

April 11, 2013

Senator Chris Edwards  
Oregon State Capitol, S-405  
Salem, Oregon 97301

Representative Ben Unger  
Oregon State Capitol, H-377  
Salem, Oregon 97301

Dear Co-Chairs Edwards and Unger and Members of the Ways and Means Subcommittee on Natural Resources,

Thank you for the opportunity to provide testimony. We recognize that you have many difficult choices to make and appreciate your consideration of these thoughts as you continue your deliberation on the ODFW budget. We have submitted testimony on other TNC budget priorities for ODFW, but would like to join with one of our key partners, Defenders of Wildlife, in offering the following comments:

In regards to a mitigation program for energy impacts on Sage grouse: We support a shift of \$500,000 (General Fund) included in the governor's budget for the Department of Energy to ODFW for development of a new mitigation system for impacts of large-scale development on sage grouse habitat in eastern Oregon, consistent with the discussions now going on around House Bill 2106. That legislation, and the governor's \$500,000 proposed addition to the Energy budget, were originally intended to begin work on a landscape-level plan to help guide siting of energy facilities in eastern Oregon, as outlined in the governor's 10-Year Energy Action Plan. With a federal decision coming up in 2015 on listing of sage grouse under the Endangered Species Act, we have a very narrow window of time to come up with a better way to deal with mitigation issues in that part of the state.

We believe it should be possible to develop a mitigation system for sage grouse habitat impacts that is more transparent, efficient, and cost-effective and allows appropriate development to move forward with greater certainty and lower costs. One of the keys to making this work in the context of a pending ESA decision is demonstrating that Oregon is taking a more strategic approach, targeting investments in compensatory mitigation to locations and actions that offer the greatest long-term benefits for sage grouse and other conservation values. Reallocation of the \$500,000 originally included in the Department of Energy's budget would give ODFW and stakeholders the technical support needed to develop this new system.

Oregon Conservation Strategy: Our second recommendation involves funding needed to update the *Oregon Conservation Strategy*, the 2005 plan that lays out the state's conservation priorities for habitats and species and the places that offer the best opportunities to address those conservation needs. ODFW's plan has been embraced by a wide variety of interests and agencies and is generally viewed as the state roadmap for conservation. Creation of a state wildlife action plan was a condition for continued funding under the federal government's State Wildlife Grants program, which has provided \$1 million to \$2 million per year to help Oregon deal with species of greatest conservation concern. States are required to update these plans at least every 10 years.

Oregon's conservation strategy update is due in 2015 but no funding for this effort was included in the governor's budget. At least in the past, there have been concerns both within the ODFW and the Legislative Fiscal Office that federal funding for the State Wildlife Grants program was likely to end, based on reductions proposed by House Republicans in 2011. Those concerns have proven to be unfounded. Funding for the program has remained stable

for the last three years at around \$61 million per year, and the president's budget released yesterday includes \$61.3 million for the State Wildlife Grants Program in 2014.

ODFW earlier this year estimated the costs of updating in the Oregon Conservation Strategy in 2013-15 at \$470,000. However, a significant portion of this cost is related to geospatial analysis that would also be required for development of the sage grouse mitigation system mentioned earlier. Moving forward with these two efforts in conjunction with work being funded by other federal, state and private partners involved in sage grouse conservation planning offers the opportunity to realize significant savings, which could reduce the cost of the conservation strategy update by about half. We would urge the subcommittee to work with ODFW to find a way to fund this important work in the next biennium.

Thank you for your attention to this important issue. Please do not hesitate to contact us if you have questions.

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