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October 23, 2006

Bill Maslen, Director
Fish and Wildlife Division
Bonneville Power Administration
P.O. Box 3621
Portland, OR 97208

Dear Mr. Maslen

Re: Fish and Wildlife Project Funding Recommendations for Fiscal Years 2007 through 2009

I am pleased to provide you with the Northwest Power and Conservation Council's Fish and Wildlife Project Funding Recommendations for Fiscal Years 2007-09. Accompanying this letter are a set of tables that contain the Council's recommendations for the projects and associated budgets to be funded in the next three fiscal years to implement the Council's *Columbia River Basin Fish and Wildlife Program*. There are four tables: two that contain the expense and capital recommendations for the Provinces, one for the group of projects in the Mainstem/Multi-Province category, and one for the Basinwide monitoring and evaluation, research and coordination projects. Also attached are the Council's recommendations for resolving a number of broader policy and programmatic issues that underlie or affect the project funding recommendations. These programmatic recommendations should be considered conditions that accompany the specific project funding recommendations.

I wish to call your attention to three points about these recommendations. First, a number of the project recommendations, particularly in the Basinwide category, should be considered interim funding recommendations while the Council completes reviews in these areas. These projects are identified in the project tables, and the Council's approach is explained in the programmatic recommendations.

Second, a number of projects carry specific Council recommendations for implementation, most often related to reshaping the project based on recommendations from the Independent Scientific Review Panel or priority concerns of the Council. You will find these project specific recommendations in the "comment" field on the project tables.

Third, the Council's project funding recommendations do not allocate all of the funding that Bonneville has made available for this rate period. In particular, the Council decided not to allocate at this time \$8.7 million of the amount originally earmarked for the Basinwide projects, and the Council has also set aside a \$2 million unallocated placeholder. The Council is also aware that funds unspent in the last rate period will carry over into this period, in an amount estimated at this time at around \$11 million, and the Council has not recommended allocating those funds. The Council intends the unallocated funds to be a reserve available for a number of future needs in this rate period, including additional needs, if any, arising out of the new FCRPS Biological Opinion expected in 2007, to be identified and reviewed through the within-year process (*see* Issues 1 and 10 in the programmatic recommendations); possible application to monitoring and evaluation, data management, coordination and wildlife operation and maintenance funding needs that are subject at this time in these recommendations to interim funding and further review as described in the programmatic recommendations (*see* Issues 2, 3, 4 and 9); final project funding recommendations for fish passage science and analysis, part of the Basinwide category (identified in the Basinwide projects table); and other within-year adjustments, identified through the within-year process and criteria (*see* Issue 10 in the programmatic recommendations).

These are final project and programmatic recommendations. Over the next month the Council staff will prepare a final draft of an overarching document for the FY07-09 project review process. That document will explain all aspects of the Council's final decision, such as the process followed and how the Council complied with the requirements of Section 4(h)(10)(D) of the Northwest Power Act. This will include the required explanations for those few recommendations from the Council that differ from the recommendations of the Independent Scientific Review Panel. The Council intends to review and adopt that document at its meeting in November.

Sincerely,

Signed DM/10-23-06

Doug Marker
Director, Fish and Wildlife Division

cc: Tom Karier, Northwest Power and Conservation Council
Joan Dukes, Northwest Power and Conservation Council
Frank L. (Larry) Cassidy, Jr., Northwest Power and Conservation Council
Judi Danielson, Northwest Power and Conservation Council
Melinda Eden, Northwest Power and Conservation Council
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Bruce Measure, Northwest Power and Conservation Council
Rhonda Whiting, Northwest Power and Conservation Council
Greg Delwiche, Bonneville Power Administration
Brian Lipscomb, Columbia Basin Fish and Wildlife Authority

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