



## **BACKGROUND MEMO**

November 12, 2008

### **Major Problems With the Klamath “Agreement in Principle”**

The Agreement in Principle (AIP) on Klamath River dams was negotiated in secret between the federal Department of Interior, State of California, State of Oregon, and PacifiCorp. It has several major flaws outlined below:

#### **Allowing PacifiCorp to avoid 401 certification under the Clean Water Act and review under the California Environmental Quality Act (CEQA)**

The AIP would halt all Clean Water Act certification proceedings currently underway. These processes are currently the most likely path to dam decommissioning under the FERC relicensing process. The AIP effectively allows PacifiCorp to dodge this critical legal process and operate their dams without Clean Water Act permits during the length of the AIP. If a signatory to the AIP was to withdraw from the agreement, the Clean Water Act and CEQA process would start over, delaying prospects of successful dam removal. (*See § II(B)(xiii), p. 5*)

#### **Decreasing the likelihood of dam removal by implementing several off-ramps for PacifiCorp and/or states to withdraw from the agreement, including:**

Passage of federal legislation enacted the harmful proposed \$1 billion Klamath Basin Restoration Agreement, with provisions harmful to National Wildlife Refuges and river flows need for threatened coho salmon (*See IV, p. 8*)

Commissioning of studies to determine the cost/benefit analysis of dam removal (despite the fact that such studies have already been executed) (*See III, p. 6*)

Requirement that Oregon and California pass legislation raising a combined \$200 million from rate increases to power customers (*See VI(A), p. 9*)

Passage of federal legislation identifying a non-governmental Dam Removal Entity (DRE) (*See IV, p. 7, Section VIII, p. 15*)

#### **Linking dam removal to a \$1 billion deal that rewards special interests in the Klamath Basin**

The AIP expressly links any future removal of dams to the passage of federal legislation that would enact the proposed Klamath Basin Restoration Agreement (KBRA). The KBRA carries close to a one billion dollar price tag, including funds to subsidize power for commercial agriculture interests, and \$100 million for Klamath Project irrigators to develop and manage their own water plan for the Basin’s publicly-owned water resources. The KBRA guarantees water deliveries to agribusiness while making

no guarantees to deliver water to endangered fish or National Wildlife Refuges. It also locks in for another 50 years the Bush administration's current policies regarding commercial agricultural development on 32,000 acres of National Wildlife Refuge land. (*See IV, p. 8*)

**Relying on Bush administration leadership that has led to disaster after disaster in the Klamath Basin including the 2002 fish kill**

This process has been driven by the Bush-led Department of Interior, an agency that has a disastrous record over the last eight years in the Klamath Basin. The Department of Interior was responsible for withholding water from the Klamath River in 2002, leading to the largest fish kill in Western U.S. history. The AIP is designed to ensure current Bush administration policies regarding dams, water, salmon, and wildlife are carried forward into President-elect Obama's administration.

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