October 4, 2007

In reply refer to: KEW-4

Mr. Tony Grover
Fish and Wildlife Division Director
Northwest Power & Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear Mr. Grover:

We are pleased to provide the Bonneville Power Administration's (BPA) decision on the recommendations received from the Northwest Power and Conservation Council (Council) for the Innovative Project Solicitation Process for Fiscal Years 2007 - 2009. After reviewing the innovative proposals, the ISRP review comments, and your project recommendations, we would like to emphasize our support for those proposals that provide direct on-the-ground benefits to fish and wildlife, consistent with our February 9, 2007 letter to you regarding FY07-09 Program implementation, rather than funding those that help refine research methodologies or techniques.

We also understand that the purpose of this solicitation process is to facilitate the application of new ideas or techniques designed to directly benefit fish and wildlife in the Columbia River Basin that have not generally been used in the Fish and Wildlife Program (Program). We support this purpose, and concur with the Council’s project recommendations and funding strategy for use of the $2 Million total for Fiscal Years 2008 and 2009 from the innovative placeholder budget. Also included is an additional amount of $421,465 from the unspent “carry forward” funds from Fiscal Year 2007. Our preliminary accrual information suggests that sufficient unspent funds will be available from Fiscal Year 2007 to cover this recommendation.

BPA concurs with the Council’s recommendations for the following projects and estimated budgets:

<table>
<thead>
<tr>
<th>Proposal Number</th>
<th>Proposal Title</th>
<th>FY 2009-09 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-521-00</td>
<td>Improving Fish Habitat Using Innovative Strategies to Remediate Contaminated Sediments in the Columbia River Basin</td>
<td>$185,112</td>
</tr>
<tr>
<td>2007-524-00</td>
<td>Integrated Non-Lethal Electric Barrier and Sonar System to Deter Marine Mammal Predation on Fish in the Columbia River System: A Demonstration Project</td>
<td>$1,440,483</td>
</tr>
<tr>
<td>2007-513-00</td>
<td>Eelgrass enhancement and restoration in the Columbia River Estuary through innovative site selection and planting techniques</td>
<td>$252,794</td>
</tr>
<tr>
<td>Project Number</td>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>----------------</td>
<td>------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>2007-516-00</td>
<td>Enhancing Summer Instream Flow and Reducing Temperature in Agricultural Watersheds</td>
<td>$224,766</td>
</tr>
<tr>
<td>2007-535-00</td>
<td>Physical and Biological Field Testing of a Flow Velocity Enhancement System (FVES)</td>
<td>$318,310</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2,421,465</strong></td>
</tr>
</tbody>
</table>

While we recognize the Council’s recommendation did not include any implementation conditions for these projects, we wish to make you aware of the considerable technical concerns expressed by both the resource managers as well as the regulatory agencies for the project entitled “Integrated Non-Lethal Electric Barrier and Sonar System to Deter Marine Mammal Predation on Fish in the Columbia River System” (Smith Root proposal). These concerns, among which include where to pilot test this equipment, consideration of a phased work plan including decision points, how and where to calibrate electrical field strength effective for sea lions, and testing for any deleterious effects on non-target salmon, white sturgeon, and lamprey were explored from both a technical and policy level perspective in meetings held recently in Vancouver, Washington. While we are fully aware of the important contribution this project may lend in helping to provide a potentially effective non-lethal tool for adult salmon and steelhead predator control, we feel strongly that laying out a critical path through these technical concerns is a necessary task as we work with the sponsor to scope out and contract for this work. Again we anticipate moving ahead expeditiously with scoping statements of work, schedules and budgets for the Smith Root proposal and the other innovative proposals recommended by the Council for funding in Fiscal Years 2008 and 2009.

Please do not hesitate to contact Bob Austin or me if you have questions about this implementation decision for the Innovative Solicitation Process.

Sincerely,

[Signature]

William C. Maslen
Director of 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. Tony Grover, 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 Samuel Penney, 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