

Department of Energy

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

ENVIRONMENT, FISH AND WILDLIFE

April 10, 2007

In reply refer to: KE-4

Dr. Peter Paquet
Fish and Wildlife Director
Northwest Power & Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Dr. Paquet:

This letter is in response to your March 1, 2007, letter requesting additional information regarding Bonneville Power Administration's (BPA) FY07-09 decision on Fish and Wildlife Program implementation. We appreciate our ongoing discussions with you and your staff as a means to further clarify our decision and to enhance the region's understanding of the policy issues at play in our decision. The questions raised in your letter are addressed below.

We have recently completed our Capital projects decision (sent under separate letter of April 10, 2007, to Chair Tom Karier). We plan to work collaboratively with the Council, CBFWA and project sponsors to further prioritize and schedule implementation of these projects within the \$36 million available capital funding in FY07 through FY09.

Since the release of our decision letter, continued collaboration with individual states and tribes has resulted in a limited number of project budget adjustments. We will post these adjustments to our website within the next week.

On March 27 we sent additional information to the central and state Council staff clarifying our project-specific funding rationale. We appreciate the constructive discussions with staff on this clarifying information. We are hopeful that there is a much better understanding of the various categories where BPA's decision differed from the Council's recommendation and the reasons why. Equally importantly, we believe that in a broad sense, there was very substantial agreement between the Council recommendations for project funding and BPA's implementation decision, and are hopeful that the Council shares this perspective.

With regard to ISRP review, our intention is to work in coordination with the Council to address projects that received an unfavorable or "not fundable" ISRP review. Issues and concerns identified by the ISRP that resulted in "fundable in part" or "fundable qualified" ISRP ratings will be appropriately addressed as we initiate contracts for this specific work. As noted at the January Council meeting the exception is the interim operations agreement projects, and specifically the

Conservation Enforcement projects, that have already proceeded to implementation. Additionally, we clearly commit to supporting the Step process for reviewing major construction projects.

We agree with the use of “rescheduling” and “prescheduling” as valuable management tools that allow for flexibility between fiscal years to enhance project implementation effectiveness. We will coordinate reschedule and preschedule adjustments through the Budget Oversight Group. While we have in the past supported the principle of carrying forward any unspent funds between BPA rate periods to ensure most appropriate use of available dollars, we believe this is an appropriate question to address during calendar year 2008 as we prepare for the next BPA rate period. Again, while we agree with the logic behind this principle, and in fact, this principle was employed between the last and current rate periods, the approach of finalizing this decision next year is similar to how this issue was handled in the last rate period and as communicated to the Council in an October 3, 2003, letter.

Regarding program areas where the Council recommended *interim* funding, we believe that there is sufficient budget flexibility to manage future needs and potential changes in this suite of project categories following future reviews and prioritization. Projects in these categories could require contract modifications as early as the start of FY08. We ask that for projects requiring scope changes for the start of FY08, any budget/scope guidance be provided by July 1 to allow for coordination with sponsors and negotiations for contracting.

Finally, we look forward to working collaboratively with you and your staff to develop a review process for prioritizing additional work that could be undertaken within the available FY07-09 budget (i.e., additional work that could be supported by funds within the available budget that have not yet been allocated, and currently estimated at approximately \$17 to \$20 million).

As always, please contact us if you have further questions or comments. We look forward to working through these important program initiatives in a collaborative manner to best advance our mutual objective of making best use of available resources to mitigate for the affects of the FCRPS on fish and wildlife populations.

Sincerely,



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

cc:

Mr. Bill Booth, Northwest Power & Conservation Council
Mr. Jim Kempton, Northwest Power & Conservation Council
Ms. Joan Dukes, Northwest Power & Conservation Council
Mr. Bruce Measure, Northwest Power & Conservation Council
Ms. Rhonda Whiting, Northwest Power & Conservation Council
Mr. Larry Cassidy, Northwest Power & Conservation Council
Ms. Melinda Eden, Northwest Power & Conservation Council
Mr. Brian Lipscomb, Columbia Basin Fish & Wildlife Authority

Chairman Dean Adams, Burns Paiute Tribe
Chairman Chief Allen, Coeur d'Alene Tribe
Chairman Michael Marchand, Confederated Tribes of the Colville Reservation
Chairman Glen Nenema, Kalispel Tribe
Chairperson Jennifer Porter, Kootenai Tribe of Idaho
Chairperson Rebecca Miles, Nez Perce Tribe
Chairman James Steele Jr., Confederated Salish & Kootenai Tribes
Chairperson Alonzo Coby, Shoshone Bannock Tribes of Fort Hall
Chairman Terry Gibson, Shoshone Paiute Tribes of the Duck Valley Reservation
Chairman Richard Sherwood, Spokane Tribe of Indians
Chairman Antone Minthorn, Confederated Tribes of the Umatilla Indian Reservation
Chairman Ron Suppah, Confederated Tribes of the Warm Springs Reservation
Chairman Lavina Washines, Yakama Indian Nation
Ms. Mary Verner, Upper Columbia United Tribes
Mr. Olney Patt Jr., Columbia River Intertribal Fish Commission