

acing the costs
 main sources of public mon-
 customers of the Bonneville
 tion and federal agencies. Al-
 tally is kept. The Oregonian
 mbined spending will total
 000.

ounts include all money in
 the four Northwest states.
 target, likely to soar past \$1

ontributions is likely to shift.
 soon could fall on customers
 sells power from 29 federal
 clear plant in the Northwest.
 Corps of Engineers builds
 cts around Northwest dams,
 But when the work is done,
 the books of the BPA, which
 ng as 50 years.
 vernment currently spends
 of ratepayer money the BPA
 y projects. But as costly corps
 line, the BPA's costs will grow.
 d to increase in 2001.

Congress from outside the
 y have put their colleagues on
 al how you spend taxpayer
 jects can be cut as easily as
 y is bureaucracy," said former
 R-Pa. "It grows, and it wants
 re people, more everything."
 ade led House members from
 idwestern states who slashed
 corps project that would ease
 ough dams in the Columbia
 e money was restored in con-
 laneuver drew attention from
 And now, many members
 region are learning about the
 ssue in its starkest terms.

icates argue that breaching
 cost-effective way to save fish.
 e operating costs and save tax-
 iability of extinction, they said.
 reate a situation where the
 hemselves," said DeGennaro,
 ocates breaching.
 ight find a receptive audience.
 Hastings, R-Wash., requested
 s opposition to breaching. But
 publican colleague recom-
 rthwest members open their

people who want to keep the
 nkiy, I don't think have a real
 ound into the nature of the
 p. Wayne Gilchrest, R-Md.,
 w.

Snake River dams at heart of debate benefit region, BPA

WASHINGTON —

What are four dams worth? Answers seem to be as numerous as voices in the debate about endangered fish. But here's a snapshot estimate of their benefit to the Northwest economy: \$328.7 million a year.

The four federal dams that span the lower Snake River — Ice Harbor, Lower Monumental, Little Goose and Lower Granite — are at the heart of controver-

sy about how to save fish. Government scientists are studying whether breaching the dams to restore habitat is the best way to save fish from extinction.

An economic argument also is catching fire. Opponents say breaching dams will destroy the economy of the inland Northwest. But proponents predict that a free-flowing river and burgeoning fish stocks will stimulate a new economy built around recreation.

Time will tell who's right. But in 1999, it is possible to count the benefits the dams produce.

Power is biggest by far. The Bonneville Power Administration sells an average of 1,195 megawatts from the dams. During the course of a year, that's \$250.2 million worth of power for BPA's utility customers at current rates.

There also is \$78.5 million in benefits that go directly into the economy. They are:

Savings to BPA customers: They avoid paying higher rates for power on the open market. The extra cash for BPA customers is \$32.5 million a year at current rates.

Savings on transportation costs: A group of consultants working for the U.S. Army Corps of Engineers made a preliminary estimate that barge customers save \$35 million a year by avoiding hauling goods by rail or truck.

Value of irrigated crops: The same group of consultants estimates that crops grown with water from the dams are worth \$11 million a year.

The consultants' full report is expected to be made public this summer. Oth-

er early estimates show that the value of recreation and fisheries goes up if dams are breached. Therefore, there are no net recreation or fishery benefits of having dams in place.

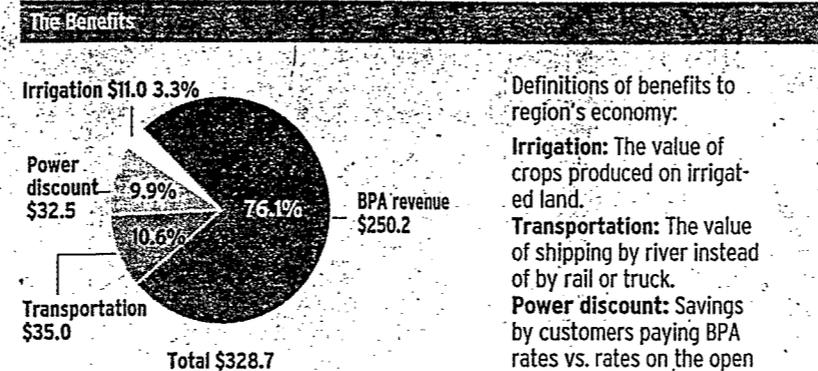
So are the dams a bargain? Measured against their annual cost — \$87 million in debt and operation costs paid by BPA — the dams return \$78.5 million to the economy, or 90 cents on the dollar.

For the BPA, the dams are a cash cow. In addition to annual debt and operation costs, the BPA must cover the cost of transmitting power, about \$22 million a year. But the agency still has \$141.2 million in cash for other debt and public purposes such as fish recovery.

— Jim Barnett

WHO BENEFITS FROM THE DAMS?

Here's a look at the estimated annual market value of benefits now being produced by the four Snake River dams that have been suggested for removal (in millions): *



* Percentages may not total 100 because of rounding.

The economics of the dams

An economic analysis of the four Snake River dams; environmental considerations are excluded:

Discount to BPA customers	\$32.5
Irrigation	\$11.0
Transportation discount	\$35.0
Total annual benefits	\$78.5

Payment on debt	\$54.0
Maintenance	\$33.0
Total annual costs	\$87.0
Net annual cost of four dams	\$8.5

Definitions of benefits to region's economy:
Irrigation: The value of crops produced on irrigated land.
Transportation: The value of shipping by river instead of by rail or truck.
Power discount: Savings by customers paying BPA rates vs. rates on the open market.

What you get for a dollar spent

Here's a look at the economic return on each \$1 spent to run the dams each year:

Irrigation	13 cents
Transportation	40 cents
Power	37 cents
Total	90 cents

Return to BPA for each \$1 spent to run the dams	\$1.30
Here's a look at the BPA breakdown (in millions):	
Operations and transmission costs	\$109.0
Net revenue	\$141.2

Sources: BPA; energy consultants

THE LOWER SNAKE RIVER

