

## **A Notice of Intent to Terminate Certain Provisions of the Columbia River Treaty will advance Treaty modernization efforts.**

The Columbia River Treaty Power Group urges the U.S. Government to provide Canada with the required 10 year notice of intent to terminate certain provisions of the Columbia River Treaty.

The U.S. Entity launched the Columbia River Treaty review in 2009 with input from stakeholders and federal participation throughout the long review period. The United States and Canada are the beneficiaries of years of work and study of the Columbia River and the Treaty issues are well known and ready for serious negotiation.

The Power Group believes the notice of intent to terminate the Treaty will help launch and sustain Treaty talks. A termination notice provides the two countries with 10 years to modernize the Treaty. This is more than enough time to work through Treaty issues. The original Treaty negotiated in the 1960's took less than one year to successfully complete. Full implementation took less than five years. The termination notice will hold the U.S. government accountable to a key Northwest priority issue and will ensure British Columbia is not able to delay the proceedings in favor of the status quo

Northwest electric ratepayers currently lose roughly \$1 million every two to three days due to the antiquated commercial terms of the Treaty that provide Canada with significantly more benefit than Northwest residents. It is likely that only notice of intent to terminate can sustain a strategy to halt these losses. Notification signals the status quo will not remain in place indefinitely beyond 2024. If the U.S. and Canada reach a more equitable agreement on the Treaty's future, the United States may withdraw its notice to terminate the Treaty.

The Treaty was drafted with termination provisions to protect the future interests of both parties. The historical record clearly illustrates the treaty's benefits were calculated on a 60-year lifespan. Treaty negotiators settled on a 60-year term before the Treaty could be changed. Both countries acknowledged conditions would change over time and purposely created this opportunity to revisit the Treaty's future. Article XIX sets out the commercial and power coordination provisions of the Treaty that are eligible for termination. Other Treaty provisions, including flood control, continue indefinitely and cannot be terminated.

The U.S. and Canada have already studied Treaty termination scenarios thereby acknowledging the issue as one that both countries must consider. Some Treaty provisions – flood control – self-terminate under the Treaty in 2024 to be replaced by a new “Called Upon” system. Thus, flood control provisions continue as only the power provisions are eligible for termination. Termination of the power provisions may result in a large net-benefit to Northwest electric ratepayers. The full result of an actual termination of the Treaty can be modeled and studied over the next 10 years.

The U.S. Entity Regional Recommendation for the Future of the Columbia River Treaty after 2024 states that other options should be considered if the U.S. and Canada have not achieved agreement of key aspects of a modernized treaty by 2015. Without the notice of intent to terminate, Treaty modernization will experience further delays at significant cost to Northwest electric ratepayers and the region's economy.