

United States Entity

Columbia River Treaty

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In reply refer to: **PGPL-5**

To Whom it May Concern:

The U.S. Entity is providing the region with a working draft of a regional recommendation concerning the future of the Columbia River Treaty with Canada. It is a result of a multi-year, collaborative process between the U.S. Entity, regional sovereigns, and stakeholders.

This document is still very much a **DRAFT** document and should be read and understood as such. In preparing this draft, the U.S. Entity was informed by input from the sovereigns participating on the Sovereign Review Team (SRT). It also reflects input from regional stakeholders and the general public through written comments they have submitted, as well as comments made at regional public meetings hosted by the U.S. Entity. However, there still remain significant differences in opinion on several key issues as discussed below.

This draft is intended to provide the basis for further regional discussion with both sovereigns and stakeholders on this important matter. Work will continue throughout the summer of 2013 to discuss and refine this draft document. We also await the results of our third round of modeling and analysis, which will be complete in August. In September 2013, it is anticipated that a “final” draft recommendation, one that has been largely endorsed by the Sovereigns participating in the process, will be made available for stakeholder and public comment, with the final recommendation due to the U.S. Department of State in December 2013.

The U.S. Entity remains receptive and open to all regional perspectives and comments. No firm decisions have been made on the content of the final Treaty recommendation; rather the U.S. Entity is releasing this working draft to inform and include stakeholders in the further development of the draft recommendation. For the purpose of sending this working draft out to stakeholders, it should be understood that, at this point, there is tentative alignment among the U.S. Entity and Sovereigns on a number of key issues:

- The Treaty has substantial benefits for both the U.S. and Canada, but it should be modernized to reflect the current values and priorities of the Pacific Northwest region.
- A modernized Treaty will be flexible and resilient enough to adapt to the impacts of climate change and other factors.
- Ecosystem-based functions will be integrated into the Columbia River Treaty as a third primary purpose, or benefit, in the same way that hydropower and flood risk management benefits were developed in the original Treaty.

- A number of Treaty modifications are needed to improve ecosystem function, including augmentation of stream flows in spring and summer, a dry year strategy, and discussions with Canada on the feasibility of restoring fish passage on the main stem Columbia.
- The coordinated power benefits should be reasonably and fairly balanced between the U.S. and Canada and this should be reflected in the calculation of the Canadian Entitlement return.
- Continued flood risk management is an important component to protect public safety and the region's economy.
- Important river uses such as navigation and recreation should not be negatively impacted by Treaty operations.

There are also key areas where agreement is yet to be achieved. More discussion and input will be necessary to achieve alignment in these areas, which include, but are not limited to:

- The correct balance for the use of any additional water supplies for both ecosystem flows and consumptive use through a modernized treaty remains a significant issue. Some Sovereigns, including the four Pacific Northwest states and several federal agencies, propose that a process be established whereby the states, tribes, and stakeholders will determine how the allocation of any additional spring/summer water from Canada will occur, while the Tribal perspective is that ecosystem needs and tribal reserved water rights must be fully met before any consideration is given to any additional out-of-stream uses.
- Columbia Basin Tribes and others have stated that achieving ecosystem-based functions such as stable reservoirs and additional downstream flows requires a modification to current flood risk management practices. Other Sovereigns have proposed that the current level of flood risk must be sustained unless modified by a formal public process. Therefore, the U.S. Entity has identified a post-2013 process to examine the level of flood risk management throughout the Basin. The U.S. Entity's position is that such an analysis cannot take place without more comprehensive involvement from a wider array of stakeholders, and that additional funding would be required to implement this process.
- Columbia Basin Tribes and others continue discussing the degree and extent to which both Canadian and U.S. hydropower production should be reduced or traded-off in order to provide increased ecosystem-based function. The U.S. Entity maintains that reductions in hydropower production would also result in reductions in system reliability. Columbia Basin Tribes think that reliability issues can be addressed through the integration of renewables and increased conservation measures.
- How future treaty operations will balance ecosystem-based function, flood risk management, and hydropower with other authorized purposes.

- How regional sovereigns will continue to participate in the treaty modernization process after the recommendation is delivered to the State Department, as well as post-2024 treaty governance structures.

There has been a remarkable degree of collaboration between the U.S. Entity and Sovereign parties and stakeholders engaged in Treaty Review. While there is not yet consensus on all of the Treaty elements under consideration, the analytical work conducted, and the in-depth discussions have enabled the U.S. Entity to prepare this working draft of a regional recommendation. We look forward to comments from the region's stakeholders by August 16 as we further develop and refine this draft recommendation.

We also encourage your participation in informational webinars scheduled for July 16, 9:00 a.m. - 11:00 a.m. and July 23, 3:00 p.m. - 5:00 p.m. Watch for details on the Treaty Review website: www.crt2014-2024review.gov.

Please send your comments to treatyreview@bpa.gov or mail them to CRT Review (DKE), P.O. Box 14428, Portland, OR 97293. You will also find a comment form at www.crt2014-2024review.gov.

Thank you for your involvement in this process.

Sincerely,

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