



October 25, 2013

Transmitted Electronically: treatyreview@bpa.gov

US Entity Coordinators, Columbia River Treaty

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Dear Steve and Dave,

Before delving into the details on your final recommendation on the future of the Columbia River Treaty, I would like to take the opportunity to thank you on behalf of the PNUCC members for your time and energy to regularly join us to discuss the Treaty Review over the last three years. Your commitment to keeping us apprised on the numerous study results and the ongoing developments in your deliberations with others has been helpful in formulating our thoughts on the future of the Treaty.

Seek improvements within the existing Treaty framework. PNUCC's members and their customers have a vested interest in the outcome of a modernized Treaty. The Northwest economy relies heavily on the power generation from the Columbia River system to reliably and affordably meet the growing demand and increasing need for flexible power sources. The hydropower system is the region's greatest renewable, non-emitting generating power supply, meeting about 60 percent of our region's demand. The power benefits resulting from the Columbia River Treaty are an integral part of that supply. Your recommendation to the State Department should include the principle that a modernized Treaty provides significant net benefits to the Northwest consumers.

A modernized Treaty's should seek to provide the greatest possible downstream power benefits and to equitably share them between the U.S. and Canada. A priority in a modernized Treaty is to increase power benefits by continuing the coordinated operation of Canadian reservoir operation. We support the actions you describe for maintaining the coordinated hydropower operations, and ensuring a reliable, economically sustainable power system. We agree that payments to Canada should only provide one half of the benefits of coordinated operations as compared to non-coordinated operation. Your final recommendation to the Department of State should reinforce the priority for balancing how these benefits are shared.

A modernized Treaty should maximize system reliability and flexibility. This is critical for both the U.S. and Canada. The flexible nature of hydropower generation is of great value to the region. Hydropower's role in maximizing the integration of intermittent renewable resources is significant. Without it we would not be able to effectively utilize the wind generation and other renewables as we can today. Hydropower has proven to provide unique qualities that are necessary to reliably keep the lights on.

Maintain flood risk protection at current level. Human safety is a major consideration and the actions you have outlined in your draft recommendations should be pursued. Establishing a common understanding of flood protection post-2024 is a great starting point for the discussions between the U.S. and Canada. We agree that funding of any additional compensation to Canada that may be required as a result of "called upon" operating procedures should be consistent with the national flood risk funding policy of federal funding.

Underscore the significant current ecosystem effort. It is imperative that the Department of State understands the significant attention the Northwest currently pays to maintaining a healthy and vibrant ecosystem. We appreciate the current draft acknowledging a number of the domestic actions that have been ongoing for decades. Environmental stewardship is an operating principle for all of us. And we agree that the hydro operations that have been established to help fish through the spectrum of local, state and federal programs you identified in your recommendation should continue.

Move the discussion of increased spring and summer flows for fish to the list of domestic issues. The inclusion of a general request for increased flows, minus scientific evaluation of the benefits and without discussion of the tradeoffs for other stakeholders will make it difficult for us to support your recommendation.

Today's river operations have been developed over the course of several decades, in a multitude of domestic forums designed to address ecosystem needs. These operations are being managed and modified as the extensive monitoring, evaluation and research indicates it is needed. Future adjustments to river operations, including changes in spring and summer flows and the use of Canadian storage, for fish should be considered when scientific evidence demonstrates the benefits and the impact to other river uses are understood and accepted.

That being said, if there are specific operations such as the Dry-Year Strategy and others that are expected to continue post-2024, and it would simplify implementation to incorporate them within the modernized Treaty, then we would agree that this makes good business sense.

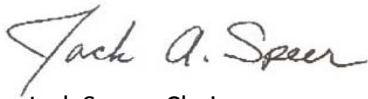
Move the discussion of reintroduction of anadromous fish above Grand Coulee Dam to the list of domestic issues as well. Work efforts to determine the feasibility and practicality of restoring fish passage and habitat above Grand Coulee Dam should be the responsibility of each country, independently determining the value of an effort of this nature for them. The only acceptable place to include this issue in your recommendation is to add it to the list of domestic issues to be addressed outside the Treaty modernization discussion between the U.S. and Canada.

Finally, it is imperative that the costs and benefits of possible changes in river operations for any purpose, including fish and wildlife, be considered in a broader framework where the net benefits and implications to all river uses can be evaluated. The operation of the Columbia River system is carefully balanced to protect against floods, provide reliable and affordable power to consumers, provide irrigation, navigation and recreation all while enhancing cultural and fish and wildlife resources. Changes in river operations should be considered in the domestic forums we currently have established to address operational issues.

As you finalize your recommendation, we strongly encourage you also bring to a close the Sovereign Review Team effort. Any further dialogue should be in a more open environment with all the region's stakeholders and for the purposes of clarifying issues and building broader consensus.

Thank you for considering our input. We look forward to ongoing discussions to further clarify our blueprint for a modernized Treaty, and to work toward a broadly supported recommendation that you can carry forward to the U.S. Department of State.

Sincerely,

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

Jack Speer, Chairman
PNUCC Board of Directors

cc: Brigadier General 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