



**COLUMBIA
BASIN
FISH & WILDLIFE
AUTHORITY**

November 15, 2004

Ms. Judi Danielson, Chair
Northwest Power and Conservation Council
851 S.W. Sixth Ave
Portland, Oregon 97204

Dear Ms. Danielson,

The Members of the Columbia Basin Fish and Wildlife Authority (CBFWA) are concerned for the financial condition of many projects in the current program. During the Northwest Power and Conservation Council's (NPCC) FY 2005 budget process, many projects requested additional funds as a result of both internal and external cost increases. As an example, a partial list of projects with known shortages is attached for your review. To be sure, many additional projects in the program have absorbed those costs at the expense of effectiveness and productivity.

There is a common and pervasive problem that has created the need for modest, but critical, additional funding for projects. The NPCC has recommended flat funding of ongoing projects for several years in an effort to reduce the total funding needs of the program. This policy was intended to reduce program costs, and allow funding for new work, which it did. We now find, however, that lack of budget adjustments for inflationary and non-discretionary operation costs for the past 4-5 years have caused many ongoing projects to face predictable and intractable problems.

The flat funding policy has necessitated project managers to accept substantial reductions in project performance and support, in order to stay within budget. Operations and maintenance activities, travel, training, and salary adjustments have been deferred or curtailed. This has now reached the point where project productivity is being impacted. Rapidly rising costs due to increasing commodity and energy prices, health care costs, salary competition, and increased indirect administrative costs are squeezing the projects severely. Certainly the NPCC is aware of the impact of rising costs on budgets, since the NPCC recently requested a budget increase from Bonneville Power Administration, citing some of these same reasons for justification.

We ask you to carefully consider the impact of continuing this flat funding policy and to weigh its impact on effective program implementation. We wish to assist your efforts to provide the region with a cost effective program, but we question the wisdom of continuing a blanket approach of this nature. We realize this is a very difficult problem, but we need your careful consideration of this issue as you design your future project selection decision processes and possibly weigh in on future program funding levels.

Sincerely,

Warren Seyler, Chair
Columbia Basin Fish and Wildlife Authority

cc: CBFWA Members
Bill Maslen and Greg Delwiche, BPA
Doug Marker and Members, NPCC

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COORDINATING AND PROMOTING EFFECTIVE PROTECTION AND RESTORATION
OF FISH, WILDLIFE AND THEIR HABITAT IN THE COLUMBIA RIVER BASIN

Project Number	Project Title
198335003	Nez Perce Tribal Hatchery M&E
198343500	Umatilla Hatchery Satellite Facilities O&M – CTUIR
198712700	Smolt Monitoring By Federal & Non-Federal Agencies
198802200	Umatilla River Fish Passage Operations
199009200	Wanaket Wildlife Mitigation Area
199101901	Hungry Horse Mitigation/Flathead
199403300	Fish Passage Center
199405000	Salmon River Habitat Enhancement M&E
199501300	NPT Resident Fish Substitution Program
199501500	Lake Billy Shaw O&M and M&E
199506001	Iskuulpa Watershed Project
199602000	CSS Pit Tagging Spring/Summer Chinook & Oversight Committee
199604601	Walla Walla Basin Fish Habitat Enhancement
199700100	Idaho Captive Rearing Project for Salmon River Chinook Salmon
199701100	Shoshone-Paiute Enhance & Protect Habitat & Riparian Areas on the DVIR
199701501	Imnaha Smolt Monitoring NPT
199800703	Grande Ronde O&M/M&E Spring Chinook and Summer Steelhead
199801800	John Day Watershed Restoration
199802800	Implement Trout Creek Watershed Improvement
200001200	Evaluate Factors Limiting Columbia River Gorge Chum Salmon Populations
200001400	Evaluate Lamprey Habitat/Populations in Cedar Creek
200003100	North Fork John Day River Subbasin Anadromous Fish Habitat Enhancement
200003300	Walla Walla River Fish Passage Operations
200103300	Hangman Creek Restoration Project
200103400	Identify Role of Forage Quality & Conditions of Mule Deer in Washington