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LEADING ENVIRONMENTAL GROUP WITHDRAWS FROM KLAMATH SETTLEMENT AGREEMENT

Sacramento, CA (February 8, 2010) Friends of the River (FOR), a statewide, grassroots conservation organization working on behalf of California rivers, announced today that it will not sign the Klamath Hydropower Settlement Agreement (KHSA). The KHSA outlines a plan for potential future removal of four hydroelectric dams on the Klamath River operated by Oregon-based utility PacifiCorp. FOR is one of the original parties to the negotiations and worked for nearly 5 years alongside PacifiCorp, government agencies, non-governmental organizations, and Native American Tribes to reach an agreement that describes possible mechanisms and funding for dam removal and restoration of the river's once fabled salmon runs. The result of this effort was the KHSA, released on September 30, 2009 and slated for signing this month. FOR is the largest environmental group to date to decide not to sign the KHSA.

FOR's primary focus has been to assure that the final agreement provides the best possible option for removing the dams in a reasonable amount of time. Conservation Director Steve Evans stated that the final drafted version of the KHSA has so many prerequisites to dam removal, including passage of federal legislation by Congress that will cost taxpayers at least \$1 billion, that it will likely never result in the removal of any dams.

"Millions of dollars in taxpayer subsidies and liberal liability protection for PacifiCorp is simply too much to pay for just the possibility that the dams will be removed," said Evans. "The settlement partners need to develop an agreement that fairly apportions costs and liability to all partners, including PacifiCorp, and that guarantees dam removal by 2020."

Evans listed the following additional reasons for FOR's decision to withdraw from the group and not sign the agreement:

- Durability – the ability of this settlement to survive is doubtful.
- Inefficient timeline – inevitable lawsuits and the settlement being based on a new, untested regulatory process is a recipe for further delays.
- Lack of surety – the agreement lacks clear termination points. Without these, the chances of years of delay with no action are very high.
- Liability protection, even for negligence – liability provisions remain too broad and immunize PacifiCorp from all liability stemming from operations associated with dam removal.
- Enforceability – if a party to the settlement breaches an obligation, there are few practical remedies. So if PacifiCorp decides not to implement "environmentally friendly" interim measures, other signatories cannot sue them.
- One of the biggest hurdles facing settlement implementation in 2010 will be whether California voters approve a massive \$11.14 billion general obligation bond for water projects and programs. The water bond provides \$250 million in public funding to remove PacifiCorp's hydro dams. Friends of the River

has taken a strong opposition stance on the water bond and thus cannot support a program whose funding depends upon the passage of the bond.

“Few of the concerns voiced by FOR were addressed in the KHSA”, said Kelly Catlett, FOR Hydro Reform Policy Advocate. “We believe passionately in the dam removal goal of the Klamath Hydropower Settlement Agreement, however, there is too much uncertainty that this agreement will ever produce that goal.”

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About Friends of the River

Friends of the River (FOR) is nationally recognized as an authority on the adverse impacts of dams on rivers and ecosystems and is the most effective grassroots organization working on behalf of California rivers. FOR led successful campaigns for the permanent protection of many outstanding California rivers and streams - including the Kings, Kern, Merced, Tuolumne, upper Klamath, West Walker, East Carson, Sisquoc, and Big Sur Rivers; as well as Sespe Creek and Cache Creek.

In the last 15 years, FOR and a coalition of conservation organizations have successfully negotiated, signed, and assisted in the implementation of settlement agreements for federal hydro licenses that restored flows for fish, wildlife, and recreation on the Kern, San Joaquin, Stanislaus, Mokelumne, American, Feather, and Pit Rivers. For more information, visit www.friendsoftheriver.org

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