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Subgroup/Office of Origin: Council on Environmental Quality
Series/Staff Member: Kathleen (Katie) McGinty
Subseries:

OA/ID Number: 4299
FolderID:

Folder Title:
Bonneville Power Administration

Stack:	Row:	Section:	Shelf:	Position:
S	61	7	1	3

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR GEORGE
DEE DEE
RICKI
RAHM
REGINA
JEFF
MARLA

FROM: KATIE MCGINTY

RE: BONNEVILLE POWER ADMINISTRATION

OOPS! Here is the attachment that was missing from the first package. Thanks.



CC: Under 5/4
UNITED STATES DEPARTMENT OF COMMERCE
Office of the Under Secretary for
Oceans and Atmosphere
Washington, D.C. 20230

MAY 3 1993

MEMORANDUM FOR: Katie McGinty
FROM: Doug Hall
SUBJECT: BPA Spring and Summer Flows

Under provisions of Section 7 of the Endangered Species Act, the National Marine Fisheries Service is nearing completion of a biological opinion about the impact of federal hydropower operations in the Pacific Northwest on three listed species of salmon. The federal agencies involved in hydropower production on the Columbia and Snake rivers are Bonneville Power Administration, the Bureau of Reclamation and the Corps of Engineers. This opinion has significant economic implications for BPA and the Pacific Northwest and should be brought to the attention of others at the White House.

Key points:

1. The National Marine Fisheries Service is requesting flows higher than those agreed to by BPA. The economic impact of the higher flows is in dispute but would be substantial. BPA has discussed a figure of \$75-270 million but used as a basis for computing these numbers water flows that are far higher than anything that is being considered. The lower estimates are in the \$20-50 million range.
2. This case is subject to litigation in federal court, and a failure to achieve appropriate water flows will likely result in a court-imposed solution. Judicial supervision of water flows would probably be significantly more onerous than the levels requested by the National Marine Fisheries Service.
3. These water flows are designed to help the migration of the spring and summer Snake River chinook salmon. The species are at critically low levels (only 78 fall chinook returned to spawn four years ago), and failure to safeguard their habitat this year will narrow the options for future years and could devastate the species.



4. Hydropower is responsible for 82% of the mortality of juvenile Snake River summer chinook and 79% of the mortality of juvenile Snake River spring chinook. The dominance of hydropower in the mortality of these species of salmon provide few alternatives for protection efforts. Reduced harvesting, habitat improvements, and reduced hatchery operations are contributing proportionally a lot more to reduced mortality than that being asked of the hydropower agencies.

5. Because of many factors but primarily because of seven years of drought conditions in the Northwest, BPA has indicated that it may not be able to make its September 30, 1993, payment of \$700 million to the U.S. Treasury to repay the federal debt on the hydrosystem. This also comes at a time when, after seven years of no rate increases, BPA is requesting a 20 percent increase. The National Marine Fisheries Service's requested water augmentation is expected to increase the rate increase by 3-5 percent.

6. The biological opinion has been reviewed by a team of 20 scientists employed by the National Marine Fisheries Service. Their opinion is that the water levels requested are the minimum necessary to protect the species. Already, the National Marine Fisheries Service has reduced its request for spring flows by 20 percent and for summer flows by 10 percent in recognition of the reality of the prolonged drought conditions and the difficulty in achieving the more desirable higher levels. The National Marine Fisheries Service's recommended flows are substantially below those recommended by the regional power council, the state fish and game agencies, and the Columbia River indian tribes.

7. BPA has been operating under a permit that expired April 15. The ongoing negotiations have delayed issuance of a biological opinion to a point that the federal government is vulnerable to court action. The opinion should be transmitted in draft form to BPA, BOR and COE in the next couple of days. However, the National Marine Fisheries Service has placed the highest priority on reaching a position to which all parties can agree.

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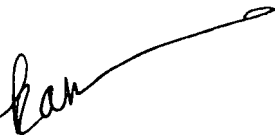
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MEMORANDUM FOR: George Stephanopoulos
Dee Dee Myers
Ricki Seidman
Rahm Emanuel
Regina Montoya
Jeff Watson
Marla Romash

FROM: Katie McGinty 

CC: Doug Hall, NOAA

RE: Bonneville Power Administration

As explained in the attached memorandum, the National Marine Fisheries Service will soon (possibly even today) issue an opinion that the operation of the BPA jeopardizes three salmon species. Responding to that action will be quite costly for the BPA. Negotiations with the BPA have broken down, however, and it is the opinion of the Department of Commerce that allowing this issue to fall to the courts would only increase costs for the BPA. BPA could not win a legal challenge on this issue. It is my understanding that the Department of Commerce has alerted the Washington Congressional delegation of this matter.

Note that this issue is not directly related to our actions in the Pacific Northwest in settling the forest controversy. However, it is of concern to me because it is an additional economic burden on the region at a time when we are trying to provide new economic opportunities to affect the losses in the timber industry. In addition, you should also be aware that, because EPA lost a suit regarding the Delaney Clause, several pesticides will be prohibited this growing season. It is my understanding that hops farmers in Washington state rely on some of the pesticides that will be banned. Taken together, this picture begins to look pretty bleak for the Pacific Northwest.

1

Our Response:

- We didn't create any of these situations
- We are doing our best to resolve them:
 - On the first issue, we are trying to break the gridlock of the Reagan and Bush years that has thrown timber communities into crisis. We are well along the way to producing the plan to solve this crisis -- a plan that will create jobs and offer new economic opportunity in the region -- that the President called for at the April 2nd Forest Conference.
 - On the BPA issue, we're doing our best to address this situation in the most scientifically and ecologically sound manner we can. We believe that the best way to do that is to tackle the issue head-on and to keep it out of the courts.
 - On the Delaney Clause issue, we are acting in response to Court order. However, we believe that some changes are necessary in this law, and we are working with all the affected parties to begin to craft a solution.

* Get this
circulated by
no later than 10:00
A.M.

→ type up the
memo &
attach to
copies of day's
memo to me
then circulate
ASAP.

Rapifax Transmission Sheet

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OFFICE OF THE UNDER SECRETARY

Date: May 3, 1993
Transmission for: Katie McGinty
Telephone: (202) 456-6225
Fax Number: (202) 456-2710
Originator: Doug Hall
Telephone: (202) 482-3436
Fax Number: (202) 408-9674

Number of Pages (including Cover page):

MEMORANDUM FOR George Stephanopoulos
Ricki Serdman
Dee Dee Meyers
Rahn Emanuel
Regina Montoya
Jeff Watson
Marla Romanish.

Check
spelling on
all of
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that allowing this issue to fall to the courts would only increase
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(an announcement on this likely
will be made by EPA on Friday -
further information forthcoming)

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new $\frac{1}{2}$

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