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Sent: Thursday, August 18, 2011 4:19 PM
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Subject: Budget Message From Anne Castle
Attachments: Reponse to Technical Work Group Budget Motion Final 8 18 11.pdf; ATT00001.htm
Importance: High

Hello, everyone. I hope this message finds you well.

I have attached a message from AMWG Secretary's Designee Anne Castle regarding the budget motion from TWG that you will consider at your AMWG meeting next week.

Let me know if you have any difficulty opening it. Warm regards, MO



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

MEMORANDUM

To: Glen Canyon Dam Adaptive Management Work Group

From: Anne Castle, Secretary's Designee
Assistant Secretary for Water and Science

AUG 18 2011

Re: Response to Technical Work Group Budget Motion

As we work through this year's development of the Glen Canyon Dam Adaptive Management Program (GCDAMP) budget, I want to recognize the hard work of both the Technical Work Group (TWG) and Budget Ad Hoc Group (BAHG) on their review of the Fiscal Year (FY) 2012 workplan and budget and in implementing a change in policy which I requested. The policy change, which has been discussed several times with the Adaptive Management Work Group (AMWG), was intended to focus the TWG on the technical issues of the program while elevating only policy level issues to the AMWG for consideration. This change in approach required us to make a number of modifications this year to the AMWG approved budget process.

Through Shane Capron's leadership as TWG Chair, and Mary Orton's facilitation, we have been able to focus discussions by the BAHG and TWG on technical issues, and to resolve many of those issues in advance of the AMWG meeting. During the TWG review process, Mr. Capron and the TWG also identified to the Department of the Interior (Interior) a number of policy issues rose by the BAHG, which provided Interior an opportunity to offer preliminary feedback. This feedback loop wasn't in place in prior years and provided a chance for Interior to learn from the TWG the important issues facing the program and for Interior to present initial reactions to the TWG on these challenging policy level issues. We are trying to fulfill the promise made to the AMWG that the Interior agencies would not "lie in the weeds" while debate was ongoing in the TWG and AMWG. Rather, we are attempting to provide early input on the considerations relevant to the Interior agencies' missions and budgets, so that information can be incorporated into the discussions at the TWG.

I had also asked the TWG and AMWG for input on this new budget process in my May 4 memorandum and at the May AMWG meeting, and we have been getting some feedback. Some program participants are concerned that greater involvement in the process from Interior at the early stages may result in decisions being made before the TWG or AMWG have a chance to have input. Specifically, some are concerned about Interior responding to issues raised during the BAHG process before a TWG vote. Please be assured that Interior's feedback during the early part of the review process is not intended to reflect unalterable decisions; rather, we view

the discussions with the BAHG and TWG as an ongoing dialogue intended to ensure that all parties are better informed. The program reaches better decisions based on careful and fully informed deliberations. While Interior is striving to present a departmental view whenever possible, I still anticipate that differing viewpoints within Interior will continue to provide robust conversation at TWG and AMWG meetings. These issues will be thoroughly debated at our AMWG meeting in August.

In other words, nothing is "set in stone." Rather, this memorandum is intended to provide food for thought in advance of that meeting and to give you the Interior perspective and time to think about it. So please consider these Interior comments and work with us to craft meaningful solutions to these important policy level issues.

Consistent with the foregoing, following the most recent TWG meeting (at which several changes to the budget were recommended), Interior re-considered a number of changes requested by the TWG in its budget motion. The TWG motion includes a request to not reduce funding for the Science Advisors. Interior agrees that funding the Science Advisors is important and that their objective, independent review of ongoing and future monitoring and experimentation efforts is a valuable component of the program. However, as we all know, the GCDAMP science needs always exceed available funding, so we will have difficult choices to make. In the original FY 2011-12 biennial budget and workplan, the Science Advisors were funded at \$189,000, which was proposed to be reduced to \$142,000 in the revised budget for FY 2012. The reduction was based on the need to fund priority research activities. However, after further consideration of the TWG request and the list of potential tasks, such as initiation of Long Term Experimental and Management Plan (LTEMP) Environmental Impact Statement (EIS) scoping, GCRMC is proposing to fund the Science Advisors at \$214,000, which includes an additional \$25,000 to fund a yet-to-be defined and selected academic advisor in FY 2012. I would like to seek the input of the AMWG regarding the area of academic expertise needed at our August meeting.

Interior also concurs with the AMWG and TWG that socio-economic issues are an important part of the Glen Canyon Dam AMP. The TWG has requested that Interior refrain from hiring an economist until after the socio-economics implementation plan currently under development by the Socio-Economic Ad Hoc Group (SEAHG) is completed. At the same time, the TWG has requested support from the Science Advisors for an economics expert to chair the SEAHG in its task to finalize the plan. We agree that additional expertise is needed to support the SEAHG and have concurred with the TWG request for Science Advisor support. Additionally, the Bureau of Reclamation will provide Dave Harpman, an economist with expertise in Glen Canyon Dam issues, to serve as a co-chair of the SEAHG.

To date, GCDAMP expertise in the socio-economics field has been relatively limited. We fully expect to be reviewing power economic models and non-use value economics provided by various Glen Canyon Dam stakeholders in the near future. Just as we have Grand Canyon Monitoring and Research Center (GCMRC) biological experts evaluating masses of data produced and provided by others, we believe that we need "in-house" expertise, most likely an economics "generalist," to help evaluate this broad ranging and possibly competing economics information. The time has come to develop a more robust and strategic socio-economic

component of the overall program in order to more fully and appropriately advise the Secretary of the Interior and the GCDAMP on economic issues, options, and ramifications related to the operations of Glen Canyon Dam. To this end, I believe that we should hire an economist in a limited term position at GCMRC in FY 2012 to support this capability. This conclusion is explained further below.

We have also given much thought to the additional policy recommendations made by the TWG for AMWG consideration. These policy issues are primarily related to cultural resources and many do not have direct budget implications for FY 2012. We agree that these cultural issues are critical and deserve full consideration and action. As explained in the responses to each of the TWG sub-motions below, Reclamation have been working on a detailed plan to address cultural issues, including hiring a regional archaeologist who began work this week. GCMRC has also been working with the National Park Service (NPS) to address the TWG's motion to Interior concerning funding for cultural resources monitoring.

In the responses below, we describe our planned activities and strategy for reaching agreement on how to proceed. However, we do not believe that all these issues are currently ripe for consideration by the Secretary. For example, it has apparently been quite some time since the TWG's Cultural Resources Ad Hoc Group (CRAHG) has met. We propose reconstituting the CRAHG, chaired by Kurt Dongoske, with John Halliday, the Tribal Liaison for the AMWG, serving as co-chair to further refine the issues raised by the TWG motions. This will be just one piece in a concerted effort to resolve these issues and move forward.

In its final budget considerations, the TWG recommended the following technical issue be considered by Interior:

1. *TWG recommends that DOI restore full funding and the full scope for GCMRC's cultural resources monitoring development (Project 25), taking the funding from the Treatment Plan line item, Project 27; or that credible scientific justification be provided to the AMWG for the change.*

Response: We agree with the TWG that there is value to continued cultural/archeological resource monitoring within the Colorado River ecosystem. However, rather than reinstate the original scope and funding for Project 25, GCMRC and Grand Canyon National Park (GCNP) will collaborate on GCMRC's existing Project 37 (Integrated Image Analysis and Change Detection) and enhancement of GCNP's existing cultural monitoring program for the Colorado River Management Plan. This combined project will determine whether existing aerial imagery can effectively track and monitor sand deposition, movement, and erosion at a level suitable for additional monitoring and mitigation of impacts to cultural and archeological resources. If aerial imaging can be successfully applied, this approach has the potential to provide information at a broader scale and at more sites than the more spatially-focused, high resolution LIDAR methodology used in Project 25. In addition, the aerial imagery approach may provide an alternative that requires fewer field visits to sites. The more ground-intensive LIDAR-based testing studies of Project 25 will continue in the Glen Canyon National Recreation Area reach, which allows further evaluation of this approach and builds on the previous efforts within the

Grand Canyon reach. By further testing the new aerial imagery method within GCNP and continuing evaluation of ground-intensive LIDAR techniques in Glen Canyon, we will gain a better understanding of benefits and trade-offs of the differing approaches to cultural and archeological site monitoring. In addition to the image analysis, GCNP will employ several other monitoring techniques (following newly developed monitoring protocol) to continue assessing site impacts. Tribal specialists will be included in this effort. Results from the 2012 combined project will aid in (1) potential site mitigation work, and (2) delineation of future and ongoing site monitoring and assessments.

In its final budget motion, the TWG recommended the following policy issues be considered by AMWG, and our feedback on each follows:

1. *The TWG recommends that the AMWG recommend that the Secretary of Interior consider a review of the GCDAMP programs related to archaeological site monitoring and compliance with NHPA section 106 and the GCPA, to clarify how DOI (and the GCDAMP) is achieving compliance with both NHPA section 106 and the GCPA and what is specifically necessary to do so. (Passed by consensus).*

Response: Compliance with National Historic Preservation Act Section 106 (Section 106) involves identifying and resolving adverse effects on historic places (archaeological sites, traditional cultural places, cultural landscapes, historic structures, etc.) in consultation with State Historic Preservation Officers (SHPOs), tribes, and other interested parties. The GCPA does not alter this responsibility, but augments it by requiring Reclamation to monitor impacts on historic places (among other aspects of the environment) and report periodically on what it is doing to mitigate adverse effects. In 1994, Reclamation negotiated and executed a Programmatic Agreement (PA) under Section 106 among Reclamation, Advisory Council on Historic Preservation, Arizona State Historic Preservation Office, NPS, Hopi Tribe, Hualapai Tribe, Navajo Nation, Paiute Indian Tribe of Utah, and Pueblo of Zuni, which provided for the development and implementation of a Monitoring and Remediation Plan and a Historic Preservation Plan. Both plans were developed, but have not been fully implemented due to objections by some of the PA signatories.

Absent a fully implemented PA, Reclamation has attempted to comply with Section 106 on a case-by-case basis, focusing on ways to resolve the predicted effects of various adaptive management strategies and such specific projects as the High Flow Experimental Protocol and Non-native Fish Control. Differing viewpoints and approaches persist among the agencies, Tribes, and other parties consulting under Section 106. Generally speaking, some parties perceive the need for substantial archaeological excavations to mitigate the purported effects of specific streamflow regimes on certain historic properties, while some tribes oppose such excavations and question the need for them. Specific concerns have been raised about the impact of Non-native Fish Control on certain cultural properties which are being addressed through ongoing consultation with Tribes.

Reclamation is planning a 3-day meeting, September 6-8, 2011, with the five AMP member Tribes (Hopi Tribe, Hualapai Tribe, Southern Paiute Consortium, Pueblo of Zuni, and Navajo Nation), the Arizona State Historic Preservation Office, and the Advisory Council on Historic

Preservation, NPS and other interested parties, in Phoenix, Arizona. Reclamation intends to work with these parties at this meeting, utilizing a professional facilitator and an NHPA consultant, to: (1) determine adequate resolution of adverse effect for NHPA purposes for two undertakings, Implementation of the High Flow Experimental Protocol and Non-native Fish Control Downstream of Glen Canyon Dam; and, (2) if time allows, to initiate an in-depth collective analysis of PA implementation, with the goal of determining why the PA has not been fully effective and how to make it so. Because the goals of these ongoing efforts appear to be consistent with the TWG recommendation, we recommend that the AMWG support this effort in lieu of the TWG's proposed Secretarial review.

2. *The TWG recommends that adequate funding for the Science Advisors be a high priority for the AMP. TWG further recommends that AMWG task the TWG with developing a recommendation for AMWG on the roles and expectations of the Science Advisors with regard to the Adaptive Management Program and the related LTEMP. Based on the definition of the Science Advisors' role that AMWG ultimately adopts, TWG recommends that budget priorities for FY13-14 then reflect support to accomplish these responsibilities of the Science Advisors. (Passed by consensus).*

Response: The Science Advisors are a valuable asset to the program. GCMRC has restored FY 2012 funding for the Science Advisors to requested levels. We are directing GCMRC to consult with the TWG in developing a recommendation on the role and expectations for the Science Advisors, particularly as Interior begins to develop the LTEMP (and with particular regard to the inclusion of an academic advisor).

3. *The TWG recommends that AMWG make a recommendation to the Secretary on the following questions: How should the program fairly treat conflicts of cultural values, specifically those involving Native American perspectives? How will tribal values be monitored and tracked in this program? (Passed by consensus).*

Response: Interior agrees with TWG that cultural resource issues need continued attention. However, the request for AMWG to make a recommendation to the Secretary regarding how the program should treat conflicts of cultural values, and how tribal values will be monitored and tracked, is one that should be considered by the CRAHG prior to a recommendation from AMWG. These are complicated and complex questions that will require a tremendous amount of thought and need more consideration than can be accomplished at an AMWG meeting.

As an initial matter, Tribal Liaison John Halliday has been working with the Tribes to evaluate how traditional ecological knowledge could be implemented into federal agencies' administrative mechanisms. We believe this would also be appropriate for further development by the CRAHG.

Further, conflicts among cultural values, including those involving Native American perspectives, must be addressed based on, and through, professional and respectful consultation with the parties concerned, as required under Section 106 and such other authorities as the American Indian Religious Freedom Act and Executive Orders 13007 and 13175. Before a

recommendation is made to the Secretary, Interior believes that additional, respectful consultation should be undertaken.

To facilitate tribal consultation and the identification and resolution of any conflicts, the GCDAMP currently provides funds to the GCDAMP tribes through the Integrated Tribal Resources Monitoring budget line item (Project 26) to identify traditional cultural properties and implement Native American monitoring protocols that were developed in FY 2007 and recommended by the TWG as part of efforts to develop a core-monitoring program. In addition, the five GCDAMP Tribes work with Reclamation and the NPS to monitor the condition of historic properties in Glen and Grand canyons. The purpose of these activities is to evaluate the effects of dam operations and other actions under the authority of the Secretary on resources of value to Tribes. This program is intended to provide an opportunity to the Tribes to conduct independent monitoring that directly informs the program on the status of GCDAMP natural and cultural resources from a tribal perspective.

As noted above, Reclamation will be meeting with the Tribes and others in September to explore ways to address both immediate tribal concerns (e.g., about non-native fish control) and longer-term issues regarding cultural site management and protection. Reclamation has requested that the Integrated Tribal Resources Monitoring work be discussed by the TWG at its Annual Reporting Meeting in January, based on tribal reports. Reclamation will also continue to work with each individual tribe to further develop this and other programs to better integrate tribal perspectives into the GCDAMP, and would be pleased to consider other ways to identify and resolve any conflicts with tribal cultural values.

4. *TWG recommends that AMWG recommend to the Secretary that Reclamation implement the process that has been identified in Reclamation's 2007 Treatment Plan to comply with the requirements of NHPA Section 106 for the operation of Glen Canyon Dam. (Passed by consensus).*

Response: As noted above, there have been various viewpoints among the Section 106 consulting parties about the extent to which archaeological excavations should be conducted to mitigate streamflow impacts. The 2007 Treatment Plan proposed extensive excavations, and some tribes have objected to such excavations being undertaken. Resolving this issue is a fundamental part of Reclamation's ongoing compliance with Section 106. Reclamation hopes to make progress on an agreement at the planned September meeting among the Section 106 consulting parties.

Reclamation is exploring, with the GCDAMP Tribes and other interested parties, various actions that may be taken to mitigate for adverse effects of dam operations on cultural properties. Implementation of the 2007 Treatment Plan or a variant may be an action that is agreed upon, depending on the result of these upcoming discussions. It should be clearly understood, however, that Section 106 and its regulations require consultation and the implementation of agreements about how to resolve adverse effects. The 2007 Treatment Plan currently does not represent such an agreement, and implementing it therefore would not contribute to Reclamation's compliance with Section 106; indeed, it might complicate such compliance because of tribal objections to its archaeological provisions.

5. *TWG recommends that AMWG recommend to the Secretary that Reclamation identify what it will do in FY12 to mitigate adverse effects at the 53+ archaeological sites identified in Reclamation's 2007 Treatment Plan. (Passed by consensus).*

Response: The 2007 Treatment Plan identified 53+ archaeological sites that it recommended for data recovery, but it did not provide adequate rationale for why such data recovery was needed as a means of mitigating the actual impacts of ongoing dam operations. Moreover, as noted above, some tribes have objected to the conduct of such data recovery. In FY 2012, Reclamation intends to support continued monitoring of the condition of the sites identified in the Treatment Plan and to undertake remedial actions as necessary to mitigate actual impacts; at the same time it will seek agreement among the Section 106 consulting parties on the terms of an effective programmatic agreement to address such impacts in the long term.

6. *The TWG recommends that the AMWG recommends that the Secretary direct GCMRC to consider hiring an economist only after the AMWG approves a Socioeconomic Implementation Plan and provide a chair for the TWG Socioeconomic Ad Hoc Group who has expertise in economics from the Science Advisors; and TWG further recommends that AMWG direct TWG to focus the socioeconomic program initially on a robust and scientifically-based program dealing with power economics and market based recreational economics. (Passed by a vote of 10-5-3).*

Response: As an initial matter, we would hope that AMP participants recognize that any decision on hiring and staffing is an authority that is inherently within the discretion of the federal government, here Interior. GCMRC has identified the hiring of an economist as a budget priority, and Interior supports GCMRC's recommendation. GCMRC will recruit a qualified economist to help develop and lead the GCMRC socio-economics program. GCMRC is the primary science provider to the AMP, and basing the economist within GCMRC assures objective science, close coordination with other GCMRC programs, and the ability to perform inherently governmental tasks such as development and oversight of cooperative agreements and contracts. Interior solicits the views of the AMWG on the type of economic expertise most needed and appropriate. Our initial view is that we need a generalist who can help us evaluate economic models for market, non-market, and non-use values, understand the assumptions behind them, and translate the output into good decisions about dam operations.

We also want to emphasize that the work of the SEAHG and that of a GCMRC economist are not mutually exclusive. As you know, at last year's August AMWG meeting, the AMWG heard a report from Shane Capron regarding the TWG's review of the Final Report of the GCMRC Socioeconomic Research Review Panel. Subsequently, the AMWG passed a motion, by consensus, supporting implementation of studies to further our understanding of the socioeconomics of adaptive management decisions within the AMP; this includes market, non-market, and non-use studies. The TWG was directed to develop an economics implementation plan to be provided to the AMWG at its next meeting for possible implementation starting in FY 2012.

That work is ongoing. As the SEAHG continues its work to develop an implementation plan for consideration by the AMWG, we anticipate that the GCMRC economist will work with the

TWG and SEAHG to evaluate socio-economic information needs, formulate research questions, and develop a recommendation for the scope and structure of GCMRC's socio-economics capabilities. The socio-economics implementation plan being developed by the SEAHG has a large number of desired actions that go beyond the short-term. Currently, GCMRC has no expertise to inform the AMP and the Secretary regarding socio-economic issues. Once a socio-economics plan is adopted, this expertise will be needed.

We anticipate that the economist will develop formal Requests for Proposals, prepare study plans, coordinate proposal reviews, and develop cooperative agreements or contracts as needed to better understand the cultural and natural resources affected or potentially affected by Glen Canyon Dam operations. In addition, the economist will coordinate independent peer reviews of GCMRC-funded reports, prepare fact sheets to disseminate information, and organize stakeholder workshops. Overall, the role will be similar to that of the current GCMRC Program Managers for physical, cultural, and biological resources. Further, socio-economic issues will also be analyzed in the LTEMP EIS. The GCMRC economist will also play a role in providing support to that process as the EIS progresses.

We believe that it is important to expeditiously establish the economist position to more fully integrate economics considerations into GCDAMP decisions, especially as we move into the LTEMP process. Responding to concerns voiced by stakeholders that the position may not be needed long-term. Interior has determined that the position will be a 2-year U.S. Geological Survey term appointment, renewable for up to 4 years. The approach Interior is taking on this economist position mirrors that used in establishing the other GCMRC science programs. In 1996-1997, when GCMRC was being formed, then-Director David Garrett hired Program Managers for biology, physical sciences, and cultural resources. These staff then led the development of their respective programs, in cooperation with the GCDAMP. Interior believes this was a highly successful strategy and intends to follow this same approach in developing an unbiased, scientifically credible socio-economic capability within the GCDAMP.

Thank you for your continued participation in the AMWG. I look forward to seeing you next week in Phoenix.