



March 16, 2005

Stephen J. Wright, Administrator  
Bonneville Power Administration  
905 NE 11th Avenue  
Portland, Oregon 97208-3621

Melinda Eden, Chair  
Northwest Power and Conservation Council  
851 SW 6th Avenue, Suite 1100  
Portland, Oregon 97204

Dear Mr. Wright and Ms. Eden:

The Members of the Columbia Basin Fish and Wildlife Authority (CBFWA) are writing to support adequate funding for fish and wildlife in the next Bonneville Power Administration (BPA) rate case. This letter provides a status report on our efforts and a request that BPA increase the level of funding for BPA's Integrated Fish and Wildlife Program (BPA's Integrated Program) over that provided the past several years. We are providing this letter now to inform BPA's upcoming workshops on this issue. The NOAA Fisheries and U.S. Fish and Wildlife Service abstain from consideration of this letter.

Some Members have been working with BPA and the Northwest Power and Conservation Council (NPCC) over the past few months to develop cost estimates for BPA's Integrated Program. To inform these discussions, CBFWA formed a working group to estimate costs to meet the goals and biological objectives in the NPCC Fish and Wildlife Program. The intent was to determine how implementing all the measures in the NPCC Program will affect future funding needs and to size the overall level of effort over the next ten years. The working group subsequently shared drafts of its analysis with BPA and NPCC staffs as well as representatives of BPA's utility and industrial customers.

While CBFWA Members are continuing to review the detailed costs, the analysis completed to date provides a strong basis for increasing the funding for BPA's Integrated Program in the next rate case period to at least \$240 million per year. This figure assumes that BPA would use its borrowing authority for new production facilities and the acquisition of land and water to protect habitat. It also does not include a comprehensive assessment of costs for mainstem measures beyond those contemplated in the Updated Proposed Action or the NPCC Program. Additional mainstem measures are necessary to

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protect, recover, and restore anadromous fish impacted by the federal hydrosystem. Consistent with recommendations the Members have made in the past, the analysis supports the need for BPA to begin to ramp up efforts by returning to the funding levels originally assumed in the 2002 rate case. BPA set its rates and has been collecting revenues on the assumption that funding for the Integrated Program would be \$186 million per year. It is important to increase funding in FY 2006 to at least this level.

Based on our work to date, it is clear that the current spending levels are inadequate to protect, mitigate, and enhance fish and wildlife under the Northwest Power Act. Our analysis shows that at the current spending levels, it would take over 100 years to implement all the measures contemplated in the NPCC Program.

We invite BPA and the NPCC to work with CBFWA as we refine our analysis. CBFWA will be approaching your staff within the next week to explore ways we can best involve you in our effort. Our goal is to complete our analysis by the end of April as part of BPA's Power Function Review.

The NPCC and BPA have invested significant time, effort and money to develop the current Program, including the development of the mainstem amendment and subbasin plans. It is important that the region build on this investment by all the people in the Columbia Basin. The CBFWA Members will be working with you over the next two months to ensure that future fish and wildlife funding needs are adequately addressed in the next rate case.

Sincerely,

A handwritten signature in black ink that reads "Rod Sarbo". The signature is written in a cursive style with a large initial "R".

for

Tony Nigro, Chair  
Columbia Basin Fish & Wildlife Authority

Cc: CBFWA Members  
Greg Delwiche, BPA  
Doug Marker, NPCC