



Oregon

Theodore R. Kulongoski, Governor

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February 20, 2007

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Dear Patty,

The Oregon Department of Fish and Wildlife (ODFW) currently has three wildlife projects (Burlington Bottoms, Ladd Marsh, and Willamette Wildlife Mitigation) funded by Bonneville Power Administration (BPA) through the Northwest Power and Conservation Council's (NWPCC) Fish and Wildlife Program. Burlington Bottoms and Ladd Marsh are long-term projects that require on-going operations and maintenance. The Willamette Wildlife Mitigation project is more of a program or umbrella project that includes work on 13-18 different projects in the Willamette Subbasin.

In response to Stephen Crow's letter (February 1, 2007) from the NWPCC requesting comments on the use of budget information from PISCES, we offer a few comments and suggestions particularly related to ODFW's projects. The Columbia Basin Fish and Wildlife Authority's (CBFWA) Wildlife Advisory Committee (WAC) developed a White Paper partially in response to the Independent Economic Advisory Board's (IEAB) Task Order #116 and to apparent concerns that the NWPCC was proceeding with the review without adequate input from the wildlife project managers. The White Paper discussed in some detail the problems in developing standards for O&M across the Columbia Basin particularly related to factors that may influence costs such as project location, differences in habitat types, management systems, and the legacy of HEP and HU valuations. We agree with many of the conclusions in the White Paper and urge the NWPCC to consider these issues during their review.

The NWPCC and IEAB have considered the use of PISCES as one accounting tool to evaluate O&M costs. Many of the issues in the White Paper relate directly to problems with using PISCES to determine O&M costs and to develop standardized funding levels including the following:

- PISCES is a rather coarse view of work activities and does not address many of the finer scale factors that may greatly influence costs (e.g. access to site, habitat type, topography, etc.)
- There is no differentiation of habitat types or habitat conditions (e.g. wet meadow vs forest habitats, highly degraded vs high quality habitats). An example is the cost of removing reed canary grass in a wetland site versus the costs of mowing exotic grasses in an open meadow.

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- PISCES does not evaluate outcomes related to enhanced wildlife use of areas that receive funding from BPA. An example is the significant increase in wildlife use on Ladd Marsh and consequential increase in HU benefits to BPA with consistent funding for O&M.
- There is no adequate separation of enhancement and O&M costs in PISCES. Enhancement costs have traditionally been significantly higher than O&M. Currently most of the projects in the Willamette Subbasin are still in the early stages of restoration and enhancement so costs are going to exceed O&M. The USFWS estimates that enhancement costs in the Willamette Subbasin may >\$1500 ac/year for 2-5 years after acquisition depending on the extent of degradation of the project area.
- PISCES does not account for differences in sizes of project areas, length of growing seasons, type and extent of invasive vegetation, or risk of invasive contamination from adjacent properties. An example is the Willamette Subbasin where growing seasons are longer, and the moderate, wet climate enhances the diversity and persistence of invasive vegetation.
- Many wildlife projects have substantial cost share with other funding providing considerable match for BPA funding. However, it is often difficult to separate the different funding sources for a specific task and the results as reported or extracted from PISCES may be misleading.

PISCES has become more amenable to elucidate some costs details, and with further evolutions may provide a better accounting of specific O&M tasks. Many wildlife project managers work closely with their BPA Contract and Technical Representatives and this working relationship ensures that many projects are cost-effective. However, most project managers are working under specific management systems that may influence cost for projects. For example, variations in fringe benefit rates, indirect costs, and organizational structure may produce very different personnel costs for O&M. As described in the White Paper, project managers also may be constrained by different management philosophies and institutional mandates that may affect cost. Few of the above cost factors are easily captured in PISCES.

ODFW fully supports the review of O&M and the attempts to better ensure cost effectiveness in their BPA supported wildlife projects. We look forward to working with the NWPPC to provide information on our projects and to comply with the intent of the Northwest Power Act (1980) to provide effective mitigation for the construction and operation of the Columbia River hydropower system.

Sincerely,



Michael Pope

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