

CBFWA
Draft Talking Points
For
January 27, 2003 NWPPC Meeting

Authority Members are not convinced that funding cuts are either necessary or appropriate under current circumstances. The Members believe the following principles should be implemented to ensure that adequate funding is provided by BPA to implement the Program and the 2000 FCRPS Biological Opinion.

1) Bonneville should provide equitable treatment for fish and wildlife.

Expenditures for the Integrated Fish and Wildlife Program have remained at or below BPA's rate case assumptions. By contrast, expenditures for other programs including BPA's fish and wildlife administration overhead, have greatly exceeded rate case assumptions. The Members believe that reductions in those programs should bear the brunt of any cost cutting exercise.

2) BPA should use its borrowing authority to capitalize funding for land and water acquisition and other capital projects rather than treating these items as expenses.

BPA expected to use an average of \$36 million each year of borrowing authority for fish and wildlife program measures. During fiscal year 2002, BPA used only \$6 million in borrowing authority for fish and wildlife measures and projects only \$14.5 million in FY03. Construction projects and land and water acquisition projects should be capitalized and funded using BPA's borrowing authority, not treated as single-year expenses.

3) The Council should ensure that all BPA costs are subject to review.

BPA's internal program and project support costs have increased from \$7.4 million in FY 2001 to nearly \$9.3 million in FY 2002. Incredibly, BPA is projecting internal costs exceeding \$12 million in FY 2003, or an increase of about 30 percent, while at the same time demanding a 20 percent reduction in the Program BPA intends to implement. The Council should look for savings in cost categories that exceed rate case assumptions.

4) The fish and wildlife program needs committed stable funding.

BPA should allow carry-over funding for multi-year funding commitments and for projects that aren't completed in the year funding is obligated to initiate the projects. In fact, BPA's failure to reserve funding to meet prior year obligations is precisely the reason BPA now expects Program obligations to exceed accruals. Leaving partially completed

projects underfunded is the wrong way for BPA to proceed to implement the fish and wildlife program.

5) BPA needs to be fiscally accountable.

The Members have always been ready and willing to help BPA and the Council to ensure the Program is fully implemented in a business-like manner. In this regard, it is imperative that the projected accrual numbers be accurate. Leaving Program measures unfunded or underfunded -- with, or even worse, without accurate information -- is not the answer.