



COLUMBIA RIVER INTER-TRIBAL FISH COMMISSION

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July 1, 2015

Tony Grover
Director
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Dear Mr. Grover:

The Columbia River Inter-Tribal Fish Commission (CRITFC) appreciates the opportunity to provide comments on the Northwest Power and Conservation Council's (NPCC) Fish and Wildlife Draft Methodology to Identify and Review Projects for Cost Savings. While CRITFC supports efforts to identify cost savings in the Fish and Wildlife Program (Program), the effort should be more broadly focused on Program implementation in addition to individual project implementation. We believe there may be significant opportunities for cost savings in administration of the Program.

Our comments do not address new project spending; a separate process will be needed for distribution of "cost savings" funds.

Project Spending and the Draft Cost Savings Methodology:

The Draft Cost Savings Methodology (Draft Methodology) proposes an intricate quarterly review process for identifying potential cost savings at the project level, mimics the former Quarterly Review Process from 2006 (<http://www.nwcouncil.org/media/12237/tracking.pdf>), but lacks the public participation and review of that process. Adding public participation on a quarterly basis to the Draft Methodology, however, would be counter to the cost savings effort as it would increase the time requirements of regional participants and project leaders. Moreover, we see little benefit in a detailed quarterly review. Therefore, it is our recommendation that the Draft Methodology use an *annual* review process, with public participation, to coincide with the Start of Year budget review. If the Council is set on quarterly updates, BPA could produce quarterly status reports with the information contained in Sections IV(A) (1)-(3) for the Council; however, the list of projects for 'consideration' of cost savings, as identified in IV(A)(4) should be reserved for the annual review.

The Cost Savings Work Group (Section II) does not include tribal membership, and tribal involvement is not otherwise included in the Draft Methodology. Tribal representation and

involvement should be identified in the review process above and beyond a project leader's role in defending any identified tribal projects.

The 14-day review period allotted to project leaders to respond to identified potential cost savings projects is too short to allow for a thorough and detailed response in support of a project. This response period should be increased to 30 days.

The Cost Savings Principles (Section VIII) require additional detail and clarification. Principle VIII(A) indicates that the effort will not "impact" the Columbia Basin Accords; it should be noted that specific projects were included as a part of the Accords, and therefore *Accord projects* are not a part of this cost savings effort.

As drafted, Principle VIII(E)(2) is inappropriate. Projects that have already been through scientific review should not be subject to repetitive additional reviews nor should project funding be limited solely to the Independent Scientific Review Panel (ISRP) viewpoint. CRITFC and its member tribes have experienced reviews wherein the lack of ISRP support can be attributed to the management or policy views of the ISRP or the ISRP's lack of policy context, not scientific merit. For example, sea lion hazing is a requirement of NMFS' section 120 permit authorization under the Marine Mammal Protection Act for lethal take of sea lions by Oregon and Washington. By agreement among co-managers, CRITFC took on the responsibility for the hazing actions that, effective or not, are a requirement of a larger management action, which was extensively litigated. The ISRP's assertion that hazing is an ineffective deterrent over-looked the context of this action. ISRP assertions that hazing was unneeded were not unhelpful. The NPCC appropriately chose to support the hazing project, and BPA funded it. Independent Scientific Review Panel acceptance, while desirable, is not determinative of scientific merit or project need.

Draft Principle VIII(E)(4), as stated, is subjective and underscores the need to have the Work Group and review process include tribal participation. For instance, section 4(h)(10)(A) of the Act does not limit the use of BPA's fund and authorities to the FCRPS. The limitation is to hydropower development and operation in the Columbia Basin, not FCRPS hydropower development. The statutory nexus is hydropower development and operation, not the FCRPS. Additionally, there is evolving understanding of the ecological effects of the hydropower on water quality, including the fate and transport of toxic pollutants in the system. We are pleased that the Council has supported and adopted the water quality recommendations of CRITFC's member tribes in the new Fish and Wildlife Program. Yet, the action agencies have yet to embrace this aspect of the Program that the tribes recommended and have expressed concerns about the "nexus" to hydropower development and operation.

Recommendation: Edit the Draft Cost Savings Methodology to create an annual project review process that includes public participation; include tribes specifically in the review and not just in defense of tribal projects; either delete or significantly revise and clarify Principles VIII (A), (E)(2), and (E)(4) in accordance with our comments above.

Program Spending:

The Council's effort to identify cost savings should include more than just review of project spending; it should look at Program administration and spending as well. While the ability to pinpoint and recoup these savings may be more difficult, they should be reviewed nonetheless:

- BPA spends approximately \$16-18M in its administrative efforts. While this is less than 10% of the Program budget, scrutiny of this category of spending may contribute to the savings target.
- The Gemini project should be tasked with simplifying reporting requirements to reduce the burden on project leaders for filling out paperwork and allow more time to be spent on their on-the-ground effort.
- The Council's fish and wildlife budget and workplan for FY2017, is comprised of 28 tasks. Extensive co-manager involvement will be needed to implement at least half of those tasks and some degree of involvement will be needed to implement the remainder. <https://www.nwcouncil.org/reports/financial-reports/2015-03/fish/>. All of this co-manager involvement comes at a cost. Much, but not all, of this involvement is funded by BPA. Assuming that the Basin's co-managers are involved to some degree in implementing each of these tasks in the \$1.6M budget for the NPCC Fish and Wildlife Division budget, which itself does not include Council members or NPCC state staff, the total cost of implementing these tasks probably quadruples.

Recommendation: A review of BPA and NPCC overhead costs should be included as part of the cost savings effort. Task the Gemini project with simplifying reporting requirements. The Council's workplan must consider the cost of co-manager involvement and seek efficiencies.

Savings Through Streamlining ISRP Review:

While the Council has streamlined its project review processes, ISRP reviews have increased significantly for individual projects. During the 2014 amendment recommendations, the co-managers made extensive recommendations regarding the ISRP reviews. Costs associated with ISRP reviews have been calculated by two CRITFC tribes. In each case, the ISRP reviews added approximately 10% to the cost of each project during the year in which the review occurred. The calculations came from tribes with Accord agreements; entities without an agreement would have invested even more time and money to address ISRP review. Applying this 10% or larger estimate to the full suite of projects annually reviewed by the ISRP provides a better understanding of the true cost of ISRP review. For example, the ISRP's current workplan tasks (1-5) indicate that the ISRP will review a number of projects during FY 2015.

https://www.nwcouncil.org/media/7138511/ISRP_FY2015_SOW_11Aug14.pdf. Assuming that the ISRP reviews \$40 million of fish and wildlife projects in FY 2015, an additional \$4 million or more of project implementation cost over and above the direct cost of the ISRP's membership and administration may be incurred as a result of co-manager participation necessitated by the review process. Regardless of the exact burden, this significant cost category should be reviewed for efficiency.

The cost of ISRP is expressly limited in the Northwest Power Act. 16 U.S.C. § 839b(h)(10)(D)(vii) (“Cost limitation. The annual cost of this provision [ISRP] shall not exceed \$500,000 in 1997 dollars”). Furthermore, the Northwest Power Act does not require review of every project funded by BPA. 16 U.S.C. § 839(h)(10)(D)(iv) (“The Panel and Peer Review Groups shall review a sufficient number of projects to adequately ensure that the list of prioritized projects recommended is consistent with the Council's program.”).

Recommendation: ISRP reviews should be adjusted to address the co-managers’ Program recommendations. Project review costs should be included in the programmatic cost savings review.

In summary, we provide the following recommendations for your consideration:

1. Edit the Draft Cost Savings Methodology to create an annual project review process that includes tribal participation; specifically in the review and not just in defense of tribal projects;
2. Either delete or significantly revise and clarify Principles VIII (A), (E)(2) and (E)(4) in accordance with our comments above;
3. Review BPA and NPCC overhead costs, as part of a broader cost savings effort;
4. Reporting requirements are getting too specific and should be broadened for efficiency; look to the Gemini project to simplify reporting and provide efficiencies and savings;
5. Many actions taken by the Council and BPA require co-manager input and information. This area of effort should be reviewed for potential savings;
6. Include review of ISRP implementation costs as part of the cost savings effort; and
7. Review and redefine the ISRP review process as part of the cost savings effort.

Thank you for pausing this effort and providing the opportunity for us to comment on this important initiative. We support efforts to reduce costs and make Program spending more efficient and effective; however, we believe that a broader scope is necessary than you currently envisioned.

If you should have any questions, please feel free to contact me or Aja DeCoteau, Watershed Department Manager, at 503-238-0667.

Sincerely,



Babtist Paul Lumley
Executive Director