



**2017  
ANNUAL REPORT**



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Report: National Forest and Rangeland Management Initiative





Western Governors gathered at the WGA Winter Meeting, held in San Diego Dec. 13-14, 2016. Attending Governors at the meeting included, from left: Edmund G. Brown (California), John Hickenlooper (Colorado), Matt Mead (Wyoming), Gary Herbert (Utah), Susana Martinez (New Mexico), WGA Vice Chair Dennis Daugaard (South Dakota), WGA Chair Steve Bullock (Montana), Ralph Torres (Commonwealth of the Northern Mariana Islands), and C.L. "Butch" Otter (Idaho).

## Dear Friends and Colleagues,

It's with great pleasure that I share with you the Western Governors' Association Annual Report. I'm pleased with the many accomplishments we've shared together and am especially gratified by the steadfast commitment of my colleagues and our many partners to relentlessly pursue pragmatic and bipartisan policy through our work together. Although we approach our challenges from various locations on the political spectrum, as citizens of the West, we continue to find that we are more closely tied by our similarities than our differences.

While there are, no doubt, many shared experiences and perspectives that allow us to communicate and to compromise across our divides, it is often our landscapes and our western work ethic that together serve as our foundation for tackling some of our region's and our nation's most pressing challenges. When I assumed the chair of WGA, I launched the *National Forest and Rangeland Management Initiative* to put to work some of our shared strengths in service of our western landscapes and their dire need for restoration. Today our wildfire seasons are longer, more expensive, and present increasing risks to the public and firefighters. Our forests and rangelands face unprecedented threats from insects, disease and invasive species. At risk is our quality of life, our clean air and water, and the fabric of many of our local western economies.

Through the initiative, we've convened hundreds of partners through four Western Governor-led workshops, webinars, and other outreach to identify innovative best practices and highlight solutions. Across the West the message we heard was clear: we are making progress and bucking the trends by dedicating ourselves to collaboration and partnership. (Learn more about the Initiative in this Annual Report.)

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

- Cross-cutting policy reform efforts aimed at strengthening the state and federal relationship, garnering the support for shared principles for state engagement in federal policy development with associations such as the Conference of Western Attorneys General, Council of State Governments West, Western Interstate Region of the National Association of Counties, and the Pacific NorthWest Economic Region.
- Direct outreach to engage the new administration on emerging priorities through our annual meeting in Washington, D.C. Joining me were Governors **Kate Brown, Doug Burgum, Dennis Daugaard, Mary Fallin, Gary Herbert, John Hickenlooper, David Ige, Matt Mead, Butch Otter, Brian Sandoval** and **Bill Walker**.
- Significant stakeholder engagement to identify and refine a series of policy proposals to adopt best practices in species management and improve the efficiency of the Endangered Species Act through year two of the *Western Governors' Species Conservation and Endangered Species Act Initiative*, launched in 2015 by then WGA Chairman, Wyoming Gov. Matt Mead.

And those are just a few of the many accomplishments championed by Western Governors over the past year. It's been an honor to support our efforts, and I thank my fellow Western Governors and the WGA staff for their support.



Steve Bullock,  
Montana Governor

## Dear Friend of the West,

The past year has been an extraordinary period in the life of the Western Governors' Association. It has been marked by new projects and initiatives, substantial growth of our sponsor community, and the exertion of demonstrable and growing influence by Western Governors. The Governors, dedicated to the success of the association, have made generous investments of time and resources in the programs and activities of WGA.

Meetings of the Governors – last summer in Jackson Hole, last winter in San Diego, early this year in Washington, D.C., and by teleconference throughout the year – were constructive and well attended. Moreover, they were infused with a cooperative spirit of bipartisanship and comity – true hallmarks of WGA.

The policy efforts of the Governors are having a profound impact on the region and the nation. Certain work efforts that began as initiatives of WGA Chairs have expanded into important multi-year policy campaigns. The recommendations resulting from the Western Governors' Species Conservation and Endangered Species Act Initiative – launched under the leadership of then-Chairman Matt Mead in 2015 – have assumed center stage in the national debate over the future of the ESA. Likewise, the Western Governors' National Forest and Rangeland Management Initiative – started by Chair Steve Bullock – is producing recommendations and ideas that will lead to significant improvements in the management of public lands. We are confident that the Western Governors' Workforce Development Initiative, the central policy effort of incoming Chair Dennis Daugaard, will be similarly impactful.

Of all the Governors' ongoing policy efforts, none may be as important as their tireless work to fundamentally realign the state-federal relationship. They have articulated a sharp vision of a more functional partnership between the states and federal government, and they are diligently pursuing realization of that vision.

It has been a rare privilege for me to represent the Governors in testimony before committees of Congress and in speeches throughout the country. I may not be their most polished spokesperson, but they would be challenged to find a more enthusiastic cheerleader.

What makes WGA truly extraordinary is the people within its orbit. I have worked in politics and policy for my entire career, and Western Governors are the most pragmatic, warm and collegial group of leaders whom I have ever had the honor to serve. Their ethos of cooperative bipartisanship is richly emulated by the Staff Advisory Council, which skillfully represents the Governors on a day-to-day basis. The staff of WGA is a remarkable cadre of dedicated professionals, whose work I value and whose company I enjoy. WGA's sponsor community is populated by an extraordinary mix of talented individuals; their support is the fuel that powers the bipartisan machine that is WGA.

To celebrate and reflect the energy and influence of Western Governors, WGA is presently launching a new logo and other visual representations of its brand (including a new website that better communicates the Governors' expansive body of work). Evocative of a cattle brand, the logo pays tribute to the western heritage of our Governors. We could not be more proud that so many of them are "riding for the brand."

We are looking forward to another momentous year ahead. This year's Annual Meeting in Whitefish, Montana will be followed by our Winter Meeting, December 1-2 at the Arizona Biltmore in Phoenix. Next year's Annual Meeting is scheduled for June 25-27, 2018 in Rapid City, South Dakota. We are scheduling a series of workshops across the West in connection with Governor Daugaard's workforce development initiative, and we are excited to conduct the third annual "Celebrate the West" high school art competition. We will continue to aggressively promote the Governors' policy priorities in Washington, D.C. and develop more ways to enhance the value of their membership in WGA.

In the meantime, thank you for your interest in, and support of, Western Governors. They are making bipartisan magic happen.

Respectfully,

A handwritten signature in black ink that reads "Jim Ogsbury".

James D. Ogsbury,  
WGA Executive Director



# STATE-FEDERAL RELATIONSHIP

Western Governors assert that states should have a meaningful role in the development of federal policy that impacts state authority. The inauguration of a new President and the start of the 115th Congress presents an opportunity for Western Governors to advocate process reforms to make the state-federal relationship function better for western citizens, lands and the environment.

At the Western Governors' Association Winter Meeting in December 2016, the Governors approved a detailed policy resolution, *Building a Stronger State-Federal Relationship*, which notes in part: "Where authority has been delegated by the federal government to the states, states should be granted the maximum administrative discretion

possible and should be treated as co-regulators." The resolution also states:

- In the absence of Constitutional delegation of authority to the federal government, state authority should be presumed sovereign.
- Each executive department and agency should have a clear and accountable process to provide states with early, meaningful and substantive input in the development of regulatory policies.

The Governors have aggressively pursued implementation of this policy. Among other things, they have organized a coalition of the West's leading policy associations to adopt and promote "Principles to Clarify

## Realigning the State-Federal Relationship

A snapshot of work accomplished by Western Governors to achieve deeper engagement with states by Congress and the Administration:

- **Development** of the policy resolution, *Building a Stronger State-Federal Relationship*
- **Leadership** of a coalition of western regional and national policy organizations to adopt and promote "Principles to Clarify and Strengthen the State-Federal Relationship."
- **Development** of agency-by-agency menu of reforms in response to the President's Executive Order, *Enforcing the Regulatory Reform Agenda Organization*



Environmental Protection Agency Administrator Scott Pruitt, center, met with Western Governors, from left, Bill Walker, Gary Herbert, Dennis Daugaard, Mary Fallin, C.L. "Butch" Otter, Steve Bullock, Kate Brown, Matt Mead, Doug Burgum, David Ige, and Brian Sandoval (not pictured, John Hickenlooper).

and Strengthen the State-Federal Relationship.” Subscribers to these principles include the Conference of Western Attorneys General, Council of State Governments – West, Western Interstate Region of the National Association of Counties, and the Pacific NorthWest Economic Region.

“Western Governors are eager to work in true partnership with the federal government and call upon the Administration to engage them in the development and execution of policy that impacts state authority,” said James D. Ogsbury, Executive Director of the Western Governors’ Association.

The WGA team has connected with new leadership in federal agencies and Congress to communicate the Governors’ resolution and the coalition’s principles. The team has also widely distributed extensive transition documents that present the Western Governors’ policy positions. WGA staff has conducted meetings with Congressional leadership and agency staff during visits to Washington, D.C.

WGA’s leadership is bearing fruit, as evidenced by such developments as: establishment of a bipartisan task force on intergovernmental relations in the U.S. House; more vigorous outreach from agencies of the federal government seeking to work with governors on issues of mutual concern; and increasing interest from other policy organizations



*The WGA team is connecting with new leadership in federal agencies and Congress to communicate the Governors’ resolution and the coalition’s principles.*

to join the WGA-led coalition effort.

WGA developed an agency-by-agency menu of reforms, which it has shared with the White House and key federal agencies in response to the President’s Executive Order, *Enforcing the Regulatory Reform Agenda*. The recommended reforms, largely informed by Governors’ past

interactions with federal agencies, speak to the importance of an authentic partnership between the states and federal government.

WGA initiated another coalition overture, requesting Congressional leadership collaborate with states and local governments in the formulation of the FY18 budget.

## Payment In Lieu of Taxes

### ISSUE

The Payment In Lieu of Taxes (PILT) program provides payments to local governments, offsetting losses in property taxes that counties forego because of the presence of non-taxable federal lands within their boundaries. The payments provide funding for critical services such as firefighting and police protection, construction of public schools and roads, and search-and-rescue operations.

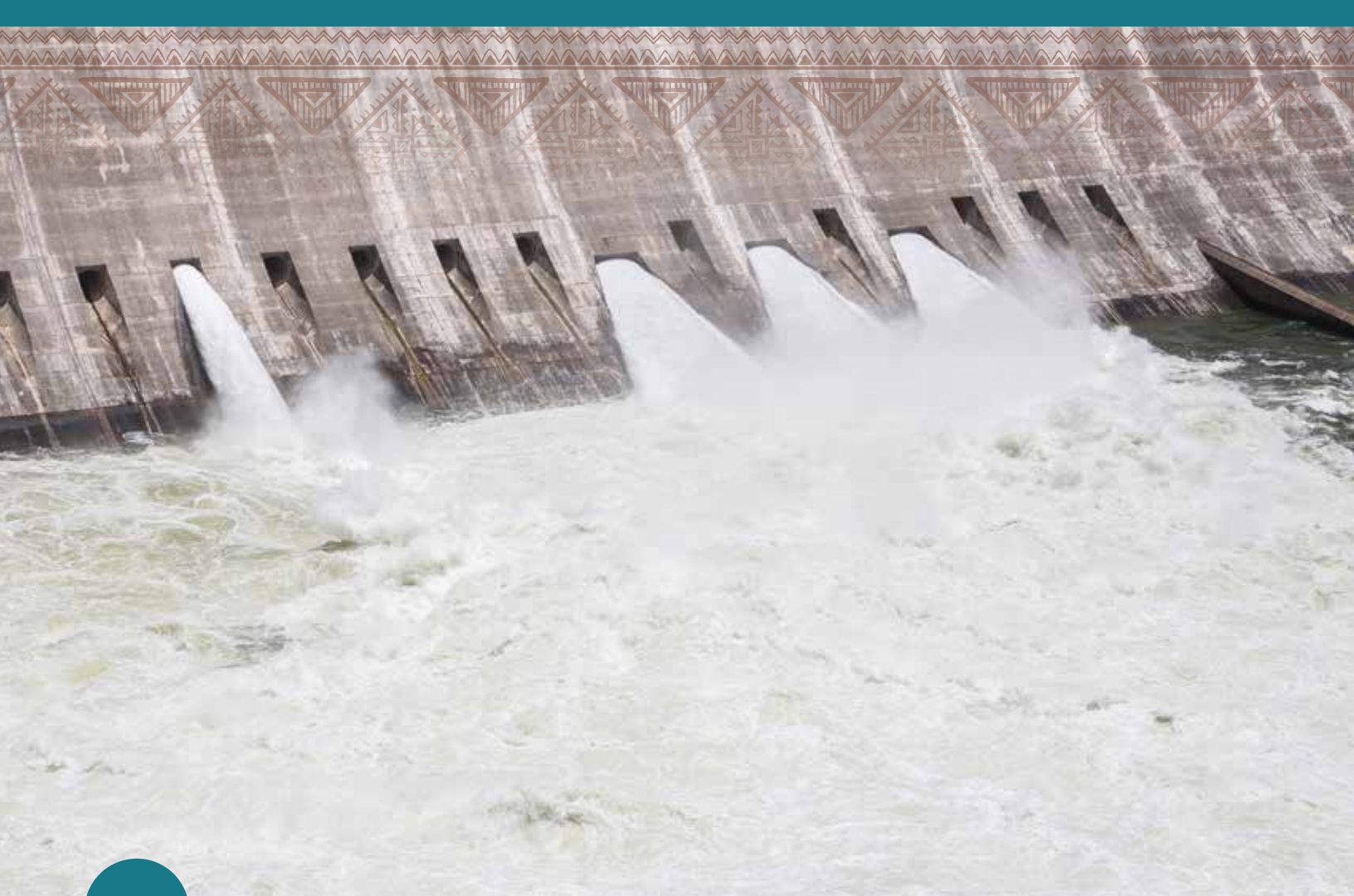
### ACTION

Western Governors have consistently supported full funding of the PILT program. In addition, they approved Policy Resolution 2017-03, *Tax-Exempt Federal Lands and Secure Rural Schools*, which demands that the “federal government must honor its historic PILT agreement with states and counties in the West to compensate them for tax-exempt federal lands within their borders.”

### RESULT

The Consolidated Appropriations Act for FY17 provides \$465 million, the full amount of authorized funding for PILT in FY17. This represents a \$13 million increase over the FY16 enacted level.





## WATER

### Stormwater Discharges From Forest Roads

Western Governors secured a significant victory for states when the Environmental Protection Agency (EPA) decided in July 2016 not to subject stormwater discharges from forest roads to regulation under Section 402(p)(6) of the Clean Water Act (CWA).

The decision was in accord with comments submitted by the Governors, as well as their policy resolution, *Water Quality in the West*, which notes that stormwater runoff from forest roads has been efficiently managed as a nonpoint source of pollution under EPA regulation and state law since enactment of the CWA. The comments also highlighted states' federally-recognized authority to manage and allocate water within their boundaries.

The EPA decision reflected the Governors' comments: "State, federal, regional, tribal government, and private sector programs already exist nationwide to address water quality problems caused by discharges from forest roads. Program implementation rates are generally high and have been shown to be effective in protecting water quality."

### State Hydropower Licensing

#### ISSUE

Western Governors are concerned that efforts are underway in Congress to preempt state hydropower licensing authority under the CWA.

#### ACTION

The Governors emphasized their opposition to the "Hydropower Regulatory Modernization of the North American Energy Security and Infrastructure Act of 2015" by reminding the House Committee on Energy and Commerce in July 2016 that states are vested with authority to manage water within their borders.

#### NEXT

The committee is once again considering preemption language. WGA is working with the committee and individual legislators to craft a mutually beneficial solution.

# Snow Survey and Water Forecasting

## ISSUE

Snow Survey is the only scientific program that collects on-the-ground snow depth and water content data to forecast water supply in western states. Since 1935, these forecasts have been critical to decision-makers for a wide range of uses, including agriculture, fish and wildlife management, municipal water supply, flood control, and recreation.

## ACTION

WGA has consistently supported the Snow Survey and advocated for adequate program funding for the past several federal appropriations cycles. These actions are consistent with the Policy Resolution, *Water Resource Management in the West*, which expresses the Governors' conviction about the importance of basic water data, including the Snow Survey and Water Supply Forecasting Program.

## RESULT

The Consolidated Appropriations Act for FY17 provides \$9.38 million for the Natural Resources Conservation Service's Snow Survey and Water Forecasting Program, a \$380,000 increase over FY16 appropriations.



## Water Transfers Rule

### ISSUE

Western Governors continue to secure victories in support of the EPA's Water Transfers Rule. A January 2017 ruling by the U.S. Court of Appeals for the Second Circuit affirms EPA's water transfer rule as a reasonable interpretation of the CWA that water transfers between navigable waters (that do not subject the water to an intervening industrial, municipal, or commercial use) do not constitute an "addition of pollutants" and are not subject to National Pollutant Discharge Elimination System permits under the CWA.

### ACTION

The ruling follows the Governors' request of EPA to appeal a decision by the District Court for the Southern District of New York that vacated the "water transfers rule."

### NEXT

The Governors will continue to monitor this issue in the event of additional litigation, whether that be a rehearing with the Second Circuit or review by the U.S. Supreme Court.

## Regulation of "Surplus Waters"

### ISSUE

The U.S. Army Corps of Engineers (USACE) issued a Notice of Proposed Rulemaking concerning policies governing the use of its reservoir projects within the Missouri River Basin in December 2016.

### ACTION

Concerns were first expressed in 2013 to USACE by Western Governors regarding a then-pending rulemaking that would regulate so-called "surplus waters," specifically noting the Corps' failure to adequately engage with states. In February 2017, the Governors expressed concerns that the procedural, legal, and technical issues cited in the 2013 outreach were not addressed by USACE in advance of the development and announcement of the proposed rulemaking.

### NEXT

Western Governors are working to ensure that USACE defines "surplus water" to expressly exclude natural flows, which must remain subject to states' authority. The Governors also seek meaningful and substantive consultation with USACE, as states are the primary authority over water management and allocation within their borders.

## Waters of the United States

### ISSUE

EPA and USACE need to engage the states as co-regulators and ensure that state water managers have a robust and meaningful voice in the development of any rule regarding CWA jurisdiction. This involvement is particularly critical in the early stages of policy development before irreversible momentum precludes effective state participation.

### ACTION

The Governors have consistently argued that EPA and USACE should engage the states as co-regulators (see, for example, Policy Resolution 2017-04, *Water Quality in the West*).

### RESULT

The Consolidated Appropriations Act for FY17 prohibits funds from being used to develop or implement changes to certain CWA definitions during FY17, a prohibition that offers states the opportunity to engage with federal agencies on any possible regulatory changes to the CWA.





## YEAR TWO

# SPECIES CONSERVATION AND ENDANGERED SPECIES ACT INITIATIVE

The first year of the *Western Governors’ Species Conservation and Endangered Species Act Initiative*, launched in 2015 by then-WGA Chairman Wyoming Governor Matt Mead, culminated in approval of an expansive policy resolution, *Species Conservation and the Endangered Species Act*. Among other things, it directs WGA to develop a multi-year work plan to advance the objectives of the resolution.

Since July 2016, WGA has focused on development of a first-year implementation plan involving a series of work sessions, webinars, and survey instruments to: refine key themes from year one; build bipartisan support for recommendations and policy principles; and assess regulatory, statutory and administrative hurdles that may impede implementation of policy recommendations.

Stakeholder discussions expanded on the following themes:

- **Incentivizing Voluntary Conservation:** Opportunities were identified to encourage voluntary conservation as a means of pre-empting the need to list a species and effectively recover imperiled species.
- **Listing, Critical Habitat Designation, Recovery and Delisting:** Improvements were considered for each step in the ESA process, from petitioning to delisting.
- **State and Local Government Roles in Species Conservation and ESA Implementation:** If federal agencies leverage local and state data, science, and manpower, the collaboration can benefit at-risk and listed species.
- **Landscape-Scale Conservation:** Conversations zeroed in on principles and considerations of landscape-scale conservation that can help prevent listings and more effectively recover species listed under the ESA.
- **Best Available Science:** Stakeholders tackled questions regarding what science should be considered “best available” and how to increase the transparency of, and accessibility to, science underpinning ESA decisions.

Policy recommendations emerging from WGA’s 2016-17 work on the *Species Conservation and Endangered Species Act Initiative* will lay the foundation for additional efforts contemplated by the Governors under their resolution. WGA will continue to rely on the expertise of the diverse coalition of stakeholders assembled through the Initiative to refine – and ultimately realize – goals set forth by Western Governors.



Read the Year Two Report at [Westgov.org](http://Westgov.org)



## Invasive Species

### ISSUE

Invasive species pose significant threats to western wildlife and fish habitat.

### ACTION

In Policy Resolution 2016-05, *Combating Invasive Species*, Western Governors encourage Congress and the Administration to support invasive species control and management programs on state and federal lands. The resolution also calls for increased local, state, and federal collaboration. WGA also addressed the threat posed by quagga and zebra mussels, encouraging Congress to pass mussel control legislation.

### RESULT

The Consolidated Appropriations Act for FY17 includes increases to the invasive species budgets of various agencies (including BLM, the U.S. Fish and Wildlife Service, US Geological Survey, and National Park Service) to address aquatic and plant invasives.

## Greater Sage-Grouse Conservation

### ISSUE

In 2010, the U.S. Fish and Wildlife Service determined that the greater sage-grouse was “warranted” for listing under the Endangered Species Act. Listing the bird as threatened or endangered would, among other things, create a significant negative impact for Western economies.

### ACTION

Western Governors collaborated extensively to conserve the range of the greater sage-grouse, which includes federal, state and private lands in 11 Western states. This historic effort: helped recover populations; avoided a listing of the bird as threatened or endangered in 2015; and enabled states to continue conservation work.

### RESULT

The Consolidated Appropriations Act for FY17 provides \$68.9 million – an increase of \$8.9 million above FY16 spending – for greater sage-grouse conservation, including implementation of the National Seed Strategy. Funds will be used for on-the-ground measures such as conifer removal, fuels reduction and invasive species management. The bill also directs the Bureau of Land Management (BLM) to collaborate with states to address concerns with Resource Management Plans and related Land Use Planning Amendments.



Greater sage-grouse.

## State Wildlife Data

### ISSUE

Ensure the Department of the Interior (DOI) and the U.S. Forest Service (USFS) coordinate with states in federal decision-making processes.

### ACTION

The Governors advocate for this coordination in WGA Policy Resolution 2014-14, *State Wildlife Science, Data and Analysis*. The resolution stresses the importance of using state “wildlife data and analyses as principal sources to inform ... land use, land planning and related natural resource decisions.”

### RESULT

Language in the Consolidated Appropriations Act for FY17 directs DOI and USFS to coordinate with states to “fully utilize State fish and wildlife data and analyses as a primary source” in federal decision-making processes. This is the fourth consecutive year the Governors have successfully advocated for this coordination.



## CHAIRMAN’S INITIATIVE

# NATIONAL FOREST & RANGELAND MANAGEMENT INITIATIVE

Upon assuming the role of Chair of the Western Governors’ Association in July 2016, Montana **Governor Steve Bullock** proposed that WGA pursue the *National Forest and Rangeland Management Initiative*. Under the Initiative, WGA was charged to:

- Examine existing forest and rangeland management authorities and programs to determine their strengths and weaknesses;
- Perform a detailed investigation of the role of collaboratives in landscape restoration;
- Create a mechanism for states and land managers to share best practices, case studies and policy options for forest and rangeland management; and



Montana Governor Steve Bullock launched the National Forest and Rangeland Management Initiative to bring states, federal land managers, private landowners and other stakeholders together to discuss issues and opportunities in forest and rangeland management.



Western Governors C.L. “Butch” Otter of Idaho, left, Dennis Daugaard of South Dakota and Kate Brown of Oregon hosted Chairman’s Initiative workshops in their respective states.

- Recommend improved forest and rangeland management authorities and encourage more effective collaboration.

The initiative has assembled a wide range of experts and stakeholders from throughout the West to share insights on land management practices and identify potential improvements to enable western states to develop healthy, resilient landscapes and communities.

That effort was enhanced by the direct participation of Western Governors, who invested time and resources to host workshops in their respective states. Workshop hosts included: Montana **Governor Steve Bullock**; Idaho **Governor C.L. “Butch” Otter**; South Dakota **Governor Dennis Daugaard**; and Oregon **Governor Kate Brown**.

The Initiative’s reach was extended by livestreaming regional workshop sessions and posting meeting sessions to WGA’s YouTube page, as well as by posting live updates on Twitter. WGA also hosted webinars that addressed discrete topics in forest and rangeland management.

Based upon the input from state

and federal land managers, private landowners, local governments, businesses and non-governmental organizations, WGA sought to identify best practices and offer recommendations to put western states on a path toward healthier, more resilient ecosystems, while continuing to support diverse economic opportunities for western communities. A WGA report on the first year of Initiative work includes both administrative and legislative recommendations touching upon the following areas:

- Reforming federal wildfire budget practices to allow for more investment in efforts to build resilience and reduce catastrophic wildfire risk;
- Partnering to advance forest and rangeland management projects across ownership boundaries to achieve landscape-scale goals and streamline process;
- Providing state-led investment to support collaboration, prioritize limited resources, and ensure coordinated and effective federal, state and local government engagement;

- Augmenting capacity and streamlining the effective and efficient environmental analysis and implementation of federal forests and rangeland restoration projects;
- Strengthening markets for forest products and diversified rangeland goods and services that can support forest and rangeland restoration objectives; and
- Pursuing new statutory flexibility and authorities to advance landscape-scale restoration projects, and support high-impact programs.

WGA’s focus now shifts from information-gathering to implementation of the launch year recommendations. Western Governors will encourage state and federal agencies to apply these recommendations to their management activities, and advocate for the adoption by Congress of the legislative reforms identified by the initiative.

 Read the Report at [Westgov.org](https://www.westgov.org)





# FOREST AND RANGELAND MANAGEMENT



## National Forest System Trails Stewardship Act

Continued advocacy by Western Governors contributed to enactment of the *National Forest System Trails Stewardship Act* in November 2016.

Western Governors had long expressed support for the bipartisan legislation, which directs the Secretary of Agriculture to develop a strategy to enhance the role of volunteers and partners in National Forest System trail maintenance. The Governors applaud the legislation because it responds to an urgent imperative to improve forest health by reducing wildfire threats and improving watersheds and habitat.

## National Parks: Centennial Initiative and Deferred Maintenance

### ISSUE

Western Governors recognize that national parks are an important economic driver for western communities, providing an influx of tourism dollars and serving as an economic multiplier in rural areas.

### ACTION

The Governors expressed their support for the goals of the Centennial Initiative, which seeks in part to fund long-deferred park maintenance, in Policy Resolution 2016-10, *National Parks and the West*.

### RESULT

The Consolidated Appropriations Act for FY17 provides the National Park Service with \$2.425 billion for operations, an increase over FY16. The appropriation supports the Centennial Initiative, with \$20 million provided specifically for projects under the Centennial Challenge. These funds must be used for projects that address deferred maintenance and must be matched one-to-one by private dollars.

## BLM Planning 2.0 Rule

### ISSUE

The Bureau of Land Management's (BLM) final rule, Resource Management Planning (Planning 2.0), severely limited the deference Governors were previously afforded with respect to resource management plan development and emphasized landscape-scale planning in a way that may have resulted in the elevation of national objectives over state and local preferences and imperatives.

### ACTION

Western Governors expressed their concerns throughout the past year. Outreach in February to Congressional leadership addressed a number of aspects of Planning 2.0, as well as BLM's repeated failure to adequately involve western states in the rule's development.

### NEXT

Planning 2.0 was repealed through the Congressional Review Act on February 10, 2017. Governors have reached out to the Administration – including BLM – with a robust set of process reforms to improve the state-federal relationship on issues such as federal land management planning. The Secretary has directed BLM to develop a replacement for the Planning 2.0. and engage with states in the process.

## Endangered Species Act Compensatory Mitigation Policy

### ISSUE

The U.S. Fish and Wildlife Service (FWS) has not engaged in “substantive and ongoing consultation” with Governors and state regulators in regard to the draft Endangered Species Act Compensatory Mitigation Policy.

### ACTION

The Governors delivered comments to the FWS Director that sought clarity around landscape-scale compensatory mitigation in the West and the definition of “net conservation gain.”

### NEXT

WGA will continue to defend state authority to manage all fish and wildlife within state borders. Because of their close working relationships with local governments and landowners, Governors are in a unique position to assist the FWS in implementing the ESA.

## Stewardship Contracting Authority

### ISSUE

There is uncertainty around BLM's ability to use Stewardship Contracting Agreements, which are an important management tool enabling local communities to invest in restoration activities on public lands.

### ACTION

This uncertainty was addressed at *National Forest and Rangeland Management Initiative* workshops, where application of this Farm Bill tool to BLM lands was strongly encouraged. In Policy Resolution 2016-01, *National Forest and Rangeland Management*, the Governors urge federal agencies to “fully implement the tools provided in the 2014 Farm Bill,” including Stewardship Contracting.

### RESULT

The Consolidated Appropriations Act for FY17 clarifies that the Director of BLM is authorized to enter into Stewardship Contracting Agreements.

## Wildland Fire Management

### ISSUE

“Fire borrowing” – the use of non-fire suppression funding to pay for firefighting when suppression funding is depleted – negatively impacts day-to-day forest and rangeland management activities that can mitigate wildland fire danger.

### ACTION

Western Governors have been vociferous in recent years about the need to end the practice of “fire borrowing” to ensure that routine Department of Interior and U.S. Forest Service management activities are not negatively affected by suppression activities.

### RESULT

While the Consolidated Appropriations Act for FY17 does not fix “fire borrowing,” it fully funds wildland fire suppression at the 10-year average of annual expenditures for wildfire suppression. It also provides a total of \$407 million for the Department of Interior and U.S. Forest Service FLAME accounts, which operate as reserves for firefighting costs if suppression funding is exhausted.



More Forest and Rangeland Management on Page 14





# MINING

## Coal Combustion Residuals

### ISSUE

Western Governors secured a significant victory through enactment of legislation to establish states as the primary regulatory authority for coal combustion residuals (CCRs), or “coal ash.”

“Coal ash” describes byproducts left after coal is burned for heat and energy. While coal ash can be environmentally harmful if stored or handled improperly, many western states and utilities have demonstrated beneficial uses of the material, including as an additive in road and building products.

### ACTIONS

The Governors have long advocated for coal ash regulation to be handled at the state level, a position affirmed in WGA Policy Resolution 2017-07, *Regulation of Coal Combustion Residuals*. The Environmental Protection Agency (EPA) heard Governors’ concerns and elected to regulate CCRs as non-hazardous solid waste under the Resource Conservation and Recovery Act (RCRA) Subtitle D, and not to regulate the beneficial reuse of CCRs. However, EPA’s final rule also created a dual federal and state regulatory system, because EPA is not allowed under RCRA Subtitle D to delegate the CCR program to states in lieu of the federal program. Western Governors sought relief from Congress to allow states to regulate CCRs and eliminate this duplication. As passed in December 2016, the “Water Infrastructure Improvements for the Nation Act” includes a provision empowering states to oversee coal ash regulation.

## Duplicative EPA Financial Assurance Requirements for Hard Rock Mining

### ISSUE

EPA’s proposed rule, Financial Responsibility Requirements under the Comprehensive Environmental Response, Compensation and Liability Act 108(b) for Classes of Facilities in the Hardrock Mining Industry, is the product of a flawed process that did not meaningfully involve Governors and state regulators.

### ACTION

In May representatives of the EPA met with states to discuss the proposed rule. States expressed their concerns that the proposed rule did not demonstrate the risks EPA is attempting to address, those risks are already addressed by state programs, and it could potentially preempt state regulations.

### NEXT

The comment period for the proposed rule ends on July 11, 2017. The deadline for EPA’s final agency action is December 1, 2017.



## Rangeland Management

### ISSUE

Livestock grazing provides multiple benefits: it can be used to treat habitat infested with invasive species, mitigate wildfire danger, and provide economic opportunity for private landowners in western states.

### ACTION

The Governors support making alternative allotments available when operators are displaced, as noted in Policy Resolution 2015-03, *Public Lands Grazing*.

### RESULT

The Consolidated Appropriations Act for FY17 directs Bureau of Land Management and U.S. Forest Service to make vacant grazing allotments available to a holder of a grazing permit or lease when the permit holder’s lands are unusable because of drought or wildfire. The bill also designates \$10 million for rangeland improvements from grazing fees, mineral leasing receipts, and Bankhead-Jones Farm Tenant Act lands grazing receipts.



## Defense Environmental Cleanup

The Waste Isolation Pilot Plant (WIPP) Transportation Safety Program is essential to the expeditious cleanup of transuranic waste from the U.S. nuclear weapons complex and the safe disposal of these wastes at the WIPP. WGA oversees the WIPP Technical Advisory Group, which develops and implements the Transportation Safety Program.

The Consolidated Appropriations Act for FY17 funds program direction and program support for Defense Environmental Cleanup at the requested levels. Included in this funding is the Department of Energy grant to WGA for the Technical Advisory Group.

## Methane Emissions

### ISSUE

Western Governors have consistently asserted that federal methane regulations impinge on state regulatory authority.

### ACTION

The Governors' Policy Resolution 2015-02, *Methane Emissions Regulation*, asserts that "state regulations that encourage capture of methane emissions can incentivize emission prevention and emission reduction efforts in oil and natural gas production operations" and urges federal agencies "to engage states as co-regulators."

### RESULT

The Executive Order 13783 directs the Department of Interior and Environmental Protection Agency (EPA) to review their methane rules, as well as engage with the states on this review. The Bureau of Land Management has postponed future compliance dates until further notice in its rule; EPA has proposed a two-year stay of certain requirements in its rule.



The Waste Isolation Pilot Plant in New Mexico reopened in 2017, three years after its closure in the wake of a minor radioactive leak in 2014. To prepare for shipments, "road shows" like this one in Loveland, Colorado, were staged along active waste transportation routes the West.

## National Ambient Air Quality Standards

### ISSUE

Potentially overlapping implementation schedules related to the 2008 and 2015 standards for ground-level ozone present states with the untenable prospect of implementing two national ambient air quality standards for ozone simultaneously.

### ACTION

The Governors have urged the EPA, through letters and the Policy Resolution 2014-13, *State Clean Air Act Authority and Air Quality Regulation*, to "allow states the flexibility to integrate a variety of tools and compliance methods at their disposal" to meet the standards. WGA also submitted comments to EPA on the 2015 standards.

### RESULT

The Consolidated Appropriations Act for Fiscal Year 2017 report language expresses concern about the overlapping implementation schedules and requires EPA to "report on the potential for cooperative agreements between the Agency and states within 90 days of the date of enactment of the Bill."





# MEETINGS AND OUTREACH

Western Governors continued their strong participation in WGA meetings throughout the past year.

The **Annual Meeting** in Jackson, Wyoming, attracted 10 Governors. The gathering was highlighted by historian **Dayton Duncan's** moving keynote and a report on the first year of the **Species Conservation and Endangered Species Act**, the central policy initiative of then WGA Chair and Wyoming **Gov. Matt Mead**.

Nine Western Governors gathered at the **Winter Meeting** in San Diego to discuss critical issues such as rural health care and hear a keynote on Canadian-U.S. relations.

The new resolutions approved by the Governors included *Building a Stronger State-Federal Relationship*. That resolution asserts that "Where authority has been delegated by the federal government to the states, states should be granted the maximum administrative discretion possible and should be treated as co-regulators."

## OTHER HIGHLIGHTS

The Governors met in February in Washington, D.C. with Environmental Protection Agency **Administrator Scott Pruitt** to discuss state-specific issues and explore how to achieve a more collaborative relationship. Attending Governors included WGA Chair **Gov. Steve Bullock**, and fellow Governors **Kate Brown, Doug Burgum, Dennis Daugaard, Mary Fallin, Gary Herbert, John Hickenlooper, David Ige, Matt Mead, C.L. "Butch" Otter, Brian Sandoval** and **Bill Walker**.

**Gov. Otter** delivered the keynote address at the sixth annual **State of the West Symposium**, organized by the Bill Lane Center for the American West



WGA Executive Director Jim Ogsbury, right, introduced Wyoming Governor Matt Mead, center, when the Governor received the 2017 James D. Range Conservation Award from the Theodore Roosevelt Conservation Partnership. They were joined by Whit Fosburgh, President and CEO of the partnership. Photo by Kristi Odom courtesy of Theodore Roosevelt Conservation Partnership

and the Stanford Institute for Economic Policy Research.

## SPEECHES

WGA Executive Director **Jim Ogsbury** continued to relentlessly barnstorm on behalf of the Governors, speaking in western destinations from San Diego to Bismarck, Saskatchewan to Santa Fe. Ogsbury delivered high-profile keynotes to the **American Exploration and Mining Association** and **Sand County Foundation** and took part in panels at the **Outdoor Writers Association of America** and **Alaska Oil & Gas Association**, to name just a few.

## TESTIMONY

Ogsbury testified before the **House Committee on Natural Resources** about the Bureau of Land Management's

Planning 2.0 rule. He also submitted testimony on behalf of the Governors on multiple occasions, including to the **Senate Committee on Environment and Public Works** (Modernization of the Endangered Species Act), as well as the **House** and **Senate** Committees on Appropriations Subcommittees on Interior, Environment, and Related Agencies.

## MEDIA COVERAGE

The Western Governors' work continued to generate strong coverage from media outlets across the region and across the country, including the Associated Press, *The Missoulian*, Energy & Environment News, *Idaho Statesman*, *Politico*, *High Country News*, Bloomberg, *The Hill*, Reuters, and *The Denver Post*.



## WGA's New Brand

Western Governors have worked together for more than 100 years to protect this special corner of earth and improve the lives of their citizens.

For the past three decades, the Western Governors' Association has been proud to serve as a vehicle for the governors to learn from each other, leverage their influence, and take collective action across state lines and across party lines.

In the past year the WGA team has undertaken the important task of updating the association's brand to better reflect the Governors' powerful

bipartisan collaboration and the dynamic region they represent.

Our work wasn't confined to creating a new logo. WGA also reimagined, redesigned and relaunched the website that showcases the Governors' ongoing policy work. Whether it be resolutions, testimony, webinars, letters or news, the new online resource delivers the Governors' work in ways never before available.

We look forward to supporting the work of the Western Governors for the next 100 years.



## Celebrate the West

The Western Governors' Association in 2016 launched "Celebrate the West, an annual regional art competition that challenges high school students to create works inspired by their state.

The inaugural year of the competition attracted hundreds of entries from the 19 WGA member states, as well as American Samoa and Guam. Winning artwork was displayed at the WGA Annual Meeting in Jackson, Wyoming, where meeting attendees had a chance to view the state finalists and vote for "Best of Show."

Shayla Bowen of Clear Springs High School in League City, Texas, was the big winner. Shayla's "True Grit" won the Grand Prize and was voted Best of Show. Second Place went to Kaitlyn Haught of Hooker High School in Guymon, Oklahoma, for "Cutting Horse," while Christie Wildcat of Riverton High School in Riverton, Wyoming, took Third Place for "Straight Dancer."

You may see all of the winners in the annual visual arts challenge, sponsored by the Western Governors' Foundation, on the WGA website.

Clockwise from above: "True Grit," by Shayla Bowen, (Texas); "Cutting Horse" by Kaitlyn Haught (Oklahoma); "Straight Dancer" by Christie Wildcat (Wyoming).





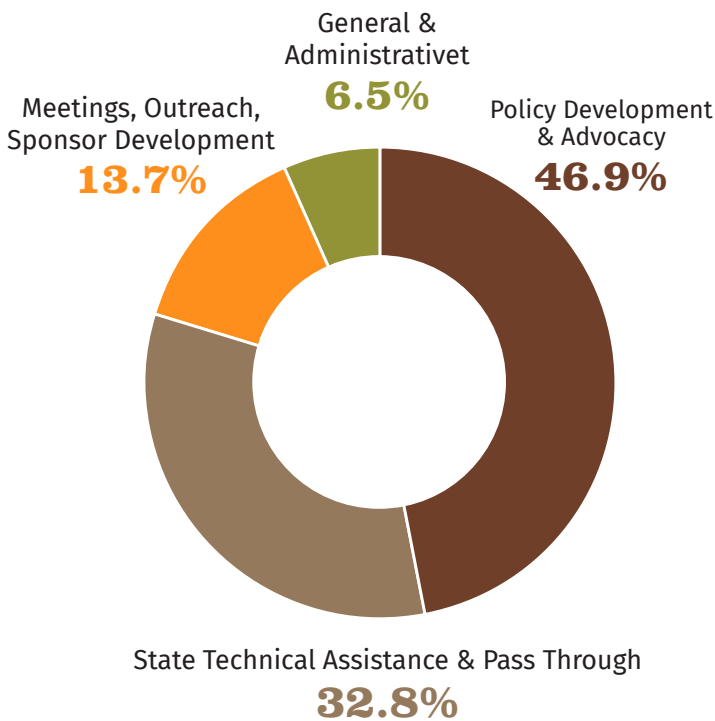
# FINANCES

WGA income is derived from Western Governors' annual dues, sponsor contributions, meeting registration fees, grants, investment income, and other sources. Governors' dues for the fiscal year 2016 were \$36,000 per state and \$6,000 per territory (WGA dues have not increased since 1994). WGA income totaled \$3.8 million for the fiscal year, with approximately 34% of that amount received from federal agencies to provide technical assistance to states and other contractors.

The following is excerpted from the audit report of JDS Professional Group, Certified Public Accountants, Consultants and Advisors. The information is for the fiscal year ending June 30, 2016.

## Functional Expenses

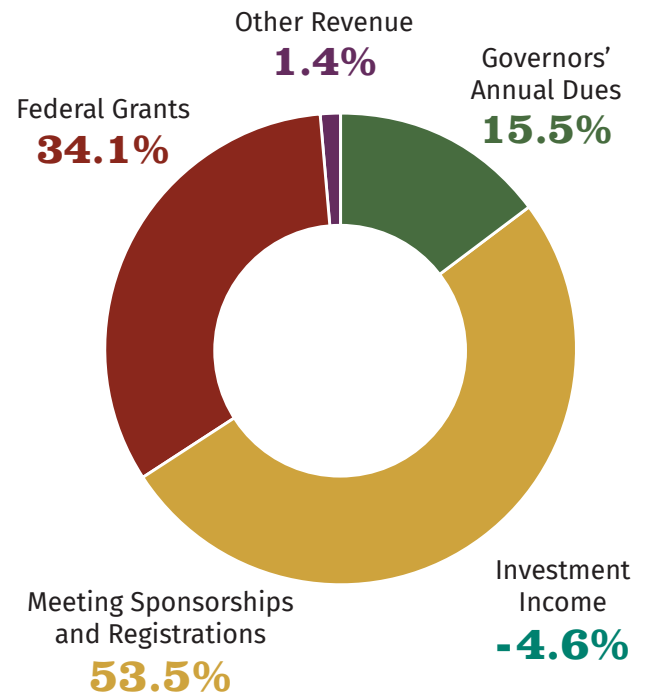
July 1, 2015 – June 30, 2016



Policy Development & Advocacy	\$1,857,591
State Technical Assistance & Pass Through	\$1,297,754
Meetings, Outreach, Sponsor Development	\$543,622
General & Administrative	\$258,111
<b>Total</b>	<b>\$3,957,078</b>

## Revenues

July 1, 2015 – June 30, 2016



Governors' Annual Dues	\$594,000
Meeting Sponsorships and Registrations	\$2,046,915
Federal Grants	\$1,305,760
Investment Income	\$(174,725)
Other Revenue	\$52,302
<b>Total</b>	<b>\$3,824,252</b>

# WESTERN GOVERNORS

## EXECUTIVE COMMITTEE

### Governor Steve Bullock

Wyoming  
WGA Chair

### Governor Dennis Daugaard

South Dakota  
WGA Vice Chair

### Governor Matt Mead

Wyoming  
Immediate Past Chairman

## BOARD OF DIRECTORS

### Governor Bill Walker

Alaska

### Governor Lolo Matalasi Moliga

American Samoa

### Governor Doug Ducey

Arizona

### Governor Edmund G. Brown Jr.

California

### Governor John Hickenlooper

Colorado

### Governor Eddie Calvo

Guam

### Governor David Ige

Hawaii

### Governor C.L. "Butch" Otter

Idaho

### Governor Brian Sandoval

Nevada

### Governor Susana Martinez

New Mexico

### Governor Doug Burgum

North Dakota

### Governor Ralph DeLeon Guerrero Torres

Northern Mariana Islands

### Governor Mary Fallin

Oklahoma

### Governor Kate Brown

Oregon

### Governor Gary R. Herbert

Utah

### Governor Jay Inslee

Washington

## WGA STAFF

### James D. Ogsbury

Executive Director

### Holly Propst

Deputy Executive  
Director/Policy Director

### Sarah Olsen

Director of Development

### Joe Rassenfoss

Communications  
Director

### Troy Timmons

Deputy Director Of  
Strategic Initiatives

### Zach Bodhane

Policy Advisor

### Ward Scott

Policy Advisor

### Britta Beckstead

Policy Advisor

### Lauren DeNinno

Policy Advisor

### Bill Whitacre

Policy Advisor

### Alexandra Kaney

Communications  
Specialist

### Dan Baer

Finance Manager

### Deborah Kinsley

Logistics Manager

### Toni Vigil

Office Manager/  
Executive Assistant

### Angie Byrnes

Administrative  
Assistant

## WGA STAFF ADVISORY COUNCIL 2016-17

Staff Advisory Council Chair:

**Patrick Holmes**, Montana

Alaska

**Craig Fleener**

American Samoa

**Joseph Pereira**

Arizona

**Danny Seiden**

California

**Todd Ferrara**

Colorado

**John Swartout**

Guam

**Margaret Metcalfe**

Hawaii

**Laurel Johnston**

Idaho

**John Chatburn**

Nevada

**Ryan McGinness**

New Mexico

**Larry Behrens**

Northern Mariana Islands

**Matthew DeLeon Guerrero**

Oklahoma

**Tyler Powell**

Oregon

**Drew Johnston**

South Dakota

**Matt Konenkamp**

Utah

**Cody Stewart**

Washington

**Sam Ricketts**

Wyoming

**Jessica Crowder**





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