NORTHWEST POWER PLANNING COUNCIL

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March 26, 2001

Stephen J. Wright
Acting Administrator
Bonneville Power Administration
905 N.E. 11th Avenue
Portland, OR 97232

Dear Mr. Wright:

The Council completed its recommendations for projects to be funded this year under the "high priority" funding commitment by the Bonneville Power Administration. With this letter we are communicating both the list of projects recommended for funding and a summary of the Council's deliberations.

The Council called for solicitation of high priority projects in the 2000 Columbia River Basin Fish and Wildlife Program, recognizing that certain types of projects should proceed in advance of subbasin plans. The Program established criteria for these projects, emphasizing projects with immediate benefits to species listed under the Endangered Species Act. This process provides a mechanism to quickly implement projects addressing the off-site mitigation requirements of the 2000 Biological Opinion for the federal hydropower system.

The Council's review of projects proposed for Bonneville funding is conducted pursuant to the provisions of the Section 4(h)(10)(D) of the Power Act. That section requires review by the Independent Scientific Review Panel, public comment and recommendations by the Council.

All project proposals were reviewed by the Independent Scientific Review Panel and the Columbia Basin Fish and Wildlife Authority. These reviews were submitted to the Council on February 1, 2001. The ISRP review provided an initial evaluation of whether or not the proposals met the threshold criteria of the solicitation and also a series of ratings based on the panel's confidence that the proposals would benefit listed species.

We also received comment from the National Marine Fisheries Service, which addressed the consistency of proposals with the 2000 Biological Opinion for the federal hydropower system. Bonneville staff provided a table rating the degree to which they believed the projects addressed the solicitation criteria.

In addition to these comprehensive reviews, we also received nearly 150 individual comments in support or opposition to projects. In a number of cases these comments offered additional information about the applicability of the proposals to the criteria for the solicitation. As you know, our intent was to expedite this solicitation process and so, unlike the normal

conduct of our provincial reviews, we did not provide an opportunity for project sponsors to address the initial ISRP questions and obtain reconsideration from that panel.

We determined that the projects on our recommendation list are consistent with the "high priority projects" criteria in the 2000 Columbia Basin Fish and Wildlife Program and offer immediate opportunities to benefit listed species in Fiscal Year 2001. Given that a threshold standard in the criteria was addressing imminent risks to survival to one or more species listed under the Endangered Species Act, this means the project list is also based in the Council's judgments on how best to address the priority actions and locations described in the Biological Opinion. Our list of projects includes many of the projects the ISRP gave its highest recommendation for funding. Three projects from that list were removed because of additional information that the projects no longer met the selection criteria, in particular for concerns about the ability to implement these projects in 2001.

We also determined that several additional projects that the ISRP found met the high priority project criteria, but were not included in its highest rating tier should be recommended. In reviewing the projects, we found several outside of the first tier that promise implementation of priority water quality, water quantity and passage improvement measures in targeted subbasins, including new approaches to water rentals. We determined that these projects proposed immediate actions in priority areas, and thus should be implemented this year rather than wait for consideration in the provincial review.

Good examples of projects that improve water quality and quantity were found in the Lemhi subbasin, a priority subbasin for 2001 under the Biological Opinion. Another reason for recommending these additional projects is that they are supported by state and local commitments to implement voluntary approaches to satisfy the goals of the Program and the Biological Opinion. Many of these projects also contain cost-sharing. It was our judgment that in some cases, these commitments and community support would be lost if the projects did not move forward immediately. Our belief is that this would not only jeopardize the ability to do the specific project in the future, but also the ability to do program work of any sort in the area in the near future.

Finally, in several of the cases where we recommended projects additional to the highest tier, we found that their implementation would build upon significant investments that Bonneville is already making in a subbasin. We believe that it is an appropriate policy to seek to maximize and protect those other fish and wildlife investments, and this provided additional impetus to recommend additional projects.

Again, it is important to note that the ISRP found that all of these projects recommended by the Council met the mandatory high-priority project criteria. The Council reaffirmed that the projects met the criteria as well as reflected emphasis in NMFS' priority subbasins for Biological Opinion implementation. The ISRP clearly advised the Council that it believed many of the projects not in its highest tier did in fact demonstrate a high potential for benefits (See ISRP Report 2001-1, page 3). The ISRP report makes clear that these projects met the criteria in the program and in the Bonneville/Council joint solicitation letter, but were not grouped in its highest tier primarily because they lacked detail or context. After receiving additional project-specific information in the public comment period, much of it addressing points noted by the ISRP, we were persuaded that these additional projects recommended by the Council were of comparable quality to the initial list drawn from the top tier. These projects should be significant opportunities to demonstrate progress towards the performance standards of the Biological Opinion.

During our deliberations, Robert Austin of the Bonneville Power Administration informed us that Bonneville's intent remains to allocate $10 to $15 million above the Fiscal Year 2001 direct program budget for high priority projects. Mr. Austin also said that Bonneville would seek assurance from the National Marine Fisheries Service that the projects recommended by us would be confirmed by that agency as addressing action items of the Biological Opinion.

Our staff's analysis of the reviews by Bonneville and the National Marine Fisheries Service concluded that there were a number of apparent inconsistencies among the initial ratings of the projects by both agencies. Our staff also questioned Bonneville's application of the solicitation criteria to the projects. These concerns were detailed in the staff recommendations to the Council dated February 28, 2001, a copy of which was also furnished to Bonneville staff.

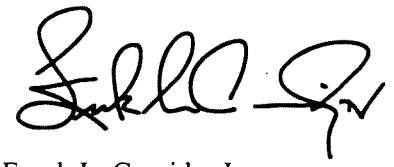
We recognize that, due to the compressed review schedule, the comments by Bonneville were prepared prior to receipt of the ISRP review and therefore did not have the advantage of the information produced by the ISRP, or that gathered by the Council staff in its review. Our staff's recommendation, therefore, was that both NMFS and Bonneville should reconsider their reviews of individual projects before relying on these prior conclusions as the basis for not funding projects on our recommendation list. In the event that Bonneville chooses not to fund a project on this list, we would request that Bonneville explain to us the basis for that decision.

Our list totals more than Bonneville initially suggested to fund, but we believe we should quickly pursue implementation of the entire list to ensure that the greatest number have every chance to be implemented this year. If they are, we are confident they will confirm swift implementation of required actions in the Biological Opinion as well as the 2000 Columbia Basin Fish and Wildlife Program. We recognize that completing preparations to initiate these projects this year will require considerable effort by the project sponsors, your staff and the many cooperators of these proposals. We stand ready to lend every assistance we can to speed project implementation.

As is the case with all of our project recommendations, we regard the estimated costs for these proposals as preliminary and subject to final contract negotiations with Bonneville. We would expect that the sponsors of the projects present statements of work consistent with the proposals submitted for this process.

Please contact me or Bob Lohn of our staff if we can provide any additional information about our recommendations.

Sincerely,



Frank L. Cassidy, Jr.
Chairman

cc: Sarah McNary
Brian Allee
Donna Darm

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Northwest Power Planning Council recommendations for High Priority projects

ProjectID	Title	Sponsor	Subbasin	Estimated Cost
I. Recommended by Council - February 7, 2001				
23036	Evaluate live capture selective harvesting methods for commercial fisheries on the Columbia River	WDFW, ODFW	Mainstem Columbia	**$384,285**
II.Recommended by Council - March 7, 2001				
23001	Protect Bear Valley Wild Salmon, Steelhead, Bull Trout Spawning and Rearing Habitat	SBT & IDFG	Salmon	$320,000
23002	Ames Creek Restoration	USFS	Willamette	$170,000
23008	Improve Stream Habitat by Reducing Discharge from Animal Feeding Operations in Salmon and Clearwater Basins	IOSC	Clearwater/ Salmon	$1,100,000
23010	Restoration of Anadromous Fish Access to Hawley Creek	IOSC	Salmon	$2,159,000
23011	Reconnect Little Morgan Creek to the Mainstem Pahsimeroi River	IOSC	Salmon	$1,100,000
23012	Arrowleaf/Methow River Conservation Project	TPL, WDFW	Methow	$2,500,000
23032	Return Spawning/Rearing Habitat to Anadromous/Resident Fish within the Squaw Creek to Papoose Creek Analysis Area Watersheds	NPTFWP	Clearwater	$420,000
23045	Gourley Creek Dam Fish Ladder	City of Scappoose	Lower Columbia	$200,119
23046	Increase In Stream Flows to De-watered Stream Reaches in the Walla Walla Basin	WWCCD	Walla Walla	$590,000
23047	Acquire Tucannon River Water Rights	WWT	Tucannon	$120,000
23048	Install Fish Screens to Protect ESA-listed Steelhead and Bull Trout in the Walla Walla Basin	WWCCD	Walla Walla	$461,700
23053	Wagner Ranch Acquisition	CTWSRO	John Day	$2,658,774
23054	Forrest Ranch Acquisition	CTWSRO	John Day	$4,184,185
23056	Farmers Irrigation District Mainstem Hood River Fish Screen Project	CTWSRO	Hood	$500,000
23073	Purchase Perpetual Conservation Easement on Holliday Ranch and Crown Ranch Riparian Corridors and Uplands	ODFW	John Day	$481,800
23094	Acquire 27,000 Camp Creek Ranch at Zumwalt Prairie	TNC	Imnaha	$2,000,000
Total Recommended by the Council				**$19,349,863**
IIb. Council recommends if 23010 does not proceed				
23007	Conservation Easement, Baker Ranch, Salmon River East Fork	IOSC	Salmon	$1,415,000