



DATE: January 29, 2003  
TO: Members Management Group  
FROM: Tom Iverson   
SUBJECT: Update on NWPCC decision to proceed with budget evaluation exercise

The Northwest Power and Conservation Council (NWPCC) met on Monday to discuss Bonneville Power Administration's (BPA) fish and wildlife project spending cap and decide on a process to implement the cap. I am writing this brief memo to update CBFWA members and other project sponsors on the current situation.

BPA provided an update on the information they released on January 23, 2003 responding to the NWPCC's questions from December 23, 2002. CBFWA forwarded this information to you on January 24, 2003. BPA also provided an update on the needs for the Biological Opinions. BPA's estimate is that \$120 million will be necessary for full implementation of the FCRPS BiOps (see Attachment #1). Oregon state staff believes this number to be substantially lower due to errors in the data base at BPA. If correct, however, this would leave only \$19 million for the remaining projects under BPA's funding cap of \$139 million. Under close questioning, BPA staff said that funds for which bills have not been submitted by the end of the fiscal year will be lost. BPA also indicated that it intends to borrow only about \$14.5 million for fish and wildlife projects in FY 2003.

Representatives of the Confederated Tribes of the Colville Reservation (CCT), Yakama Nation, and CBFWA presented strong comments to the Council. I have included the final CBFWA comments (Attachment #2) and written materials submitted by the CCT (Attachment #3).

The NWPCC staff has proposed a process for recommending cuts or deferrals to meet the spending cap imposed by BPA (Attachment #4). Staffs from NWPCC, BPA and CBFWA are meeting today to discuss regional issues (see Attachment #5 for agenda). I will send an update from today's meeting. Following resolution of some key issues, the NWPCC staff will begin province level meetings (see Attachment #6 for a possible meeting schedule). At these province level meetings, NWPCC staff hopes to develop estimated spending plans for FY 2003, 2004 and 2005 for every project. The attached principles (#7), developed by NWPCC staff, will guide these decisions.

Please review the attached material carefully. I recommend that you contact your NWPCC members and discuss in detail the process and implications of the decision making. Communication will be critical during the next month in responding to the current crisis.

If you have questions or concerns, please call or email me at 503-229-0191 or ([tiverson@cbfwa.org](mailto:tiverson@cbfwa.org)).

h:\work\mmg\NWPCCprocess.doc