

Beware of Fishing Freeloaders!

Arkansas anglers want a free ride at consumer expense

The Corps of Engineers is drafting a report that could increase electricity costs simply to improve fishing in a stream that is already acknowledged as one of the premier blue ribbon trout fisheries in the county. Even worse, a move is afoot to excuse the trout anglers from paying any of the costs associated with improving the fishing.

The Little Rock District of the Corps is finishing a draft report on the economic and technical feasibility of reallocating 15 feet of storage in five White River Basin reservoirs in northern Arkansas and southwest Missouri — Beaver, Table Rock, Bull Shoals, Norfolk and Greers Ferry — to support minimum flow releases from the dams to further improve the downstream trout fisheries. Minimum flows are releases made from the dams when other releases — either to empty the flood control pool or to generate hydropower — are not being made. The Arkansas Game and Fish Commission (AGFC) and the Missouri Department of Conservation want the minimum flow releases to make it easier for fishing boats to navigate the downstream waters and to increase the food available to the trout.

Ducking the Costs

Regardless of how the storage is reallocated, the hydropower plants on the dams will lose either energy, capacity or both. That means that the power customers — your constituents — will have to pay more for replacement energy and capacity — as much as \$10 million annually. On top of that, the trout fishing interests want to waive a long-standing federal law that requires them to share in the cost of reallocating the storage and making the minimum flow releases!

In addition to the lost hydropower, there are costs associated with the reallocation. Longstanding federal law requires that such costs, including costs of storage, be shared with the project sponsors. This is in keeping with the policy that the beneficiaries of a federal water project should pay for the benefits they receive. In this particular instance, Corps headquarters has determined that the reallocation and minimum flows would be a recreation project — it benefits the trout anglers. Federal law requires that the local sponsors of recreation projects must pay 50 percent of all costs associated with the project, including storage costs.

But the AGFC doesn't want to pay 50 percent of the costs — they don't want to pay any of the costs! A spokesman for the agency indicated at a public meeting that AGFC would seek a "political solution," and urged those attending the meeting to write their Congressional representatives, presumably to seek a legislative waiver of the cost-sharing requirements.

A political situation means that your office will be involved. AGFC will ask Congress to amend the law so that they don't have to pay their fair share of the reallocation and minimum flow costs. The implications of such action are major.

The Corps regularly reallocates storage in its reservoirs, usually to provide additional drinking water for municipalities and rural water districts. When storage is reallocated for this purpose, applicants must pay 100 per cent of the updated cost of storage, plus annual operation and maintenance costs associated with

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the storage.

If all the other beneficiaries of federal multipurpose projects are required to pay at least a portion of the costs, why should AFGC be exempted? If a community you represent has to pay 100 percent of the updated storage costs to obtain additional water supply storage in a Corps lake *to provide drinking water for human consumption*, why should AGFC be provided *free* storage to benefit trout anglers?

Unlike recreation users, hydropower customers are required to pay for 100 percent of the costs associated with building, operating and maintaining the power facilities, plus interest on the capital investment. A significant portion of these costs are apportioned on the basis of the hydropower benefits that we were to receive, based on project design. Reallocation will reduce the hydropower benefits — perhaps as much as \$10 million annually — to rural electric cooperatives and municipal utilities that you represent. But Corps policy does not allow for a like reduction in the hydropower repayment obligation. Where is the equity?

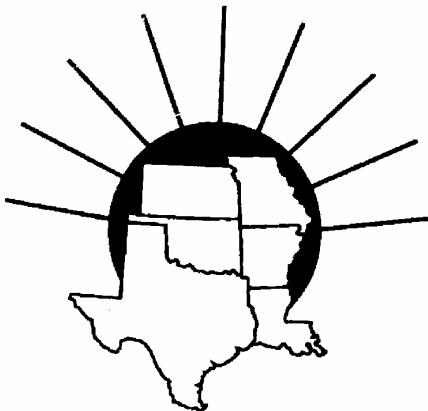
These are weighty issues. There are real dollars involved. Years of federal law and policy have provided that the users of federal multipurpose reservoirs should help pay for those costs on the basis of the benefits they receive. We urge you to think long and hard before making an exception for the White River trout anglers.

What We Want You to Do

An amendment to waive the cost-sharing requirements in the White River minimum flows and reallocation proposal could be added to any of a number of bills — the Water Resources Development Act, the annual Energy and Water Appropriations bill, an omnibus appropriations bill, a continuing resolution, or any similar legislation. *We urge you to speak against and vote against any such provision.*

We probably won't get much advance notice when this amendment is moved. That means we may be calling you at the last minute to ask you to vote against such an amendment in subcommittee, full committee or on the floor. Your opposition will be greatly appreciated by your rural electric cooperative and municipal utility electric consumers.

All energy and capacity generated at these Corps dams is sold to rural electric cooperatives and municipally owned electric utilities in Oklahoma, Kansas, Texas, Louisiana, Missouri and Arkansas. As consumer-owned, not-for-profit utilities, they have no option but to pass on to consumers any increase in their wholesale power costs.



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