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D R A F T

The Honorable _____
United States Senate/U.S. House of Representatives
Washington, DC 20510

Dear Senator/Representative:

As an interstate compact with jurisdiction over energy, fish and wildlife in the Columbia River Basin, the Northwest Power Planning Council has an interest in the annual operating budgets of several federal agencies that engage in activities in the region. The Council is taking this opportunity to apprise you of its priorities for Fiscal Year 2004 federal appropriations for the U.S. Army Corps of Engineers, Bureau of Reclamation, NOAA Fisheries and the U.S. Fish and Wildlife Service (by appropriations subcommittee). The Council works closely with these agencies in fulfilling its statutory responsibilities to protect, mitigate and enhance fish and wildlife affected by the hydroelectric system while assuring the region an adequate, efficient, economical and reliable power supply.

The Council was established by Congress in 1980 and created as an interstate compact by the states of Idaho, Montana, Oregon and Washington. Its purpose is to develop a 20-year regional electric power plan to assure for the Pacific Northwest an adequate supply of power at the lowest possible cost, and to develop a program to protect and rebuild fish and wildlife resources affected by hydroelectric development in the Columbia River Basin. The Council carries out its responsibilities under the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (Northwest Power Act), P.L. 96-501.

ENERGY AND WATER DEVELOPMENT SUBCOMMITTEE

U.S. ARMY CORPS OF ENGINEERS

Columbia River Basin Fish and Wildlife

The Council supports the Corps' Fiscal Year 2004 budget proposal for Columbia River Basin fish and wildlife activities under the *Construction, General* and *General Investigations* accounts. Under *Construction, General*, the Council's priorities include the Columbia River Fish

Mitigation Program, Chief Joseph Gas Abatement, Willamette Temperature Control, Lower Columbia River Ecosystem Restoration and the Walla Walla Watershed project. The Council believes the amounts requested for these activities represents the minimum necessary to maintain progress toward eventual completion.

US Army Corps of Engineers
 Fiscal Year 2002-2004 Funding
Columbia River Basin Fish & Wildlife
 (\$ in millions)

Appropriation Account and Project	FY 02 Actual	FY 03 Enacted	FY 04 Budget Request
Construction, General			
Columbia River Fish Migration Project	73.80	85.00	95.00
Chief Joseph Dam Gas Abatement	0.00	0.50	0.90
Lower Columbia R. Ecosystem Restoration	0.00	2.00	2.00
Lower Snake R. F&WL Comp. Plan		4.00	2.00
Willamette Temperature Control	11.86	8.00	10.00
General Investigations			
Willamette Floodplain Restoration	0.75	0.15	0.21
Lower Columbia R. Ecosystem Restoration	0.13	0.30	0.25
Walla Walla Watershed	0.18	0.65	0.44
Operation and Maintenance	39.51	45.33	47.60
(BPA direct share) <u>1/</u>	(28.23)	(32.41)	(33.30)
Congressional Funding	98.00	113.52	125.10
Total Program <u>2/</u>	126.23	145.93	158.40

1/ Bonneville Power Administration direct funds hydropower allocated costs of operation and maintenance

2/ Includes BPA direct funds for O&M

Columbia River Fish Mitigation Program, OR, WA, ID: The Council supports the request level of \$95 million for Fiscal Year 2004. This major program funds adult and juvenile fish bypass research and construction at the Corps' eight lower Snake River and lower Columbia River mainstem dams. Types of projects funded by the program include juvenile fish bypass systems at the dams; adult fish ladders; spillway flip lips to reduce gas supersaturation; extended length screens; gas abatement research; PIT tag detectors; surface bypass studies; turbine survival studies; and other activities. The electrical ratepayers of the Bonneville Power Administration repay the Federal Treasury approximately 75 percent of the funds appropriated for the program.

One of the major expenditures expected in Fiscal Year 2004 is approximately \$11.4 million for designing and constructing a removable spillway weir (RSW) at Ice Harbor Dam. This is a relatively new technology that is expected to pass juvenile salmon and steelhead efficiently over dams during spring and summer spill operations with much less water compared to current spill regimes. A long-term prototype RSW is currently being tested at Lower Granite Dam. Juvenile migrating fish tend to be surface-oriented, and “surface flow” passage is a more effective passage method than existing pressurized 50-foot-deep “gated” flow. The expected advantages of this technology include more fish passed per unit of water spilled, reduced upstream reservoir (i.e., forebay) residence time, less gas supersaturation, improved water quality and more power generation. The RSW will be raised into place in the dam spillways prior to commencing spill operations and will be lowered from the spillways at the conclusion of spill activities. In the event of a major flood, the RSW can be removed.

Other major activities to be funded under the program in Fiscal Year 2004 include continued construction of a juvenile surface bypass system at the Second Powerhouse at Bonneville Dam (\$4.9 million); juvenile fish bypass studies at Bonneville Dam (\$6 million); installation of extended-length screens at John Day Dam (\$6.5 million); spillway modifications and survival studies at The Dalles Dam (\$11.3 million); and gas abatement measures at McNary Dam (\$3.26 million).

Chief Joseph Dam Gas Abatement, WA: For Fiscal Year 2003, Congress added \$500,000 to the Corps’ budget for the design and construction of flow deflectors in the 19 spillway bays at Chief Joseph Dam to minimize total dissolved gas downstream of the dam during spill events. For Fiscal Year 2004, the Administration is requesting an additional \$900,000 to complete planning, engineering and design. The funds provided by Congress for the current year gave the Corps a head start on the project. Therefore, the Corps’ need for funding in Fiscal Year 2004 will be much greater than that represented by a \$900,000 appropriation. It is the Council’s understanding that the Corps’ full need and capability to perform work at Chief Joseph in Fiscal Year 2004 is approximately at the \$8 million level. If provided, actual construction activities would commence during Fiscal Year 2004. As this project was identified as a specific reasonable and prudent alternative in the 2000 Federal Columbia River Power System Biological Opinion, the Council would support additional funds appropriated in Fiscal Year 2004. The total estimated cost of the project is approximately \$32 million.

Willamette River Temperature Control, OR: The Council supports a \$10 million appropriation for Fiscal Year 2004, the same amount requested by the Administration. The funds will be used to allow continued construction of the temperature control intake tower at Cougar Dam and permit some progress on design work for a similar structure at Blue River. The Corps’ full capability to perform work in Fiscal Year 2004 is \$12.5 million. If Congress were to add an additional \$2.5 million to the Administration’s request, the funds would be used to complete plans and specification for the Blue River component of the project.

Both projects are located in the McKenzie River drainage in Oregon. The McKenzie is a tributary of the Willamette River. The project will restore fish and wildlife habitat by improving downstream water temperatures that have been degraded by the existing dam. Restoring pre-project temperatures will improve survival rates and increase populations of three important

native fish species: the ESA-listed wild stock of Willamette spring Chinook, the ESA-listed bull trout and the rainbow trout. The total estimated project cost is \$72.9 million. Through Fiscal Year 2003, the Corps has allocated \$37.5 million.

It is possible that the award of the Blue River construction contract will exceed the maximum project cost limit as established by section 902 of the Water Resources Development Act of 1986. The Corps' Portland District intends to refine the Blue River project's design, determine environmental compliance requirements and prepare a new cost estimate for the project in Fiscal Year 2004.

Lower Columbia River Ecosystem Restoration, OR & WA: The Council recommends support for the Fiscal Year 2004 budget request of \$250,000 under the *General Investigations* account, as well as the \$2 million under the *Construction, General* account. NOAA Fisheries has identified the Columbia River Estuary as playing a vital role in rebuilding the productivity of Columbia River Basin salmon and steelhead listed under the Endangered Species Act. The 2000 Federal Columbia River Power System Biological Opinion calls for the Corps and other federal agencies to implement actions to avoid jeopardy for these listed species. Actions include protection and enhancement of 10,000 acres of tidal wetlands and other key habitats in the estuary over 10 years, beginning in 2001, to rebuild productivity for listed populations. The project is being carried out in coordination with the Lower Columbia River Estuary Partnership, National Estuary Program, the states of Oregon and Washington, and local interests and organizations. The current cost estimate for construction of the project is \$30 million.

Walla Walla Watershed, OR & WA: The Council supports the Administration's request of \$440,000 for the Walla Walla River, a tributary of the Columbia River. It is located in southeastern Washington and northeastern Oregon. Much local interest has been focused on the river, including private irrigated agriculture, grazing and logging interests, local irrigation and soil conservation districts, planning commissions from the counties, state fish and wildlife agencies, the Confederated Tribes of the Umatilla Indian Reservation, U.S. Fish and Wildlife Service and the Natural Resources Conservation Service. Of primary concern is water supply and quality for municipal and industrial needs, irrigated agriculture and, perhaps most importantly, sustaining and restoring anadromous fisheries. Two fish species in the basin, bull trout and steelhead, are listed under the Endangered Species Act. The Corps' effort in the basin would be to restore instream flows, looking at four different methods: 1) headwater storage; 2) water exchange with the Columbia River; 3) irrigation efficiency; and 4) purchase of water rights from willing sellers. Currently there is a potential project with the Confederated Tribes of the Umatilla Indian Reservation for the restoration of instream flows. Fiscal Year 2004 funds will be used to continue the feasibility study phase, which is scheduled for completion in June 2005.

Federal Columbia River Power System

Bonneville Powerhouse Phase II (major rehab), OR & WA: The Administration is requesting \$3.363 million in Fiscal Year 2004 for continued work on the major rehabilitation of the first powerhouse at Bonneville Dam. Although the Council supports this funding request, it also urges Congress to add funds for this project, if at all possible. The full budget capability for the project for Fiscal Year 2004 is \$10.3 million, and would allow the Corps to maintain its current

construction schedule. At the Fiscal Year 2004 request level of \$3.363 million, the Corps will only be able to pay for work performed in Fiscal Year 2003, with no substantial work performed in Fiscal Year 2004. Lack of additional funds in Fiscal Year 2004 will result in a schedule slip of at least one year and may result in contract termination. The estimated cost of contract termination is \$18 million.

To date, minimum gap turbine runner and generator rewinds have been completed for generation units 3, 4, 5 and 6. Units 1,2, 7, 8, 9 and 10 are all awaiting various stages of rehabilitation (minimum gap runner replacement/installation and/or generator rewinds). Unit 1 is currently disassembled. Extended outages of units 1, 2, 9 and 10 have fish survival implications as these units provide attraction water to the entrances of the fishways and ladders at the powerhouse. In addition, the Bonneville Power Administration estimates that a unit out of service for a year costs approximately \$2.2 million in lost generation revenue. For these reasons, the Council believes that providing additional funds in Fiscal Year 2004 is both more cost effective, and will improve salmon and steelhead survival.

BUREAU OF RECLAMATION

Columbia-Snake River Salmon Recovery Project: The Council supports the Administration’s request of \$19 million for Fiscal Year 2004, a \$4 million increase over the current year. The program addresses the implementation of reasonable and prudent alternatives included in the NOAA Fisheries’ and the U.S. Fish and Wildlife Service’s 2000 Biological Opinions pertaining to the Federal Columbia River Power System.

Bureau of Reclamation Fiscal Year 2002-2004 Funding (\$ in millions)

	FY 2002 Enacted	FY 2003 Enacted	FY 2004 Budget
Columbia/Snake Salmon Recovery			
Hydro Related	5.5	6.5	6.4
Tributary Habitat	3.5	6.6	10.5
Research Monitoring & Evaluation	-	-	0.9
General	2.0	1.9	1.2
TOTAL	11.0	15.0	19.0

If provided by Congress, the \$19 million will be utilized as follows:

1. **Hydro-Related:** \$6.4 million for water-related activities, including water acquisition (on a willing seller-willing buyer basis), NEPA activities, and water quality monitoring.

2. **Tributary Habitat:** A total of \$10.5 million will be made available for priority subbasin improvements. The 2000 Biological Opinion gives the Bureau of Reclamation the responsibility to perform extensive instream fish habitat improvements (e.g., fish screens, removal of migration barriers) in 16 priority subbasins where no Reclamation projects currently exist. The Bureau is currently providing technical assistance (planning, design, permitting) in several of those priority subbasins. Unfortunately, the Bureau believes it does not have sufficient legal authority to engage in construction activities in those areas. Approximately one-third of the \$10.5 million is for actual construction activities that require authorization. The Administration has forwarded a separate legislative proposal to Congress to achieve this objective. The Council urges Congress to pass authorizing legislation to allow these activities to move forward.

3. **Research, Monitoring and Evaluation:** \$900,000 is requested for research, monitoring and evaluation. The Bureau's current focus is on monitoring the effectiveness of tributary actions. NOAA Fisheries and the Council have placed a high priority on monitoring, and we are pleased the Bureau is moving forward with its own program.

4. **General:** The \$1.2 million requested is for consultation, planning, reporting, NEPA and coordination of activities related to the 2000 Biological Opinion.

COMMERCE, JUSTICE, AND STATE, THE JUDICIARY AND RELATED AGENCIES SUBCOMMITTEE

NOAA FISHERIES

The Council supports the Administration's request for a total of \$39.7 million for Columbia River Basin activities for NOAA Fisheries for Fiscal Year 2004, as well as the \$90 million requested for the Pacific Coastal Salmon Recovery Fund.

**NOAA Fisheries
Columbia River Federal Basinwide Salmon Funding
Fiscal Year 2002-2004 Funding
(\$ in millions)**

	FY 2002 Enacted	FY 2003 Enacted	FY 2004 <i>Budget</i>
Columbia River hatcheries (Mitchell Act)			
Operations and Maintenance	11.5	11.5	11.5
Screens (Construction)	3.4	3.4	3.4
Hatchery Reform	1.7	1.7	1.7
ESA Recovery Plan	7.2	7.2	7.2
Resource Information Base (NOAA hydro staff)	2.2	2.2	2.2
Columbia River Biological Opinion Implementation			
Research, Monitoring and Evaluation	-	0.0	11.6

Subbasin & Hatchery Planning and Implementation	-	0.0	3.5
Mass Marking Trailers	-	1.6	-
Subtotal	26.0	27.6	41.1

Other Pacific Coastal Salmon Activities

Pacific Coastal Salmon Recovery Fund	110.0	90.0	90.0
Pacific Salmon Treaty	45.0	40.0	0.0
Subtotal	155.0	130.0	90.0

Columbia River Mitchell Act Hatchery Program: The Mitchell Act was passed by Congress in 1938 and amended in 1946. It acknowledged the obligation of the federal taxpayers to mitigate some of the damage to Columbia River fisheries caused by hydroelectric development and other activities in the Columbia River Basin. The Act authorized federal agencies to work with the states to establish and operate hatcheries and fish passage facilities.

A total of \$16.6 million is requested to support the Mitchell Act Program in Fiscal Year 2004. Of that amount, \$11.5 million is for hatchery operations and maintenance; \$3.4 million for the design, construction and installation of irrigation diversions screens; and \$1.7 million is for hatchery reform activities. The Council supports these funding levels while also realizing that the needs of the Mitchell Act are far in excess of these amounts. The Council is particularly interested in continued funding for the screens program, as those activities directly benefit wild salmon and steelhead. The diversion screens are vital to fish survival, especially those upriver stocks now listed as threatened or endangered.

The Council is also strongly supportive of the \$1.7 million request for hatchery reform activities. The Council has taken a leading role in advocating hatchery reform efforts throughout the Columbia Basin and is currently engaged in the Artificial Production Review and Evaluation process. The APRE is evaluating the benefits and risks of anadromous and resident fish hatchery programs with the goal of improving their operations. The review constitutes part of the implementation stage of the Council's *Artificial Production Review*, a congressionally-mandated report that outlined recommendations to reform hatchery practices.

The Council is working closely with NOAA Fisheries and the Bonneville Power Administration to coordinate the APRE findings with the effort to develop Hatchery and Genetic Management Plans. NOAA Fisheries will use HGMPs to implement changes at hatcheries while addressing the Endangered Species Act and other legal requirements.

Columbia River Biological Opinion Implementation: The Council supports the \$11.6 million increase in NOAA Fisheries' Fiscal Year 2004 budget for the Research, Monitoring and Evaluation (RM&E) necessary to continue implementing measures in the 2000 Biological Opinion. The RM&E program will provide the scientific information necessary to assess whether Biological Opinion performance measures are being achieved at the 2003, 2005, and 2008 check-ins. This funding also provides the research needed to address key uncertainties

identified in the Biological Opinion in the areas of estuary and near-shore ocean survival, delayed effects related to dam passage, and the effects of hatchery programs on the productivity of naturally spawning fish. A request for \$10 million for these activities was submitted in NOAA's Fiscal Year 2003 budget, but Congress denied it. The Council urges Congress to reconsider its action and provide funding for this important activity for Fiscal Year 2004. To the extent that funds are not appropriated for these activities, more pressure will be placed on the Bonneville Power Administration electrical ratepayers to fund them.

The Council also supports the request of \$3.5 million for subbasin and hatchery planning and implementation. Subbasin planning is a major component of the offsite mitigation requirements in the 2000 Biological Opinion. Although the Council and the individual states are heavily involved in organizing and managing the subbasin planning process, the effort cannot succeed without the active participation of NOAA Fisheries and the other federal agencies. Providing this funding is an important factor in achieving the offsite mitigation objectives in the biological opinion.

INTERIOR AND RELATED AGENCIES SUBCOMMITTEE

U.S. Fish and Wildlife Service

The U.S. Fish and Wildlife Service is requesting a total of \$10.306 million for Columbia River Basin activities in Fiscal Year 2004. While the Council supports this request, it urges the Congress to also include at least \$4 million for irrigation diversion screens in the Service's construction account.

**US Fish and Wildlife Service FY 2002-2004
Columbia River Basin Initiative Resource
(*\$ in Millions*)**

	FY 2002 Enacted	FY 2003 Enacted	FY 2004 Budget
Hydropower			
Monitor & Evaluate Bull Trout Pop.	0.000	0.119	0.119
Habitat			
Instream Flow	0.375	0.949	0.949
Avian Predation	0.300	0.298	0.298
ESA Consultation	0.797	1.700	1.700
Col. R. Estuary Restoration	0.000	0.179	0.179
Fish Passage	0.050	0.050	0.050
Subbasin Planning	1.060	1.053	1.053
Bull Trout passage	0.495	1.143	1.143
Habitat Restoration	0.400	0.397	0.397
Total Habitat	3.477	5.769	5.769

Hatcheries

Hatchery Operations & Maintenance	1.809	2.394	3.017
Hatchery Monitor & Evaluation	0.580	1.054	1.054
Fish Health	0.000	0.119	0.119
Total			
Hatcheries	2.389	3.567	4.190

Harvest

Limit Harvest Impacts	0.160	0.228	0.228
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Construction

Pacific Northwest Fish Screens	4.00	2.00	0.00
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GRAND TOTAL	10.026	11.683	10.306
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Pacific Northwest Irrigation Diversion Screening: In Fiscal Year 2002 Congress provided an initial appropriation of \$4 million for this program. For Fiscal Year 2003, budgetary pressures resulted in an appropriation of only \$2 million. Unfortunately, in its Fiscal Year 2004 budget, the Administration requested no funds for irrigation diversion screens in the Pacific Northwest. Based on the high level of interest throughout the region, the Council believes that the U.S. Fish and Wildlife Service easily could administer a program four or five times the size of the current year's funding level. Therefore, the Council supports an appropriation of at least \$4 million, the same as in Fiscal Year 2002.

When Congress passed the Fisheries Restoration and Irrigation Mitigation Act of 2000 (P.L. 106-502), it authorized up to \$25 million annually for the U. S. Fish and Wildlife Service to administer a program to construct irrigation diversion screens in the states of Idaho, western Montana, Oregon and Washington. This program is a significant resource that helps landowners comply with screening standards. Although funding for this program is not a specific requirement in the Columbia River biological opinions, it is a significant resource for addressing a major habitat problem. Federal funding complements Bonneville Power Administration ratepayer funding in many subbasins and accelerates the schedule for resolving salmon passage problems. Irrigation districts and other private interests must put up a local cost share to access the funds. The program has been set up as a grants program whereby irrigation districts, local governments, states and tribes submit proposals to the U.S. Fish and Wildlife Service for review and approval.

The Council appreciates the opportunity to bring these programs and funding levels to your attention. While we support adequate levels of funding for these activities, we also understand the budgetary pressures you are under given the many critical needs the nation faces, both domestically and internationally. Please do not hesitate to contact us if we can provide additional information on these or any other programs affecting the resources of the Columbia River Basin.

Sincerely,

Judi Danielson
Chair

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