### **United States Entity**

#### **Columbia River Treaty**

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# To Whom it May Concern:

The U.S. Entity, in consultation with the Sovereign Review Team (SRT), regional stakeholders and sovereigns, and the public, has been conducting a multi-year review of the Columbia River Treaty (Treaty) to inform a recommendation to the U.S. Department of State on the future of the Treaty post-2024. In June 2013, the U.S. Entity shared an initial working draft of a recommendation for regional interests to review and provide comments. We are now releasing a Draft Regional Recommendation for additional review and comment. This letter provides information about the draft recommendation and next steps for the Treaty review process.

The Draft Regional Recommendation builds on and refines the basic premise of the working draft recommendation that it is in the best interests of the region to modernize the Treaty post-2024 in such a way as to bring about better and more balanced benefits to the region. In developing the Draft Regional Recommendation, the U.S. Entity listened closely to all voices in the region about how to reflect their interests in the recommendation, while respecting that a certain amount of compromise was necessary in order to garner as much region-wide support as possible.

Through this careful and extensive deliberation and review, we have heard many ideas. While the region acknowledges substantial benefits have flowed from the Treaty, there is also a strong desire to incorporate ecosystem-based functions into the Treaty and to recognize evolving interests in other water management issues in the Columbia River basin. There is growing interest in a Treaty that is more adaptive, flexible, and resilient in order to successfully meet the challenges presented by increased demand for water and the uncertainty of climate change impacts on Columbia River flow volume, timing, and variability in the next several decades. There is widespread concern that the method included in the Treaty for calculating Canada's share of its power benefits is outdated and no longer equitable, resulting in excessive costs to regional ratepayers. Finally, there is broad interest in reaching agreement with Canada on how we will conduct coordinated flood risk management operations post-2024 under the terms of the Treaty.

The Draft Regional Recommendation attempts to recognize and balance all of these viewpoints and interests. The modernized Treaty that is envisioned in this Draft Regional Recommendation will simultaneously:

- better address the region's need for a reliable and economically sustainable hydropower system;
- continue to provide a similar level of flood risk management to protect public safety and the region's economy;
- include ecosystem-based function as a third primary purpose of the Treaty, to ensure a more comprehensive approach throughout the Columbia Basin watershed; and
- create the flexibility within the Treaty that is necessary to respond to climate change, changing water supply needs, and other future potential changes in system operations while continuing to meet authorized purposes such as navigation.

In essence, the Draft Regional Recommendation seeks to further improve on a Treaty that has already provided immense benefits, while also making it more adapted – and adaptable – to current and future needs of the region. Through this approach, it is hoped that we can achieve a collective net "win" for the region on all fronts.

The U.S. Entity and the SRT agree that the Draft Regional Recommendation is ready for regional review at this time. The U.S. Entity believes that we, as a region, now have a valuable opportunity to coalesce around this recommendation to modernize the Treaty. The U.S. Entity is seeking broad regional support – from sovereigns, regional stakeholders, and the general public – before the recommendation is finalized and presented to the U.S. Department of State in December 2013.

The U.S. Entity welcomes your comments and suggestions on the Draft Regional Recommendation by October 25. These comments and suggestions will be considered for incorporation into the final recommendation. Please send your comments to <a href="www.bpa.gov/comment">www.bpa.gov/comment</a> or mail them to CRT Review (DKE) P.O. Box 14428, Portland, OR 97293. We will also be working with the SRT and stakeholder interests to consider any comments and suggestions received during the Draft Regional Recommendation review period that are provided through members of the SRT.

In addition, the U.S. Entity plans to have additional meetings across the region to discuss the Draft Regional Recommendation with regional sovereigns, interested stakeholders and the public. To that end, we encourage your participation in upcoming roundtable discussions, which will be held in Spokane, Boise, Kalispell, Olympia, and Portland. We will distribute a notice to our mailing list as soon as possible; please watch for details on <a href="https://www.crt2014-2024review.gov">www.crt2014-2024review.gov</a>.

The U.S. Entity is very appreciative of the interest shown by the region and looks forward to your comments. Thank you again for your involvement in this process.

Sincerely,

### /s/Stephen R. Oliver

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## /s/David Ponganis

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