



December 31, 2014

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Wyoming Ecological Services Field Office
U.S. Fish and Wildlife Service
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Cheyenne, WY 82009

Subject: Re-Submission of Upper Green River Conservation Exchange for Greater Sage-Grouse

Dear Mark,

Please find enclosed documents describing the Wyoming Conservation Exchange (Exchange) for consideration by the Conservation Bank Review Team (CBRT), convened to consider our original submission dated May 23, 2014.

The Wyoming Conservation Exchange is designed to promote greater sage-grouse conservation by providing a programmatic way for landowners across Wyoming to obtain funding to engage in conservation work through the private market. The Exchange is a performance-driven system using best available science to achieve measurable net benefit for greater sage-grouse on private and public lands.

Since May, we have received input from members of the CBRT as well as other stakeholders, including the Wyoming Stock Growers Association and Wyoming Association of Conservation Districts. We have incorporated this feedback into the enclosed documents, which are improved as a result. In response to the need for conservation of greater sage-grouse habitat statewide, the scope of the Exchange has been expanded from the Upper Green River Basin to include the entire state of Wyoming. At this time, the focus of the Wyoming Conservation Exchange is greater sage-grouse and its habitat.

The Wyoming Conservation Exchange is intended to provide compensatory mitigation to fulfill any federal or state requirements. Additionally, we seek assurance that should greater sage-grouse become listed as threatened or endangered, credits will remain valid in a post-listing environment.

This submission includes the following:

- **Draft Exchange Agreement:** the regulatory document that will authorize the use of credits purchased through the Exchange to be used for compensatory mitigation. The Exchange Agreement draws upon principles articulated in U.S. Fish and Wildlife Service (USFWS) guidance applicable to Conservation Banking, and is adapted for the Wyoming Conservation Exchange. The Exchange Agreement currently includes USFWS, Wyoming Game & Fish Department, and the Bureau of Land Management as parties to the agreement given their authorities. We look forward to discussing with the CBRT how best to incorporate these Agencies (and others as appropriate) and their relevant authorities.
- **Wyoming Conservation Exchange Manual:** the operations manual that describes the details of the Exchange's design and operations. This has been updated since the original submission. The Exchange Manual describes how credits are generated, bought, sold, verified and tracked through the Exchange.

We would like to draw your attention to these significant changes to the Exchange Manual since the May submission:

- The Exchange Manual and Exchange Agreement provide additional clarity on governance, administration, and the role of state and federal regulators. (Please see Sections 2.1 – 2.3 of the Exchange Manual.)
- The Exchange Manual provides increased clarity on use of the Habitat Quantification Tool (HQT), used to quantify benefits (credits) and impacts (debits) for participants in the Exchange. (Please see Sections 2.8 – 2.10 of the Exchange Manual.)
- The Exchange Manual provides increased detail on credit and payment stacking (Section 2.19) and credit development on state & federal lands (Section 2.20). We welcome continued discussion and input from regulators and agencies regarding the concepts discussed in these sections.
- A new appendix to the Exchange Manual describes in more detail the rationale and supporting documentation for use of dynamic offsets (Appendix C).
- The Exchange Manual includes revisions to increase alignment with the state Greater Sage-Grouse Core Areas Protection Strategy (E.O. 2011-5) and the USFWS Greater Sage-Grouse Range-Wide Mitigation Framework.
- Overall edits to improve readability, organization and functionality.

The Science Team is finalizing updates to the Habitat Quantification Tool (HQT) Scientific Methods Document, which describes the methods used to assess habitat conditions and calculate credits and debits. We anticipate submitting the HQT Scientific Methods Document in early 2015. Sections of the Manual refer to the HQT and will be finalized once details of the HQT are resolved. Sections that require finalization with the HQT are identified as such in the text of those sections. A revised Exchange Manual will be submitted along with the HQT in early 2015.

Thank you for your review. We look forward to engaging with USFWS and the CBRT on finalization and approval of the Exchange. We believe this approach will substantively enhance conservation benefit for greater sage-grouse in Wyoming, while also benefitting multiple stakeholder groups within the state. Please contact Kristi Hansen (University of Wyoming), Melanie Purcell (Sublette County Conservation District), Jen Lamb (The Nature Conservancy), Sara Brodnax (Environmental Defense Fund) or Jim Magagna (Wyoming Stock Growers Association) with questions.

Sincerely,



Advisory Group of the Wyoming Conservation Exchange on behalf of:
Sublette County Conservation District
University of Wyoming
Wyoming chapter of The Nature Conservancy
Environmental Defense Fund
Wyoming Stock Growers Association