

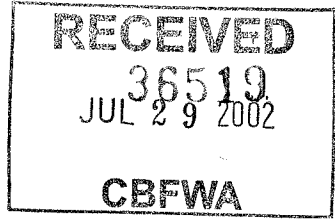
ALL

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Bonneville Power Administration  
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ENVIRONMENT, FISH AND WILDLIFE

July 23, 2002

In reply refer to: KEW-4

Mr. Frank L. Cassidy, Chairman  
Northwest Power Planning Council  
851 SW Sixth Avenue, Suite 1020  
Portland, OR 97204

Dear <sup>Cassidy</sup>Chairman Cassidy:

We offer the Northwest Power Planning Council (Council) the following comments on the Columbia Estuary, Lower Columbia, Middle Snake and Upper Snake Provincial reviews for consideration. In response to a July 18, 2002 letter from Jim Caswell of the Idaho Office of Species Conservation, Bonneville has limited our comments on project proposals in the Middle and Upper Snake Provinces to those identified as on-going and those new proposals which received both a "fundable" ranking from the Independent Scientific Review Panel and a "high priority" ranking from the Columbia Basin Fish and Wildlife Authority. Our comments on the Columbia Cascade Province are still being developed and will be submitted shortly. The focus of our comments is on new proposals and on-going projects intended to benefit Endangered Species Act (ESA)-listed anadromous fish and bull trout, although we do comment on wildlife and non-listed resident fish proposals as well. Our intent is to provide the Council with information that it can use as it prepares recommendations to the Bonneville Power Administration (Bonneville) for Fiscal Year (FY) 2003 fish and wildlife mitigation and recovery project funding in the above-listed provinces. As we have stated before, there is a continuing need to prioritize Bonneville-funded fish and wildlife projects in the Columbia River Basin as the ecosystem (All-H) approach to mitigation and recovery is implemented and the amount of desired funding for such an approach exceeds that which is available. Care must be taken to direct funding to the projects that provide the most biological benefit at the least cost.

As we have stated previously, we believe that the real hope for implementation of an integrated and prioritized fish and wildlife mitigation and recovery program resides with development of Subbasin Plans. We have recently entered into a two-year contract with the Council for development of these plans for the entire Columbia River Basin. As stated in the contract, Subbasin Plans will be developed in close coordination with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (FWS) to ensure the integration and prioritization of ESA-focused project activities into the

Council's Fish and Wildlife Program for those subbasins where ESA-listed species are present.

As these proposals in the five provinces have already been reviewed by the Independent Scientific Review Panel (ISRP) and by the members of the Columbia Basin Fish and Wildlife Authority, Bonneville's review relies significantly on their initial conclusions with respect to scientific merit and technical feasibility. This evaluation was, therefore, intended to complement these prior reviews by focusing primarily on policy and financial issues in prioritizing proposals to accomplish Bonneville's ESA responsibilities and the Council's fish and wildlife mitigation objectives. In addition, as an essential step in ensuring that Bonneville is able to fully utilize the provincial reviews as a primary means of meeting off-site ESA obligations, the evaluation provides guidance on how project proposals might be used to implement NMFS' and FWS' 2000 Biological Opinions as outlined in the Action Agencies' Annual Implementation Plan.

The Bonneville evaluation provides the Council with our views (based on the criteria and ranking factors below) on the full suite of project proposals submitted from which the Council will select a subset to recommend for Bonneville funding. We fully support the need to remain within the budget targets of \$150M expense and \$36M capital for the integrated ESA/Northwest Power Act mitigation and recovery program. With respect to proposed budgets for individual projects, Bonneville will negotiate appropriate statements of work and budgets for projects after a decision has been made to fund a project.

In identifying project proposals that Bonneville judges would meet Biological Opinion implementation requirements and priorities as described in the Action Agencies' Implementation Plan, we have attempted to distinguish between those projects that we believe are critical to meeting specific, time-sensitive, NMFS Biological Opinion requirements and those where there are a variety of proposals that would address a given Reasonable and Prudent Alternative (RPA).

In performing this review, we found that in many project proposals, the list of past accomplishments in Section 2 was very brief, reporting largely administrative milestones. Effective review of ongoing projects requires a basic knowledge of the results of past work and how those results relate to the project's objectives. Obtaining and reading all of the projects' annual reports could accomplish this review. However, such a task would be very time-consuming and expensive. Review and selection of projects for funding would be significantly enhanced if the project sponsors were, in their proposals, required to summarize their project results based on the stated objectives. Such information is critical in assessing the ongoing need for the project and the ability of its sponsors to achieve its objectives. For future solicitations, Bonneville will work with the Council to ensure that report results are provided by the project sponsor that relate to each funded objective.

## **CRITERIA:**

Criteria and Ranking Factors for this evaluation were drawn from the solicitation letter of November 1, 2001; the ISRP Final Review of Fiscal Year 2003 Project Proposals for the Columbia Estuary, Lower Columbia, Columbia Cascade, Middle Snake and Upper Snake Provinces; the Action Agencies' 2002 Annual Implementation Plan; NMFS' 2000 Biological Opinion; FWS' 2000 Biological Opinion; and, the Council's 2000 Columbia River Basin Fish and Wildlife Program, as amended.

In order for a project to be considered for funding in this round of provincial reviews, whether a new proposal or an on-going project, the project must:

- Be consistent with the Council's Fish & Wildlife Program;
- Not be in conflict with NMFS' or FWS' 2000 Biological Opinions or the Action Agencies' Implementation Plan;
- Be consistent with Federal trust and treaty responsibilities;
- Have scientific merit (rely largely on ISRP);
- Be implementable (technical feasibility); and,
- Include the appropriate level of effort and costs.

## **RANKING SYSTEM:**

We gave **top priority** to existing (on-going) projects where the objectives have been, and still are, clear and where not funding the project would significantly jeopardize the investment that the region has made to date and to those on-going and new proposals that are technically sound and meet the need to implement a particular RPA action under NMFS' 2000 Biological Opinion or measure under the FWS' 2000 Biological Opinion, as described in the Action Agencies' Implementation Plan.

There are some on-going projects that we believe Bonneville should not continue funding into FY03. In addition, there are some on-going projects that we believe should be put on hold until the development of specific subbasin plans that may, or may not, call for their continuance.

New proposals and **on-going** projects were assigned to one of four categories based on the following:

**Category A List**

An **on-going** project that either addresses a specific RPA in NMFS' 2000 Biological Opinion or measures in the FWS' 2000 Biological Opinion, or, if not, the objectives of the project have been, and still are, clear and where not funding the project would significantly jeopardize the investment that the region has made to date.

A **new** proposal that addresses a specific RPA in NMFS' 2000 Biological Opinion or RPM in USFWS' 2000 Biological Opinion and is consistent with the Action Agencies' Implementation Plan.

**Category A List - Conditional**

Some limitations in scope and funding level of projects are recommended.

**Category B List**

An **on-going** project that should await completion of a Sub-Basin Plan as it involves: a) significant and unresolved policy issues, b) substantial costs, and/or c) complexities that should not be addressed until a Sub-Basin Plan is completed and amended into the Council's Fish and Wildlife Program.

**Category C List** -

A **new** proposal that should await completion of a Sub-Basin Plan as it involves: a) significant and unresolved policy issues, b) substantial costs, and/or c) complexities that should not be addressed until a Sub-basin Plan is completed; or should await development of a regional research, monitoring and evaluation plan (RM&E).

**Category D List** -

**New** proposals or **on-going** projects that do not meet all of the above criteria.

In reviewing proposals' potential relationship to the Annual Implementation Plan (IP), projects were reviewed by strategy and the high-priority considerations outlined in the IP.

## IMPLEMENTATION PLAN STRATEGIES AND PRIORITY CONSIDERATIONS

### HABITAT PROPOSALS

**Habitat Strategy 1:** Protect and enhance tributary habitat

- Water quantity (RPAs 149, 151)
- Water quality (RPA 152)
- Passage and diversion improvements (RPA 149)
- Watershed health (RPAs 150, 153)
- Subbasin planning and assessment (RPA 154)

**Habitat Strategy 2:** Improve mainstem habitat on an experimental basis

- Watershed health (RPAs 155, 157)
- Subbasin planning and assessment (RPA 156)

**Habitat Strategy 3:** Protect and enhance estuary habitat (RPAs 158, 159, 160, 161, 162, 163)

**High-Priority Considerations:**

- Project has long-term benefits that permanently address underlying ecological processes or functions.
- Project focuses on currently productive non-Federal habitat or connects productive habitats.
- Project increases tributary flows and protects those flows in-stream.
- Project leverages funds from agricultural incentive programs.
- Project addresses barriers to fish passage.
- Project addresses water quality issues in spawning and rearing areas that limit productivity.

### HATCHERY PROPOSALS

**Hatchery Strategy 1:** Implement a safety-net program as an interim measure to avoid extinction (RPAs 175, 176, 177, 178).

**Hatchery Strategy 2:** Reduce potentially harmful effects of artificial production to aid recovery through hatchery reform and develop Hatchery Genetic Management Plans (HGMPs) (RPA 169).

**Hatchery Strategy 3:** Contribute to the development and implementation of a comprehensive marking plan (RPA 174)

**Hatchery Strategy 4:** Artificial production in support of tribal and other harvest, consistent with the needs of listed fish.

**High-Priority Considerations:**

- Project prepares or updates an HGMP.
- Project addresses an evolutionarily significant unit (ESU) or population at high risk of extinction (safety net artificial propagation program).
- Project implements hatchery reforms from a NMFS-approved HGMP or Section 7 consultation that provides benefit to ESA-listed species.
- Proposal addresses the design and implementation of a comprehensive marking program of hatchery-origin fish.

<b>HARVEST PROPOSALS</b>
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**Harvest Strategy 1:** Develop fishing techniques to enable fisheries to target non-listed fish while reducing harvest-related mortality on ESA-listed species (RPAs 164, 167, 168).

**Harvest Strategy 2:** Improve harvest management assessments, decisions, and evaluations (RPAs 166, 165, 167).

**Harvest Strategy 3:** Support sustainable fisheries for the meaningful exercise of tribal fishing rights and non-tribal fishing opportunities consistent with ESA-listed anadromous and resident fish recovery efforts.

**Harvest Strategy 4:** Fishery effort reduction programs.

**High-Priority Considerations:**

- Project tests and deploys selective fishing methods or gear to target non-listed fish.
- Project improves estimates of incidental harvest mortalities.
- Project contributes to improved information for comprehensive fishery analysis and management.

<b>RESEARCH MONITORING &amp; EVALUTION PROPOSALS</b>
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**RM&E Strategy 1:** Status monitoring

- Status of fish populations and the environment at the system level (RPAs 179, 180, 181, 193, 198).
- Status of fish populations and the environment in the tributary habitat zone (RPAs 180, 190).
- Status of fish populations and the environment in the hydrosystem corridor zone (RPAs 191, 192).

- Status of fish populations and the environment in the estuary and ocean zone (RPAs 196, 197).

**RM&E Strategy 2:** Effectiveness monitoring and research

- Effectiveness of mitigation and recovery actions at the system level (RPAs 183, 184).
- Effectiveness of tributary habitat actions (RPA 183).
- Effectiveness of hydrosystem corridor actions (RPAs 82, 83, 100, 107, 183).
- Effectiveness of estuary and ocean actions (RPAs 102, 194).

**RM&E Strategy 3:** Critical uncertainties research

- Critical uncertainties at the system level (RPAs 182, 195).
- Critical uncertainties at the tributary-habitat level.
- Critical uncertainties at the hydrosystem corridor level (RPAs 185, 186, 189).
- Critical uncertainties at the estuary and ocean level (RPA 187).

<b>RESIDENT FISH PROPOSALS</b>
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**Resident Fish Strategy 2:** Determine the impacts of the FCRPS on Bull Trout and mitigate for those impacts.

**PROGRAMMATIC COMMENTS**

**Wildlife Mitigation**

A number of issues are developing concerning the wildlife mitigation program. First, the majority of new wildlife projects propose fee title purchase of lands to protect and enhance their habitat value for various fish and wildlife target species. This widespread emphasis on fee title acquisition may not be financially sustainable by Bonneville, especially with the expectation that BPA will provide long-term O&M funding for these acquisitions. For example, as indicated in specific project comments on wildlife projects in the Willamette River Subbasin, a broad-based strategy of land acquisition for wildlife will be very expensive given the amount of habitat units that are supposed to be credited. Bonneville is currently developing a draft “Habitat Acquisition Policy” for Council and regional discussion, to guide fish and wildlife habitat “acquisition” through a variety of mechanisms including conservation easements on private lands and improvements to existing public lands. Bonneville expects to work collaboratively with the Council in the development of this policy to ensure its consistency with the Council’s 2000 Fish and Wildlife Program amendments.

Secondly, we note that the number of proposals for wildlife habitat acquisitions is high, yet these acquisitions should be guided by subbasin plans. BPA recommends that the Council reduce the pace of wildlife mitigation project recommendations pending completion of subbasin plans and the development of a Habitat Acquisition Policy. This

will help ensure that wildlife mitigation proposals are consistent with appropriate watershed priorities that address wildlife, anadromous fish, resident fish, and other resources.

Thirdly, proposals to acquire wildlife habitat are typically being made prior to knowing how much wildlife mitigation credit Bonneville will receive from that habitat acquisition. Determination of habitat value of a wildlife habitat acquisition through the Habitat Evaluation Procedure (HEP) does not occur until after the lands have been acquired. In the future, the Council and Bonneville may want to consider requiring that the HEP analysis be conducted prior to a decision to fund a specific land acquisition and that cost-effectiveness of a given land acquisition be compared with other options for mitigation.

Fourthly, as currently being discussed in the Council's Wildlife Crediting Subcommittee, there is recognition that wildlife benefits are accruing to riparian habitat improvement projects undertaken to benefit fish, for which Bonneville should be receiving wildlife credit. Bonneville supports the Subcommittee's investigation of a methodology to establish a mechanism for crediting Habitat Units for riparian improvements and integrate wildlife mitigation planning into the riparian projects that improve fish habitat.

Finally, it appears that many wildlife mitigation proposals are directed at habitat types and wildlife species that are not necessarily those directly affected by the construction of the FCRPS. Wildlife projects are being proposed that address depressed species or disappearing habitat types due to agricultural activities, urbanization, and flood control. These species and habitat types may be a priority for wildlife management, but they may be little impacted by the construction of the hydroelectric projects. In its decision-making process, BPA intends to assure itself that while investing in such species and habitat, outstanding obligations for those habitat types and species actually affected by the FCRPS are not overlooked.

### **Relationship Between Projects and Ratepayer Obligations**

In conducting the review of project proposals in these five Provinces, and as we have noted in previous Provincial Review comments, there are project proposals that address impacts to fish and wildlife that have not demonstrated how they are related to the impacts of the Federal Columbia River Power System. Since at least 1993, this issue has been the subject of Council Program Amendments and related Findings. For example, in the Council's 1995 Program, Bonneville raised the question of ratepayer responsibility to mitigate for resident fish impacts above Hells Canyon Dam. While not agreeing that there were no ratepayer obligations for resident fish impacts above Hells Canyon Dam, the Council concluded that "...the issue of ratepayer responsibility has been appropriately raised with regard to this measure (and every measure above Hell's Canyon Dam), and the Council concludes that the issue requires a more complete analysis and response, specific to this measure, describing the link between the mitigation called for and the impact on these fish of the development and operations of the federal hydropower system." *Finding on Section 10.4A.5 of 1995 Resident Fish and Wildlife Amendments to the Columbia Basin Fish and Wildlife Program*. Project proposals continue to be made



that do not identify the relationship between the project and the impacts of the FCRPS as called for in the Council Program. The issue remains relevant for regional discussion, not only in Idaho in the area above the Hells Canyon Dam and for those areas directly affected by the Bureau of Reclamation's Upper Snake River projects, but for other areas in the Columbia Basin where the impacts to fish and wildlife may be more directly linked to actions taken by others rather than those of the FCRPS. Bonneville would like to engage with the Council in presenting this issue for regional discussion. As Subbasin Planning is proceeding in all subbasins in the Columbia River Basin, the time would seem to be ripe for a discussion of the ratepayer responsibility to fund mitigation in areas not directly linked with construction and operation of the Federal hydropower system. This would also provide an opportunity to delineate other entities' (such as the Federal Energy Regulatory Commission, public and private utilities, etc.) responsibilities as contemplated under the Northwest Power Act.

Bonneville recognizes that there are provincial review project funding decisions that must be made in the next few months, before it can reasonably be expected that we will have sufficient time to discuss and resolve these issues in a basinwide or programmatic way. Bonneville wants to proceed with decisions on project recommendations that may be made in areas such as the Upper and Middle Snake Provinces. For this reason, Bonneville asks that the Council explain, as part of its funding recommendation submittal, how specific projects proposed for funding relate to Federal hydropower impacts caused by particular Federal hydropower projects or groups of such projects so that it may consider funding these projects on a case-by-case basis.

### **Bull Trout and Other Resident Fish Mitigation Responsibility**

As we stated in our decision document on the Blue Mountain and Mountain Snake Provinces, we recommend that the region conduct a forum as soon as the FWS Bull Trout Recovery Plan is completed. The goal of the forum would be to assess current, proposed and potential future projects to determine priorities in relation to bull trout recovery goals. We believe it is time to pause on expansion of on-going projects and the initiation of new projects until the recovery plan can establish clear responsibilities, goals and objectives to guide the Council and Bonneville in prioritizing and funding bull trout projects.

In addition, as called for in the Council's 1995 Fish and Wildlife Program (and amended into the 2000 Program), assessments of resident fish losses and gains related to construction and operation of the FCRPS should be conducted and submitted to the Council for adoption into the Program. These assessments would help to further refine the ratepayer responsibility for resident fish mitigation and for resident fish substitution in blocked areas. With regard to the area blocked by Hells Canyon Dam, Bonneville notes the projects with an FCRPS function include Black Canyon, Anderson Ranch, Minidoka, and Palisades reservoirs. Bonneville expects appropriate resident fish assessments to be conducted as part of the Subbasin Planning process.

## Willamette Subbasin

In conducting review of the project proposals submitted in the Lower Columbia Province, Bonneville noted a number of new proposals for anadromous fish mitigation in the Willamette River Subbasin. The Army Corps of Engineers is the lead Action Agency consulting with the National Marine Fisheries Service and the U.S. Fish and Wildlife Service on the impacts of the Willamette projects. Since the NMFS 2000 FCRPS Biological Opinion did not address the Corps' Willamette projects, no RPA designation can be assigned to these proposals. The power share of the Willamette projects is much less than those of the mainstem Columbia and Snake federal projects. Bonneville has commented that any new anadromous or resident fish mitigation proposals in this area should await final Biological Opinions in order to determine the degree of ratepayer responsibility for mitigation.

We hope that this information is helpful to the Council as they formulate funding recommendations to Bonneville. If you have further questions regarding our review of these proposals or our programmatic comments please feel free to call me directly at (503) 230-4748, John Rowan (503) 230-4238, or Mark Shaw at (503) 230-5239.

Sincerely,



Robert Austin  
Deputy Director for Fish and Wildlife

### Enclosures:

- 1 - BPA Columbia Estuary Review
- 2 - BPA Lower Columbia Review
- 3 - BPA Middle Snake Review
- 4 - BPA Upper Snake Review

### cc:

Mr. Frank L. Cassidy, Northwest Power Planning Council  
Mr. Rod Sando - Columbia Basin Fish and Wildlife Authority  
Mr. Brian Brown - National Marine Fisheries Service  
Mr. William Shake - U.S. Fish and Wildlife Service