



August 2, 2013

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US Entity Coordinator, Columbia River Treaty
Bonneville Power Administration
PO Box 3621
Portland, OR 97208

Dave Ponganis
US Entity Coordinator, Columbia River Treaty
US Army Corps of Engineers, Northwest Division
PO Box 2870
Portland, OR 97208

Dear Steve and Dave,

As you well know, the future of the Columbia River Treaty has been a high priority for PNUCC for the last two years. It has been our goal to understand and fully support the US Entity's recommendation to the State Department when it is finalized. We have been diligent in our efforts to stay apprised of the US Entity's work toward a recommendation to the State Department on the Treaty's future. We have been working closely with the Columbia River Treaty Power Group as well. And we appreciate the time you have spent updating us on your analysis and engagement with the Sovereign Review Team as it has unfolded.

Unfortunately, in reviewing your June 27th working draft recommendation we are disappointed. The working draft needs to be rewritten. You have asked us to offer edits to this draft, and we cannot. Much of your working draft simply needs to be deleted. Instead of edits, we will be offering a follow up letter with more substantive input focused on the original purposes of the Treaty – power and flood control.

We believe the issue of power benefits being returned to Canada needs to be addressed first and foremost. The US Entity should focus on ensuring the Treaty provides equitable power benefits between the US and Canada. Many of the recommendations you have teed up are not relevant to discussions with Canada and would be more appropriately addressed elsewhere.

Your draft recommendation indicates a shift in the future of the Treaty by adding an ecosystem function as a primary purpose – completely ignoring the fact that US hydropower operations in the Columbia River Basin are fulfilling numerous federal and state ecosystem requirements and have been for decades. Ecosystem needs are already being addressed in a multitude of arenas by many different bodies. There is no need to add a major ecosystem component in the Treaty with Canada. Instead, acknowledge the unprecedented efforts underway in the region today.

Getting to a recommendation on the future of the Treaty that will bode well for the Northwest requires regional parties to be on the same page. The current process for defining the future of

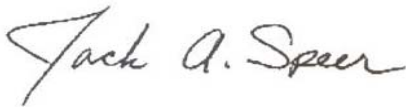
the Treaty will not lead us to consensus. Economic and commerce interests have NOT been at the table you set to discuss their concerns. Likewise, those concerned about health and safety (provided by Treaty flood protection) have not had a direct voice.

It is time to wrap up your private conversations with the Sovereign Review Team, engage in open dialogue with all stakeholders and move on to a transparent, open exchange of all interests. This is a critical next step in getting to a regionally-supported recommendation. Broad regional support is crucial to successfully advancing a final US Entity recommendation to the State Department.

We suspect that you are already working on the final recommendation due out in September. And we wanted to communicate our initial reactions before you get too far along on your new draft. You need to start fresh, focus on the primary purposes of the Treaty, highlight the incredible amount of ongoing regional effort in other arenas addressing ecosystem needs and provide a recommendation that is broadly supported. We will also be submitting a more detailed blueprint by the August 16th deadline of what we would expect to see in a final recommendation.

We look forward to engaging with you through the end of the year to ensure that your recommendation to the US State Department on the future of the Columbia River Treaty is one we can wholeheartedly support.

Sincerely,

A handwritten signature in cursive script that reads "Jack A. Speer".

Jack Speer
PNUCC Chairman

cc: Colonel John S. Kem, Northwestern Division US Army Corps of Engineers
Elliot Mainzer, Acting Administrator, Bonneville Power Administration
PNUCC Board of Directors
Northwest Delegation
Northwest Governors