



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

June 8, 2018

In reply refer to: EW-4

Dear Project Sponsor and Bonneville Contractor:

Once again, I am reaching out to wish you all a safe field season and coordinate on the Fiscal Year 2019 (FY19) budget process. Thank you all for working collaboratively with the Bonneville Power Administration (Bonneville) to realize contract savings in Fiscal Year 2018 (FY18). Similar to last year, Bonneville has developed the FY19 start of year (SOY) budgets for your project(s) and will upload them into the contract management system (Pisces Web) soon. Bonneville staff will begin reaching out to you next week to discuss preliminary budgets for your projects.

As you are aware, we continue to navigate a volatile and changing energy marketplace which impacts Bonneville's financial stability, long-term competitiveness, and available funds for all programs across the agency, including fish and wildlife. FY19 will be a year of continued transition as changes in the region impact Bonneville's business and programs. Additionally, Bonneville, the Army Corps of Engineers, and the Bureau of Reclamation will complete Endangered Species Act consultations with NOAA Fisheries and the U.S. Fish and Wildlife Service for a new Columbia River System (CRS) Biological Opinion, the Northwest Power and Conservation Council will amend its Columbia River Basin Fish and Wildlife Program, and the Columbia Basin Fish Accords will enter a new phase.

The SOY budget planning process is an important milestone every year because it sets expectations regarding Bonneville funding for projects and contracts that will be developed in the upcoming fiscal year. As noted in Bonneville's recently updated Strategic Plan, the agency is approaching the SOY process differently than it has in the past to accommodate the fiscal uncertainty that it faces and ensure the Fish and Wildlife Program has sustainable funding levels.

First, it is important that you know that Bonneville has significantly reduced its own internal costs, including reducing the size of its workforce, eliminating internal services, and limiting travel and training. Consistent with these internal reductions, FY19 Fish and Wildlife contracts will continue training and conference limitations imposed last year. Furthermore, Bonneville sponsorship of conferences, newsletters, and data management will be curtailed in FY19. These difficult decisions are intended to limit the impact of budget adjustments to projects directly benefiting fish and wildlife.

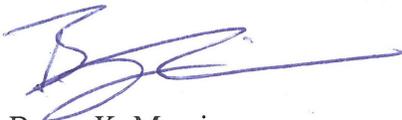
Second, Bonneville is tightening its controls on contract modifications and line item budget transfers. Before now, sponsors and contractors often requested modifications and transfers

within the final quarter of the performance period (i.e., the last 90 days of a contract). While this let partners maximize the use of Bonneville funds, it also created a risk to meeting annual spending targets. Consequently in FY19, transfers in the final quarter will only be allowed on a limited, case-by-case basis.

Third, Bonneville managers, working with their team of contracting officer representatives, have identified contract work elements and budget line items that may not be necessary to the long-term objectives or success of a project. You may receive notice of a budget adjustment to your project that reduces lower priority work to ensure that the focus remains on the effective performance of contracts that deliver clear biological benefit. In the coming months, please work with Bonneville staff to incorporate these adjustments into contracts as we increase our focus on biological results that most directly support fish and wildlife.

I want to acknowledge and express my empathy for the challenges this may cause some of you as we navigate the financial uncertainty we all face. Our partnership and ability to adapt will be foundational to our mutual future success in placing Bonneville's Fish and Wildlife Program on long-term, financially sustainable footing, while continuing to provide biologically effective projects through high performing contracts. We will continue to work collaboratively with you, and all our partners, to implement these adjustments and ensure we continue an effective and sustainable world-class Fish and Wildlife Program.

Best regards,



Bryan K. Mercier
Executive Manager
Fish and Wildlife Division