



**CALFED
BAY-DELTA
PROGRAM**

Reading

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February 25, 1998

Mr. Mike Spear
Regional Director
U.S. Fish & Wildlife Service
Eastside Federal Complex
911 N.E. 11th Avenue
Portland, OR 97232-4181

Dear Mr. Spear:

Thank you for your letter dated January 29, 1998 which transmitted both a proposed scope of work for U.S. Fish & Wildlife Service (Service) participation in "Development of CALFED Conservation Strategy and ESA Compliance" and a discussion of issues related to scopes of work and funding sources for other Service participation in CALFED. We are still reviewing the scope of work and estimated cost for conservation strategy, consequently, we will respond on those issues by separate correspondence. This letter will respond to the second issue in your letter.

With respect to the scope of work and cost estimate for all other items of service work (with the exception of the "Conservation Strategy" discussed above) which is presented on page 2 of your recent letter, we have reviewed the categories of work detailed in your December 17, 1997 letter and have some comments which need to be brought forward for your consideration. Our comments originate from CALFED's long stated policy of asking the CALFED agencies to provide their separate funding for the review, analysis, and participation of their staff where the activities do not result in a Program workproduct. In general, we have asked agencies to fund their activities which are a logical extension of the agencies' duties and responsibilities as if the proponent is a private party or a single agency (participation in general meetings, review of Program documents, etc.). The intent of this policy has been to only fund CALFED's agency work for the Program which results in workproduct which is a part of a Program report. The corollary assumption is that funding for the agencies' normal responsibilities would be identified separately within the Federal or State Budgets so as not to be part of a direct CALFED appropriation. This funding policy is identical to the position we took in previous funding cycles. We recognize that the Service budget does not include, as your letter states, specific funding for CALFED participation, and we have attempted to consider this in the application of the scopes of work.

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Army Corps of Engineers

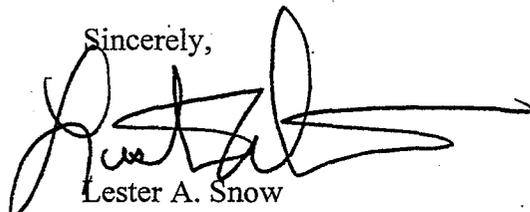
Department of Agriculture
Natural Resources Conservation Service
Department of Commerce
National Marine Fisheries Service

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The enclosed summary sheets show our preliminary analysis of the elements of your scope of work which fall within those two funding categories. The work categories and tasks which are designated to be funded by CALFED, are now being incorporated in an agreement for these services which will be forwarded soon for your consideration. We intend that this agreement move forward in advance of funding for conservation strategy work order to ensure continued Service participation (since we understand that the current funding will be exhausted about June 30).

If we understand your January 29, 1998 letter correctly, your cost estimates for Service participation in the scope of services which you transmitted in your December 17, 1997 letter is \$225,000. This includes the \$150,000 supplemental funding amount which we implemented on September 22, 1997, leaving a balance of \$75,000 to be funded through the end of FY 98. As earlier stated, the agreement authorizing these funds is underway. Any questions that your staff may have about the timing of the agreement and funding can be directed to Judy Kelly, Deputy Director for Administration and Budget, or Millie Simmons of her staff at (916) 657-2666.

I want to take this opportunity to thank you for the fine contributions that Service staff have made to the CALFED Program and express our hope that the Services' participation in the Program will continue at that high level.

Sincerely,

Lester A. Snow
Executive Director

Enclosures:

USFWS Scope of Work Elements Which Will Be Incorporated in a CALFED Document
USFWS Scope of Work Elements Which Should be Funded Through Non-CALFED Sources

cc: Roger Patterson
Judy Kelly
Steve Yaeger