

**Before the  
United States Senate  
Subcommittee on Fisheries, Water, and Wildlife  
Committee on Environment and Public Works**

**Briefing on Improving the Endangered Species Act:  
Perspectives from the Fish and Wildlife Service and State Governors**

**Testimony of Montana Governor Steve Bullock**

**September 29, 2015**

Chairman Sullivan, Ranking Member Whitehouse and Members of the Subcommittee, on behalf of the citizens of the State of Montana, I want to thank you for the opportunity to offer Montana's perspective on this topic of great import.

Montana is a vast and varied state of mountains, canyons, river valleys, forests, and badlands, making it rich in beauty and resources. It is known as "Big Sky Country" as it covers an area of more than 147,000 square miles, making it the fourth largest state in the United States. Our diversity of wildlife and fisheries follows suit, and folks come from around the world to fish for trout and paddlefish, hunt for elk and antelope, or catch a glimpse of a Grizzly Bear, Gray Wolf or Mountain Goat.

Charming towns and bustling cities serve as gateways to Montana's natural wonders. With one of the most diverse geographies of any state in the country, Montana is home to both Glacier National Park and the gateway to Yellowstone National Park, making it a popular tourist destination. In fact, tourism is one of our leading industries. Nearly 11 million people visit us each year with an economic impact of nearly 4 billion.

But there is much more to Montana than our spectacular, unspoiled nature and vibrant and relaxed small towns. Montana also has a strong, diverse, and growing economy. Major industries include agriculture, energy production, manufacturing, education, and healthcare. Montana is known best as the “Treasure State” due to its rich deposits of mineral wealth, fertile valleys for agriculture, and vast timber resources. But it also produces a significant amount of intermediary and finished products, including industrial chemicals, machinery and metals, and food and beverage products. High-tech industries, such as biosciences research and development, software, and photonics manufacturing are also becoming integral parts of the state’s economy.

Long before Montana became known as the “last best place,” Indian nations and Indian people knew this area as “the first best place.” Montana is home to 7 Indian reservations and the state-recognized Little Shell Tribe of Chippewa Indians. Since becoming Governor, I have appointed 116 Native Americans to serve on many of Montana’s most important state boards, council and commissions and am proud to have worked closely with a bi-partisan coalition in the state legislature to create jobs and improve education throughout the state of Montana, including Indian County.

Montana’s higher education system boasts sixteen institutions: two universities, four regional universities, and ten two-year and tribal colleges, which serve 47,000 students and employ more than 7,000 faculty and staff. Montana State University in Bozeman and the University of Montana in Missoula have been ranked among the best places to live by Outside Magazine and among the top colleges by the Best College Review.

Montana was ranked #1 for overall best colleges in the country last year. Students come to Montana not only for the quality academic experience, but also for the unparalleled quality of life.

World-class recreation, rich culture, friendly people, great jobs, and amazing schools – there is truly no other place like the Big Sky State.

But I appear today not only as the Governor of a great state that has a great diversity of wildlife and many experiences with the Endangered Species Act, but also as the Vice Chair of the Western Governors Association, an organization that embodies my idea of bipartisanship. So let me first offer a few observations about WGA.

Shortly after taking office, my staff and I engaged with WGA on our first substantive policy resolution, relating to the Endangered Species Act. There was much spirited discussion and we worked hard to come to agreement. It was perhaps at that moment that I started to understand the power of WGA and its commitment to bipartisan principles. Indeed, that Resolution (No. 13-08) provides on page 3:

“After working through their own strongly-held differences in how the Act should be renewed, Western Governors believe that the ESA can only be reauthorized through legislation developed in a consensus fashion that results in broad bipartisan support and maintains the intent of the Act.”

That continues to be our position today.

Governors, as Chief Executives, offer concrete perspectives on issues that affect their states. Wildlife management is something we hear about from Montanans every day in our office and for good reason. Montanans are outdoors people, and few things stir our passions like our wildlife. Montanans not only fish and hunt, but they like seeing their wildlife and they know how important our wildlife and fisheries are to our economy and to our way of life.

Our state holds our fish and wildlife resources in trust for all Montanans, and it's a responsibility we take seriously. We're proud of our wildlife heritage – one that includes almost every wildlife species that was present at the time Europeans were first observed on our landscape by Native Americans.

Western Governors share many views on wildlife issues because our economies, communities, landscapes, and quality of life are intertwined in ways that bring us together. We may talk about these issues in different ways, but when we spend time working on them together, we're often closer than we think.

When the management of a wildlife species is taken over by the federal government, there are costs and responsibilities that are born by the state and its citizens – and the impacts to our economy, jobs, and way of life can be significant. But we also feel as if we've lost something that was ours, or maybe even failed at something we should have done better.

Governor Mead has outlined an ambitious initiative for the WGA, but it's not solely focused on the track record of the Endangered Species Act – it starts where any discussion of species management should start: by examining how the states are doing now in the management of those species. Starting there, my goal is to

make sure we consider how we can promote and improve species conservation efforts, before the ESA comes into play.

Looking forward, I see two significant challenges for species management: a changing climate and declining federal resources.

Regardless of what you think about climate change (and I believe in it), there is little doubt that issues relating to forest and land health and water management are becoming more acute, and the implications and challenges for our wildlife species are becoming more pronounced.

At the same time that wildlife and species management issues are becoming more pressing, the federal agencies have fewer resources. That isn't to suggest that the states have unlimited resources. Montana has been recognized as the most fiscally prudent state in the nation-- we got there by running a tight ship, which is what Montanans expect. Our unemployment rate is 4.1 % and our wages are growing faster than all but 5 other states. While other states are managing billions of dollars of debt, I'm proud that we have been able to manage the state's resources, grow the economy and set aside a healthy amount in a rainy day fund. We have also transferred \$50 million to a dedicated fire fund—allowing us to weather the increased fire activity that's been seen in the West without cuts to other areas in the State's budget to cover those costs.

We can't lose sight of the fact that with species management an ounce of prevention is often worth a pound of cure. Funding work now relating to species conservation can often head off expensive fights later over the status or needs of that species, and there are several examples in Montana where relatively small expenditures of money up front prevented major conflicts later on.

For example, in 2009 the USFWS was petitioned to list the northern leopard frog under the ESA. There wasn't a lot of information available regarding abundance. Montana conducted surveys, by matching an estimated \$25,000 of state funds with \$50,000 federal from the State Wildlife Grants Program monies that are allocated by Congressional appropriation. As a result of those surveys, in 2011, the USFWS made a not warranted finding.

In Montana we've had a lot of experience with species management and subsequent federal involvement under the ESA, that will be helpful as this discussion moves forward.

Just last week I participated in the Secretary of the Interior's announcement that the Greater Sage-Grouse should not be considered for listing under the ESA. In Montana over 70% of sage grouse habitat is on private or state land so this is a big victory for private property owners in my state, as well as our school trust.

As good as that decision is, there's much behind it that could point the way to stronger state/federal partnerships and more resources for species conservation. Former Interior Secretary Salazar invited the western states to the table to try and build a collective effort by the state and federal agencies, as partners, that would keep the bird from being listed.

My colleagues Governors Mead and Hickenlooper had the good sense to take him up on it. Montana came late to that effort, and I can tell you it was difficult and grueling work.

In the end the process was not perfect. I was frustrated with the land use plans from the Bureau of Land Management, and a few of my colleagues feel like they were not adequately heard. But it offers promise as a new model for greater state involvement, leveraging shared resources, and getting ahead of species management issues before they become problems we can't solve together. And let's remember that the end result is that the sage grouse doesn't need to be listed in significant part because the federal government trusts the state's management plans will work. That is success.

And then there's the Arctic grayling. In the lower 48 states it was historically found only in the Upper Missouri River and Michigan. By the 1930s it was reduced to approximately 15% of its historic range, and remained only in Montana. Of the remnant populations in Montana one of the most at risk was in the Big Hole River, where the majority of grayling reside in rivers along private land. In August 2014 the US Fish and Wildlife Service determined that the Arctic grayling was not warranted for listing under the ESA.

The conservation of grayling in the Big Hole Valley is arguably one of the most significant conservation and ESA success stories in the Nation. State and federal agencies and key NGOs developed close partnerships and a relationship built on trust with 30 key landowners in the Big Hole Valley, covering over 156,000 acres.

In the west, whiskey is for drinking and water is for fighting. Yet in the Big Hole Valley, a number of landowners voluntarily give up water rights they are legally entitled to use in order to conserve grayling. As a result, during drought years grayling survival is improved. Without this voluntary action, the grayling trend in the Big Hole River would not have improved, and would continue downward toward extirpation.

This was possible because of a Candidate Conservation Agreement with Assurances (CCAA), authorized by the ESA to encourage conservation on non-Federal land to prevent listing under ESA. Under the CCAA, Montana spent over \$6 million to improve riparian and in-stream habitat, water flow levels, connectivity, and to minimize fish entrapment in irrigation ditches. Some of this critical seed money came from State Wildlife Grants, allocated by Congressional appropriation.

The USFWS touts these agreements as an important tool for working with landowners on endangered species conservation, and I agree. The question is: what more can we do to incent voluntary efforts to protect species before the ESA comes into view?

Wolverines have always been present in and around Montana at low densities, and in recent years have been expanding their range and even slightly expanding their numbers. But in 2013 the USFWS proposed to list the species as threatened, asserting that over time climate change would destroy the animals' remaining habitat.

I have no doubt that we need to act to confront climate change for a whole host of reasons, not the least of which is preventing fundamental ecologic change. But the Act was not designed as a regulatory mechanism to address or solve climate change. It is not possible to recover a species when the threat cited as the cause for listing cannot be ameliorated by the actions taken under the Act.

Fortunately pragmatism prevailed. In 2014 the USFWS concluded that it could not reliably predict the impacts to wolverine populations from climate change, and the proposed listing was withdrawn. Nevertheless, the question of whether it is appropriate to use climate change as a basis for listing, and if so, how to do that in a way that makes sense, remains.

Finally, it's worth mentioning Grizzly Bears, a success story for recovery but which still remains listed. We're working out our differences with the USFWS, and I'm optimistic that we'll find a path forward soon for delisting. There are many aspects to this story that are positive – like the strong state and federal partnerships that have formed to manage the Great Bear, and the private landowners that have engaged and demonstrated remarkable commitment. But the Grizzly Bear needs to be delisted and returned to state management.

The successful recovery of this species shows us that the delisting process must become more straightforward, so we can spend our collective resources on species not yet recovered.

There are other stories from Montana. Other success stories like the bald eagle and peregrine falcon. Challenges like the gray wolf which, after being reintroduced had to be delisted by Congress, but is being successfully managed today.

Other stories like the bull trout and the lynx, where the ending is still to be written. And other challenges like litigation and consultation that also deserve scrutiny.

Last week, as I joined with fellow Governors Mead, Hickenlooper, and Sandoval as Secretary Jewell made her historic announcement regarding sage grouse, I couldn't help but think how logical it was for WGA to tackle these issues and attempt to build a regional consensus, as Governor Mead has proposed.

It's worth remembering that the Endangered Species Act was signed by President Richard Nixon in 1973, who recognized the Act as an important commitment by our nation to conserve and protect the rich diversity of animal and plant life for future generations. That noble responsibility still holds true today.

Thank you again for this opportunity.