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H.S. House of Representatives Committee on Natural Resources Washington, DC 20515

Opening Statement of Chairman Doc Hastings

Committee on Natural Resources On Monday, December 9, 2013 Full Committee Oversight Hearting on "The Future of the US-Canada Columbia River Treaty -

Building on 60 years of Coordinated Power Generation and Flood Control"

This field hearing on Columbia River Treaty was purposely set here in the Tri-Cities, because it is in the heart of the Columbia River Basin. The Columbia River has always been essential to our economy and our way of life – generating clean renewable power to light our homes and businesses, providing fish and recreation opportunities, providing irrigation for our crops, and serving as a waterway to move goods from the interior of the Northwest to markets overseas.

The river also reminds us of its destructive power. 65 years ago, devastating floods along the Columbia wiped out the City of Vanport downriver and displaced thousands of people here in the Tri-Cities. That type of catastrophic flood is much less likely today in large part due to the Columbia River Treaty agreement with Canada and subsequent investments made in new dams by both countries.

The 1964 Columbia River Treaty provided the framework for coordinated power generation and flood control between our two nations. Starting next year, either party can terminate the Treaty with 10 year's notice, and both countries are reassessing the Treaty to consider changes, and develop recommendations for potential bilateral negotiations. We are pleased to have representatives of both the U.S. Entity as well as the Canadian Entity here today to testify and explain their views. This is timely, considering a final recommendation from the U.S. Entity to the State Department is anticipated this month.

In my view, it is essential that the final recommendation to the State Department focus on the two <u>core functions</u> of the treaty, power generation and flood control. United States power generation and operations have changed dramatically in recent decades – in large part to address fish concerns – leaving the formula for compensatory energy deliveries to Canada under the entitlement outdated and in need of rebalancing. BPA estimates that the actual U.S. power benefit from coordination with Canada may be a tenth of what we deliver today under the current treaty terms. Adjusting the entitlement could save Northwest ratepayers millions of dollars annually and should be the top priority for the State Department.

It is also obviously imperative that we reach an agreement on how flood control operations would work post-2024. As is the case elsewhere in the U.S. – and as was done historically in this case – compensation to Canada for this function is appropriately the responsibility of the federal government, and not Northwest ratepayers.

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Some have advocated strongly for adding "ecosystem" issues into the treaty as a third primary purpose. Negotiations with the Canadians over the entitlement and flood control will be challenging enough as is without injecting vaguely-worded and contentious items, many of which can, or already are, being addressed appropriately through domestic processes. The Northwest's endangered species program for Columbia River salmon already costs several hundreds of millions of dollars each year – mainly out of the pockets of our region's ratepayers. Further, we should be encouraged that these efforts have contributed to near record and record returns. This year, for example, nearly one million fall chinook salmon returned. Ultimately, a collaborative biological opinion process – rather than ongoing litigation – is the appropriate way to address many of the ecosystem issues being proposed by some in the Treaty context.

While modest improvements have been witnessed in the U.S. Entity's draft recommendations, I remain concerned that "ecosystem issues" continue to be over-emphasized over the core treaty functions that plainly will need to be addressed one way or another in bilateral discussions with Canada. It is my hope and expectation that the final recommendation from the U.S. Entity will make clear to the State Department that the priorities we need to address are the entitlement and flood control.

I have been working closely with Ranking Member DeFazio on this issue. Of course, we do not always agree on every issue before the Committee. But on the Treaty, I think we share many of the same concerns and I am committed to working with him in a bipartisan fashion as we move forward with our oversight in this area.

I look forward to your testimony and a robust discussion of these issues today.