RECOMMENDATIONS OF THE GOVERNORS OF IDAHO, MONTANA, OREGON AND WASHINGTON FOR THE PROTECTION AND RESTORATION OF FISH IN THE COLUMBIA RIVER BASIN



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I. INTRODUCTION

Almost two decades after Congress passed the Northwest Power Act and nearly a decade after the first Endangered Species Act (ESA) listings of fish in the Columbia River Basin, state and federal agencies and Indian tribes have not agreed on a long-term, comprehensive, effective and coordinated approach to protecting and restoring fish of the Columbia River Basin, particularly salmon and steelhead. Individually and collectively, we governors have the authority to contribute to the efforts currently under way to develop an integrated, regionwide approach to fish recovery.

We acknowledge a broad regional responsibility to protect fish and wildlife species. Such an effort is under way through the Northwest Power Planning Council's (Council) fish and wildlife program amendments. As currently envisioned, the Council's program should be an important preventive component because wise management will help the region avoid future ESA listings.

Because of the work of the last 10 years, including research and on-the-ground efforts, there is regional support for many key elements of fish recovery. In this document, we express our support for these elements as the nucleus of a regional approach to the recovery of ESA-listed aquatic species, particularly salmon and steelhead.

We want to stress that while we intend the consensus recommendations contained in this document to be useful advice and guidance to decision-making entities such as the National Marine Fisheries Service (NMFS), U.S. Fish and Wildlife Service, Environmental Protection Agency and the Northwest Power Planning Council, our recommendations do not constitute a plan that can substitute for the procedural and substantive planning requirements of the Endangered Species Act, Clean Water Act, Northwest Power Act, or other relevant state and federal laws.

We are keenly aware of the extent to which breaching the four lower Snake River dams has become a polarizing and divisive issue. Regardless of the ultimate fate of the dams, the region must be prepared in the near term to recover salmon and meet its larger fish and wildlife restoration obligations by acting now in areas of agreement without resort to breaching the four dams on the lower Snake River. In order to succeed, the region must have the necessary tools including a clear and comprehensive plan, adequate time, and sufficient funding. Our recommendations address some of those necessary tools.

II. KEY ELEMENTS OF A REGIONAL APPROACH

A successful approach to recovery of salmonids and other aquatic species must include a clear goal, objectives that describe and measure the environmental and biological improvements needed to meet the goal, and an aggressive series of explicit strategies and actions designed to achieve the goal.

The approach must address the so-called "Four Hs" of human activities that influence fish and wildlife survival -- habitat, hydropower, harvest and hatcheries and also account for what we call the "Fifth H" -- the impact of these actions on humans. Strategies and actions must be biologically sound, economically sensitive, and sufficiently flexible to accommodate alternative approaches depending on what works best. Finally, the approach must be truly coordinated, in the sense that it must account for and successfully integrate salmon recovery efforts ongoing at the federal, regional, state and local levels.

With these features, this approach will have the public support needed for effective implementation.

RECOMMENDATIONS

Goal

The regional approach must include a clear goal so that, in short, the region can understand what constitutes success. Accordingly, the goal we suggest is protection and restoration of salmonids and other aquatic species to sustainable and harvestable levels meeting the requirements of the Endangered Species Act, the Clean Water Act, the Northwest Power Act and tribal rights under treaties and executive orders while taking into account the need to preserve a sound economy in the Pacific Northwest.

<u>Objectives</u>

The approach must include objectives geared toward accomplishing this goal. Objectives may be qualitative or quantitative. One qualitative objective should be a healthy, functioning ecosystem. In practical terms, this means that we prefer to benefit salmon through strategies and actions that emphasize and build upon natural processes. While we recognize this may not always be feasible, we think it is an important policy decision that will, in turn, clarify the region's choice of strategies and allow us to make most effective use of our finite financial resources.

It is our understanding that, at least in the federal biological opinion and "All-H Paper" soon to be issued, quantitative objectives, also known as performance standards, will play an important role. The creation and use of performance standards will be critical -both in terms of allowing the region to move forward with specific strategies and actions and in measuring their success in achieving the desired environmental and biological improvements. Three criteria can ensure that performance standards are used appropriately:

- Performance standards must be grounded in the best available science. This means the standards must be technically valid as a measure of the success of actions taken to achieve salmon recovery. To that end, we recommend performance standards be subject to scientific peer review.
- Performance standards must be reasonably attainable. This means the standards must be clearly described, measurable and administered by a clearly designated entity with responsibility for compliance. This also requires that the actions to achieve the standards must be adequately funded in order to assure they can be implemented in a timely fashion.
- Performance standards must be implemented in a manner that coordinates the short-, mid- and long- term actions that are necessary to improve overall salmon recovery. Standards focused on near-term measures should describe the immediate on-the-ground actions that benefit fish. Mid-term standards should describe the success of the on-theground actions, and long-term standards should describe the overall success in achieving the desired biological response or improvement. Additionally, long-term standards should be crafted, wherever possible, in such a way that if improvement is not achieved, the performance standard would be useful in identifying the problem.

III. HABITAT REFORMS

In addition to the mainstem areas altered and blocked by dams, many key tributaries of the Columbia have inadequate flows for fish, impaired water quality, barriers to fish passage, unscreened water diversions or degraded riparian habitat. With Snake River and other dams in the Federal Columbia River Power System remaining in place, systemwide habitat improvements that respect private property rights, focused particularly in the tributaries and the estuary, become an even more critical component of salmonid and aquatic species recovery.

RECOMMENDATIONS

<u>Partnerships</u>

Because much of the habitat is on non-federal lands, state, tribal and local governments, as well as private landowners, must be full partners in the recovery effort. To date, the National Marine Fisheries Service has not been clear with these entities about the specific improvements needed for recovery and has not conducted regular discussions about how to address issues of mutual concern. We are disturbed by this lack of full partnership in what should be a collaborative effort. As one step to achieve greater collaboration, we recommend the President designate one official in the region to oversee federal agency fish recovery efforts in the Columbia River Basin and serve as the regular point of contact with the states, local and tribal governments.

Water for Fish

Stream and river reaches throughout the Columbia River Basin have flow and water quality problems that impede regional fish recovery efforts. The states are setting water quality standards and preparing implementation plans in accordance with previously established schedules. The states are also reviewing instream flow levels to address biological requirements for ESA-listed aquatic species. We are concerned, however, that the timelines for these tasks be fully consistent with the timeline required for salmon recovery. Therefore, we recommend federal assistance and support be made available to the states to better coordinate these timelines and, where necessary, to accelerate water quality improvements and to establish instream flows that benefit listed aquatic species in the Columbia Basin.

We support voluntary exchanges to obtain needed water for fish and support the development of water markets to effect exchanges among willing buyers and sellers. We believe this strategy has potential to contribute to fish recovery, and we are committed to support changes in state law or policies to facilitate this approach. We also recognize existing efforts to conserve water and support further assistance to promote conservation.

Protecting and recovering salmonids and other aquatic species requires protecting land on and around fish-bearing streams. Building upon successes elsewhere, we endorse creation of salmon sanctuaries that protect key aquatic habitats and related uplands through voluntary conservation easements, leases, land purchases, and tax-incentive donations. The region should attempt to obtain substantial additional habitat protections in the locations that promise the greatest benefits for fish.

Finally, given the major responsibilities that will fall upon private landowners, voluntary habitat improvement programs need to be fully encouraged through the use of a federally funded incentive program. Increased riparian fencing is an obvious place to start.

<u>Local Recovery Plans</u>

We strongly endorse the concept of local planning for recovery of salmonids and other aquatic species. This concept has the advantage of bringing together local and tribal governments with local citizens to develop and implement local recovery plans. A local focus also helps avoid duplication of efforts and "top-down" planning. Recovery plans developed at the local level, whether through state salmon plans, federal agency actions or through the Council's process, must be complementary. The federal government has a fundamental obligation to assist local efforts in developing fish recovery plans. A premium should be placed on implementation of those plans that meet requirements of the Endangered Species Act, the Clean Water Act and the Northwest Power Act.

To assist the local planning effort, we recommend that state authorities designate priority watersheds for salmon and steelhead and that plans for these watersheds be developed by October 1, 2002. Plans for all watersheds in the Columbia River Basin should be developed by 2005.

We request that by January 1, 2001, the Council provide a report to the states detailing how the Council's amended fish and wildlife program has addressed the necessary integration of federal, state and regional planning processes. Bonneville funding must be integrated with other funding sources for state and federal recovery initiatives, and the Council should address this issue in its report as well.

<u>Fish Passage</u>

In the Columbia River Basin, over one-half of the original habitat area for salmon and steelhead has been blocked by mainstem and tributary dams. The largest losses occurred from the construction of the dams within Hells Canyon and by Chief Joseph and Grand Coulee dams on the upper Columbia.

For the mainstem Columbia and Snake rivers, we must focus not only on currently accessible habitat, but also look for opportunities to increase the current level of habitat access with all dams remaining in place. A recent study by the Battelle Pacific Northwest National Laboratory and the U.S. Geological Survey (USGS) found a substantial percentage of the historic mainstem riverine habitat for Snake River fall chinook still remains unimpounded upstream of the Hells Canyon complex. Although there is still riverine environment where fall chinook historically spawned, it may not be capable of supporting

fish today because of degraded quality. It must be better understood whether the present quality of the historic habitat is capable of supporting a self-sustaining population of fall chinook above the Hells Canyon complex. The feasibility of reintroduction, including an evaluation of the existing habitat, is being investigated as part of the Federal Energy Regulatory Commission (FERC) relicensing process for the Hells Canyon complex. While mindful of the challenges involved, options and costs should continue to be assessed as part of the relicensing process. A similar challenge confronts reintroduction of migrating salmonids above Chief Joseph and Grand Coulee dams, particularly above Grand Coulee. Nevertheless, we encourage work currently under way to assess the possibility.

Each state commits, by October 1 this year and annually thereafter, to provide a list of priority fish passage projects to the Council for proposed funding. The list could include such things as screening diversions and replacing culverts, as well as removal of, or passage at, tributary dams, as is being done at Condit, Wapatox and Marmot dams.

<u>Estuary</u>

The lower Columbia River estuary has come into focus as a vitally important component of salmon recovery. The region is fortunate that a water quality and fish and wildlife habitat plan has been developed by the Lower Columbia River National Estuary Program (NEP). This plan has identified actions to inventory those habitats critical for salmon health, as well as measures to protect or acquire such habitats. We believe that the federal government must immediately engage the states, tribes and local governments in implementing the NEP plan for the lower Columbia River estuary, including creation of the salmon sanctuaries referenced above.

<u>Predation</u>

The legitimate, but disparate, focus of varying federal laws, including the Endangered Species Act, the Migratory Bird Treaty Act and the Marine Mammal Protection Act present management challenges as we seek to protect ESA-listed juvenile and adult salmon and steelhead that, in turn, are prey for the birds and mammals also protected by these laws. We support actions to improve the coordination among these laws so that they are not working at cross purposes.

We recommend that the U. S. Army Corps of Engineers (Corps), NMFS and the Fish and Wildlife Service develop a long-term management plan to address predation by fish-eating birds and marine mammals. The relocation of Caspian terns within the estuary was a good start but is not sufficient by itself. The number of Caspian terns, as well as that of double-crested cormorants, should be significantly reduced in the Columbia River Estuary. The Caspian tern predation rate on juvenile salmon and steelhead remains unacceptable, as is the inability of the federal agencies to agree upon a common approach and a lead agency status for this effort. We recommend that such an approach be presented to the region by the appropriate federal agencies by the end of the year.

As part of the long-term management strategy for seals and sea lions, we recommend congressional approval of NMFS's proposal to acquire additional authority to take seals and sea lions that persistently impact listed salmonid species.

The Ocean

Recent studies and salmon returns suggest that ocean habitat is a significant factor influencing salmon survival. NMFS should work with the region to conduct an intensive study to address the role of the ocean in fish recovery, including the relative impact on fish mortality due to ocean predation, lack of food sources, temperature problems and harvest regimes. In addition, management of fish in freshwater should reflect new information about the ocean as it is developed. For example, it may be necessary to adjust hatchery production based on a better understanding of changes in ocean carrying capacity.

Interior Columbia Basin

Fully 50-60 percent of the land area in the Columbia River Basin is owned or managed by the federal government, including major headwater areas so important for fish. We believe modifications to management practices on these lands is essential to salmon recovery.

To assure these needed modifications occur, the interior Columbia River Basin needs a balanced strategy that can provide for stable and predictable multiple-use management on federal lands for fish and wildlife and other purposes while permitting needed flexibility, particularly on private lands. The existence of such a strategy is long overdue, and we urge Congress and the Administration to work with the region to have the strategy in place by year's end.

IV. HYDROELECTRIC SYSTEM REFORMS

Dams on the Columbia and Snake rivers provide energy, flood control, transportation, recreation and irrigation benefits to the people and economy of the Pacific Northwest. At the same time, construction and operation of the dams altered the ecosystem in which the once-great fish runs of the Columbia River Basin evolved.

RECOMMENDATIONS

Capital Improvements at Dams

We acknowledge that the Columbia and Snake River hydropower system has been improved for fish passage. Nonetheless, the dams continue to adversely affect fish survival. Therefore, we support further modifications to the configuration and operation of the hydrosystem where appropriate and necessary to benefit fish and so long as the modifications do not jeopardize the region's reliable electricity supply.

To benefit salmon migrants, both upstream and downstream, expedited schedules should be established to design and install passage improvements.

Priority capital improvements must also include those necessary to address water quality issues relating to both temperature and dissolved gas. All capital improvements should benefit the fullest range of salmonid species and should offer demonstrated biological gains. Uncertainty regarding the long-term status of the four lower Snake River dams should not preclude making passage improvements at those four facilities.

<u>Transportation of Juvenile Salmon and Steelhead</u>

Consistent with our preference to emphasize and build upon natural processes, we believe strategies and actions should be implemented that provide the best possible survival for fish that migrate in the river through the reservoirs and past the dams. We recognize that in the short term there are survival benefits from continuing to use fish transportation as a transitional strategy. However, we believe that when ongoing research affirms that survival of listed salmon populations would increase from migration in an improved river environment, an increasing number of juvenile fish should then be allowed to migrate inriver. An immediate evaluation is also necessary of survival rates for fish transported by trucks compared to barges. If survival is lower in trucks and barging is an available alternative, then trucking should be discontinued.

<u>Spill</u>

We recognize the need to improve the riverine character of the mainstem Columbia and Snake rivers as a means of further improving successful salmon migration, spawning and rearing. Spill is important in this regard. Spill is recognized as a highly effective means of passing juvenile salmon downstream, reducing the mortality associated with passage through many turbine sets and in most bypass systems. The use of spill should be improved -- in duration, timing and quantity -- at all the federal hydropower projects. Experiments testing spill benefits at different levels and times of year should be expanded, and the impacts on juvenile fish survival from these alternative spill operations, including summer spill, should be carefully monitored and evaluated.

Flow

Flow management in the Columbia and Snake mainstems should continue as part of the mainstem strategy. Flow augmentation pursuant to state law, a key component of flow management, remains controversial. But there are ways to reduce the controversy in the future. First, federal agencies must document the benefits of flow augmentation and the precise attributes of flow that may make it beneficial. Second, where the benefits of flow augmentation have been documented, migrating fish should be left in the river to benefit from it. Third, the region should review off-river storage for additional water if flow augmentation is going to continue to be a key strategy. Fourth, flow management should be designed to integrate all water-related statutory mandates, including not only the Endangered Species Act but also the Clean Water Act, and should consider impacts to non-anadromous listed and unlisted species. Fifth, implementation of flow management should fully account for actual water conditions so that, for example, if cool water is provided for temperature benefits, the benefits are not negated by simultaneous releases of warmer water from other sources. Sixth, additional water may be available for flow augmentation if flood control operations can be prudently altered. The Corps and NMFS should work with the region on a study to determine whether flood control rule curves can be reconfigured to allow shaping of flows to improve survival of migrating salmon and steelhead. Finally, the region should explore whether salmon benefits could be achieved through cooperative agreements regarding power peaking operations, such as those currently in place for the Hanford Reach stocks and listed chum salmon spawning below Bonneville Dam.

V. HARVEST REFORMS

Salmon fishing has decreased to a level that represents a mere fraction of what once occurred. We commit to support a recovery approach designed not only to achieve ESA delisting levels but also to rebuild the runs to levels that support treaty and non-treaty harvest. But we believe rebuilding requires that all harvest may have to be reduced in the short term, together with aggressive actions taken to address mortality in the other life stages.

We respect the legal status and cultural importance of Indian treaty fishing rights. Changes in harvest management suggested below must be developed in partnership with the treaty tribes so they are consistent with the ongoing harvest and production litigation under *U.S. v. Oregon*, and also with federal and state governments to comply with the Pacific Salmon Treaty.

RECOMMENDATIONS

<u>Ocean Harvest</u>

The United States and Canada have signed a 10-year Pacific Salmon Treaty that, for the first time, implements an abundance-based ocean harvest regime for chinook and coho salmon. The agreement places special emphasis on further restrictions for fisheries that incidentally harvest weak stocks, and on getting the required number of fish onto the spawning grounds. We agree that this is a critical first step in the overall management of Columbia River stocks, and we recognize that the increased complexity of the management regimes to carry out the intent of the Treaty will require additional funding.

Given that long-term, biologically based management for the ocean is now in place, other steps can be explored to reduce ocean impacts on listed fish through use of more selective fishing techniques and a license buyback program that can reduce the current excess fishing capacity. Additional opportunities may exist to align viable fisheries with the opportunities available through a license buyback program given the excess fishing capacity that currently exists.

Finally, a random-observer program is needed to ensure the collection of information necessary for managers and the industry to reduce salmon bycatch mortality.

Columbia/Snake Mainstem Harvest

We support continuing current levels of tribal ceremonial and subsistence harvest. For commercial and non-treaty sport fisheries, we recommend that harvest rates, gear and timing in the mainstem fisheries be consistent with ensuring survival of the species and providing for their eventual recovery when combined with recovery actions in other sectors. This means that harvest rates must ensure sufficient escapement to rebuild declining stocks. With inriver harvest rates ranging up to 31 percent for one of the listed stocks, we are not convinced that current practices are compatible with rapid recovery.

To achieve these reductions, we support increasing the selectivity of mainstem harvesting by exploring further gear, timing and location restrictions. The region must initiate research to better understand migration timing and movement of individual stocks to develop better selective fishing techniques.

Financial incentives must be broadened beyond selective fisheries to include economic incentives to reduce impacts to listed stocks, financial assistance for developing "value-added" fishery-related industries and mitigation of economic impacts to fishingdependent communities.

Finally, hatchery operations must be modified so that excess fish are not being produced for fisheries where they cannot be harvested because of the impacts on weak stocks. Harvest goals must be linked to fish production goals. We expect state, federal and tribal fish agencies to produce a long-term production and harvest plan that protects ESA-listed fish. To that end, we call for a new Columbia River Fish Management Plan to be agreed upon in time for the spring 2001 salmon fishery.

<u>Terminal Fisheries</u>

As another important means of achieving the mainstem reductions described above, as well as replacing lost mainstem fishing opportunities, fisheries should be established in terminal areas below Bonneville Dam and in Zone 6, similar to those currently taking place in Oregon's Youngs Bay. Commercial harvest opportunities would target the hatchery-produced stocks returning to terminal areas. Reformed hatchery programs, which we address elsewhere in this document, could include establishing these terminal fisheries.

<u>Law Enforcement</u>

The region's fisheries law enforcement program should be strengthened to ensure accountability and to reduce illegal catch. Increased law enforcement should be concentrated and coordinated with habitat strategies to aid specific watersheds. We recommend this be accomplished through appropriate tribal, state and federal law enforcement programs.

Control Competitor Species

We recommend changing existing sport fishing restrictions to concentrate on species that prey on, and compete with, salmon for food, including northern pikeminnow. Sport fishing regulation changes also should strive to minimize effects of exotic species on native species. The region could experience short-term benefits from increased fishing opportunities for these competitor species.

VI. HATCHERY REFORMS

Since as long ago as the late 1800s, fish hatcheries have been seen as a tool to use in rebuilding fish runs decimated by overfishing or, in more recent times, as a means of producing large numbers of fish to support commercial harvest to mitigate the impact of dams. Yet our region's experience demonstrates that past hatchery practices have contributed to the decline of naturally spawning fish populations, as hatchery stocks increased while the naturally spawning component of the runs continued to decline.

It is time to recognize that hatcheries are used for multiple purposes, primarily producing fish for harvest but also for rebuilding naturally spawning populations through the technique of supplementation and for captive broodstock experiments. Careful thought must be given to how these techniques could maximize the efficiency of fish production to provide treaty, sport and commercial harvest opportunities while also protecting and rebuilding unique fish populations and complying with existing laws and legal processes, such as the *U.S. v. Oregon* litigation.

RECOMMENDATIONS

Implement the Artificial Production Review

The outline for redirecting artificial production of fish in the Columbia River Basin hatchery program is contained in the Council's recommendations in its 1999 Artificial Production Review report to Congress. We support these recommendations to significantly modify hatchery management practices among all federal and state salmon and steelhead hatcheries in the region.

To begin this process of reform, we recommend all hatcheries in the Columbia River Basin be reviewed within three years to determine the facilities' specific purposes and potential future uses in support of fish recovery and harvest. The Council should identify priority hatcheries that need expedited review and complete the reviews within eight months so that modification of hatchery operations can commence by January 1, 2001. Funding for hatchery reforms must be a joint federal, state and Bonneville responsibility. We recommend that, regardless of the funding source, future hatchery funding decisions take into account consistency with Artificial Production Review reforms.

Develop a Comprehensive Plan for Artificial Production

Consistent with the Artificial Production Review, the region's fish managers and tribes should jointly develop a comprehensive supplementation plan that includes aggressive monitoring and evaluation. We commit state agencies to work with tribal fish managers to develop such a plan. The plan should specify watersheds that can be used for supplementation, and also recommend respective tribal, state and federal roles in implementation of the supplementation plan. We support the concept that certain watersheds, with local cooperation, should be maintained as wild fish refuges as a hedge against uncertainty inherent in artificial propagation, as well as a "control" for evaluating conservation hatchery efforts.

We anticipate this plan would be part of the renegotiated Columbia River Fish Management Plan.

<u>Fish Marking</u>

To facilitate a robust harvest program for hatchery fish in a way that does not impact wild fish, we endorse a program that results in the marking of hatchery fish that pose threats to ESA-listed fish, to the fullest extent consistent with the Pacific Salmon Treaty. We also urge tribal, state and federal fish managers to put such a program in place promptly, as it will be difficult to implement many improved harvest techniques until it is possible to identify hatchery-reared fish.

VII. FUNDING AND ACCOUNTABILITY

Since 1980, the use of ratepayer money to protect and recover fish in the Columbia River Basin has been inconsistent. Sometimes there has been strong oversight and scientific guidance, and at other times little oversight or scientific guidance. While this situation has improved in recent years, too often money has been used to fund bureaucracies and process as opposed to on-the-ground projects.

We anticipate that as the region's state, federal and tribal agencies improve their collaboration and focus on meeting the obligations of the Endangered Species Act, Clean Water Act, Northwest Power Act and tribal rights under treaties and executive orders, it is likely that the cost of the effort will increase. As a result, we expect decision-makers to redouble their efforts to ensure that funding decisions are informed by independent scientific review, all funding is used in an efficient and accountable manner, and funding is prioritized for actions that most directly advance the goal of protecting and restoring salmonids and other aquatic species to sustainable and harvestable levels.

RECOMMENDATIONS

<u>Funding</u>

Fish and wildlife programs should be streamlined, and rules should be more flexible and goal-oriented. We endorse BPA's stated commitment to increase the amount of ratepayer dollars to support salmon recovery. Congress should similarly increase the amount of federal appropriations, in recognition of the fact that fish and wildlife of the Columbia River Basin are national resources and their protection satisfies obligations in federal law, including treaties with Indian tribes and Canada, the Endangered Species Act, the Clean Water Act and the Northwest Power Act.

Federal financial assistance, both from Congress and/or BPA, should be provided to help fund existing activities designed to improve ecosystem health and fish and wildlife health and protection. These include state and tribal on-reservation programs to develop total maximum daily loads (TMDLs), enhance water quality monitoring, secure water and land rights for fish and wildlife benefits, implement the Lower Columbia River Estuary Program, undertake other watershed restoration activities and, where necessary, establish instream flows.

<u>Accountability</u>

We believe the principles and activities in this document will protect the Federal Columbia River Power System and also recover and rebuild Columbia River Basin fish and wildlife. There will be a significant cost, but we expect the power system to pay only its fair share. Having said that, nothing jeopardizes the recovery effort, and the benefits we receive from the Federal Columbia River Power System, more than the perception and the reality of ratepayer funds being misspent. The region needs a strong program to ensure a far better accounting of the spending than we have received to date.

The Council should continue to work to ensure the accountability of each project it recommends to Bonneville for funding -- accountability in terms of meeting program goals and accountability for the expenditure of ratepayer money.

Accountability for meeting goals:

All projects recommended by the Council should have explicit quantitative goals, and the projects should be rigorously evaluated for their ability to meet these goals.

Accountability for expenditures:

Expenditures by Bonneville, the Council, the Columbia Basin Fish and Wildlife Authority, state agencies and project sponsors may make sense individually, but not when considered in total. Planning and overhead expenses must be kept to a minimum, and project expenditures should focus on activities that benefit fish and wildlife.

Specifically, we recommend that the Council:

• <u>Prepare an Annual Accountability Report:</u>

To better understand Bonneville's expenditures in a basinwide context, and to improve accountability to the ratepaying public, the Council should prepare an annual report to clearly document progress toward meeting fish and wildlife mitigation goals, and how ratepayer money is being spent. A specific breakout should be provided on funding for ESA-listed species.

The report could provide assurance that Bonneville's expenditures are directed toward on-the-ground projects rather than redundant or excessive planning processes and that funding for research is clearly focused and prioritized. By addressing project failures as well as successes, the report could show progress -- or lack of it -- toward goals and demonstrate that projects are being effectively monitored and evaluated.

<u>Consider Shifting Contract Management:</u>

The Council and Bonneville should study the possibility of transferring project contracting responsibility from Bonneville to a neutral entity.

In its unique regional role, the success of Bonneville depends on maintaining good relations among a wide range of parties, including many of the parties with which it contracts for fish and wildlife project implementation. This need for good relationships creates a potential conflict with the regional interest in accountable and businesslike implementation of fish and wildlife projects, and the enforcement of contractual terms. Simply put, there would be an inherent efficiency in having a neutral entity responsible for project contracting. Transferring contracting authority to a neutral entity also would avoid complicated, timeconsuming federal contracting procedures.

This proposal should not be seen as a criticism of Bonneville's fish and wildlife staff but as a shift of responsibility that would benefit both Bonneville and the fish and wildlife program by increasing the efficiency of program management, reducing the potential for conflicts of interest and improving public accountability for the expenditure of ratepayer dollars. If the shift occurs, a more independent oversight of contract management should be structured in a way that allows Bonneville to ensure its contracts are properly and efficiently carried out.

• Establish a Coordinated Information System

Also under an improved accountability initiative, but singled out for special attention, is the need to establish a coordinated information system. Although the Pacific Northwest is data rich, it is information poor. Data is stored in a random and haphazard fashion in some cases, in highly organized and computerized fashions in other places, and in combinations of these approaches in still other cases. The region needs a standardized information system that is capable of providing answers to basic questions regarding the documentation of progress toward recovery of salmon and other aquatic species. This information needs to be provided in a form accessible to everyone as part of the annual accountability report. Creating such a system is a task for the Council; we ask that it be done by October 1, 2001.

VIII. THE CHALLENGE AHEAD

The Columbia River Basin is a great natural resource and a dynamic economic engine and, for both these reasons, is critical to the well-being of the four states in the region. The Columbia River Basin's hydropower system is part of our legacy in the Northwest, built through the foresight of our leaders and the skill and determination of our workers, on our waterways and across our landscapes.

But we also recognize the impact the hydropower system has had on our fish and wildlife populations, particularly anadromous fish. We have benefited in an economic sense, but we have lost a healthy ecosystem. We wish to restore that healthy ecosystem as part of the Northwest legacy we leave to our children and their children.

This is a challenge of course, and one we accept. It is the federal government's role to administer the Endangered Species Act and to uphold tribal trust responsibilities. But the states also have an important role and responsibilities, as do other regional entities. Agreement on a regional approach, consisting of specific federal, state and regional plans that protect both our salmon and our communities, should be reached and accepted by federal and state officials in consultation with tribal leaders no later than January 1, 2001. Reaching such agreement, as well as implementing the other recommendations in this document, will enable all of us, together, to begin to fulfill our respective roles and responsibilities and meet the challenge that lies ahead.