

On February 27, the Western Governors' Association (WGA), Council of State Governments-West (CSG-West), and other members of the Western Policy Network held a State and Local Government Associations Summit in Washington, D.C. with a wide range of Administration officials. Jim Ogsbury, WGA Executive Director, opened the meeting and addressed its objectives. In 2017, WGA adopted a resolution that provided a "road map" for achieving a more functional state-federal relationship. CSG, the National Association of Counties and other organizations have adopted similar statements. A collaborative effort led to the development of shared federalism principles, and a Summit of Federalism in February 2017. The participating organizations carried these principles to the Administration and the Congress.

The objectives of the current summit are to begin identifying specific opportunities for actions and foster a sense of partnership that will lead to improved and durable state-federal relationships. A slide "STATES NOT STAKEHOLDERS" captured the theme of the meeting. Jim noted the Constitutional division of state and federal powers, between two sovereign levels of government, adding that states are not merely stakeholders. Federal powers are limited and defined, while the 10<sup>th</sup> Amendment reserved broad powers for the States. The state-federal relationship is very complex. He specifically mentioned delegated authorities under the Clean Water Act and Clean Air Act. He also raised issues related to groundwater management, and federal and tribal reserved water rights. There are both legitimate and illegitimate impediments to building better, stronger and more collaborative state-federal relationships, and the meeting was intended to find common ground.

Special guest speakers included Utah Governor Gary Herbert and Rep. Rob Bishop (R-UT), Chairman of the House Natural Resources Committee. The Governor noted his 14-years of experience as a county commissioner, before also serving as Lieutenant Governor. He highlighted Constitutional history, referring to James Madison and the Federalist Papers #45 as designed to limit the power and authority of the federal government and reassure states reluctant to cede too much to the central government. He opined on how things have changed. James Madison must be "spinning in his grave." Today, the federal budget is some \$4 trillion dollars, annually, compared to \$1.7 trillion for all 50 States combined. It's our money and the federal budget should reflect our priorities. Federal agency "mission creep" is in part due to our turning to the federal government to solve all our problems. One size doesn't fit all. He added states are the laboratories of democracy, and the most effective and cost effective level of government to meet most public needs. He asked, "Who cares about the education of our children more, the federal government or the people of the State of Utah?"

Congressman Bishop exclaimed, "We are trying to work together as States and the Federal Government." But if one is out of line, "How do we reign in their power?" Bishop chairs the Task Force on Intergovernmental Affairs created last year by House Speaker Paul Ryan. He called for specific ideas on how to protect state primacy and proposals for statutory changes to empower states, recognize their special standing, and require meaningful consultation. He asked, "How do we define consultation?" He suggested that federal money is the tool used to get states to "do what we want you to do." We provide grants with little flexibility. How do we get away from that? If states leave the money on the table, they lose it. More and more we are looking at federal legislation in terms of Constitutional authority and the impacts on states. He also noted efforts to establish national goals and support state programs to achieve those goals

State representation at the summit included the National Governors' Association, Coalition of Northeast Governors, the Alaska, Guam and Nevada Governors' Offices, California Natural Resources Agency, the State of Colorado Office of the Attorney General, National Association of Counties, Council of Western State Foresters, Environmental Council of the States, the National Association of State Departments of Agriculture, Western States Air Resources Council, Western State Land Commissioners Association, and Western States Water Council.

Federal agency speakers represented the White House, Office of Management and Budget (OMB), Council on Environmental Quality (CEQ), U.S. Departments of Agriculture (USDA), Education, Interior (DOI), and Homeland Security, as well as the Environmental Protection Agency (EPA).

Doug Heolscher, Special Assistant to the President and Deputy Director of Intergovernmental Affairs, declared, "States created the federal government and not the other way around." While recognizing there is more to do to repair state-federal relationships, he observed that in the first year of this Administration the President personally has interacted with state governors on 169 occasions, Vice President Pence (a former governor) 172 times, and cabinet members 840 times. Forty governors attended a White House campus meeting. He acknowledged, "We have to do this right. Governors want less talking to and more talking with."

He suggested the need for a robust plan, as even those that come from states to the federal government forget. State associations need to be at the table.

Jessica Anderson, OMB Associate Director, Intergovernmental Affairs and Strategic Initiatives noted the need for innovative policy ideas and a firm structured relationship with states. "We want to talk early and often." She referred to federal government reorganization efforts, and legislative and policy work. She asked States for help in getting the President's infrastructure package "over the line" in this Congress.

Jeffrey Harris, OMB Assistant Administrator, Office of Information and Regulatory Affairs (OIRA), discussed efforts to review regulations with significant economic and policy or legal consequences, and ensure uniformity. OMB would like to complete its internal review of proposed rules within 90 days. Director Mick Mulvaney has emphasized the importance of operating within federal authority. "It is not our job to push the envelope." OMB will also respect state roles and ask, "Are States already doing the job?" He offered to help states understand where the decision points are within the White House and how to elevate policy questions. OMB is moving towards greater flexibility and improved federalism. He specifically noted "big ticket" items, including the Clean Power Plan and Waters of the United States. We want to stop bad rules, and push good rules.

Alex Herrgott, CEQ Associate Director for Infrastructure, also discussed the need for regulatory streamlining. "We need to get out of your way." He lamented the legacy "paper-based" networks, with no clearinghouse for permits for infrastructure projects to proceed expeditiously. One decision has to go through multiple agencies and offices. CEQ's goal is to reduce the time and costs related to permits, requiring one agency to take the lead on one project with no more than 21 months for review under the National Environmental Policy Act (NEPA) and another three months to issue the relevant permits. This will require institutional and behavioral changes, as well as changes in agency business plans. The White House is looking at things from the view of private investors with capital at risk. We should remove as many hurdles as possible. He mentioned the President's \$1.5T Infrastructure Initiative, on top of existing federal spending, and opportunities to leverage private investment.

Blake Rollins, USDA, Director of the Office of External & Intergovernmental Affairs, noted that Secretary Sonny Purdue is leading efforts to address rural prosperity, including integrating federal agency responses to cross-cutting issues. The White House is emphasizing the "One Government, One Answer" theme. He noted 85% of impoverished U.S. counties are in rural America. Doug Crandall, USDA Acting Deputy Assistant Secretary, Office of Congressional Affairs, admitted, "Our forests are a mess." Some 80 million acres are at high risk, with over 50% of the U.S. Forest Service budget spent on firefighting, and that cost is growing. "We share [problems with] fires, land, water, drought, invasives, beetles and disease. We can't solve these problems without help. We need discussions early and often with states." USDA is working to standardize environmental analysis and decisionmaking processes, including grazing permitting. He asked, "Where is it easy to work with us, and where is it hard?"

Todd Wynn, DOI, Director of the Office of Intergovernmental and External Affairs, offered to serve as a liaison with senior officials. "I am actually reaching out, and not to just check a box." We want to work with you and other state partners, he said. "The White House demands it!" We want to hear what is important to you and help solve problems and get you answers. He asked the states to reach out, and don't assume we know your concerns. He noted that his staff of five serves nine bureaus across five time zones. Casey Hammond, a newly confirmed Deputy Assistant Secretary Land and Minerals Management, worked on the Hill for Chairman Bishop. He said, "It is funny to be sitting on this side of the table banging on the same issues.... We know what States are. States are not stakeholders." However, he advised, "If you are going to be heard, you are going to have to raise your voice." He noted Secretary Zinke has put in place a state-centric team, and now is the time to move with urgency to make changes. The proposed reorganization of the Interior Department is of particular concern to governors which have called for withdrawal of the current plan pending greater dialogue with the States.

Henry Darwin, EPA, Chief Operating Officer, served in the same position for Arizona Governor Doug Ducey. He said his most "disturbing" realization upon arriving at EPA was there is no comprehensive system to engage with the States. Most everything is done on a region-by-region and state-by-state basis with some openly treating State A differently than State B based on politics. "It was eye opening." EPA is now going to each Region and asking about their relationships with the States. The two issues he hears about most are first, that states don't know how to elevate issues for a decision within EPA, and second that it takes too long to get a decision. He is working to set up management systems for accountability and review measurements on a monthly basis. This includes addressing overdue state requests, and legal or other deadlines. He concluded EPA partnerships with the States are very important.