



The Confederated Tribes of the Colville Reservation

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January 27, 2003

Judi Danielson, Chair
Northwest Power and Conservation Council
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Ms. Danielson and Council Members,

As Chair of the Colville Business Council, governing body of the Confederated Tribes of the Colville Reservation (Colville Tribes), I write on behalf of the Colville Tribes to draw attention to what we believe are the central issues the Council must address in responding to BPA's request for assistance in cutting the Fish and Wildlife Program—and to provide some recommendations that we believe would benefit the entire region in addressing this predicament. I also wish to express the Colville Tribes' profound concern over a proposal put forward by Council staff to address potential budget reductions by rolling back Fish and Wildlife Program funding to 2001 levels.

The Colville Tribes have suffered some of the most extensive natural resource, economic and cultural losses in the entire basin. In addition to the ongoing and direct losses associated with the effects of downstream hydroelectric facilities on upriver stocks, the construction of Grand Coulee and Chief Joseph dams extirpated salmon from the entire upper Columbia River Basin. For over 60 years the bulk of these losses have gone unmitigated. The loss of almost all of our traditional fishing opportunities has caused our people to come to rely more extensively on wildlife for subsistence.

However, the members of the Colville Tribes are patient and resourceful. We have worked consistently to stretch our limited resources as far as possible, to utilize a broad range of funding sources, and we have been leaders in developing innovative collaborative relationships with the Council, private landowners, irrigators, County Governments and our Canadian neighbors. The current lack of stability in Program funding, however, is undermining the confidence of our members, the stakeholders with whom we have developed hard-won collaborative relationships, and the very integrity of our protection, mitigation, enhancement, and recovery projects.

Following is a summary of our concerns (see attached list of issues and proposed solutions for full detail):

- The February 21st deadline established by BPA must be extended until accurate financial data is available and until the Council can meaningfully engage the region's fish and wildlife managers in developing an acceptable range of solutions;
- Budget cuts, if necessary, must be distributed evenhandedly across the basin while at the same time addressing existing unevenness in implementation of the Council's entire F&W program. Council staff's proposal to rollback funding to 2001 levels is unacceptable -- it would single out the Intermountain and Columbia Cascade provinces, and the Colville Tribes, to absorb a disproportionate percentage of "crisis" funding cuts;

- Implementation of the Biological Opinion must be balanced with protection, mitigation and enhancement required under the Council's existing Program and with longstanding, but unmet tribal trust responsibilities;
- In order to move forward, mechanisms to assure BPA's future fiscal and management accountability must be developed in order to restore stability and predictability to the Program;
- The Council should demand that BPA work in good faith with the entire region to implement the budget reduction recommendations of the fish and wildlife managers and the Council, and to immediately cease project-by-project and arbitrary management decisions and unilateral policy implementation.

The Colville Tribes are committed to working with the Council and others in the region to develop productive and rational solutions to these current challenges. In general terms, we propose that after, and only after, the full and precise nature of Bonneville's financial situation has been confirmed, the Council work in concert with the region's fish and wildlife managers to activate a process that allows for genuine and meaningful input from the region's fish and wildlife managers to: 1) identify appropriate, equitable and temporary budget reductions; 2) establish an acceptable balance between protection, mitigation and enhancement, and ESA-driven goals; and 3) identify mechanisms to improve long-term accountability and management of fish and wildlife funds. To set this process in motion, we are providing a proposed framework for a targeted series of workshop meetings and will be discussing this with the regional fish and wildlife managers and Council staff beginning today.

In more specific terms, the Colville Tribes are also willing to sit down with the Council to resolve wildlife crediting issues so that land acquisitions could be rolled into a capital budget.

As to the resolution of the larger issues outlined in this letter, we will expect members of the Council and key staff to meet with us to define the processes through which we may satisfactorily address these challenges together. I thank you for your consideration of these comments

Sincerely,

CONFEDERATED TRIBES OF THE COLVILLE RESERVATION


Joseph A. Pakootas, Chair
Colville Business Council

cc: Mary Verner - UCUT
Don Sampson - CRITFC
Rod Sando - CBFWA
Steve Wright - BPA
Therese Lamb - BPA

Attachments: 1. Comments on FY 2003 Budget Reduction with Recommendations for Resolution
2. Proposed framework for Co-Regional Work Group meetings.
3. September 16th, 1998 BPA Funding Principles



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Comments on Proposed FY2003 Budget Reduction with Recommendations for Resolution

January 27, 2003

Problem/Issue 1: The February 21st “Deadline”

The February 21st deadline established by BPA to identify reductions in the FY2003 budget is forcing the Council – and the region - into a crises management mentality. This artificially imposed deadline 1) restricts access to, and synthesis of, the financial data necessary to make sound decisions, 2) restricts the Council’s ability to meaningfully engage the region’s fish and wildlife managers in developing effective and equitable short-term and long-term solutions, 3) dangerously constricts and/or eliminates the range of available and reasonable options, and 4) undermines the stability and rationale of the Council’s 2000 Fish and Wildlife Program.

Proposed Solutions:

1. Make clear to BPA that the Council cannot and will not identify potential cuts to the Fish and Wildlife program until BPA provides 1) accurate financial information requested by the Council, and 2) a commitment to adhere to the Council’s and the fish and wildlife managers’ recommendations and processes.
2. The Council should immediately confer with the region’s fish and wildlife managers to establish a process (see attached outline) to identify short-term temporary budget cuts or other forms of resolution. The existing budget problems cannot be solved in a vacuum. The basin-wide perspective and collective wisdom and expertise of the fish and wildlife managers is necessary to develop strategies and avenues for arriving at solutions that are consistent with the statutory requirements identified in Section 4(h) of the Northwest Power Act. If the Council is going to establish new principles for prioritizing deferrals in program implementation, this must be achieved with input from, and deference to, the region’s fish and wildlife managers.
3. As a follow-up step the Council should actively confer with the region’s fish and wildlife managers to develop a process through which to identify long-term strategies to ensure the long-term integrity, stability, and viability of the Council’s Fish and Wildlife Program.

Problem/Issue 2: Equity and Balance

We see three central issues of equity and balance: 1) the Fish and Wildlife Program—which was under budget and running well prior to implementation of the current crises/chaos management—is being targeted to pay for substantial BPA budget overruns and fiscal mismanagement that have nothing to do with the F&W Program, 2) there is no process to distribute temporary budget cuts equitably across the basin, and 3) an inappropriate prioritization is being given to implementation and funding of Biological Opinion requirements over the protection, mitigation and enhancement required under the Council’s Program (including tribal trust responsibilities), and to a set of so-called “check-in” or targeted RPA actions. Finally, the implications of an alleged “integrated program” were not widely discussed in the region, nor were the Fish and Wildlife managers or tribes adequately consulted on this sweeping policy decision. Revisiting the advisability of this model, and its present fiscal ramifications, is warranted.

An example of the equity issue is Council central staff’s proposal to rollback funding to 2001 levels to “solve” the current financial situation. Under a 2001 rollback, the Intermountain and Columbia Cascade provinces would be singled out to absorb a disproportionate percentage of F&W funding cuts. The Colville Tribes in particular would be profoundly hurt by this rollback. In addition, the rollback would perpetuate an historic pattern of chronic under-funding and unmet mitigation in the Columbia Cascade - a province in which two salmonid species are listed as endangered. The Colville Tribes were not consulted in the development of this proposal nor were F&W managers who would be impacted by its implementation part of any genuine discussion.

Proposed Solutions:

1. BPA’s financial crises should be addressed first through implementing cuts in the divisions where the cost overruns occurred, not by deferring funding in the Fish and Wildlife Program. Additionally, BPA should exercise all available mechanisms to meet funding needs for the Program before deferring spending. Once BPA has provided accurate financial information, internal administrative costs and related overruns should be promptly addressed (e.g. BPA’s FY2003 \$12 million internal cost for administering the Fish and Wildlife Program). Unilaterally initiated deferrals in F&W funding must also be quantified and provided as part of the financial data package.
2. A regional process that includes participation of Council members and staff and the fish and wildlife managers, should be developed and immediately initiated to assure equity and balance are addressed in the development of short and long-term strategies to assist BPA in addressing its financial situation (see attached). In addition to the Council’s principles, the Council, BPA, and the region’s fish and wildlife managers should refer to the principles BPA developed to guide the structuring of its subscription and power rate products for the 2002-2006 rate case (*Fish and Wildlife Funding Principles for Bonneville Power Administration Rates and Contracts* - September 16, 1998) to help guide this process.

Problem/Issue 3: Accountability & Predictability

BPA's recent unilateral actions and broken commitments are eroding regional confidence in the Fish and Wildlife Program's stability, overall direction, and successful implementation. BPA's actions (e.g. project-by-project policy implementation, arbitrary changes to elements of projects, subjective elimination of available funds, and BPA's unsolicited projects—developed without F&W manager or independent scientific review) indicate a disregard for the Program's rigorous review procedures, extensive regional prioritization process, and make long-term, and even short-term, planning difficult.

For instance, in good faith, the Colville Tribes have taken a leadership role in the Upper Columbia region in developing collaborative relationships with stakeholders to implement programs that would benefit both listed and unlisted species, provide cultural and subsistence fisheries for our membership, and economic stimulus and regulatory relief to the region. The ongoing success of these collaborative efforts, and the hard-won relationships upon which they depend, are in jeopardy by the current the lack of funding predictability, ever-changing rules, and an increasing list of broken BPA commitments.

Finally, BPA's inability to produce timely and accurate fiscal information for its fish and wildlife division is symptomatic of substantial and persistent mismanagement throughout the division. There is abundant and unambiguous documentation provided by outside review, the tribes, and the fish and wildlife managers, alerting BPA of these problems as early as 1998.

Proposed Solutions:

1. The Council should call for BPA to publicly affirm its commitment to the implementation of the Council's 2000 F&W Program and the processes through which the Program is implemented (an end to arbitrary and unilateral actions on BPA's part). This would include: 1) a commitment to protection, mitigation and enhancement, 2) a commitment to redressing any short-term program concessions made in this current financial climate once BPA's financial condition has improved, and 3) a commitment to subbasin planning along with a commitment of fund future iterations of subbasin plans.
2. At the earliest possible date, Council should work with the region's fish and wildlife managers, and BPA, to develop an MOA for wildlife acquisition.
3. Council, the region's fish and wildlife managers, and BPA need to begin work immediately to renegotiate a MOU with BPA to assure stability, accountability, and predictability for both the region's fish and wildlife managers and for BPA.
4. The region's fish and wildlife managers and Council have indicated a willingness to assist BPA in reconciling some of the management and accounting problems that plague the fish and wildlife division, however, it may be time to consider third party management of BPA's fish and wildlife division and a trust account or process for F&W funds.

PROPOSAL FOR AN IMPROVED DECISION-MAKING PROCESS

Convening Co-Regional Work Groups in February 2003

