

the agreement. Under the Final Policy for Candidate Conservation Agreements with Assurances (64 FR 32726), the Service must determine that the benefits of the conservation measures implemented by the property owner, when combined with those benefits that would be achieved if it is assumed that conservation measure were also to be implemented on other necessary properties, would preclude or remove any need to list the covered species. Application requirements and issuance criteria for Enhancement of Survival Permits through Candidate Conservation Agreements with Assurances are found in 50 CFR 17.22(d) and 17.32(d). These permits allow the incidental take of any covered species in accordance with the terms of the permits and accompanying agreement, should the species be listed during the term of the permit. Section 9 of the Act and its implementing Federal regulations prohibit the "take" of a species listed as endangered or threatened. Take is defined under the Act as including to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect listed animal species, or to attempt to engage in such conduct (16 U.S.C. 1538). "Harm" is further defined by regulation as significant habitat modification or degradation that results in death or injury to listed species by significantly impairing essential behavioral patterns; including breeding, feeding, or sheltering (50 CFR 17.3).

In 1963, the State of Oregon leased approximately 93,000 acres of property to the Boeing Company. In 1974, the Boeing Company leased the property to Boeing Agri-Industrial Company (BAIC), a wholly-owned subsidiary of the Boeing Company. In 2000, BAIC was sold to the Farm and in 2002, the Farm, by and through its wholly-owned subsidiary BAIC, Inc., purchased the property from the State of Oregon. Since 1974, the majority of the property has been used for farming purposes. PGE owns and controls approximately 3,520 acres within the Farm property boundary. The Boeing Company continues to lease approximately 2,700 acres within the Farm property described as the "radar range" in the agreement. The Boeing lease is set to expire in 2040.

In 2000, principal Farm representatives joined with environmental organizations to set aside differences and to cooperatively balance conservation and sustainable agriculture. A settlement agreement was reached in 2000 that set forth terms and conditions under which the parties agreed to settle litigation. The purpose of the settlement agreement was to

allow development and utilization of the agreed-upon Development Area and associated water resources in a manner that preserved the ecological integrity of the adjacent Conservation Area while at the same time protecting Columbia and Snake River salmon and steelhead, the Washington ground squirrel (*Spermophilus washingtoni*), and other ecological values.

In order to address long-term conservation of the ecological values of the Covered Area and to implement the terms of the settlement agreement and creation of a Conservation Area, Farm representatives agreed to develop and implement a conservation plan that prescribes management practices for the development portion of the property while providing protection within the Conservation Area. As a result of these efforts, a draft Candidate Conservation Agreement with Assurances was developed.

Description of Proposed Action

The Farm, PGE, TNC, and ODFW have applied to the Service for 25-year Enhancement of Survival Permits pursuant to section 10(a)(1)(A) of the Act. The permits would cover habitat management, operational modifications, and conservation measures on approximately 93,000 acres in northeast Oregon (Covered Area). The Covered Area is primarily in Morrow County, with western portions in Gilliam County. The city of Boardman is approximately 6 miles to the northeast and the city of Heppner is approximately 25 miles to the south. Interstate 84 runs through the north portion of the Covered Area. The MSCCAA proposes to cover four nonlisted species facing steadily declining populations: the Washington ground squirrel; ferruginous hawk (*Buteo regalis*); loggerhead shrike (*Lanius ludovicianus gambeli*); and sage sparrow (*Amphispiza belli*) (Covered Species).

On October 25, 1999, the Service formally identified the Washington ground squirrel as a candidate for listing under the Act with a priority number of 5 (64 FR 57534). Since this initial candidate listing, the Service raised the listing priority to 2 based on additional information on the overall decline of the species throughout its range and an increased threat from agricultural conversion (66 FR 1296). Washington ground squirrels are also listed as endangered under Oregon law. The Washington ground squirrel is endemic to the Deschutes-Columbia Plateau Province south of the Columbia River and east of the John Day River. Its range was probably contiguous when the

region was first settled, but now consists of three distinct sub-populations, two in Washington and one in Oregon. The MSCCAA addresses the Oregon population of the squirrel, which occurs in lower elevation (generally up to 800 feet) native grasslands and shrub-steppe, south of the Columbia River, east of the John Day River, and west of Pendleton.

The ferruginous hawk is a species of concern and is identified by the State of Oregon as a sensitive species. This species is included within this MSCCAA due to its sensitive status within the region, its strong association with the native grassland and shrub-steppe habitats in the Covered Area, and the fact that a conserved portion of the Covered Area contains the largest remaining piece of shrub-steppe habitat in the Columbia Basin.

The loggerhead shrike is an Oregon State sensitive species (vulnerable) in the Columbia Basin but has no current Federal listing status. Breeding Bird Surveys documented an annual decline of 2.7 percent nationally between 1968 and 1994. The population decline has been attributed to many factors, including pesticides, loss of nesting habitat, high winter mortality, and intensive farming practices. This species is included in this MSCCAA because the population appears to be declining across its range (thereby increasing its likelihood of becoming proposed for Federal listing) and because of recent data showing poor nesting success and high fledgling mortality on the adjacent Naval Facility.

The sage sparrow is Oregon State-listed as sensitive (critical) in the Columbia Basin but has no current Federal listing status. The sage sparrow is included in this MSCCAA due to its apparent declining range and strong positive correlation with the sagebrush habitats in the Covered Area.

Covered Species are largely dependent on private lands in the project area. Primary factors for their declining populations include loss, degradation, or fragmentation of suitable habitat within the Columbia Basin Ecosystem, largely due to the conversion of shrub-steppe to agricultural use. Conservation measures that preserve or enhance suitable habitat on private lands are critically important for the long-term survival of these species.

Pursuant to the proposed MSCCAA, the Farm (including its leased properties, affiliates, and tenants), TNC, and PGE have already begun implementing or will implement the following measures within the Covered Area: