



# Oregon

John A. Kitzhaber, MD, Governor

## Water Resources Department

North Mall Office Building  
725 Summer Street NE, Suite A  
Salem, OR 97301-1266  
503-986-0900  
FAX 503-986-0904

Before the  
Senate Environment and Natural Resources Committee  
Senator Jackie Dingfelder, Chair

### Information Briefing on the Columbia River Treaty

Presented by:  
Richard Whitman, Governor Kitzhaber's Natural Resource Policy Director  
Phillip C. Ward, Director Oregon Water Resources Department  
June 10, 2013

Thank you for the opportunity to present information related to the Columbia River Treaty.

#### Background

In 1958 the International Joint Commission established a set of principles to guide United States and Canadian cooperative use of the Columbia River. Prompted by these principles, formal negotiations between the U.S. and Canada began in 1959 and culminated in the ratification of the Columbia River Treaty (Treaty) by the U.S. in 1961 and by the federal Crown of Canada in 1964.

In general, the Treaty was designed to create upstream storage in Canada and provide for the equitable sharing between the two countries of the power and flood control benefits that would be derived downstream in the United States. More specifically, the Treaty required the construction and operation of three large dams in British Columbia and provided the U.S. the option to build a fourth dam in Montana with a reservoir that would extend into Canada. The dams would create 15.5 million acre-feet (Maf) of reservoir storage for hydroelectric power generation and flood control benefits in Canada and in the United States. All three Canadian dams (Mica, Duncan, and Keenleyside) and associated reservoirs, and the Montana dam (Libby) and associated reservoir were built and in operation by 1973.

#### Hydroelectric Power Benefits

For 15.5 Maf of storage in Canada, the U.S. agreed to: 1) make most effective use of Canadian storage for hydroelectric power generation, and 2) reimburse one-half of the estimated increase in downstream power benefits to Canada. This reimbursement is commonly referred to as the "Canadian Entitlement." The current annual value of the "Canadian Entitlement" is estimated at \$250-\$350 million.

### *Flood Control Benefits*

The U.S. agreed to pay Canada \$64.4 million for the assured use on an annual basis of 8.45 Maf of Canadian Treaty storage space for U.S. flood control for the first 60 years of the Treaty. This provision of the Treaty extends to September 16, 2024.

Implementation of the Treaty has proceeded at the federal level in the U.S. through the appointment of the Administrator of the Bonneville Power Administration (BPA) and Division Engineer of the Northwestern Division U.S. Army Corps of Engineers (Corps) as the U.S. Entity, and in Canada through the appointment of British Columbia Hydro (BC Hydro) as the Canadian Entity.

### *2014-2024 Columbia River Treaty Review*

The U.S. Entities, BPA and the Corps, have engaged a number of northwestern states, tribal governments, other federal agencies and the public in a multi-year 2014-2024 Columbia River Treaty Review Process. The two primary reasons for the review are as follows:

1. The Treaty has no specified end date; however, either nation can terminate most of the provisions of the Treaty as early as September 16, 2024, with a minimum of 10 years' written notice. Therefore, September 16, 2014 is the first opportunity for either country to notice its intent to terminate the Treaty, and
2. Canada's obligation to provide assured flood control storage will expire in 2024. This obligation shifts from the current assured amount of annual flood storage in Canada to a process that allows the U.S. to 'call upon' Canada for flood storage.

Implementation of the Treaty has provided significant and direct flood control and hydroelectric power benefits and indirect benefits of economic growth to both Canada and the U.S. for almost 50 years. Since the Treaty was signed, however, circumstances and interests in both countries have changed in areas influenced by Treaty-driven hydro operations that go beyond flood control and power generation. These new interests include those associated with fish and wildlife, recreation, cultural resources, water supply, water quality, and navigation. Future and potentially significant impacts of climate change have been joined to this expanding array of circumstances and interests—all of which are currently being analyzed in the Columbia River Treaty 2014-2024 Review Process.

The intent of this multi-year process is to enable the U.S. Entity to make an informed recommendation, in collaboration with the regional sovereigns and stakeholders, to the U.S. Department of State by December 2013 as to whether or not it is in the best interest of the U.S. to continue, terminate or seek to amend the Treaty.

### **Oregon Perspective on the Columbia River Treaty**

The policy advisory group to the Columbia River Treaty Review, known as the Sovereign Review Team (SRT), is made up of the states of Oregon, Washington, Idaho and Montana, eleven federal agencies, and fifteen Native American Tribes. In late 2012, the U.S. Entity asked members of the SRT to present their perspectives on the Columbia River Treaty and to identify key elements that

should be considered in the development of a regional recommendation to the U.S. Department of State. In addition, the U.S. Entity asked that the perspectives be organized by the following subject areas: Hydropower, Flood Risk Management, Ecosystem-based Function, Water Supply, Recreation, Navigation, Water Quality, and Climate Change.

Oregon's Perspective: *Key Elements of a Regional Recommendation*, can be summarized as follows:

#### General Overview

Oregon believes the Regional Recommendation should reflect a holistic approach to managing the water resources of the Columbia River and proposes amending the Treaty to add consideration of ecosystem-based function, as well as other important public values including water supply and the need for adaptive management to address the likely effects of climate change.

#### Hydropower

Oregon will not only rely on state policies and programs but on regional coordination to achieve its future energy goals. The existing federal hydropower system operated by the BPA has created substantial value for Oregon through low-cost, reliable, emission-free, and firm energy—energy that currently accounts for 43 percent of Oregon's electricity mix. Oregon envisions a post-2024 Columbia River Treaty that builds upon the coordination and management of Canadian reservoirs established under the current Treaty provisions with the goals of enhancing system flexibility to facilitate the integration of variable generating resources and improving ecosystem function.

#### Flood Risk Management

Oregon notes technical analysis showing that the built environment located within the stretch of the Columbia River from the Portland/Vancouver area to the Pacific Ocean is comparatively and particularly vulnerable to Columbia River mainstem flood events. Oregon desires a post-2024 Columbia River Treaty that assures that the federal government maintains a level of risk protection comparable to the current level provided for these vulnerable areas.

#### Ecosystem-based Function/Water Quality

Oregon envisions a post-2024 Columbia River Treaty that has been expanded to include provisions to manage flows to preserve and enhance ecosystem functions and ensures that the natural resources of the Columbia River Basin stand on equal footing with existing Treaty purposes, hydropower and flood risk management.

#### Water Supply

The Columbia River Treaty review process presents a unique opportunity to evaluate the potential for supporting and enhancing continued salmon and native fish recovery efforts in the mainstem Columbia River and to create additional economic activity through irrigated agriculture in the Umatilla River Basin of Oregon. A post-2024 Columbia River Treaty should provide a mechanism for agreements between Canadian and U.S. interests for releases of water from Canadian reservoirs,

consistent with the goal of improving ecosystem function, which also support out-of-stream uses of Columbia River water in the U.S.

### Navigation

Oregon envisions a post-2024 Columbia River Treaty that supports navigation system operations on the Columbia River and its tributaries designed to facilitate the continued economic viability and value of port facilities, in particular, and commercial import and export of agricultural, bulk and manufactured goods, in general.

### Recreation

Oregon envisions a post-2024 Columbia River Treaty that acknowledges the economic value to river-front communities of various businesses, facilities and recreational opportunities that rely upon the waters of the Columbia River. Oregon envisions a post-2024 Columbia River Treaty that, when implemented, provides protection against or mitigation for any negative impacts to existing recreational facilities and opportunities.

### Climate Change

Oregon envisions a post-2024 Columbia River Treaty that fully acknowledges that climate change is likely to significantly alter the basin's hydrology and that provides adaptive management and operational tools to meet this eventuality.

## **Conclusion**

The State of Oregon, through the Office of the Governor and several state agencies, has been and continues to be actively involved in the Columbia River Treaty 2014-2024 Review Process—at both the technical and policy levels. On February 27, 2013, the Governor's Office invited Oregon State Legislators to a briefing at the State Capitol on the Columbia River Treaty Review Process. The briefing included PowerPoint presentations by Representatives of the BPA and Corps and technical updates by representatives of the Department of Fish and Wildlife, Water Resources Department and Public Utility Commission.

The value of the Columbia River to Oregon—in terms of hydropower, flood control, fish and wildlife, water supply, navigation, and recreation—in terms of our history and vision for the future—cannot be underestimated. For this reason, the state remains fully committed to playing an active role in the Treaty Review Process.