



## COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

729 N.E. Oregon, Suite 200, Portland, Oregon 97232

Telephone (503) 238-0667

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April 26, 2006

Bonneville Power Administration  
Public Affairs Office, DKC-7  
PO Box 14428  
Portland, OR 97293-4428

RE: Columbia River Inter-Tribal Fish Commission comments on Power  
Function Review II

The Columbia River Inter-Tribal Fish Commission is providing comments on the BPA Power Function Review II process. We support the detailed comments of the Yakama Nation. We have also attached a response to BPA's letter to the tribes at the end of the initial PFR process. Also attached is a memo to Olney Patt, Jr. that was part of the status report filed with the federal district court as part of the BiOp Remand case regarding reductions in funding in certain basins.

We are concerned that BPA did not include important information from the CRITFC in the initial process and has not adequately addressed future fish and wildlife costs in this revision.

We are concerned that BPA has not adequately addressed future fish and wildlife costs. We have participated actively in the FCRPS BiOp remand process and are particularly concerned that BPA has not provided adequate funding to implement a new Biological Opinion. This will make it unlikely that the actions in the BiOp will be reasonably likely to occur. BPA has also assumed river operations based on the 2004 Biological Opinion even though this document has been found to violate the Endangered Species Act and the Court has ordered additional spill operations.

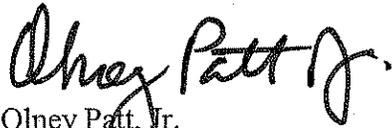
CRITFC is concerned that BPA has not provided adequate funding to implement the Northwest Power and Conservation Council Columbia River Basin Fish and Wildlife Program.

We are also concerned that BPA's PFR 2 process is not coordinated with the rate case. Bonneville's process for determining its total system costs is not consistent with the Northwest Power Act. Bonneville's process for determining its total system costs is not consistent with the Administrative Procedures Act. Finally, Bonneville's Power Function Review process is not consistent with the Northwest Power Act. We herein incorporate by reference the entirety of the CRITFC, Nez Perce, and Yakama Nation direct, rebuttal and sur-rebuttal testimony and their initial brief filed as originally filed in the BPA rate case WP-07 (before any orders on motions to strike). The testimony including the stricken material is relevant to BPA's PFR 2. BPA already has copies of these

documents, so CRITFC will not reproduce them here. However, we expect that BPA will consider and address the detailed commentary from these documents as it urges BPA to plan for higher fish and wildlife funding commitments for FY07-09. The rationale provided therein is urged upon BPA in this letter of comment, so that BPA will make actual adjustments to its FY07-09 funding levels for fish and wildlife as a result of its PFR 2 process.

We would like to work with BPA to develop a comprehensive implementation plan to rebuild fish and wildlife under the Northwest Power Act and the Endangered Species Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Olney Patt, Jr.", written in a cursive style.

Olney Patt, Jr.  
Executive Director



# **COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION**

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## **CRITFC Response to BPA's Response to the Tribes on the Initial PFR**

April 26, 2006

### **Introduction**

The Columbia River Inter-Tribal Fish Commission and Yakama Nation provided extensive comments to the initial PFR process. On June 20, 2005, BPA Vice-President, Greg Delwiche, sent a letter that was intended to address our comments. We want to take this opportunity to respond to these BPA comments for the PFR record.

Our PFR comments provided detailed analysis of the costs of fully implementing the Columbia River Basin Fish and Wildlife Program and FCRPS Biological Opinion. We noted that there were significant uncertainties that were likely to further increase the costs of rebuilding fish and wildlife in the Columbia Basin that have been devastated by the hydroelectric system. We provided detailed legal and policy analysis regarding why BPA is responsible for implementing these measures.

BPA did not address any of our concerns in the final PFR document. BPA has not treated the PFR a final action for purposes of legal review; however, BPA has relied on the PFR "decisions" in the current rate case and excluded relevant tribal testimony on fish and wildlife, economics, and BPA's proposal to shift risk from power customers to our treaty resources.

### **BPA Responsibility**

This appears to be the fundamental difference between BPA and the Tribes. We believe that the Northwest Power Act sets clear goals to rebuild fish and wildlife populations that were affected by the hydroelectric system, directs the Northwest Power and Conservation Council to develop a comprehensive program based on the recommendations of the fish and wildlife managers, and directs BPA to use its fund in a manner consistent with the Council's Program.

BPA states that other federal agencies, the Corps of Engineers, Bureau of Reclamation, and Federal Energy Regulatory Agency are also responsible for implementing the Council's Fish and Wildlife Program and achieving the biological objectives of the Program. BPA also discusses the need for a basin-wide effort to achieve these objectives.

The Treaty Tribes have been working diligently to promote the implementation of a basin-wide effort to meet the Program's biological objectives. BPA has not provided the

federal government's plans or budgets to achieve the objectives. We have been waiting for 150 years for the federal government to fulfill the promises it made in the Treaties of 1855. We have been waiting 26 years for the goals of the Northwest Power Act to be achieved. We have waited 20 years for the doubling goal to be achieved. Now BPA is saying that it is not solely responsible for the Council's biological objectives.

A more constructive response would have been a plan from BPA, the Corps, Reclamation, and FERC on how they will meet the biological objectives.

The Biological Objectives of the Columbia River Basin Fish and Wildlife Program are clear:

- First, stop the decline of salmon and steelhead populations above Bonneville Dam by 2005.
- Second, restore the widest possible set of healthy naturally reproducing populations of salmon and steelhead in each relevant province by 2012.
- And third, increase returning salmon and steelhead to an average of five million adults returning above Bonneville Dam by 2025 in a manner that supports tribal and non-tribal harvest<sup>1</sup>.

The federal agencies with responsibilities to achieve these objectives have failed to meet the first one and we have seen no credible plan that you will achieve the second or third objectives. In fact, based on our analysis, the second objective will not be met for 40 to 80 years which will make it impossible to achieve the third objective in a timely fashion.

BPA also argues that the five million fish goal is unrealistic; however, it has not provided any analysis to support this assertion. It does offer several possible explanations, but curiously omits the most like reason: that the level of effort to date has not been sufficient to improve survival enough to rebuild the runs and that more effort is needed to improve migration survival through the hydrosystem and improve habitat to the conditions needed to support sustainable salmon populations.

We view the doubling goal as a compromise—an interim target. Increasing the pre-Power Act runs by 2.5 million salmon and steelhead represents one-half of the low end of the range of hydropower responsibility identified by the Council (5 million to 11 million fish lost due to hydro). The current remand process for the FCRPS is confirming that the FCRPS is responsible for filling a major portion of the recovery gap and that meeting this share of the responsibility will require significant offsite habitat and production work.

Again, a more constructive approach would be to work with the fish and wildlife managers and Council to develop an implementation workplan and budget designed to achieve the Council's objectives. If rebuilding takes longer or if analysis ultimately shows that there is a limit to how many fish can be supported, then we can address these issues in the context of a Council Program amendment.

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<sup>1</sup> See of the 2000 Columbia River Basin Fish and Wildlife Program, page 16 and 17.

## **CBFWA Workgroup Estimate**

BPA raises a number of concerns about the cost identified by the CBFWA Workgroup, including what BPA refers to as imprecise estimates and extrapolations. We have several responses.

First, the CBFWA Workgroup developed the most detailed budget available for the implementation of the subbasin plans. In fact, it is the most detailed budget for basin-wide recovery efforts that has ever been developed. The Workgroup sought to involve BPA staff in the budget process and specifically requested comments from BPA on various drafts of the report. BPA provided no comments during the six-month development of the Workgroup report.

We agree that the budgets could be improved. Frankly, we expected that BPA and the Council would ensure that the subbasin plans addresses all of the elements required in the Council program, including detailed implementation plans and budgets. After investing \$13 million dollars in subbasin planning we were frankly surprised that these key elements of the plans were excluded. Given this deficiency, we had expected that BPA and the Council would have developed the detailed budgets to provide the best information available for the BPA rate case. Unfortunately, this did not happen.

It has now been one full year since the Workgroup completed its work. BPA has had plenty of time to work with the fish and wildlife managers to develop better estimates. It has made no effort to do so.

BPA states that the Workgroup report received a “no-confidence” vote from several of the CBFWA members. While several upper-Columbia tribes objected to the April 25, 2005 draft, there was never a formal vote of no confidence and a majority of the fish and wildlife managers, including all of the Treaty tribes and the state fishery departments in Washington, Oregon, Idaho, and Montana. FWS and NOAA abstained because they were working with the “Federal Family”. We also understand that BPA lobbied heavily to keep these agencies from endorsing the report.

BPA also fails to note that the CBFWA membership unanimously endorsed the letter of March 16, 2005 to BPA; the consensus letter states:

While CBFWA Members are continuing to review the detailed costs, the analysis completed to date provides a strong basis for increasing the funding for BPA’s Integrated Program in the next rate case period to at least \$240 million per year. This figure assumes that BPA would use its borrowing authority for new production facilities and the acquisition of land and water to protect habitat. It also does not include a comprehensive assessment of costs for mainstem measures beyond those contemplated in the Updated Proposed Action or the NPCC Program. Additional mainstem measures are necessary to protect, recover, and restore anadromous fish impacted by the federal hydrosystem.

Based on our work to date, it is clear that the current spending levels are inadequate to protect, mitigate, and enhance fish and wildlife under the Northwest Power Act. Our analysis shows that at the current spending levels, it would take over 100 years to implement all the measures contemplated in the NPCC Program.

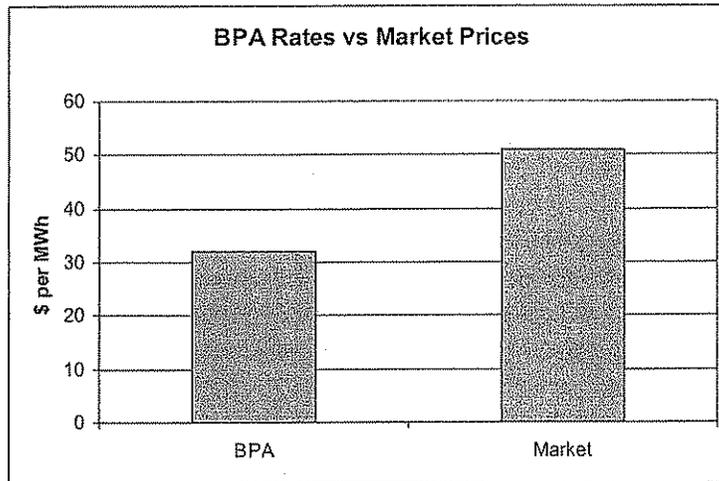
BPA also criticized the Workgroup report because “it did not meaningfully consider the effects of the proposal on BPA’s customers and their rates”. One page 22 of the report it states:

The CBFWA recommendations for FY 2007 through FY 2008 average \$80 million more than current spending or approximately \$0.001 per kilowatt-hour. The average residential consumer uses about 1,100 kilowatt-hours per month; therefore the fish and wildlife cost increase represents about \$1 per month for the average residential customer served by a utility that purchases all of its power from BPA. BPA provides approximately 40 percent of the electricity used in the Pacific Northwest; the impacts for 60 percent of the region’s residential consumers would be less than \$1 per month.

The Yakama Nation comments augmented this analysis and concluded that:

BPA’s current electricity rates are \$31 per megawatt-hour. Based on the most recent analysis prepared by the Northwest Power and Conservation Council, the market price of electricity in the Northwest in 2005 is \$51 per megawatt-hour; therefore, BPA’s rates are approximately 40 percent below the market price of electricity.

We calculated above that the increase to implement the NPCC Program and Biological Opinion would be approximately \$1.00 per megawatt-hour, even with these added costs, BPA rates would still be approximately 37 percent below market rates. Any effects on BPA’s customers should be view in light of the substantial competitive advantage these customers already receive through the purchase of BPA electricity.



The Tribes expanded on this analysis even further in our rate case testimony, including an estimate that the full implementation of the subbasin plans would create thousands of jobs per year in rural and tribal communities. BPA successfully moved to strike this testimony. We herein incorporate by reference the entirety of the CRITFC, Nez Perce, and Yakama Nations direct, rebuttal and sur-rebuttal testimony and their initial brief filed as originally filed in the BPA rate case WP-07 before any orders on motions to strike. The testimony including the stricken material is relevant to BPA's PFR II. BPA already has copies of these documents, so CRITFC will not reproduce them here. However, we expect that BPA will consider and address the detailed commentary from these documents as it urges BPA to plan for higher fish and wildlife funding commitments for FY07-09. The rationale provided therein is urged upon BPA in this letter of comment so that BPA will make actual adjustments to its FY07-09 funding levels for fish and wildlife.

We repeat our invitation to BPA to work with the fish and wildlife managers to develop more detailed budgets. Until this work is completed, it is clear that more funding will be needed to implement the Council's Program, the revised FCRPS Biological Opinion, and the new NOAA Fishery Service recovery plans.

### **BPA Activities**

BPA notes that it has built and operated hatcheries, improved habitat and added to the scientific base of the fish and wildlife recover effort. We support these efforts. Our concern is that so much more needs to be done.

### **BPA "Transition"**

BPA describes a number of steps it is going through as part of a transition to implement the program, including the roll up of various plans and prioritization. We support efforts to improve efficiency. We believe that BPA can ramp up implementation of the subbasin plans while it also makes the revisions it discusses. Given how far we have to go to meet

the objectives of the Program, we believe that BPA can begin an aggressive effort without worrying about exceeding the objectives.

BPA assumes that as part of the prioritization, it will reduce funding for research, monitoring, and evaluation to provide more funding for habitat and production. We requested analysis during PFR 2 that would show that BPA can fully implement the RM&E actions called for in the Biological Opinion and Council Program at the funding levels that BPA has proposed. BPA provide no such analysis. In our PFR 1 comments we raised concerns that BPA would not be able to implement all of its RM&E responsibilities while cutting this budget by 30 percent after adjusting for inflation. If it is not able to reduce these costs, it will further delay the habitat and production activities.

### **Foregone Revenues**

BPA continues to refer to lost revenues in calculating its fish and wildlife costs. We have commented extensively on this issue with apparently little effect.

We would hope that BPA would reconsider its argument on not including 4(h)(10)(C) credits. The BPA letter argues that these credits do not reduce it rates. We do not understand this statement. If BPA owes the Treasury \$500 million per year and has credits of \$100 million, it would reduce its payment to \$400 million and the \$100 million savings would remain in BPA's fund. These savings, over time, would add to BPA reserves or be used to meet other costs and therefore would be part of the rate setting calculation and should part of a full accounting of these operational impacts. We have also heard BPA argue that the credits show up in other parts of BPA's financial analysis and do not belong in the calculation of costs. Using this rationale, reductions in revenue should also not show up in costs.

### **Finality of the Close-out Letter**

The tribes noted that "decisions in the Power Function review do not appear to fit in the list of final actions subject to judicial review under 16 U.S.C. 839g(e)." The BPA letter agreed with this assessment and stated that "The proposed spending levels in the close-out letter are not final actions."

The Federal Register Notice (FRN) for the rate proceeding describes the scope, process, and issues to be considered. 215 Fed. Reg. 67685 (November 8, 2005). In Part II—Purpose and Scope of Hearings the FRN provides an overview and background on this rate filing and describes a number of processes, including the Power Function Review. In the rebuttal testimony, BPA further elaborates that:

"BPA will update the final [rates] studies to reflect the most current operational and programmatic assumptions for the FY 2007-2009 rate period as well as BPA's fish and wildlife program financial obligations identified through the Power Function Review 2 process"

The Bonneville testimony also states that "BPA is committed to conducting an additional public process to review program spending levels that will be concurrent with this rate proceeding so that any reduction in spending levels can be incorporated in the final proposal." Bonneville is conducting a second process to review its costs. Likewise, in its rebuttal testimony, BPA states that, "BPA will update the final studies to reflect the most current operational and programmatic assumptions for the FY 2007-2009 rate period as well as BPA's fish and wildlife program financial obligations identified through the Power Function Review 2 process".

The schedule for PFR 2 is not coordinated with the deadlines of the rate proceeding. For example, the draft close out letter for PFR 2 was released on April 4, 2006 and comments are due on April 26, 2006. Any final "decision" will occur after the deadline for rate case briefs. The schedule of the PFR 2 and the Rate Case is such that the Tribes are effectively precluded from rebutting any of the outcomes of the PFR2 process as they may be reflected in the Administrator's rates decisions. This is inconsistent with the explicit congressional direction in section 7 of the Act and the Tribes' constitutional rights to be heard.

**Bonneville's process for determining its total system costs is not consistent with the Northwest Power Act.** Bonneville is arbitrary in updating information that it will rely on in the rate case. It has limited PFR 2 to "any reduction in spending levels." Increases in spending levels would clearly be relevant to determining Bonneville's total system cost, yet it appears that the Bonneville processes (PFR2 and by extension the rates proceedings) exclude such information. This is patently arbitrary. Bonneville is also arbitrary in determining which issues were "decided" in PFR 1 and which are open for further discussion in PFR 2. The draft PFR 2 close out letter addresses a number of the issues, but not all of the issues described in the FRN. It appears that Bonneville's process is designed to exclude rebuttal from parties relevant to total system costs unless the comments relate to reductions in costs or Bonneville, in its sole discretion, wants to consider new information..

**Bonneville's process for determining its total system costs is not consistent with the Administrative Procedures Act.** Bonneville's decision to categorically exclude rebuttal testimony related to its fish and wildlife costs is inconsistent with the Administrative Procedure Act, which excludes only "irrelevant, immaterial, or unduly repetitious evidence." 5 U.S.C. § 556(d). As a basic principle all parties should have the opportunity to meet in the appropriate fashion all materials that influence the Administrator's decision. *See generally*, Davis, Administrative Law Treatise §15:15 (Procedures for Challenging Facts an Agency Uses in an Adjudication). Moreover, the Northwest Power Act is specific in this regard, allowing any party to rebut information put forward by BPA.

**Bonneville's Power Function Review process is not consistent with the Northwest Power Act.** Bonneville has treated some portions of PFR as final actions but has not issued a record of decision and provided an opportunity for judicial review. BPA's PFR and ratemaking procedures effectively hides its fish and wildlife costs from the scrutiny

envisioned by the Northwest Power Act. BPA cannot refuse to make a final decision on the PFR issues while relying on the PFR outcomes in its testimony in the rate case, on the one hand, and exclude these issues from examination in the rate case on the other. Such procedures deny the Tribes due process rights to be heard and are inconsistent with the APA and the Northwest Power Act. If BPA believed that the PFR was a final decision under Section 9(e) it should have clearly stated its reasons and prepared a record of decision that could be challenged in the Ninth Circuit Court of Appeals. BPA cannot have things both ways and shield itself from judicial challenge on its failure to meet its fish and wildlife obligations under Federal laws and Treaties.



## COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

729 NE Oregon, Suite 200, Portland, Oregon 97232

Telephone 503 238 0667

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April 11, 2006

To: Olney Patt, Jr., Executive Director

From: Rob Lothrop, Mgr. Policy Dept.

Subject: NPCC – BPA Funding Allocations for FY2007-2009

As we have heard from both Dave Johnson (NPT) and Steve Parker (YN), it is likely that BPA funding for salmon restoration projects in much of the salmon bearing portions of Columbia Basin will be reduced in FY 2007-2009, particularly if the funding allocations recommended by the Northwest Power and Conservation Council are maintained by BPA. I have attached two tables that describe this circumstance. These are taken from the CBFWA and Northwest Power and Conservation Council websites.

The provincial funding allocations from the Council are contained in table 2 of a guidance memorandum (attached). The CBFWA table is derived from a report prepared by CBFWA that describes the total BPA funding by province for FY2001-2004 (also attached). I calculated an annual average for each province based on the CBFWA numbers.

For the Mountain Snake province (Clearwater Basin) the tables indicate that the FY2007-2009 funding level of \$16.7M will be \$4M less than the FY2001-2004 average funding of \$20.7M. For the Blue Mountain province (Grande Ronde and Imnaha basins) the funding reduction is about \$1.2M. The funding reduction for the Columbia Plateau is approximately \$9M per year.

Obviously, the Council's funding allocations sharply contrast with the much larger funding estimates for subbasin plan implementation developed last year by CBFWA staff, which have informed the tribes' testimony in BPA's rate case and power function review processes.

<b>Province</b>	<b>\$ Allocation</b>
Blue Mountain	\$7,127,528
Columbia Cascade	\$3,001,663
Columbia Gorge	\$5,312,554
Columbia Plateau	\$21,748,203
Intermountain	\$15,248,105
Lower Columbia	\$2,492,862
Estuary	\$3,662,490
Middle Snake	\$3,374,079
Mountain Columbia	\$12,590,537
Mountain Snake	\$16,761,459
Upper Snake	\$1,575,022

	<b>NPCC Recommended FY01-04</b>	<b>BPA Actual FY01- 04</b>	<b>BPA FY01- 04 Annual Avge.</b>
Blue Mountain	47.4	33.2	8.3
Columbia Cascade	24	13.5	3.4
Columbia Gorge	30.9	21.2	5.3
Columbia Plateau	192.6	121.7	30.4
Intermountain	82.7	40.6	10.2
Lower Columbia	17	11.2	2.8
Columbia Estuary	12.8	10.3	2.6
Middle Snake	8.8	6.9	1.7
Mountain Columbia	44	23.4	5.9
Mountain Snake	108.6	82.8	20.7
Upper Snake	10	1.8	0.5

Melinda S. Eden  
Chair  
Oregon

Joan M. Dukes  
Oregon

Frank L. Cassidy Jr.  
"Larry"  
Washington

Tom Karier  
Washington



Jim Kempton  
Vice-Chair  
Idaho

Judi Danielson  
Idaho

Bruce A. Measure  
Montana

Rhonda Whiting  
Montana

**Information and Instructions for the Development and Review of Proposed Projects to  
Implement the Council's Columbia Basin Fish and Wildlife Program  
Fiscal Years 2007 through 2009**

Dear Interested Party:

**Introduction**

The Northwest Power Act calls upon the Northwest Power and Conservation Council (Council) to develop a fish and wildlife program to protect, mitigate, and enhance fish and wildlife impacted by hydroelectric development in the Columbia Basin. Bonneville uses its fund to implement that Program, integrating its other fish and wildlife obligations such as those required by the Endangered Species Act. The Act charges the Council with the responsibility of making annual recommendations to the Bonneville Power Administration (Bonneville) for funding fish and wildlife projects.

The Council has an adopted Program, recently extensively updated with subbasin plans that describe objectives and strategies for fish and wildlife protection and restoration. The subbasin plans will be critical reference and prioritization guides for developing proposals in this solicitation (for more on subbasin plans see [www.subbasins.org](http://www.subbasins.org)). Bonneville has identified its annual budget for the Program for Fiscal Years 2007 through 2009. With those pieces in place, the Council and Bonneville are now soliciting proposals for projects to implement the Council's Fish and Wildlife Program and address Bonneville's fish and wildlife related responsibilities. The proposals selected for funding will be for Fiscal Years 2007 through 2009. Proposals for all areas (geographic and category) of the Program are requested in this solicitation<sup>1</sup>. You will use a detailed electronic form to describe your proposal. A link to that form is provided below.

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<sup>1</sup> The Council intends to renew a sequenced review of its program in the near future -- a format similar to the last provincial review process. This process will divide the program into several "tracks". If the Council decides to initiate this sequenced review soon, it is possible that it could be completed in time to revise or replace some Fiscal Year 2009 funding recommendations -- the third and final year of the recommendations-- that will be made in this current project review. The Council has not established a schedule for the follow-on sequenced review process. The Council simply wants to note here that it is *possible* that the third and final year of the recommendations may be revised/replaced if the Council, in the future, decides to start the *next* review process very soon.

The purpose of this document is to give prospective proposal sponsors information regarding the requirements; standards, steps and schedule for this proposal development, review, and selection process to assist them in completing the proposal form and participate in the process effectively.

Detailed schedule and process information is provided as an attachment to this letter. The following is a summary of the schedule and steps for this process:

- October 20, 2005: Request for proposals
- **January 10, 2006:** **All proposals due**
- January 17 - June 16, 2006: Science review and local and basinwide prioritization
- June 16, 2006: Science review report to the Council
- July 14, 2006: Responses for prioritized projects due
- August 31, 2006: Final science review report to the Council
- October 18, 2006: Council recommendations for funding to Bonneville

## **Available Funding**

### *Expense and Capital Elements*

Bonneville has advised the Council that it will make available for spending an annual average of \$143 million for Fiscal Years 2007 through 2009.<sup>2</sup> In addition to that amount of “expense” funding, Bonneville will also make available up to \$36 million in funds borrowed from the U.S. Treasury. This latter amount, often referred to as “capital” funding, is subject to particular rules and standards prescribed by Bonneville in its “Capital Funding Policy for Fish and Wildlife Projects”. That policy can be found at [www.nwcouncil.org/fw/budget/2007/capitalization.pdf](http://www.nwcouncil.org/fw/budget/2007/capitalization.pdf).

Proposal sponsors may wish to review the Bonneville capital funding policy, and seek guidance from Bonneville and Council staff, prior to developing their proposals. This is especially the case if the proposal is for large facility construction or upgrades, or for sizeable land acquisitions. While not exclusively, these types of projects are those that are most likely to qualify for capital funds. After the proposals are submitted, they will be jointly reviewed by Bonneville and Council staff to see which qualify for Bonneville capital funding.

### *Bonneville Goals for Project Categories*

Bonneville articulated a goal in its Power Function Review of committing at least 70% of its annual fish and wildlife funding to “on the ground work”, and no more than 25% to research and monitoring and evaluation activities, and 5% to coordination actions. The Council considered these goals but decided **not** to use these targets to allocate funding for Fiscal Years 2007 through 2009. Nonetheless, the Council and Bonneville will work together in this project selection process, and into the future, to focus resources on activities that provide direct benefits to fish and wildlife while maintaining an efficient accountability framework of monitoring and evaluation, research directed at key priorities, and to streamline necessary coordination.

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<sup>2</sup> This is an increase from an annual average spending level of \$139 million in prior years.

Further, with regard to research and monitoring and evaluation activities, the Council recognizes the varied and significant efforts presently underway in the region to better integrate and direct these activities. Although significant progress is being made, more work needs to be done to develop programmatic frameworks and priorities for research and monitoring evaluation activities before proposals for them can be specifically directed or the appropriate overall funding level for these areas can be determined. The Council will endeavor to support and accelerate the development of integrated and efficient research and monitoring and evaluation programs. If progress on these matters can be made expeditiously, the products may be used to inform the Council's proposal funding recommendations to Bonneville for these proposal types as this project selection process concludes.

### *Structure of the Project Selection Process -- A Province Review and a Basinwide Review*

The figure below illustrates the structure of the project review process.

Generally speaking, proposals for habitat protection, habitat restoration, artificial production, and the similar activities will be reviewed in the Province side of the process (see Figure below). This will be work proposed that implements the strategies and objectives in the subbasin plans adopted by the Council. Using subbasin plans as the guide, local groups will prioritize the proposals submitted to develop a proposed work plan to be considered by the Council.

Proposals for work that is not directed or guided by adopted subbasin plans, or said another way, is directed at broader matters related to the Columbia system or overall program will be reviewed in the Basinwide side of the process. For example, broader research, coordination, and monitoring and evaluation proposals will be prioritized by the Council in consultation with Bonneville, fish and wildlife managers, and others as appropriate.

### *Special Instructions for Monitoring and Evaluation Activities*

The Council anticipates three primary situations in which proposals will advance monitoring and evaluation activities: (1) a proposal focused on monitoring and evaluating an issue that has *broad* application or significance (beyond a single subbasin or province); (2) a proposal focused on monitoring and evaluating an issue with a *limited* area of application or significance (e.g. pertaining most directly to another action, a subbasin, or a province), and; (3) a proposal primarily focused on managing or manipulating habitat or species, but with *associated* monitoring and evaluation tasks included within the proposal.

The first type of monitoring and evaluation proposal, one related to broader matters, will be considered in the Basinwide portion of the review. These proposals will tend to be:

- Focused on monitoring populations or habitat, but are not clearly linked to informing, in a specific and direct way, the management actions or projects that manipulate those populations or habitat;
- Seeking to expand the general knowledge about a species or the environment;
- For information management and coordination generally.

The second type of proposal, one with a more limited area of application, will be considered in the Province portion of the review, (evaluated against subbasin plan priorities and prioritized by

local groups). To more clearly define this, the proposals for monitoring and evaluation will be evaluated in the Province portion of the review when:

- They are designed specifically to provide information about a specific “on the ground” project(s) that manipulate a specific population or habitat feature; and
- That information is directly and specifically used in decisions about whether or not those other management actions (projects) should be continued, modified, or terminated.

Finally, where proposals are primarily focused on more direct management of habitat or species, but include a component of monitoring and evaluation, the Council intends to limit the scope and nature of that associated component for *habitat* related projects. ***Project level monitoring and evaluation activities for habitat projects, in most cases, should not constitute more than 5% of the proposal budget for compliance and implementation monitoring activities.*** The Council and Bonneville developed the following explanation of compliance and implementation monitoring jointly:

Monitoring of restoration projects is used to assess the status of contract compliance and implementation. Compliance monitoring is a form of post project auditing of project performance. Implementation monitoring documents the type of management action, the location, and whether the action was implemented properly or complies with established standards. It does not require environmental data and is usually a low-cost monitoring activity. This is normally associated with a restoration project where an engineered solution has been constructed, or where a best management practice has been implemented. Thus, implementation monitoring is the monitoring of task completion in a specific project. For example, the researcher may report miles of stream fenced, number of culverts removed, irrigation diversions maintained, implementation of an experiment, numbers of fish PIT tagged, etc.

At this time, there will **not** be a similar percentage limit for monitoring and evaluation activities for artificial production projects. This in no way suggests that the Council believes that the current cost of such monitoring is appropriate for the long-term. In fact, one product of this project selection process will be a total cost and survey of artificial production monitoring and evaluation and research, and that information will be used to help design a program-wide monitoring and evaluation program for artificial production actions and future funding of these activities will be evaluated against that design.

#### *Allocating the Available Funds-- by Program Area and Geography*

In order to ensure the ability for all areas of the Columbia Basin to participate, planning target allocations have been established for each Province. For a map that identifies the Provinces recognized in the Program, see [www.nwcouncil.org/maps/basin.gif](http://www.nwcouncil.org/maps/basin.gif). Similarly, for research, monitoring and evaluation, and coordination activities that are not linked to a particular province, a “basinwide” planning target is established.

**F&W Program**

**Basinwide Review**

**Province Review**

**Regional M&E**  
**Regional Research**  
**Regional Coordination**

**Mainstem habitat**  
**Multi-province Art Prop**  
**Water brokerage**

Subbasin plans contain strategies supporting these activities, however, because they are implemented in multiple provinces they will be reviewed by in the Basinwide Review

Subbasin plans

**Habitat**  
**Art Prop**  
**Local M&E**

Regional review teams to identify needs, gaps, recommend priorities

Local review and prioritization

**Council Recommendation**

**Council Recommendation**

The allocations for each Province are based on historical Council recommendations and start from the average of the Council recommendations for Fiscal Years 2004 through 2006. That is, the Council has surveyed how it, along with Bonneville, fish and wildlife managers, and others have traditionally committed funding under the Program. These patterns are the legacy of management emphasis and legal and policy considerations, and are not to be considered perfect or those that will be used in future years.

*Achieving and Maintaining a Division of 70% Anadromous Fish; 15% Wildlife; and 15% Resident Fish*

The Council’s 2000 Program carries forward the goal of ensuring that Bonneville funds are committed to all three of these Program areas. The Council made adjustments to the historical recommendations based allocation to reflect the 70/15/15 distribution. The Council notes that while in recent years the resident fish distribution has come close to 15% of the program, it appears that it is the wildlife component that has lagged behind. Therefore, where both resident fish and wildlife projects occur, the Council’s intent is to have both of these program areas approach their 15% allocation goal.

The table below illustrates how the expense funding will be allocated across the provinces, multi-province and basinwide portions of the review:

Table 1. Annual Program Planning Budget for FY 2007 - 2009

<b>Budget Step</b>	<b>\$ Amount/step</b>	<b>Balance</b>
Program planning target	\$153,000,000	-
Bonneville Program Support	\$11,000,000	\$142,000,000
ISRP/ISAB	\$1,050,000	\$140,950,000
Placeholders (planning estimate)	\$2,000,000	\$138,950,000
Province allocation	\$92,894,502	
Multi-Province allocation	13,411,338	
<b>Total</b>	106,305,840	\$32,644,160
Basinwide allocation	\$32,644,160	\$0

Table 2. Province/other allocation.

<b>Province</b>	<b>Percent of Allocation</b>	<b>\$ Allocation</b>
Blue Mountain	6.7	\$7,127,528
Columbia Cascade	2.8	\$3,001,663
Columbia Gorge	5.0	\$5,312,554
Columbia Plateau	20.5	\$21,748,203
Intermountain	14.3	\$15,248,105
Lower Columbia	2.3	\$2,492,862
Estuary	3.4	\$3,662,490
Middle Snake	3.2	\$3,374,079
Mountain Columbia	11.8	\$12,590,537
Mountain Snake	15.8	\$16,761,459
Upper Snake	1.5	\$1,575,022
<b>Multi-Province</b>	<b>Percent of Allocation</b>	<b>\$ Allocation</b>
Systemwide	6.3	\$6,709,515
Mainstem	6.4	\$6,701,823
<b>Total:</b>	<b>100</b>	<b>\$106,305,840</b>

## Steps in the Proposal Review and Selection Process

### *Locate the Program Area for Your Proposal*

With the above information, prospective sponsors should be able to determine their position in the process design -- Basinwide or Province. If on the Province side of the review, potential proposal sponsors should locate the applicable subbasin plan to use as the key guidance. The allocations for each province are presented (see above), and specific guidance and limits for habitat proposal monitoring and evaluation activities discussed above will apply. Additionally, some states, may offer **additional** guidance for proposal development and prioritization--please consult the Council's special web site to see if the state you are working in has additional guidance for proposal development (Oregon has provided additional guidance at [www.nwcouncil.org/fw/budget/2007/or](http://www.nwcouncil.org/fw/budget/2007/or)). You may also contact the appropriate individual identified in the "Contacts" information at the end of this letter to ensure that you have all of the guidance and standards that may apply to your proposal.

### *Complete the Electronic Form*

The proposal form will draw out all of the needed information. Sponsors need to remember that this form will be the primary and key description relied upon by the Council, Bonneville, the

Independent Science Review Panel<sup>3</sup>, and prioritization groups. Sponsors should take great care in completing the form thoroughly and accurately. At the end of this document, contact information is provided for assistance in completing the form or for information about the solicitation process generally.

### *Understand the Prioritization Process*

The Council will rely upon groups organized at the subbasin or province scale to review the proposals against subbasin plans. These groups will be familiar with the subbasin plans, and represent fish and wildlife management, watershed board, recovery board (where applicable) and as broad a set of interests as possible.

These groups will evaluate the proposals against the subbasin plans and propose a prioritized work plan for FY 07-09 within the available planning budget to implement the subbasin plans. Not all proposal sponsors will participate in the prioritization. See the contact information below to locate the individual that can give you more and current information about the local prioritization processes and the state of their progress.

For proposals that relate to Basinwide work, the Council, Bonneville, fish and wildlife managers and others will prioritize the proposals for research, monitoring and evaluation, and coordination and develop a workplan for FY 07-09. Prioritization for both the Province and Basinwide Program areas will begin *before* the Science Review Report is released (see next step below). It makes sense to begin the task of evaluating proposals against the subbasin plans for management relevance and priority as soon as possible. Adjustments, if necessary in light of Science Panel comments, can be made later in the process. The prioritized workplans for all areas will be due to the Council at the same time the Independent Science Review Panel provides the Council its written report.

### *Respond to Science Questions or Issues Raised by the Council*

If the prioritized workplans include proposals that, in the Council's opinion, require additional response from the sponsor, those sponsors will be asked to develop supplemental information that will be considered by the ISRP. This was called the "fix-it-loop" in the last provincial review. The difference here is that not all proposals will automatically get an opportunity to respond to the ISRP critique -- rather, only those that are prioritized by the local/basinwide group, or those where the Council requests more review, may be asked to respond and participate in the "fix-it-loop."

If the Council requests a response, it will be developed on a short time-frame (approximately 30 days). Those responses will be considered by the ISRP, and it will provide an additional report approximately 6 weeks later.

### *Follow the Council and Bonneville Decision-Making Process*

The Council will consider the prioritized workplans, any public comment, and the ISRP reports as it makes a decision on what proposals to recommend for Bonneville funding. The Council

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<sup>3</sup> Section 4(h)(10)(D) of the Act sets out the criteria that the ISRP will apply.

would like to make funding recommendations at or before its October 2006 meeting. After the Council makes its recommendations, Bonneville reviews them and advised the Council in writing on its acceptance, noting with specificity any points of departure with the Council's recommendations.

The various elements of the review process, and provisional time frames and dates are illustrated in the attached figure.

### Where to Submit Proposals and Who to Contact

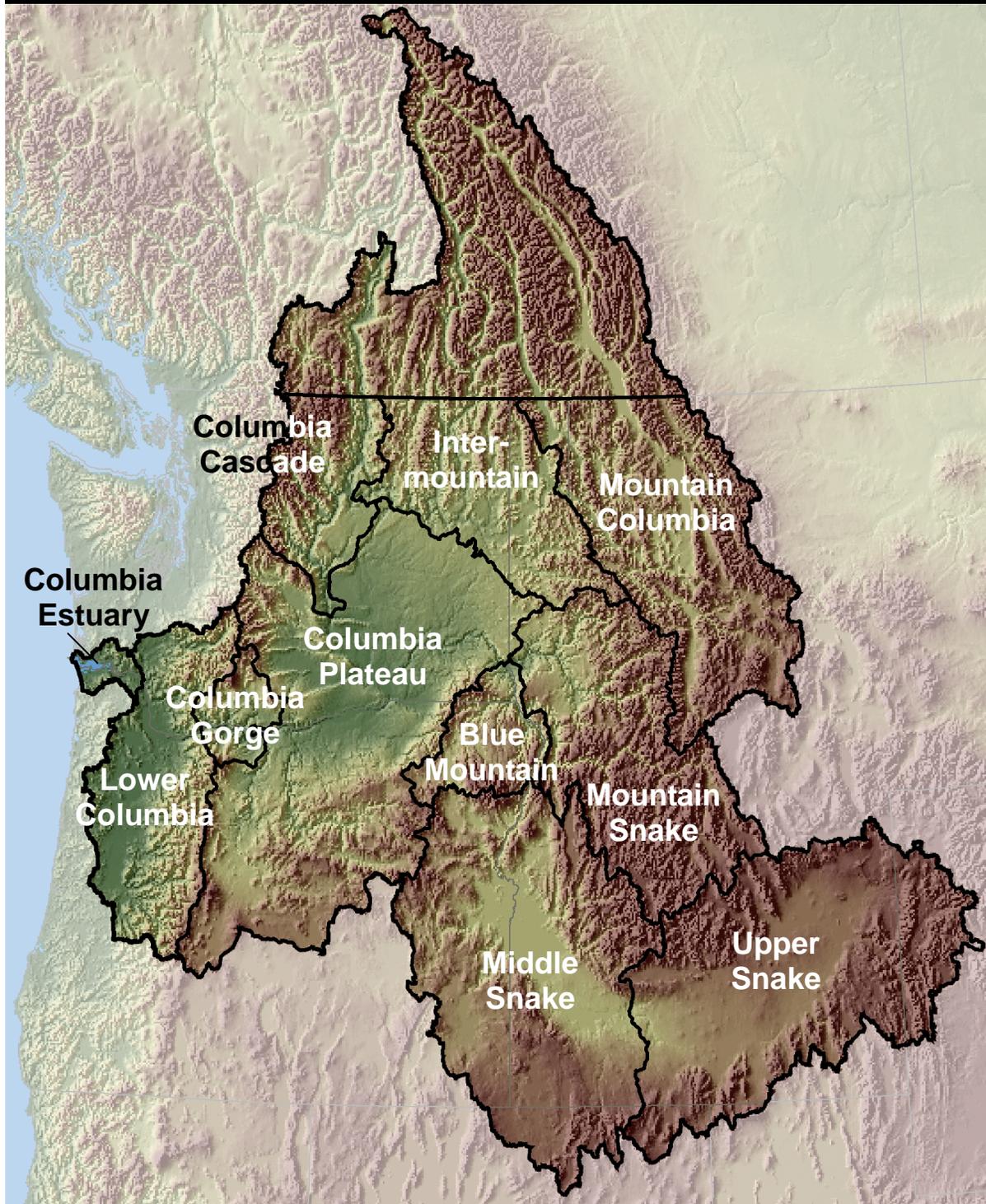
To access the online proposal form, start at [www.nwcouncil.org/fw/budget/2007](http://www.nwcouncil.org/fw/budget/2007) for instructions and a link to the form itself. When completed (**proposals are due by January 10, 2006**), proposals will be stored at Columbia Basin Fish and Wildlife Authority, and made publicly available after January 10 for review. You will receive confirmation emails throughout the process as your drafts and final proposal are submitted. Check back at the above link for news and updates regarding the proposal development and selection process.

The following individuals can provide questions and assistance:

<b>Central staff lead</b>	Patty O'Toole, 503-222-5161, <a href="mailto:potoole@nwcouncil.org">potoole@nwcouncil.org</a>
<b>BPA lead</b>	Bob Austin, 503-230-4748, <a href="mailto:rjastin@bpa.gov">rjastin@bpa.gov</a>
<b>Technical contact (form-specific help)</b>	Amy Langston, 503-274-7191, <a href="mailto:amy.langston@cbfwa.org">amy.langston@cbfwa.org</a>
<b>Science review/ Section 10 (narrative)</b>	Erik Merrill, 503-222-5161, <a href="mailto:emerrill@nwcouncil.org">emerrill@nwcouncil.org</a>
<b>State staff:</b>	
<b>Oregon</b>	Karl Weist, 503-229-5171, <a href="mailto:kweist@nwcouncil.org">kweist@nwcouncil.org</a>
<b>Washington</b>	Tony Grover, 360-696-1584, <a href="mailto:tgrover@nwcouncil.org">tgrover@nwcouncil.org</a> Stacy Horton, 509-623-4376, <a href="mailto:shorton@nwcouncil.org">shorton@nwcouncil.org</a>
<b>Idaho</b>	JoAnn Hunt, 208-334-6970, <a href="mailto:jhunt@nwcouncil.org">jhunt@nwcouncil.org</a>
<b>Montana</b>	Kerry Berg, 406-444-3952, <a href="mailto:kberg@nwcouncil.org">kberg@nwcouncil.org</a>

# Basin, Province and Subbasin Reports

## Summaries and Project Reviews



# Columbia River Basin

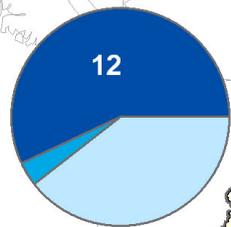
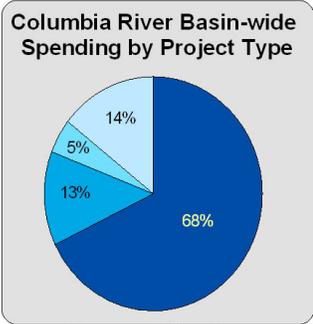


## Columbia River Basin

BPA Spending, FY 2001-2004

FY 2001	\$124,786,872
FY 2002	\$155,935,296
FY 2003	\$152,928,370
FY 2004	\$146,434,129

Total Spending \$580,084,668



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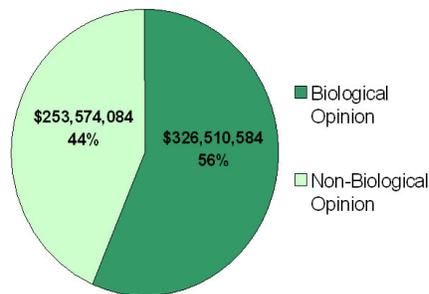
**Legend**

- Anadromous (68%)
- Resident (13%)
- Wildlife (5%)
- Program Support (14%)

NOTE: Diameter of pie represents relative funding levels in each province.

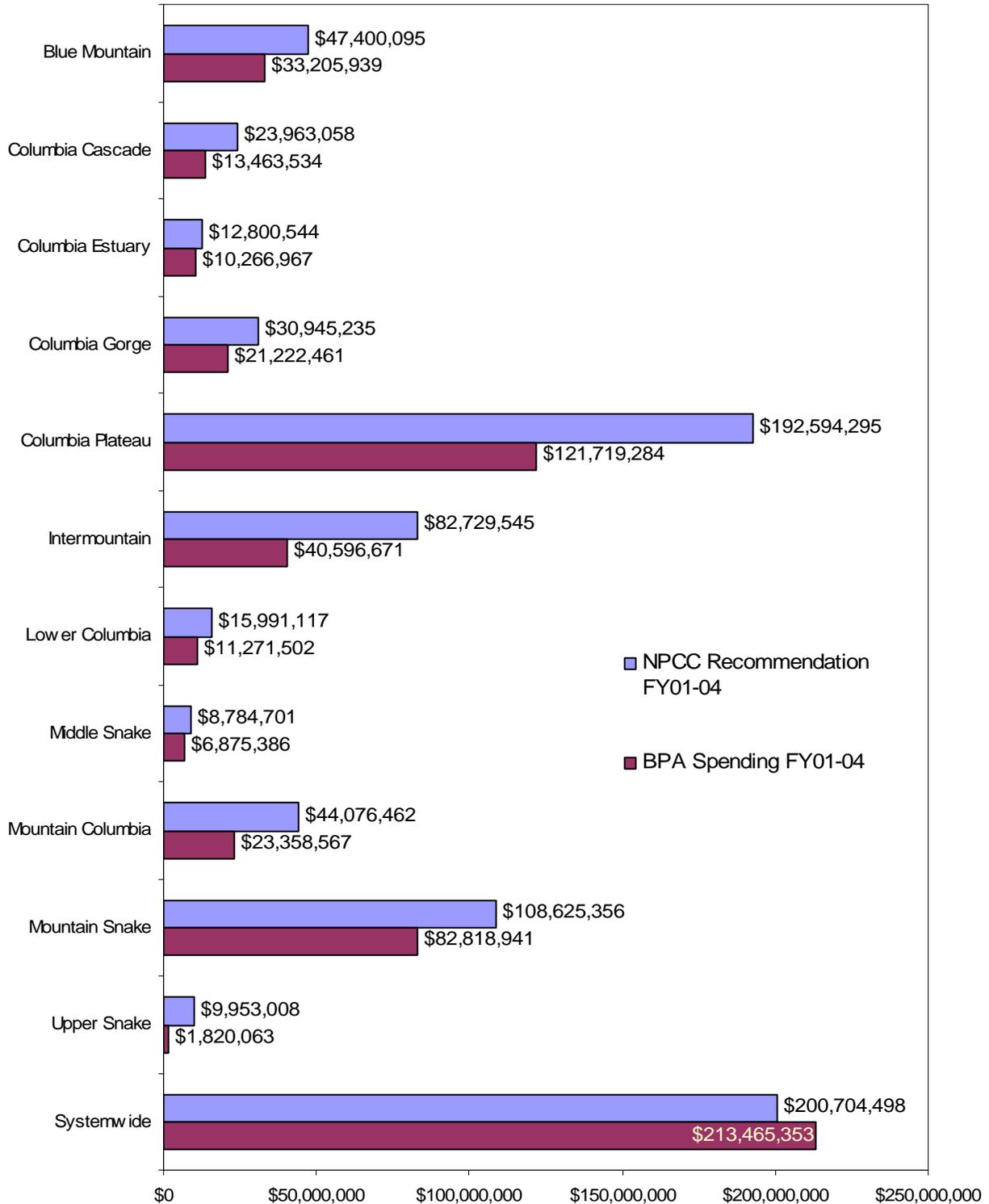
**Biological Opinion Funding, FY 2001-2004  
NMFS & USFWS Designated Projects**

	BiOp	Non-BiOp
Blue Mountain	\$28,869,622	\$4,336,316
Columbia Cascade	\$3,424,237	\$10,039,297
Columbia Estuary	\$9,683,462	\$583,505
Columbia Gorge	\$9,751,945	\$11,470,516
Columbia Plateau	\$67,254,500	\$54,464,783
Intermountain	\$2,379,548	\$38,217,123
Lower Columbia	\$5,126,459	\$6,145,043
Middle Snake	\$0	\$6,875,386
Mountain Columbia	\$18,937,885	\$4,420,683
Mountain Snake	\$53,832,695	\$28,986,246
Upper Snake	\$0	\$1,820,063
Systemwide	\$127,250,230	\$86,215,123

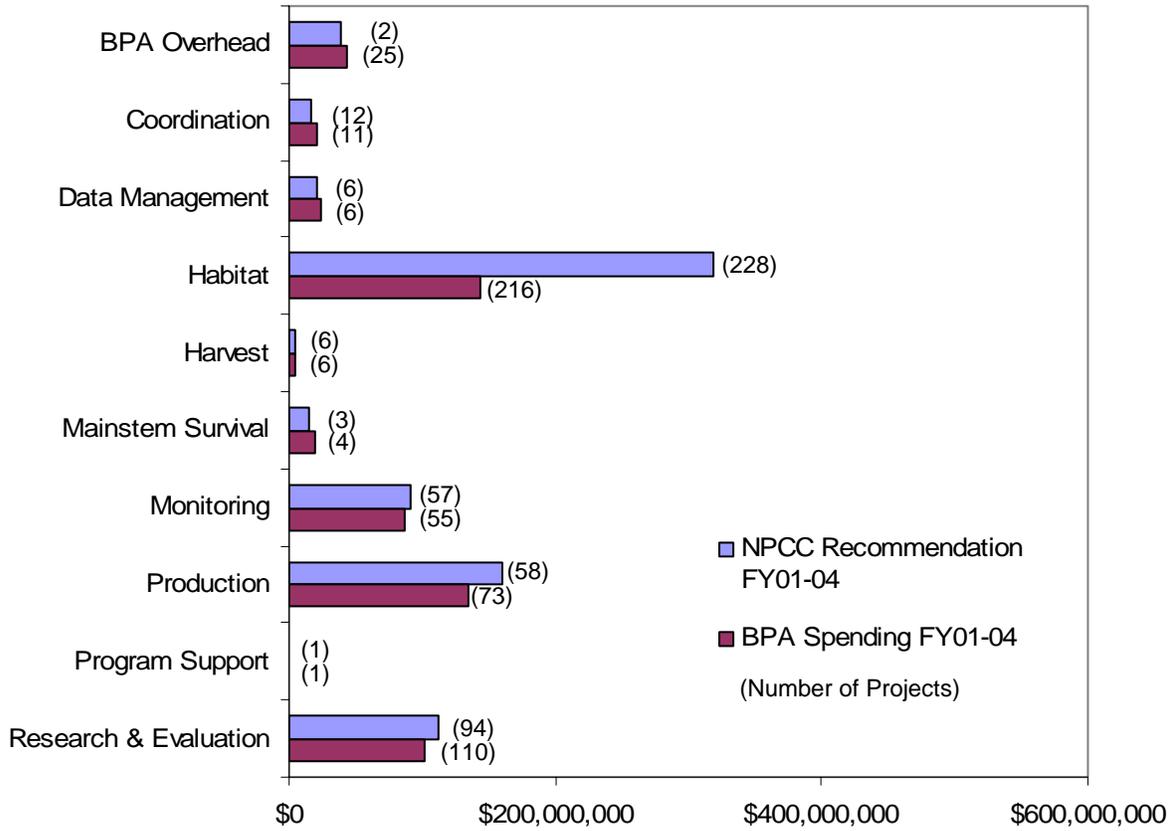


## Columbia River Basin FY2001-2004 Spending Summaries

### Review Recommendations and BPA Spending by Review Cycle, FY01-04



**NPCC Recommendations and BPA Spending by Project Category, FY01-04**



**NPCC Recommendations and BPA Spending by Project Type, FY01-04**

