



Department of Energy

Enclosure 2

Bonneville Power Administration
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ENVIRONMENT, FISH AND WILDLIFE

December 31, 2007

In reply refer to: KE-4

Dr. Tom Karier, Chair
Northwest Power & Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Chairman Karier:

On November 1, you began the process of updating the Columbia River Basin Fish and Wildlife Program (Program) by asking for amendment recommendations. This letter offers some thoughts that the Bonneville Power Administration (BPA) hopes you will consider in evaluating proposed recommendations.

The amendment process offers both exciting possibilities and potential risks. Beginning with the risks, we anticipate some entities will approach this amendment process focused solely on BPA. The Northwest Power Act, on the other hand, focuses on a regional hydrosystem encompassing more than 130 dams.¹ The Program's subbasin plans attempt to identify all factors limiting fish and wildlife, not just those factors caused by the federal dams that BPA (along with the Corps of Engineers and Bureau of Reclamation) is responsible for mitigating. While we support an ambitious and broad Program, BPA's ratepayers are not legally responsible for addressing all human impacts on fish and wildlife. Therefore, we hope this amendment process can be used to both add focus to BPA's contribution and also add strategies that extend beyond BPA funding to achieve the Program's ambitious goals, rather than to revisit or inappropriately broaden BPA's mitigation responsibilities.

We also think it would be a serious mistake to identify particular projects, funding allocations or funding levels in Program language. Congress amended the Northwest Power Act to create the Independent Scientific Review Panel (ISRP) and eliminate the conflict of interest inherent in a system where the same resource managers propose, review, rate, and implement mitigation projects. Rather than specifying which entities receive BPA funds for Program implementation, BPA looks to this amendment process as an opportunity to improve the biological focus and effectiveness of the Program. Therefore, we encourage the Northwest Power & Conservation Council (Council) to carefully weigh the biological value of amendments that would create *de-facto* funding allocations

¹ The Council noted in its "1984 Columbia River Basin Fish and Wildlife Program Appendices" (Oct. 10, 1984) that "the effect of the program is not limited to federal dams, and any hydroelectric project in the Columbia River Basin is potentially within the scope of the Fish and Wildlife Program." Further, past Council Programs have identified activities for Bonneville, the Federal Energy Regulatory Commission, the Army Corps of Engineers, and the Bureau of Reclamation, the Environmental Protection Agency, federal land managers, state and federal fish and wildlife agencies, other state and federal resource agencies, and public and investor-owned utilities throughout the region to implement.

and look steadfastly for opportunities to direct regional efforts toward specific biologically-based priorities.

Strategies for Focusing Program Implementation

The Northwest Power Act allows the Program to include offsite actions “in appropriate circumstances.” Increasingly, as direct mitigation actions at federal hydrosystem facilities (such as RSWs and improved bypass systems) have made the system much safer for migrating fish, offsite actions have become the Program’s focus. This emphasis is evident in the Program’s subbasin plans which offer a menu of actions that would address most human impacts on fish and wildlife populations. While it is useful to know the scope of what is possible, subbasin plans do not link projects to specific hydro impacts. In addition to closer Federal Columbia River Power System (FCRPS) linkages, the Program would be benefited by, as the ISRP put it, the addition of a “framework from which to evaluate the priority and potential benefits of proposed projects.”² Some examples of such strategies are described below.

Weak Stocks and the NOAA Fisheries FCRPS Biological Opinion

At a high level, BPA’s mitigation responsibilities can be divided into two categories of emphasis: 1) to avoid jeopardy for the FCRPS and assist in the recovery of threatened or endangered species, and 2) to protect and enhance other populations of fish and wildlife affected by the FCRPS.

The region has undertaken considerable effort over the last several years to develop strategies for recovering viable populations for Endangered Species Act- (ESA) listed fish. Recovery plans are either in development or completed for listed anadromous fish in the Columbia basin. The draft NOAA Fisheries FCRPS Biological Opinion relies heavily on the data and biological metrics developed in the recovery planning process. This document and the analysis it incorporates reflects the most current thinking and science related to these fish stocks.

The Council has been very helpful over the years in integrating both BPA’s Northwest Power Act and ESA responsibilities into the Program. We encourage the Council to continue that approach. To that end, we believe the amended Program should have a strong connection to pertinent recovery plans and biological opinions, including their goals, objectives, analytical frameworks, metrics and prioritizing strategies. If, as part of the FCRPS BiOp, BPA enters into Memorandums of Agreement that sharpen and enhance the focus on ESA-related actions (within the scope of the Program), BPA intends to fully integrate implementation of additional actions with current mitigation efforts in the Program.

Protecting Strong Stocks from Climate Change and Human Population Growth

While a segment of BPA’s fish and wildlife funding will continue to be appropriately focused on ESA-listed anadromous fish, BPA also suggests that the amended Program include strategies that help prioritize the portion of funding devoted to non-listed fish and wildlife.

² Independent Scientific Review Panel (ISRP Report 2005-14), “ISRP Retrospective Report 1997-2005” (2005) p.61

Given the breadth of information now available about the impacts of climate change and human population growth on the region's fish and wildlife, it is timely for the Program to emphasize strategies that prioritize work to preserve biodiversity. Such strategies have been identified by multiple entities including the Independent Scientific Advisory Board (ISAB) in its climate change³ and population⁴ reports, and the Wild Salmon Center. Consequently, offsite mitigation for non-listed species⁵ should provide the foundation for protecting fish and wildlife from known future threats.

For example, one high-priority strategy should be the identification and prioritization of work to protect diverse populations in areas that are likely to be resilient in adapting to climate pressures. The ISAB emphasized this strategy when it noted that "protective measures, including reserve areas, may be the most effective strategy for maintaining diversity in the face of changing climate in the Columbia Basin."⁶ Further, the ISAB and other entities (e.g., Wild Salmon Center) have identified criteria that could be used to locate high priority watersheds. While BPA's mandate extends to mitigating FCRPS dam impacts only, it is critically important that the Program's fish and wildlife investments be coordinated with and take into account other efforts and other information regarding the risks and impacts of climate change and population growth.

Maximizing Benefits to Wildlife

In addition to the Program's emphasis on listed and non-listed fish (anadromous and resident), the Program places considerable emphasis on wildlife. In concept, using habitat units (HUs) created a solid and measurable approach for crediting the benefits of fish and wildlife projects to specific BPA-mitigation goals. Now the Program would benefit from tackling several policy issues related to wildlife, including:

- resolving the species-stacking and out-of-place/out-of-kind crediting issues;
- counting the wildlife HU value from fish habitat projects and pre-Act mitigation; and
- identifying the most biologically and cost-effective habitat for protection and enhancement.

The Council may also want to consider the cost-effectiveness of restoring habitat that is at different stages relative to the preferred end-state. BPA also suggests that the Council explore the feasibility of protecting more habitat with conservation easements where the landowner receives a tax credit and regional resource managers oversee the easement with a stewardship fund.

Focusing RM&E to Maximize Effectiveness

Research Monitoring and Evaluation (RM&E) also continues to be a major component of the F&W Program. In recent years, the Program's RM&E component has grown rapidly and come to encompass nearly 40 percent⁷ of the Program's expense budget. While the funding of RM&E that

³ Independent Scientific Advisory Board. (ISAB 2007-2) "Climate Change Impacts on Columbia River Fish and Wildlife" (May 11, 2007)

⁴Independent Scientific Advisory Board. (ISAB 2007-3) "Human Population Impacts on Columbia Basin Fish and Wildlife." (June 8, 2007) Available on Nov. 27, 2007 at: <http://www.nwcouncil.org/library/isab/isab2007-3.htm>

⁵ Strong stocks of listed species could also be an emphasis.

⁶ ISAB 2007-2. P.83

⁷ At the project level, BPA currently spends about 39 percent of its F&W Program expense budget on RM&E (based on a 3-year average of current planning budgets and categories in our FY'08-'09 project funding decision document).

supports selection of on-the-ground work and helps to evaluate Program effectiveness is appropriate, we hope that the Council will adopt strategies to focus BPA-funded RM&E efforts on FCRPS dam mitigation responsibilities only. There has also been much discussion regarding the need for more programmatic and less project-specific RM&E. Through development of the FCRPS BiOp, NOAA salmon recovery planning efforts,⁸ and the Council's research and monitoring plans, the region has made significant progress in developing the components of a regional framework for RM&E over the last couple years.⁹ It is now time to take more deliberate steps to align these regional planning efforts and products,¹⁰ and to apply them in the management of Program projects and the Program amendment process as appropriate.

There will always be more needs in this area than available resources. Through more structured, standardized and coordinated approaches, efficiencies can be realized to better emphasize on-the-ground mitigation work within the total of Program implementation spending.

Incentives to Protect and Restore Fish and Wildlife Habitat

In addition to prioritizing strategies on a biological basis, the Council could consider overlaying strategies that encourage actions by other entities that will ultimately make the Program's larger protection and enhancement goals more successful. Given the numerous factors that limit fish and wildlife populations, reversing human impacts is a more substantial endeavor, and one that will require a larger financial investment overall, than BPA's responsibilities for mitigation of FCRPS impacts. Therefore, we believe that the Program should include strategies¹¹ that acknowledge and incentivize Program participation by other entities.

Resource managers frequently call for ratepayer funding to protect fish and wildlife habitat threatened by poor land use or other harmful practices. BPA encourages the Council to find creative new models—as it did when it created model energy conservation codes or protected areas from hydroelectric development—that pave the way for water conservation and land use, or support model economic incentives that promote both fish and wildlife protection and economic development, such as the tax credit approach mentioned earlier.

Biological Objectives

It is critical that the region be able to measure the progress towards achievement of Program goals. To that end, the region has engaged in multiple discussions about the development of provincial objectives. While biological objectives could take many forms, and several of these could help the Council measure its success, BPA suggests the following criteria:

⁸Several key elements of the regional RM&E framework include: 1) a Strategy for Fish Population Status and Trend Monitoring; 2) a Strategy for Habitat Status and Trend Monitoring; 3) an Action Plan for Tagging and Marking to support Hydro performance assessments integrated with assessment needs of the other Hs; 4) an Information Management Strategy for Fish and Habitat Data; and 5) Standard Metrics for Project Implementation Tracking.

⁹ Northwest Power and Conservation Council. (2006-3) "Columbia River Basin Research Plan" (Feb. 2006).

Available online at: <http://www.nwcouncil.org/library/2006/2006-3.pdf>

¹⁰ E.g., standard metrics, monitoring approaches, data dictionary and metadata templates, protocol manager software, and web-based posting and access to tools for distributed data system capabilities.

¹¹ Some ideas include: Council support of fish and wildlife manager's funding requests in state and federal appropriations processes, cost-share requirements / preferences, Council engagement in FERC licensing processes, etc.

- Size the Program's goals and objectives to focus on federal hydro impacts and responsibilities or recognize that Program objectives are broader than recommendations for BPA funding.

In recognition that tributary habitat degradation is a major limiting factor to anadromous and resident fish, the Council has pursued a Program to address these limitations. While we support broad and ambitious mitigation and recovery objectives, BPA asks the Council to clarify that these broad Program objectives are not equal to BPA objectives. Not only are the purposes of the Northwest Power Act broader than BPA, but provincial objectives linked to the limiting factors identified in subbasin plans mostly address non-hydro impacts.¹² If the amended Program remains focused on BPA for implementation, then the Program's goals should be narrowed to reflect only BPA's responsibilities.

- Provide easily measurable biological objectives.

In order to easily (and cost effectively) measure our contribution to those objectives, they also need to be closely linked to the type of outputs that our projects produce. Given that offsite projects generally focus on restoring habitat (by addressing limiting factors), we suggest the Council consider biological objectives that are landscape-based.¹³ Not only are habitat-quality objectives consistent with the ISRP's recommendations, but they are used in NOAA Fisheries's FCRPS Biological Opinion as measure of biological performance. Not surprisingly, several other federal agencies also use habitat quality to measure the success of their programs (e.g., NRCS).

- Provincial objectives, at least those pertaining to anadromous fish, should be consistent with the most current science and methods that were developed as part of the NOAA Fisheries FCRPS BiOp.

In order to achieve the goal of integrating Northwest Power Act and ESA implementation efforts, the Program would be benefited by recognizing and explicitly utilizing the scientific framework informing the FCRPS BiOp and regional recovery planning efforts.

As you know, current recovery plans and the draft FCRPS Biological Opinion rely on the scientific framework described in the NOAA report *Viable Salmonid Populations (VSP) and the Recovery of Evolutionarily Significant Units (ESU)* (McElhany et al. 2000). This is a hierarchical framework that analyzes listed fish at the level of independent populations and aggregates population characteristics to the major population group and ESU levels. The VSP report has been further refined and expanded upon in reports from the Technical Recovery Teams created to advise NOAA Fisheries on biological criteria that could be used to inform future delisting decisions.

¹² In its retrospective report, the ISRP noted that tributary habitat degradation is a major cause of the decline in resident and anadromous fish and that that degradation is caused by a range of human activities including forestry, agriculture, grazing, development and hydropower. ISRP 2005-14. P. 60

¹³ ISRP 2005-15 "ISRP Retrospective Report 1997-2005." p. 61

In conclusion, we look forward to working with the Council as you amend the Fish and Wildlife Program. As we have seen over the years, this document and the Council's leadership are important foundations to the region's work to benefit fish and wildlife. We are hopeful that the new Program amendments will continue to demonstrate that leadership.

Sincerely,

/s/ G. K. Delwiche

Gregory K. Delwiche
Vice President, Environment, Fish and Wildlife

cc:

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