



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

October 2, 2003

In reply refer to: KEW-4

Mr. Doug Marker, Director
Fish and Wildlife Division
Northwest Power and Conservation Council
851 SW Sixth Avenue, Suite 1100
Portland, Oregon 97204-1348

Dear Mr. Marker:

I am pleased to provide Bonneville Power Administration's (BPA) funding decision for the remaining group of fish and wildlife projects recommended for implementation through the region's Provincial Reviews for the Mainstem/Systemwide (MS/SW) Province. The funding decision for this final group of projects was, in part, based on the principles that were developed in meetings with NOAA Fisheries, BPA, and Northwest Power and Conservation Council (Council) staff (Enclosure 1). Several meetings were held among staff from these entities over the past several weeks, where BPA staff had an opportunity to hear from Council and NOAA Fisheries staff while they discussed BPA's rationale for proceeding with the list of projects for this decision (Enclosure 2).

This decision, in combination with the initial set of projects listed in the August 4, 2003, BPA letter, follows closely the Council's recommendations to BPA for projects in the MS/SW Province. Included in our decision are 43 projects of which 37 were recommended for funding by the Council – for a total of 95% by dollar value and 86% by number of projects. Only six projects not recommended by the Council will be funded by BPA with this decision. These are:

<u>Proposal No.</u>	<u>Title and Budget Estimate</u>
35007	Fall Chinook Salmon, PNL; \$152K
35065	Canada-USA Shelf Salmon Survival Study; \$250K in Fiscal Year (FY) 2006 only
35041	Hatchery Reproductive Success in Wenatchee; \$414K
35064	Acoustic Tracking Array (Kintama); \$200K
199702400	Avian Predation; \$300K
198910700	Statistical Support for Salmon Survival Studies; \$239K

Three Council Recommendations were not funded by BPA:

<u>Proposal No.</u>	<u>Title and Budget Estimate</u>
35036	Hanford Reach Fall Chinook Study; \$250K
35010	Thermal Requirements of Lamprey; \$186K
200000700	FDA Registration of Erythromycin; \$\$160K

Seven projects recommended by the Council are included for funding, but at modified budget levels. These include Northern Pike Minnow with a higher budget level and Comparative Survival Study at a lower budget level. Rationale for budget and task levels, where different than that recommended by the Council, are included in the comments section of Enclosure 2. Two other projects are to be funded elsewhere in the Fish and Wildlife Program budget: wildlife operation and maintenance expenses (in specific provinces) and IBIS Database (through Subbasin Planning allocation).

One of the operating principles for this decision was to stay within the \$31.5 million budget for MS/SW projects, which we are very close to at this time. As we negotiate statements of work and budgets for new projects that begin early in FY 2004, we will update the Council on final budget levels for this province. We also believe that this decision has attained adequate coverage for Research, Monitoring and Evaluation (RM&E) categories described in the NOAA Fisheries Biological Opinion for operation of the Federal Columbia River Power System (FCRPS).

We are pleased that there is mutual agreement on the majority of MS/SW projects. We look forward to working with Council, Columbia Basin Fish and Wildlife Authority, NOAA Fisheries, and others as we work to implement these projects to meet BPA's responsibilities under the Council's Fish and Wildlife Program and the NOAA Fisheries and US Fish and Wildlife Service FCRPS Biological Opinions.

Sincerely,

Robert J. Austin
Deputy Director for Fish and Wildlife

Enclosures (2)

cc:

Mr. Mark Fritsch, Northwest Power and Conservation Council
Mr. Mark Walker, Northwest Power and Conservation Council
Mr. John Ogan, Northwest Power and Conservation Council
Mr. John Palensky, NOAA Fisheries
Mr. Brian Brown, NOAA Fisheries
Mr. Rod Sando, Columbia Basin Fish and Wildlife Authority

**BPA Mainstem/Systemwide Decision Meetings
(BPA, Council, CBFWA and NOAA Fisheries)**

Purpose: To assist BPA as it develops its decision letter regarding Mainstem/Systemwide Province Projects for funding in FY 04, 05 and 06

Principles:

1. Work within available Fish & Wildlife Program funding of \$139 expense and \$36M capital; approximately \$31.5 M for MS/SW
2. Determine best mix of projects that accomplish adequate coverage for BiOp Critical RM&E requirements for the 03 check-in
3. Preserve current high quality Program investments
4. Continue to explore other appropriate funding sources (appropriated dollars from federal and state agencies) for out-year funding
5. Maintain draft RM&E Plan as basis for research needs (Plan to be edited within 6 weeks by NOAA Science Center and submitted for review by ISAB (3 months from receipt of final plan) and CBFWA (through new RM&E contract task)
6. Draft BPA decision approach letter available at July 15-16 Council Meeting (first stage decision on 8/4/03; second stage decision draft on 9/4/03)
7. Future: Regional Workshop to review all Program RM&E following ISAB review of RM&E Plan

Next Steps

1. RM&E Plan sets context for projects; use February 2003 draft RM&E plan until review of draft is completed by ISRP and CBFWA
2. For BPA decision, gather information on projects to determine substantial phased coverage of BiOp RM&E critical elements
3. Review and prioritize all projects and document criteria and approach for decision

Second Stage Decision for Projects within the Council's Mainstem Systemwide Province

ID	Title	Sponsor	CBFWA	ISRP	NOAA Fisheries Category	NPCC	Council Recommended Funds			BPA Phase	BPA Funding Decision			BPA Comments
							FY 2004	FY 2005	FY 2006		FY 2004 Total	FY 2005 Total	FY 2006 Total	
198331900	New Marking and Monitoring Techniques for Fish	NMFS	Urgent	Fundable	1	1	1,255,100	1,032,300	508,600	1	1,000,000	770,000	508,600	Development of PIT detection capability for the Bonneville Dam second powerhouse corner collector is a high priority. NPCC recommended capitalizing most all costs associated with this project. This project does not meet criteria for capitalization; project does not provide a future benefit to BPA that would last for 15 years or more. FY04 budget results in deferral of the development of small stream detection capability.
199007700	Northern Pikeminnow Management Program	PSMFC	Urgent	Fundable in Part	1	1	1,435,000	1,435,000	1,435,000	1	2,200,000	2,050,000	2,050,000	Sustaining survival benefit of NPMP is a continuing priority, including 2004 under reduced funding. Consideration of mid-year reallocation of funds may be necessary if survival benefits are compromised. NPCC budget recommendation was for approximately 50% of previous years. Analysis showed budget reduction of that magnitude would reduce annual exploitation rate to approximately half of current level, which would be well below minimum target threshold; additionally, this would be too low to allow any meaningful biological evaluation of program effectiveness. Budget shown is based on discussion with ODFW/PSFMC, further reduced by \$100k each year (to reflect administrative efficiencies implementing the sport-reward fishery), and would be expected to achieve approximately 90% of survival benefit compared to recent years. The appropriate project scope (and funding) in 2005-06 will require careful consideration of the results of the modified scope in 2004; future funding must enable sustaining survival benefit.
200100300	ISO Adult Pit Interrogation System Installations	PSMFC	Core Program	Fundable	1	1	1,972,106	1,660,200	665,000	1	350,000	600,000	200,000	Scope of project and budget have been reduced based on regional discussion on priority of new adult PIT Tag facilities at Bonneville and John Day dams. NPCC recommended capitalizing all costs associated with this project. This project does not meet criteria for capitalization; project does not provide a future benefit to BPA that would last for 15 years or more.
199800401	Electronic Fish and Wildlife Newsletter		NWPPC responsibility	Fundable		1	179,800	179,800	179,800	1	120,000	100,000	90,000	NPCC recommended funding at level proposed by sponsor. Reduction shown is based on coordination with sponsor and transition to alternative funding sources, including regional cost-sharing.
200303800 Proposal #35007	Evaluate Restoration Potential of Snake River Fall Chinook Salmon Spawning Habitat	PNNL	Recommended Action	Fundable	2 (RPA 155) 3 (RPA 180)	2				1.5	152,000	360,000	-	This is the only project that responds directly to mainstem habitat attributes for listed fall chinook (RPA Action 155). Project has been modified to a phased approach.

ID	Title	Sponsor	CBFWA	ISRP	NOAA Fisheries Category	NPCC	Council Recommended Funds			BPA Phase	BPA Funding Decision			BPA Comments
							FY 2004	FY 2005	FY 2006		FY 2004 Total	FY 2005 Total	FY 2006 Total	
199803100	Implement Wy-Kan-Ush-Mi Wa-Kish-Wit Watershed Assessment and Restoration Plan Now	CRITFC	Core Program	Fundable (Qualified)		1	314,093	314,093	314,093	3	200,000	200,000	200,000	NPCC recommended funding at proposed level. Reduction shown is based on coordination with sponsor. Priorities include tasks related to subbasin planning and regional coordination that facilitates integration of projects and cost-sharing.
200300900 Proposal #35065	Canada-USA Shelf Salmon Survival Study	DFO	TBD - Do Not Fund (Estuary)	Fundable in Part (Estuary)	1	3				1	-	-	250,000	This project has been cost-shared with DFO since 1998 under Project 199801400. DFO's contribution to the project has increased from what was previously available and is now sufficient to fully cover project costs in 2004 and 2005. BPA will explore opportunity for alternative funding source beginning in 2006.
198910700	Statistical Support for Salmonid Survival Studies	UW	Do Not Fund	Fundable	1 (RPA 188) 2 (RPA 195)	2				2	239,265	239,265	239,265	Critical for the development of statistical theory, models, and software for tagging studies and guidance on study design and subsequent analysis. Also provides analytical capability for online users of DART.
199602000	Comparative Survival Rate Study (CSS) of Hatchery Pit Tagged Chinook & Comparative Survival Study Oversight Committee	PSMFC/CBFWF	Core Program	Fundable (Qualified)	1 (RPA 189) 2 (RPA 187)	1	1,736,542	1,806,066	1,806,066	2	828,535	828,535	828,535	Sustains budget at FY03 level. Other projects also provide estimates of the benefit of transportation, delayed transportation mortality, and effect of multiple bypass. Expansion of project scope would appear to be a legitimate subject for review by the Fish Passage Center Oversight Board's Technical Review Committee.
200001700	Kelt Reconditioning: A Research Project to Enhance Iteroparity in Columbia Basin Steelhead (Oncorhynchus mykiss)	CRITFC	Urgent	Fundable	2	1	555,121	544,119	544,119	2	400,000	400,000	400,000	Revised budget reflects refined scope and savings from integration with RFS proposal (200306200).
200303900 Proposal #35041	Monitoring the reproductive success of naturally spawning hatchery and natural spring chinook salmon in the Wenatchee, Tucannon, and Kalama Rivers	WDFW/NMFS	Urgent	Fundable	2	3				1	414,394	448,728	459,180	This is the only project addressing the effectiveness of Upper Columbia River chinook ESU spawning in the wild (RPA Action 182).
200311400 Proposal #35064	An Acoustic Tracking Array for Studying Ocean Survival and Movements of Columbia River Salmon	Kintama Corp	TBD - Do Not Fund (Estuary)	Fundable in Part (Qualified)		3				1	200,000	200,000	200,000	This is the second phase of the successfully completed innovative project. This project addresses stock-specific juvenile salmon migration rate, residency, and mortality in the Columbia River plume. The project has funding from two private foundations; BPA's contribution represents less than 10% of original proposal and of total project cost (and at a much reduced level consistent with the ISRP's recommendation).
199702400	Avian Predation on Juvenile Salmonids in the Lower Columbia River	OSU/USGS/CRITFC/RTR	Urgent	Fundable	1 (RPA 102) 2 (RPA 187)	3				1	300,000	250,000	150,000	Objectives are high priority. Planned budget modified by BPA to reflect transition from BPA as primary funding source.

ID	Title	Sponsor	CBFWA	ISRP	NOAA Fisheries Category	NPCC	Council Recommended Funds			BPA Phase	BPA Funding Decision			BPA Comments
							FY 2004	FY 2005	FY 2006		FY 2004 Total	FY 2005 Total	FY 2006 Total	
200000700	Infrastructure to Complete FDA Registration of Erythromycin	UI	Urgent	Fundable	2	1	160,919	161,000	-	3	-	-	-	Current funding extends through May 2004. Assess opportunity to reduce planned expenditures for project close-out.
200002900	Identification and thermal requirements of larval Pacific, river, and western brook lampreys	USGS, CRRL	Urgent	Fundable		1	186,945	75,000	-	3	25,000	-	-	Placeholder funds to enable project close-out during the first quarter of FY04.
200307200	An Interactive Biodiversity Proposal Information System for the #35010 Columbia River Basin	NHI	Core Program	Fundable in Part		1	432,926	583,902	583,902	3				Explore funding through the subbasin planning support contracts implemented by Council; use lower, scrubbed budget of \$388,720 for FY 04 per Council staff discussions.
Subtotal							8,228,552	7,791,480	6,036,580		6,429,194	6,446,528	5,575,580	

RFS Proposals Recommended by Hatchery/Harvest Subgroup

ID	Title	Sponsor	CBFWA	ISRP	NOAA Fisheries Category	NPCC	Council Recommended Funds			BPA Phase	BPA Funding Decision			BPA Comments
							FY 2004	FY 2005	FY 2006		FY 2004 Total	FY 2005 Total	FY 2006 Total	
200305800	Proposal 10: A Tool for Evaluating Risks and Benefits of Reform Actions in Hatchery Programs	WDFW		Fundable at low priority	(RPA 184)	1					122,500	50,000	-	Fund Tasks 1-3 (FY 2004). FY 2005 budget estimate is a placeholder estimate for <u>optional</u> Task 4, software development.
200306200	Proposal 14: Proposal to Evaluate Reproductive Success of Natural-Origin, Hatchery-Origin, and Kelt Steelhead in the Columbia River Basin	CRITFC		Fundable	(RPA 184)	1					337,994	568,341	574,281	May be modified if cost savings on kelt reconditioning project (No. 200001700) are identified.
200305000	Proposal 2: Evaluation of the Reproductive Success of Wild and Hatchery Steelhead in Natural and Hatchery Environments	UW		Fundable highest priority	(RPA 182)	1					259,604	246,301	254,184	Fund
200305400	Proposal 6: Evaluation of the Reproductive Success of Hatchery-Origin and Wild-Origin Steelhead Spawning Naturally in the Hood River	OSU		Fundable high rank	(RPA 182)	1					215,000	266,000	277,000	Fund
200306000	Proposal 12: Evaluating the Relative Reproductive Success of Natural- and Hatchery-Origin Snake River Fall Chinook Spawners Upstream of Lower Granite Dam	WDFW		Fundable for Phase I	(RPA 182)	1					209,725	138,000	140,000	Fund Phase I (FY 2004). FY 2005 and FY 2006 budget estimates are placeholder estimates for Phase II, if determined to be feasible.
200306300	Proposal 15: Natural Reproductive Success and Demographic Effects of Hatchery Origin Steelhead in Abernathy Creek, WA	USFWS		Fundable	(RPA 182)	1					344,501	386,850	391,422	Fund
Subtotal							1,800,000	1,800,000	1,800,000		1,489,324	1,655,492	1,636,887	

Supported Project Subtotal less Funds Remaining from RFS

BPA Stage II Decision Total

BPA Stage I Decision

Total Stage I and II BPA Decision

Total Funding Allocation for MS/SW Province

310,676 **144,508** **163,113**

6,118,518 **6,302,020** **5,412,467**

25,308,662 **25,189,841** **25,754,928**

31,427,180 **31,491,861** **31,167,395**

31,000,000 **31,000,000** **31,000,000**