

Section 9

MITIGATION FOR ADVERSE EFFECTS OF SALMON AND STEELHEAD MEASURES

9.1 SHARE THE COSTS

Fulfillment of the Northwest Power Act mandate to “protect, mitigate and enhance” the anadromous fish resource of the Columbia River Basin will impose costs throughout the region. All river users will have to share in making sacrifices if significant progress is to be made in rebuilding salmon and steelhead runs. At the same time, maintaining the economic health of the basin also is vital to the Northwest.

The Council intends to work closely with the National Marine Fisheries Service, appropriate state and federal agencies and members of affected groups in its evaluation of these issues. The Council seeks to work cooperatively with these agencies concurrent with, but on a broader scale than that required by the Endangered Species Act. The Council sets an ambitious schedule for a regional mitigation program meant to give as much lead time as possible to state and federal legislators for acquiring needed funding.

In the case of costs borne by the power system, the means of spreading the impact are readily available. In other cases, smaller industries and communities often have no way to spread their costs or pass them along. A regional effort to mitigate should be directed particularly at these groups, including the salmon fishing industry, irrigators, recreational users, navigation interests and their customers. Among the members of affected groups, the level of impacts and ability to bear them will vary widely. In developing mitigation strategies, the Council believes the region should give special consideration to small, family-owned businesses and farms.

In general, the Council takes the position that those who use the river should bear a share of the costs of measures needed to rebuild fish stocks

affected by a given use. The Council is aware, however, that many river users based their decisions to invest and engage in economic activities, including the design of their facilities and practices, on prevailing river management practices. In some instances, designs were based on assurances from federal agencies of “normal” practices, which may no longer be followed under new river operation strategies.

At a minimum, and consistent with the needs of the fish, these users should be afforded a reasonable transition period to adjust from the old ways of doing business to the new. Without such a transition time, costs and dislocations may be unnecessarily harsh. The Council will identify instances where federally granted facility permits did not preserve the full range of specified operating levels for federal reservoirs.

Regional and/or national means for financing the costs of transition should be sought. Favorable terms should be provided, such as extended repayment schedules, buydowns of interest, subordinated debt instruments, loan guarantees or even outright grants-in-aid. Creative approaches, such as using energy savings to finance new, higher-efficiency irrigation pumps, should be explored and implemented.

Any long-term drawdown program must permit: 1) irrigation of crops; 2) sufficient time for irrigators to redesign and replace their pumping systems, extend their pipes or make other changes; and 3) provision of costs for these changes by the region or Congress prior to drawdown.

Regionalizing costs should not mean simply turning to Bonneville as the region’s “deep pocket” for meeting mitigation needs. Such an approach would be neither sufficient for the region’s needs nor equitable to Bonneville’s customers. The states have the means of absorbing some costs, and other mechanisms must be found or devised.

There is an additional federal role to play in mitigation. While most costs should be borne in the region, the Endangered Species Act is federal legislation, and regional actions to comply with it address national, as well as regional, priorities. In developing mitigation strategies, federal agencies should be assigned an appropriate share of the responsibilities and costs.

9.1A Salmon Recovery Economic Transition and Renewal Panel

States and Tribes

- 9.1A.1 By March 1, 1995, designate appropriate representatives with experience in economic development and transition issues to form a salmon recovery economic transition and renewal panel. This panel should assemble existing information on the potential community and economic impacts from salmon rebuilding measures. The panel should draw from the work of the National Marine Fisheries Service Economics Task Force, the University Task Force, the System Operations Review, Council staff reports and others. By June 30, 1995, report to the Council the scope of any needed additional information to anticipate the consequences to communities and industries from implementation of the measures in this program. If the gathering of this additional information will cause delay in the schedule below, inform the Council.
- 9.1A.2 Assemble from tribal and other sources estimates of economic and cultural losses of Columbia River Basin Indian tribes associated with the construction and operation of the federal hydropower system. Identify measures taken to date to mitigate or compensate for these losses.
- 9.1A.3 By October 31, 1995, develop for Council and regional review strategies to mitigate

disproportionate impacts to communities and industries from implementation of salmon rebuilding measures. In developing these strategies, consider the following issues:

- Proportion of impacts: Develop a standard to distinguish impacts representing a generally equitable share of the region's costs for rebuilding salmon populations from impacts out of proportion to an equitable share of costs. Recommend the application of this standard to the estimated economic and cultural losses to tribes since construction of the federal hydropower system.
- Objectives for mitigation: Define measurable criteria for achieving proposed levels of economic mitigation.
- Scope of mitigation: Address capabilities for defining and mitigating impacts to customers, suppliers and service providers.
- Duration: Address a means to distinguish between interruptions of or shifts in economic activities and permanent losses. Propose strategies to address each.
- Priorities: Address a method to set priorities for assistance with consideration for uncompensated or unmitigated losses to tribes since construction of the hydropower system
- Economic gains from implementation of salmon rebuilding measures: It is likely that some communities and industries will enjoy increased economic activity as a result of implementing salmon rebuilding measures. Propose policies to address the ability of such entities to share in

- the funding for a regional mitigation strategy.
- 9.1A.4 Review available funding sources for economic transition and renewal strategies. Propose alternatives for funding such activities and the needed actions to obtain funding from those sources.

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