and the reality, that determines the next step.

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provement on paper, but hard to execute in practice. The difficulty is captured in the famous Machiavelli quote from nearly 500 years ago: "It must be remembered that there is nothing more difficult to plan, more doubtful of success, nor more dangerous to manage than the creation of a new system. For the initiator has the enmity of all who would profit by the preservation of the old institution and merely lukewarm defenders in those who would gain by the new one."

For this reason it is nearly impossible for lasting reform to appear spontaneously, from within the institution it-

self. Outside stimulus is necessary. Put more graphically, the epitaph for reform in any institution should be as such: Organizations don't change because they see the light. They change because they feel the heat. ■

John Murphy is president of Education Partners Inc., P.O. Box 100, Boca Raton, Fla. 33429. E-mail: john_murphy@arvida.com He is the former superintendent of the Charlotte-Mecklenburg, N.C., schools. Denis Doyle is an educational consultant in Chevy Chase, Md., and co-author of *Raising the Standards*, published by Corwin Press.

Step two involves a cause-effect analysis to determine what factors are contributing to the gap. The school system then can develop long- and short-term plans to address the contributing factors and create a culture conducive to success for all students.

An Outside Stimulus

As we go about the process of creating that culture, schools must abandon most of what they have done for the past century and a half. As *Prisoners of Time*, the 1994 report of the National Commission on Time and Learning, noted, historically schools have held time constant and let learning vary. You learned what you could in 12 or 13 years, dropped out or graduated and went on to college if your grade point average (and family finances) permitted.

Schools of the future, *Prisoners of Time* argued, had to hold all students to high and rigorous standards and let time become the variable. Study until you master the subject. That is the logic of a standards-driven system.

Students must be grouped by achievement levels, not tracked, as they are in college (French 1 precedes French 2, no matter if you are 18 or 88). Age and time in the saddle is no longer relevant. Mastery is. Social promotion must end. Routine and mindless teacher and administrator evaluations must be replaced with finely calibrated procedures that enjoy the confidence of educators and the community.

School must be open for longer days and a longer year—no modern business could afford to keep the hours schools keep. Articulation between high school and life after high school must be rationalized and streamlined.

Talk is cheap. It is easy to spin out a scenario of school reform and im-

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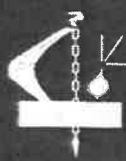
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Biographies

Robert Schwartz

On July 1, 1997, Robert Schwartz became President of Achieve, Inc., the organization created by the nation's governors and corporate leaders to help them follow up on the commitments made at the 1996 National Education Summit. Achieve will provide advice and assistance to governors, business leaders, and other state policy makers on standards, assessment, accountability, and technology.

Over the previous three and a half decades, Mr. Schwartz has had a rich and varied career in education and government. He has been a high school English teacher and principal; an education advisor to the Mayor of Boston and Governor of Massachusetts; an assistant director of the National Institute of Education; a special assistant to the President of the University of Massachusetts; the Executive Director of the Boston Compact, a public-private partnership designed to improved access to higher education and employment for urban high school graduates; and a lecturer on education at Harvard's Graduate School of Education.

From 1990 to 1996, Schwartz directed the education grantmaking program of The Pew Charitable Trusts, one of the nation's largest private philanthropies. Among the major reform projects initiated during his tenure at the Trusts were New Standards, a voluntary national system of student performance standards and assessments developed jointly by the University of Pittsburgh, the National Center on Education and the Economy, and 17 partner states; and the Pew Network for Standards-Based Reform, a collaborative venture among seven medium-size school districts committed to systemic reform based on high academic standards.

Mr. Schwartz has written and spoken widely on such topics as urban school reform, public-private partnerships, and the role of higher education in K-12 reform. He currently serves on national advisory councils for the National Science Foundation's Education and Human Resources Directorate, and School-To-Work Opportunities, a joint program of the U.S. Departments of Education and Labor. He has degrees from Harvard and Brandeis Universities and continues to serve as a part-time faculty member at Harvard, where he teaches a course each spring on educational policy and administration.

Ken Thompson

Ken Thompson is Executive Vice President of ARCO and serves as Chairman and CEO of ARCO Alaska Inc. He was appointed to these positions in February 1998 and is based in Anchorage, Alaska.

Thompson leads ARCO's worldwide exploration program and has responsibility for the company's upstream operations in Alaska, California, Indonesia, China and elsewhere in Asia and around the Pacific Rim.

Thompson began his career with ARCO in 1974. In 1989, he was appointed Vice President for the ARCO Oil and Gas Company, Central District in Midland, Texas, and in August 1991, he became Senior Vice President of the Western District of ARCO Oil and Gas Company. After leading ARCO's worldwide upstream research and development effort as head of ARCO

Exploration and Production Technology in Plano, Texas, he was named President of ARCO Alaska, Inc. and Senior Vice President of ARCO in June 1994.

A native of Missouri, Thompson holds a Bachelor of Science Degree in Petroleum Engineering from the University of Missouri at Rolla.

Thompson is a member of the Alaska Oil and Gas Policy Council and serves on the boards of The Nature Conservancy of Alaska, the Anchorage Museum Foundation, the Special Olympics World Winter Games and Parkside Church.

Thompson and his wife, Pat, have four children and three grandchildren.

Shirley J. Holloway, PhD.

Appointed commissioner on March 1, 1995, Commissioner Holloway during her career has been honored by her colleagues as Alaska superintendent of the Year, was one of four finalists for National Superintendent of the Year, and was named one of the top 100 educators in America by the Executive Educator magazine.

Commissioner Holloway holds two bachelor degrees, in special education and speech pathology, a master of science in education, and a doctorate in educational leadership.

Early in her career she worked as a speech and hearing clinician and teacher for hearing impaired students in schools in the State of Washington. She moved to Alaska in 1971 as a consultant to the Department of Education, and in 1972 was appointed special education director for Alaska's State Operated Schools.

From 1975 until 1990, she was employed by the North Slope Borough School District as principal, assistant superintendent and, from 1987 through 1990, superintendent. From 1990-1992 she was a visiting professor in public school administration at the University of Alaska Anchorage. From 1992 to 1994, she was superintendent of Nine Mile Falls School District in Washington. During 1994 until her appointment as commissioner, she was the first president of the Arctic Sivunmun Ilisagvik College and the Mayor's Workforce Development Program in Barrow in the North Slope Borough.

Commissioner Holloway has a wide range of accomplishments, from restructuring a school district based on effective schooling research; to developing and starting an early childhood education program for three and four-year-olds; and a state-of-the-art, school district-wide telecommunication and distance learning center in the geographically large and remote North Slope Borough School District. At the university level, she developed a competency-based superintendents program, conducted a wide ranging study of students at risk of dropping out of school, and established a partnership between the University of Alaska and the business community.

In addition, Commissioner Holloway has been active as an officer and volunteer in a wide number of civic and community organizations, professional associations, task forces, and advisory groups.

Plenary Session V
Adoption of Western Governors' Policy Resolutions

Session Summary

Tuesday, June 30, 1998
10:45 - 11:15 a.m.
Columbia Ballroom

PARTICIPANTS

Western Governors sitting as the Board of Directors.

SUMMARY

Governor Jim Geringer, chairman of the 1998 Policy Resolutions Committee, will report on the Committee's recommendations for proposed policy resolutions. The WGA Chairman will then ask the Governors to move the resolutions as provided for in the By-laws.

- ▶ A two-thirds affirmative vote of those Governors attending the Annual Meeting is required to adopt policy resolutions. Proxy votes will be collected from those Governors attending the meeting, but unable to remain for the Resolutions Plenary.
- ▶ Motions to move all or some resolutions as a block and to consider specific resolutions individually may be considered. A block of resolutions will be moved first, then individual resolutions will be moved. A two-thirds majority is required to adopt resolutions received by midnight June 9, 1998.
- ▶ The By-Laws must be suspended by a three-fourths majority to consider Resolutions received after the June 9, 1998 deadline. A two-thirds majority is then required to adopt the resolution(s).

Copies of the proposed policy resolutions and the Resolutions Committee recommendations will be made available to the Governors prior to the session. A list of resolutions by title which were adopted by the Governors will be available in the WGA Office the afternoon of July 10.

RELATED MATERIALS

Excerpt from Bylaws on Policy Resolutions and Proxies 153-154

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Excerpt on Policy Resolutions and Proxies

Western Governors' Association (WGA) By-laws

ARTICLE I - MEETINGS

- E. Each Director shall have one vote on each motion that calls for a vote.

There shall be no voting by proxy except in the case of a Director having earlier been present at a properly constituted meeting and having subsequently left said meeting prior to its adjournment after having registered his voting intentions with the Chairperson. In such cases, the absent Director shall provide to the Chairperson a written record of the vote to be entered on each motion that calls for a vote. Proxy votes may be recorded only when the absent Director has been informed of the matter on which he is voting and he has affirmatively requested that he be so recorded. This provision also shall apply to special meetings as provided in Article II herein below.

ARTICLE V - POLICY STATEMENTS

- A. Proposed statements specifying the policy position of the Association shall be in a format that identifies the sponsoring Director and any co-sponsoring Directors, and includes a "background statement," a "governors' policy statement," and a "governors' management directive."
- B. Proposed policy statements submitted pursuant to the previous section shall be received by the WGA office no less than twenty-one calendar days prior to a properly constituted meeting at which the policy statements will be considered for a vote. The proposed policy statements shall be made part of the preliminary meeting agenda pursuant to Article I-H.

Policy statements to be considered during special meetings called pursuant to Article II-A shall be delivered to the WGA office four days prior to a special meeting.

Time limits for submitting proposed policy statements as contained in this section may be waived by a three-fourths (3/4) vote of the Directors present at a properly constituted Directors' meeting.

- C. The Chairperson of WGA shall appoint a Resolutions Committee for each meeting at which policy statements will be considered for a vote. The Committee shall have an odd number of members, shall reflect the membership of WGA, and shall be appointed from the Directors attending the meeting.

1. The Resolutions Committee shall review all policy statements and by majority vote make one of the following recommendations for each proposed policy statement:
 - To adopt
 - To amend
 - To hold for clarification and future action
 - To table
 2. The Committee may request sponsoring Directors or their designated representatives to provide information in support of their proposed policy statement.
 3. The Committee shall make its recommendations available to all Directors present at the meeting by the end of the calendar day prior to the day of the Directors' meeting at which the policy statements will be considered for a vote.
 4. In the case of a special meeting called pursuant to Article II, this section may be suspended or modified at the option of the Chairperson.
- D. Adoption of policy statements shall require an affirmative vote of two-thirds (2/3) of the total number of Directors voting in person and those Directors recording their vote by proxy, as defined in Article I-E.
1. Proxy votes shall be counted by the Chairperson pursuant to Article I-E.
 2. Each vote cast by a Director shall indicate whether the vote is in support, dissension or abstention of the policy statement. The record of the voting shall be recorded on each policy statement.
 3. Amendments to proposed policy statements introduced on the floor shall be presented in written form when practical, and shall be germane to the policy statements being debated. Adoption of amendments shall require an affirmative vote of two-thirds (2/3) of the total number of Directors voting in person and those Directors recording their vote in a properly constituted proxy statement, as defined in Article I-E.
- E. Policy statements may be adopted through a telephone poll by an affirmative vote of two-thirds (2/3) of all Directors when the WGA Chairperson determines that time is of the essence. Written copies of the proposed policy statements are to be made available to the Directors prior to the telephone poll.
- F. Policy statements will be deactivated three years after their adoption. The Board of Directors will review at the annual meeting those policy statements due for sunseting.

By-laws were amended March 28, 1988.

98resos\bylaws.bb