



Department of Energy

Official File

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

ENVIRONMENT, FISH AND WILDLIFE

June 21, 2002

In reply refer to: KEW-4

Mr. Frank L. Cassidy, Chairman
Northwest Power Planning Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204

Dear Chairman Cassidy:

Enclosed is the first set of our funding decisions on the Blue Mountain and Mountain Snake Provinces' fish and wildlife mitigation and recovery proposals submitted through the Northwest Power Planning Council's (Council) provincial review process. We have decided to segment our funding decisions in order to move projects forward in a timely manner when there are no issues pending. The enclosed table presents the decision on all projects. As indicated in the table we are deferring a final funding decision for the small subset of wildlife land acquisition and U.S. Forest Service (USFS) related habitat projects identified in this letter. We are gathering additional information from the USFS or the project sponsors prior to making final decisions. We anticipate finalizing these decisions on proposed projects on USFS land within the next two weeks. We will make decisions on other outstanding projects as the requested information is provided, and anticipate that a full Blue Mountain and Mountain Snake Provincial decision will be completed in early July.

On February 11, 2002, we sent you our fiscal years (FY) 2002 through 2004 Blue Mountain and Mountain Snake Provincial proposal solicitation comments. Our review made an effort to integrate the fish and wildlife mitigation needs identified in the Council's Fish and Wildlife Program (Program) with the needs of Bonneville regarding implementation of the National Marine Fisheries Service's (NMFS) and U.S. Fish and Wildlife Service's (FWS) 2000 Biological Opinions (BiOp) on the operation of the Federal Columbia River Power System (FCRPS).

On April 3, 2002, the Council adopted their funding recommendations and on April 19, 2002, the final recommendations were sent to Bonneville and posted on the Council's Web site. Since that time, we reviewed the Council's recommendations and held several discussions with the Council, the Idaho Office of Species Conservation (IOSC), and project sponsors regarding project-specific issues. We concur with the vast majority of Council recommendations as presented but we are not in complete accord in the following areas discussed here.

1. Wildlife Habitat Acquisition Projects

Our initial recommendation was not to fund the following five projects due to the existing level of mitigation achieved for wildlife for the Lower Snake River and Dworshak dams:

- a. Proposal No. 28010 – Nez Perce River Terrestrial
- b. Proposal No. 28018 – Lower Salmon River Tributary Protection and Enhancement
- c. Proposal No. 28021 – Lower Clearwater Habitat Enhancement Project
- d. Proposal No. 27023 – Precious Lands Wildlife Habitat Expansion
- e. Project No. 2000-021-00 – Securing Wildlife Mitigation Sites – Oregon, Ladd Marsh WMA Additions

While we understand that the project sponsors have significantly reduced the scope of these initial projects, the larger concern remains with respect to available wildlife mitigation credits. In recognition of the ongoing crediting discussions under the auspices of the Council's Wildlife Crediting Subcommittee and in the interest of a collaborative approach to this issue, we are discussing with the project sponsors our willingness to evaluate these revised proposals to determine whether they contain actions that will implement RPA 150 of the NMFS 2000 Biological Opinion. If so, these projects may be eligible for RPA 150 "crediting" toward Bonneville's responsibilities for habitat enhancement under this RPA, as identified in the Action Agencies' Implementation Plan, and for mitigation under the Northwest Power Act.

We intend to withhold our decision on these five revised projects pending receipt of additional information from the project sponsors on the specific proposed habitat acquisitions and following field visits by Bonneville staff to verify their applicability and contribution to RPA 150.

2. U.S. Forest Service Related Habitat Projects

We would like to express our appreciation to the USFS for their cooperation in reviewing project proposals that involve actions on Federal lands for which the USFS is anticipated to provide a cost-share. Bonneville is deferring funding decisions on the following eight projects that in whole, or in part, are on USFS lands while we complete a review of the information requested from USFS.

- a. Proposal No. 27022 – Wallowa Culvert Inventory
- b. Proposal No. 28047 – Protect and Restore Red River Watershed
- c. Proposal No. 28048 – Protect and Restore Crooked Fork Creek to Colt Killed Analysis Area
- d. Project No. 1996-077-02 – Protect and Restore Lolo Creek Watershed

- e. Project No. 1996-077-03 – Restoring the Waw’aatamnima (Fishing) (Squaw) Creek to Imnaamatnoon (Legendary Bear) (Papoose) Creek Watershed Analysis Area
- f. Project No. 2000-034-00 – Protect and Restore the North Lochsa Face Analysis Area Watersheds
- g. Project No. 2000-035-00 - Rehabilitate Newsome Creek Watershed - South Fork Clearwater River
- h. Project No. 2000-036-99 - Protect & Restore Mill Creek

For the remainder of the projects on Federal lands that the Council recommended for funding, the project sponsor and the USFS have supplied information to Bonneville verifying the USFS cost share and project priorities relative to USFS planning. The information also verifies their ability to complete the projects within the estimated time frames, complete project deliverables, and address questions on augmentation of appropriations and Environmental Assessments at the Watershed Scale (EAWS). We will move forward with these projects at this time.

3. Research, Monitoring and Evaluation Projects

As you know, there is an ongoing effort to develop the framework for a regional RM&E plan to provide guidance for developing, prioritizing, integrating, analyzing and using RM&E on a comprehensive Columbia River Basin scale to meet the NMFS and FWS 2000 Biological Opinion responsibilities. Our comments on RM&E projects generally indicated our preference for delaying the initiation of new work until a regional RM&E plan has been developed.

Given the Program’s current extensive RM&E funding, it is essential that RM&E projects be managed to provide common protocols for data gathering and reporting and clear and prioritized questions for resolution through research. Protocols for the use of appropriate analytical tools, and integration of RM&E in the Basin such that the results can inform regional decision-making should also be provided.

We intend to work with the project sponsors to implement the projects below (in part or in full depending on contract negotiations) with the following requirements:

- 1) Statements of work and budgets will be developed in coordination with NMFS and Bonneville and may be revised as the needs of RPAs 180 and/or 183 are clarified; and
- 2) Project management will require adherence to specific timelines (at least annually) for analysis and reporting to serve as the basis for additional project modifications and scope changes. Projects also may be modified further after the regional RM&E plan is developed.

- a. Proposal No. 27002 - Assess Salmonids in the Asotin Creek Watershed
- b. Proposal No. 28034 - Chinook Smolt Survival and SAR, South Fork Salmon River
- c. Proposal No. 28045 – Evaluate Stream Habitat Using the Nez Perce Tribe Watershed Monitoring and Evaluation Plan
- d. Project 1997-030-00 – Chinook Salmon Adult Abundance Monitoring.

4. Bull Trout Projects

In our comments, we recommended that the following projects not be funded at this time, but should be reviewed after the completion of subbasin planning.

- a. Proposal No. 27017 – Bull Trout Population Assessment and Life History Characteristics in Association With Habitat Quality and Land Use: Template for Recovery Planning
- b. Project No. 1994-054-00 – Characterize Migratory Patterns of Bull Trout

Considering our obligation to avoid jeopardy from FCRPS operations and to protect, mitigate and enhance fish and wildlife resources affected by the construction and operation of the hydropower system, we have a continued interest in a clear definition of our FCRPS responsibility relative to bull trout tributary projects. Acknowledging that there is a role for Bonneville with respect to these projects, we are concerned with the rapid expansion of these projects (both current and proposed) in advance of a FWS Bull Trout Recovery Plan or subbasin planning. Project No. 1994-054-00 serves as an example of this point. Through the Columbia Plateau and Middle Snake Provincial reviews, the project has been proposed for rapid expansion in scope and level of effort from a FY01 funding level of \$387,182 to a proposed FY02 level of \$1,550,636 cumulatively across the two provinces. This significant expansion, in advance of subbasin planning and the FWS Bull Trout Recovery Plan, expected later this year, strikes us as premature.

To address this concern 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 goals and objectives to guide the Council and Bonneville in prioritizing and funding bull trout projects. Therefore, we intend to defer consideration of expansion of Project No. 1994-054-00 and initiation of Project No. 27107 until the conclusion of a bull trout forum and subbasin planning.

5. Salmon Basin Resident Fish Assessment

Our recommendation of February 11, 2002, that was consistent with both Independent Scientific Review Panel (ISRP) and Columbia Basin Fish and Wildlife Authority recommendations was not to fund Proposal No. 28030. We understand that the Council recommendation has removed all but Objective 1 of this project but we continue to believe that it should be deferred to the Council's subbasin planning process. As we have discussed with the Idaho Office of Species Conservation, we do not intend to fund this project at this time.

6. Consolidated SNAPP

The ISRP reviewed the consolidated Safety Net Artificial Propagation Program (SNAPP) project proposal on May 20, 2002. We are working with NMFS and proposal sponsors on a revised work plan that will address ISRP concerns and expect that the revised plan will be presented to the Fish and Wildlife Committee and the Council at their July meeting in Yakima, Washington. We anticipate continuing to work with the Council and the ISRP as necessary, and expect to move quickly to implement this risk assessment in order to meet requirements of the NMFS 2000 BiOp.

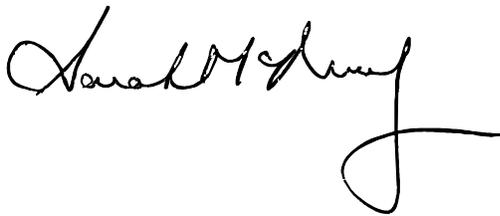
The enclosed table presents the Blue Mountain and Mountain Snake Province projects that appear in the Council's April 19, 2002, recommendations. The table identifies the Council's recommended FY02 budget for each project and indicates the status of Bonneville's decision and planned FY02 budget. Where Bonneville suggests a different FY02 budget, estimates of FY03 and FY04 funding levels are not presented but will be negotiated over the course of the fiscal year with Council staff. Otherwise, Bonneville is assuming the same out-year budgets as has the Council, recognizing the potential for out-year budget changes based on changing Basin-wide priorities, as influenced by BiOp implementation planning and subbasin/recovery planning. Relevant comments are also included for clarification of our rationale where our decision differs in some way from the Council recommendation or where particular contingencies or requirements are placed on the project through adoption of the Council recommendation or by Bonneville's decisions as described earlier in this letter.

Again, we have used our best efforts to prioritize Bonneville-funded fish and wildlife mitigation and recovery projects in the Columbia River Basin given the implemented ecosystem (All-H) approach to mitigation and recovery that is being implemented and given that the amount of desired funding for such an approach exceeds that which is available. We want to ensure our ratepayers that fish and wildlife mitigation and ESA-focused recovery funding is going to those projects that provide the greatest biological benefit at the least-cost.

We want to emphasize our appreciation for the extraordinary work the Council has done in conducting an open and inclusive process of project proposal review including, of course, independent scientific review. It is no small effort to ensure the kind of participation and scrutiny of fish and wildlife proposals that is afforded by the Council's process. This process enhances the quality and focus of the projects Bonneville funds under the Council's Program and it provides a tremendous value to the Region. We also acknowledge the challenges we face together as we work to integrate the traditional scope of the Council's Fish and Wildlife Program with the ESA priorities arising from our Implementation Plans for the 2000 Biological Opinions. Through a collaborative and flexible relationship, we believe that successful integration can be achieved to successfully serve both the fish and wildlife interests and the ratepayers. We look forward to continuing to work with the Council on this important effort.

We hope that the information contained in this decision letter is helpful and, as always, are willing to discuss any issues that you may have with our funding decisions for the Blue Mountain and Mountain Snake Provinces. Please feel free to give Bob Austin or me a call if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah R. McNary". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Sarah R. McNary
Director for Fish and Wildlife

Enclosure

cc:

Mr. Larry Dawson, Clearwater National Forest
Mr. Rod Sando, Columbia Basin Fish & Wildlife Authority
Mr. Brian Brown, National Marine Fisheries Service
Mr. Bruce Bernhardt, Nez Perce National Forest
Mr. Doug Marker, Northwest Power Planning Council
Mr. Jeff Blackwood, Umatilla National Forest
Mr. Bill Shake, U.S. Fish and Wildlife Service
Mr. David Heller, U.S. Forest Service – Region 6
Ms. Linda Ulmer, U.S Forest Service – Region 1
Ms. Karyn Wood, Wallowa Whitman National Forest

bcc:

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All KEW staff

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M. Shaw – KEWU-4

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J. Smith – KT-Spokane

P. Key – LC-7

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Reviewed:

Auth/Org/Date

Mgr/Org/Date

Sec/Org/Date