

Klamath Non-Use Valuation Survey – OMB Control Number 1090-0010

**Responses to Public Comments
(submitted during comment period closing March 18, 2011)**

The Klamath Non-Use Valuation Survey is designed to address an important area of benefits that can be defined as “non-use values.” Non-use values accrue to members of the public who value Klamath Basin improvements regardless of whether they ever consume Klamath fish or visit the Klamath Basin. Non-use value is a component of the total value an individual places on the environmental change. To measure these benefits, the Department of the Interior (DOI) has designed a stated-preference (SP) valuation survey of the U.S. public. The survey will be the only component of the larger economic analysis that assesses the benefits that the U.S. public as a whole (who are federal taxpayers) hold for dam removal and implementing the KBRA, which will be funded in part by the federal government. The survey does not address the cost of the KHSA or the KBRA, but rather asks individuals to focus on what they would be willing to pay for environmental improvements to derive an estimate of the benefits they receive, which can be above and beyond the actual costs. In this context, costs associated with the status quo are not relevant for the survey. The survey was designed and pretested to address a complex set of issues. As such, it needs to be as simple and straightforward as possible. Including every nuance or detail about the KHSA or KBRA would create excessive cognitive burden on survey respondents and is unlikely to influence individuals’ responses in a material way for a survey that will administered at a national level.

On February 16, 2011 the Department of the Interior published an announcement for revision of the information collection “Klamath Non-use Valuation Survey,” Office of Management and Budget (OMB) Control No. 1090-0010, and requested comments. This Notice supplements the Notices that were published on August 30, 2010 and September 8, 2010. Public comments were received from the following:

1. PacifiCorp (submitted via Van Ness Feldman letter dated March 18, 2011)
2. State of Oregon – Office of the Attorney General
3. Klamath Water Users Association
4. Pacific Coast Federation of Fishermen’s Association

PacifiCorp (submitted via Van Ness Feldman letter dated March 18, 2011)

Comments from PacifiCorp (PC) are summarized and identified by specific topics related to the survey.

COMMENTS ON NO-ACTION PLAN (as portrayed in the survey)

Comment 1:

Effects inaccurately or inadequately portrayed

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- No-action Plan does not reflect effects of actions that could realistically be anticipated in absence of dam removal (e.g., PC's Habitat Conservation Plan, IG Hatchery conservation, fish passage, TMDL implementation)
- Need to consider contribution of hatcheries to historical fish returns (citing Fortune et al. 1966 and Snyder 1931).

Response:

The goal of the survey is to evaluate the public's maximum willingness to pay (WTP) for the incremental environmental improvements compared to the status quo. The nonuse valuation survey's description of the "No Action" alternative is meant to be consistent with the characterization of the No Action/No Project Alternative used in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) currently being prepared to evaluate the potential impacts of the Klamath Hydroelectric Settlement Agreement (KHSA) along with the Klamath Basin Restoration Agreement (KBRA). Broadly, the EIS/EIR defines the No Action/No Project Alternative as continuation of current operations with the dams remaining in place and PacifiCorp operating under the current annual license. We disagree with the comment. However, any necessary edits to clarify the description of the "No Action" alternative in the nonuse survey will be evaluated after completion of the Pilot Test and before the final survey instrument is implemented.

The survey is not a referendum on the KBRA and the No-Action plan is not supposed to represent the variety of outcomes that might occur if there were no KBRA and KHSA. The most straight forward and easily understood way to elicit respondents' values for the environmental improvements associated with dam removal and KBRA (their willingness-to-pay (WTP)) is to ask about improvements relative to a static baseline.

COMMENTS ON ACTION PLAN

Comment 2:

Effects inaccurately or inadequately portrayed

- Benefits portrayed as more certain than indicated by science (e.g., expert panels)
Survey based on hypothetical outcomes that do not reflect specific effects of proposed actions on salmon abundance and extinction risk – should not implement survey until specific effects and associated uncertainty of each alternative clarified in EIS. The survey asserts 30-150% increase in salmonid abundance – how to reconcile quantitative projections for fall Chinook with qualitative projections for steelhead. Quantitative extinction risk levels for coho (high 25-50% to low 0-15%) inconsistent with NMFS' qualitative ratings (high, moderate, low).
- Dam removal will not address legacy affects contributing to salmon population declines – e.g., mining, timber harvest, fisheries
- Dams' energy may be replaced by coal, "which can create air pollution and exacerbate climate change"

Response:

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The benefit of stated-preference surveys is that they can be used to evaluate a range of outcomes, including outcomes that may be outside current thinking. In this case, where there is uncertainty about the outcome, the survey will provide information about the value of a range of possible outcomes. Expert panel reports and various technical analyses are still in preparation. If the survey was limited to focusing on one outcome based on currently available information, survey results will be much less useful if new information is developed that suggests, for example, a higher or lower outcome in terms of fishery improvements. In addition, the survey results will tell us whether people are willing to pay more for greater improvements, which will help with understanding how the public views the improvements.

The survey cannot portray all of the effects in a detailed manner. There is no reason to believe that the best available information, which is a mix of quantitative and qualitative information -- will impair individuals' understanding of the scenarios. The survey was tested with focus groups and cognitive interviews with the goal of designing a survey that individuals can complete in a manageable timeframe, consistent with the information collection requirements of The Paperwork Reduction Act. While dam removal will not address legacy effects, habitat restoration (which is also part of the Action Plan) will help in this regard.

Comment 3:

On page 5 of the Revised NVS, the five uses listed in the survey (i.e., the five bulleted statements on page 5) do not include all human uses of the Klamath River basin waters. Timber production and management effects water yield and quantity from sub-watersheds. Mining, although not prevalent today, was a major use of the Klamath River in the past and affected the river channel in ways that are still evident. In the first comprehensive study of Klamath River salmon, Snyder (1931) concluded that the river's salmon runs were diminishing before the construction of the dams, and described a key cause as the advent of placer mining in the Klamath River basin. On page 5, in the bulleted statement on "Commercial Fishing," the Revised NVS incorrectly states that the Klamath River has been the third largest producer of salmon on the U.S. West Coast. It would be accurate to alternatively state that "the Klamath River has been the third largest producer of salmon among rivers in California and Oregon."

Response:

The purpose of the bullets is to highlight major current uses.

Comment 4:

On page 6 of the Revised NVS, the "reasons for declining fish populations" should include fish disease or habitat degradation, which are major factors affecting salmon populations in the basin. Fish disease in particular is completely absent from this survey. On page 6 of the Revised NVS, the bulleted statement on "Water Quality" should be rewritten to state:

The Klamath River has naturally warm water temperatures in summer and naturally grows algae blooms that affect water quality. Different human activities in the basin, including agriculture, hydropower, forestry, and mining, also affect water quality.

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Despite efforts to better manage these human uses, water quality is still a problem for fish.

The statement presently included in this bullet, that "Algae that grow in the warm water can kill fish[.]" is theoretically true, but there are no actual documented cases of fish kills in the Klamath River from algae.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 5:

Page 6 of the Revised NVS states that (in the bulleted statement on "Overfishing"): "Currently, fisheries are better managed to help protect weak fish populations." This line implies that fishing is not a reason for declining fish populations in the basin. Fisheries continue to take upwards of 40 percent of the returning adults each year and also select the larger fish which reduces population productivity. The bulleted statement that contains this line should be changed to read as follows:

Fish Harvest. In the past, poor management of commercial, ocean and river fishing in the Klamath area contributed to the decline in fish numbers. Over time, fishing regulations have been improved to reduce harvest impacts to salmon. Despite these efforts harvest continues to be a factor that reduces fish abundance in the basin.

The above correction also is consistent with the bullet provided for Water Quality. Page 6 of the Revised NVS states that "[a]lthough past and current efforts to improve conditions by governments, tribes, communities and landowners have been helpful, more is needed to significantly increase wild fish populations in the basin." The survey should delete or replace the term "significantly," as it is used here. "Significant" is a term with a specific meaning for scientists (i.e., in the context of statistical analysis), but has a potentially varied meaning for lay respondents. Thirty percent more wild fish may not be "significant" if the population is still at risk of extinction.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 6:

Page 8 of the Revised NVS lists "Main Threats" for coho salmon. Under this heading, "habitat loss and degradation," "fish diseases" and "overfishing" should definitely be added.

Response:

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Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 7:

Page 8 of the Revised NVS states that "[t]he Klamath coho salmon is part of a distinct coho salmon population that lives only in the Klamath River Basin and a few nearby rivers in Southern Oregon and Northern California." This is incorrect as written. According to NMFS, there are nine coho populations in the Klamath River Basin. These nine populations are part of the Southern Oregon/Northern California Coasts (SONCC) coho salmon Evolutionarily Significant Unit (ESU) that was listed as threatened in May 1997 by NMFS. PacifiCorp also notes that only one of these nine coho populations (i.e., the "Upper Klamath" population) is affected by "Klamath River dams blocking the river" (as listed under "Main Threats").

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. It should be noted that the three Klamath populations (Upper Klamath, Scott, Shasta) would be most affected by proposed Klamath restoration agreements (which includes but is not limited to dam removal) and that these three populations are at high risk of extinction (as found in the NMFS 2010 BO) due to low numbers, which have been found to be below depensation levels, in recent years. Detailed technical elaboration, as suggested above, is not considered suitable for a public survey.

Comment 8:

Page 8 of the Revised NVS states that "[f]ish raised in hatcheries compete for food and habitat with wild coho salmon." For accuracy, this sentence should be changed to read: "Fish released into the river from hatcheries compete for food and habitat with wild coho salmon."

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 9:

Page 9 of the Revised NVS states that "I am concerned about the Klamath coho salmon that are at high risk of extinction." However, NMFS describes coho salmon in the Klamath River as having only a moderate risk of extinction (NMFS, 2010). Thus, the question presents an extinction risk that is not scientifically supported and will create a misperception among respondents that coho salmon are currently at high risk of extinction. The question should be revised to state "I am concerned about the Klamath coho salmon that are at moderate risk of extinction."

Response:

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The NMFS 2010 BO finds that the three population units most likely to be affected by the Klamath restoration plans (Upper Klamath, Scott, Shasta) are at high risk of extinction due to low numbers, which have been found to be below depensation levels, in recent years.

Comment 10:

On page 10 of the Revised NVS, the survey states that "[l]ow water flows in the river were one of the main reasons" for the 2002 fish kill in the Klamath River. Actually, in addition to low flows, there were other important factors that contributed to this kill, including crowding of fish, elevated water temperature, degraded water quality and disease.

Response:

This is true. However low flows likely contributed to high water temperatures and crowding. These conditions were favorable for the disease outbreak that occurred.

Comment 11:

On page 10 of the Revised NVS, regarding the 2006 cut in commercial salmon harvest, the survey states that "[t]he main reason was a lack of fish from the Klamath River, due in part to dams and low water flows." The "due in part" approach to this sentence does not provide balance. The sentence should also list other important factors leading to this cut in harvest, including poor ocean conditions, tributary and mainstem habitat degradation, disease and water quality conditions. It is more appropriate to say that the ocean fishery is managed as a weak stock fishery, and the fishery was closed in 2006 because of the projected low numbers of fish returning to the Klamath River

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 12:

On page 12 of the Revised NVS, regarding Question 10, the question should be clarified such that it is clear that PacifiCorp also serves customers as "Rocky Mountain Power" in Utah, Wyoming, and Idaho.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, we believe this level of detail may not be necessary to convey the major differences in the scenarios.

Comment 13:

Page 13 of the Revised NVS states that "[t]he agreement would also ... cost many millions of dollars ... to replace the dams' energy, some of which may come from renewable sources like wind or solar power, and some may come from more sources like coal which can create air

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pollution ... " The EIS being prepared for the Secretarial Determination will spend considerable effort evaluating the effects climate change will have on outcomes. The sentence should reflect this fact. We suggest the following: " ... to replace the dams' energy, some of which may come from renewable sources like wind or solar power, and some may come from more sources like coal which can create air pollution and exacerbate climate change"

Response:

Appropriate edits to the survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 14:

Page 13 of the Revised NVS states that the agreement is intended to "improve water quality by increasing water oxygen levels in Upper Klamath Lake and the Klamath River.... " Interior appears to be making an assumption that Dissolved Oxygen (DO) levels can be increased in Upper Klamath Lake, which will alone improve water quality. Improving water quality in Upper Klamath Lake has been studied and debated for decades. To PacifiCorp's knowledge, no single treatment or solution has been put forth. PacifiCorp is currently engaged in organizing and funding a water quality workshop to bring national water quality experts together to discuss the appropriate technologies that may be available. To suggest that increasing DO levels is the only action necessary to improve water quality in Upper Klamath Lake and the Klamath River is incorrect and misleading.

Response:

The text in the survey does not imply that dissolved oxygen levels alone will be responsible for improvement water quality.

Comment 15:

Page 13 of the Revised NVS uses the term "many millions of dollars" to describe costs of implementing the Agreements. As used in the survey, the term "many millions" covers a range from several million (assistance to farmers) to \$1.5 billion (cost of dam removal and KBRA actions). The use of the term "many millions" to describe impacts ranging over this wide range of value results in a false equivalency between the items discussed. PacifiCorp questions why the survey relies on a qualitative description (i.e. "many millions") for costs (which can be estimated with greater certainty), but uses precise numeric values when describing fish outcomes (which all parties agree are highly uncertain). For the Public to make an informed decision on WTP, both anticipated fish benefits and costs need to be presented clearly and equitably. The use of the term "many millions of dollars" does not achieve this objective. PacifiCorp requests that our original comment regarding text changes be implemented as described in our comments of December 17, 2010.

Response:

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We believe "Many millions of dollars" does not create a false equivalency. Costs are not known with certainty, as introduction of Congressional authorization is still pending more than one year after the agreements were signed.

Comment 16:

On page 13 of the Revised NVS, the Revised NVS does not adequately describe other impacts of dam removal. PacifiCorp suggests the following wording: "The agreement would also ... eliminate whitewater rafting supported by dam releases, the reservoir fishery, and other recreational activities supported by the dams; about 100 homes now located near the shores of the reservoirs would lose their lakefront view."

Response:

Whitewater rafting dependent on peak power releases primarily occurs on the upper portions of the Klamath River (i.e., Hell's Corner Reach). However, portions of the lower Klamath River would still support whitewater rafting and suggested text edits could give survey respondents the impression that whitewater rafting on the entire Klamath River would be eliminated. For rafting opportunities that would exist after dam removal and implementation of KBRA, rafters will be experiencing more natural flow conditions and will also be able to enjoy improved water quality conditions. We believe the text in the survey adequately captures the major impacts in sufficient detail such that individuals can evaluate the hypothetical scenarios.

Comment 17:

On pages 16 and 17 of the Revised NVS, the survey indicates that extinction risk for coho salmon will be reduced from "HIGH RISK" (25-50 percent extinction risk) to "LOW RISK" (0-15 percent extinction risk) under ACTION PLAN A. The inclusion of very specific ranges presents information to the public that cannot be supported (or confirmed) with the analysis that is being pursued for the EIS. The analysis should use the qualitative ratings currently used by NMFS for describing possible outcomes.

Response:

The characterization of extinction risks for suckers and coho salmon under the NO ACTION Plan, ACTION Plan A, and ACTION Plan B are meant to convey complex biological information about the status of endangered species and to help ensure respondents view the range of hypothetical outcomes in a consistent manner. The information presented reflects the general scientific understanding and predictions, while at the same time communicating this information in terms that are meaningful and understandable to respondents. Given the complexity of this issue, use of percentages is reasonable. The survey instrument has undergone significant preliminary testing in focus groups and cognitive interviews, where, in all cases, participants did not make any comments on the manner in which extinction risks were characterized. Further consideration will be given if "scenario rejection" is observed from the results of the pilot test.

Comment 18:

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On pages 16 and 17 of the Revised NVS, regarding "Low Numbers of Wild Chinook Salmon and Steelhead Trout," the inclusion of "Low" biases the statement. The NVS should simply state that fish abundance levels will remain constant.

Response:

We disagree that the use of the word "low" biases the statement. However, appropriate edits to the survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 19:

On pages 16, 17, and 19 of the Revised NVS, the graphs display 100,000 fish each year. The title of the graphs needs to be consistent with the text. The text states that the number refers to wild fish. The graph labels also need to make this distinction.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 20:

On pages 16 and 20 of the Revised NVS, it is crucial for the credibility and validity of the survey to accurately characterize the "NO ACTION Plan." The "NO ACTION Plan" in the survey is purely hypothetical, and does not realistically capture future actions that would occur in the absence of dam removal and KBRA actions, such as PacifiCorp Habitat Conservation Plan measures, Iron Gate hatchery conservation measures, future fish passage at PacifiCorp dams (if not removed), and TMDL implementation actions. The survey's portrayal of the "NO ACTION Plan" as being the status quo with a "current average" has the misleading effect of inflating the incremental environmental improvements of ACTION PLAN A and ACTION PLAN B.

Response:

The nonuse valuation survey's description of the "No Action" alternative is meant to be consistent with the characterization of the No Action/No Project Alternative used in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) currently being prepared to evaluate the potential impacts of the Klamath Hydroelectric Settlement Agreement (KHSA) along with the Klamath Basin Restoration Agreement (KBRA). Broadly, the EIS/EIR defines the No Action/No Project Alternative as continuation of current operations with the dams remaining in place and PacifiCorp operating under the current annual license. We disagree with the comment. However, any necessary edits to clarify the description of the "No Action" alternative in the nonuse survey will be evaluated after completion of the Pilot Test and before the final survey instrument is implemented.

Habitat Conservation Plans should address population constraints to the extent practicable, which in this case would leave dams in place; therefore, effectiveness of the HCP in reversing population declines may be limited. TMDL effectiveness will be compromised should dams remain in place, and technological solutions to water quality issues are highly uncertain at this

time. Incremental environmental improvements may not result in recovery of coho, given the magnitude of the habitat and water quality issues that impact species survival.

Comment 21:

On pages 17 and 21 of the Revised NVS, it should be made clear to respondents that the number of returning Chinook salmon and steel head portrayed under the Action Plans are uncertain, hypothetical projections. We understand that Interior believes that the use of different versions of the survey represents a range of outcomes to address these uncertainties. However, PacifiCorp remains convinced that a respondent's WTP for a given Action Plan scenario could differ if he or she knew that the assumed outcomes of DOI's presented scenarios are highly uncertain. For example, on page 17 of the Revised NVS, in describing Action Plan A, the survey states that "[s]cientists expect that by 2060, there would be 100% more wild fish than today." PacifiCorp believes that a respondent's thinking on WTP would differ if the survey alternatively stated: "If dam removal, restoration projects, and water sharing agreements were fully implemented and successful, many scientists expect that by 2060 there could be 100% more wild fish than today, although this outcome is uncertain given the various factors that affect these fish."

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, incorporating multiple sources of uncertainty into the scenarios individuals are being asked to evaluate may complicate the survey and individuals' ability to respond. Implementing different versions of the survey is an appropriate approach to address the range of possible outcomes. This will provide empirical data on individuals' willingness-to-pay.

Comment 22:

On pages 17 and 21 of the Revised NVS, the survey should reflect that available scientific evidence shows a wide range of uncertainty and potential outcomes for fish population responses to dam removal and KBRA actions. For example, the Klamath River Expert Panel has concluded that the benefits to coho salmon of dam removal and the KBRA "are expected to be small, especially in the short-term (0-10 years after dam removal)." The Panel was more optimistic that dam removal and KBRA actions could result in increased numbers of steel head in the long-term (decades) relative to the current population abundance in the Klamath system. However, the Panel stated that "if the dam removal and KBRA is implemented ineffectively, there may be no detectable response of steelhead."

Response:

It is not clear whether the Panel's preliminary conclusion regarding steelhead will be reflected in their final report (which is not yet available). However, even if the conclusion is unchanged, the action alternative is intended to reflect effective implementation of dam removal and KBRA. It was not feasible to incorporate varying degrees of effectiveness in the survey in addition to all the scenario variations already being considered.

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Comment 23:

Page 23 of the Revised NVS asks respondents to respond to the statement: "Some of the plans cost too much compared to what they would deliver." How can a respondent respond to this statement when the costs presented are not specific and quantitative, but only qualitative?

Response:

The survey asks that individuals compare the specific cost their household is being asked to incur with the anticipated environmental improvement. Past experience with this type of survey has found that individuals are able to respond to this type of question.

State of Oregon

Comment 24:

The non-use valuation survey fails to distinguish water uses in the basin served by the Bureau of Reclamation's Klamath Reclamation Project that are the subject of the Klamath Basin Restoration Agreement (KBRA), from water uses that are not served by the Reclamation Project and which be unaffected by the KBRA (except for willing-seller water retirements). This could mislead survey respondents to believe that that settlement will affect water uses beyond the KBRA's terms and contrary to the pending state process for adjudicating water rights.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, the survey is not a referendum on the KBRA. The distinction between water uses served by the Reclamation project and those not served by the Reclamation project may provide a level of detail that is unnecessary for a respondent to evaluate the Action Plan alternatives versus the No Action alternative presented in the survey and express their willingness-to-pay for incremental environmental improvements. Most respondents in this national survey are unlikely to be familiar with the Klamath Reclamation Project.

Comment 25:

The commenter suggested the following edit to the survey:

Page 10, fifth paragraph:

"The conflicts created by these events drew national attention and greatly increased public concern about the river basin. Many different parties filed lawsuits. A state procedure to quantify water rights and their priority dates among irrigators, Indian tribes, and other users was underway. At the same time, four dams on the river needed government relicensing. It was estimated that changing the dams to allow fish to go around them would be more expensive than removing the dams and replacing their electric power."

Response:

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Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, we believe the suggested edit may provide a level of detail that is unnecessary for a respondent to evaluate the Action Plan alternatives versus the No Action alternative presented in the survey and express their willingness-to-pay for incremental environmental improvements. Significant attention has been given to balancing considerations for the amount of information to provide in the survey, clarity with how the information is presented, and the time requirement for completing the survey.

Comment 26:

The commenter suggested the following edit to the survey:

Page 11, fourth bullet:

"The agreement sets a permanent and annual schedule for water deliveries to farms from the Klamath Irrigation Project and for water releases to the river. The right to use basin waters by irrigators not participating in the agreement will be separately determined under state law."

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, we believe the distinction between water uses served by the Reclamation project and those not served by the Reclamation may provide a level of detail that is unnecessary for a respondent to evaluate the Action Plan alternatives versus the No Action alternative presented in the survey and express their willingness-to-pay for incremental environmental improvements. Significant attention has been given to balancing considerations for the amount of information to provide in the survey, clarity with how the information is presented, and the time requirement for completing the survey.

Comment 27:

The Non-Use Valuation Survey states that implementation of the KBRA and Klamath Hydroelectric Settlement Agreement (KHSAs) will be funded by higher power bills for Oregon and California customers of PacifiCorp. This statement should be qualified, since the Oregon Public Utility Commission has determined that the monthly amount paid for dam removal by Oregon customers will average only \$1.25 per month and the additional amount paid by California customers will be approximately \$1.61 per month

Response:

As page 12 indicates, funding for implementation of the agreements will come from three main sources and the goal of the survey is to evaluate the public's maximum willingness to pay (WTP) for the incremental environmental improvements compared to the status quo. The values used in the survey to evaluate Action Plan A and B are not meant to represent the actual costs of implementing the agreements. Therefore, we believe it is unnecessary to provide average amounts in higher power bills that may be experienced in the future.

Comment 28:

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Under 'No Action,' there will be no increase in power bills. This is incorrect. Relicensing of the PacifiCorp dams (in lieu of dam removal) is estimated to cost over \$400 million, and will likely result in higher electricity rates for PacifiCorp customers.

Response:

The purpose of the survey is not to evaluate the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. The nonuse valuation survey's description of the "No Action" alternative is meant to be consistent with the characterization of the No Action/No Project Alternative used in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) currently being prepared to evaluate the potential impacts of the Klamath Hydroelectric Settlement Agreement (KHSAs) along with the Klamath Basin Restoration Agreement (KBRA). Broadly, the EIS/EIR defines the No Action/No Project Alternative as continuation of current operations with the dams remaining in place and PacifiCorp operating under the current annual license. We disagree with the comment. However, any necessary edits to clarify the description of the "No Action" alternative in the nonuse survey will be evaluated after completion of the Pilot Test and before the final survey instrument is implemented.

Comment 29:

The survey assumes that implementation of the KBRA and KHSAs will cost households an additional \$48 per year for 20 years. We expect the reason the survey presents a number is not to represent an actual cost estimate, but to illustrate a rough magnitude of household costs and elicit a response whether the costs are worth it. Nonetheless, the number should bear some semblance to reasonably foreseeable costs.

Response:

The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. As such, the values used in the survey are not meant to represent the actual costs of implementing the agreements. People may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the incremental environmental improvements represented by the Action Plan alternatives presented.

Comment 30:

The same assumptions must be applied to household costs under "No Action." PacifiCorp customers in all western states will pay higher electricity rates and taxpayers will finance ongoing federal expenditures in the basin if the KBRA and KHSAs are not implemented. The survey should not lead respondents to believe that 'No Action' will entail no added household costs.

Response:

The purpose of the survey is not to evaluate the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. The nonuse valuation survey's description of the "No Action" alternative is meant to be consistent with the characterization of the No Action/No Project Alternative used in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) currently being prepared to evaluate the potential impacts of the Klamath Hydroelectric Settlement Agreement (KHSA) along with the Klamath Basin Restoration Agreement (KBRA). Broadly, the EIS/EIR defines the No Action/No Project Alternative as continuation of current operations with the dams remaining in place and PacifiCorp operating under the current annual license. We disagree with the comment. However, any necessary edits to clarify the description of the "No Action" alternative in the nonuse survey will be evaluated after completion of the Pilot Test and before the final survey instrument is implemented.

Comment 31:

The commenter suggested the following edit to the survey:

Page 12, first paragraph:

"For the agreement to move forward, money would need to come from three main sources:

- Slightly higher electricity bills for PacifiCorp customers in Oregon and California,
- Oregon and California for dam removal,
- federal government for fish habitat improvement."

Response:

We disagree with the suggested edit and believe it is unnecessary in describing the source of money that comes from Pacificorp customers in Oregon and California. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

Comment 32:

The commenter suggested the following edit to the survey:

Page 13, insert a new paragraph before Q 11 :

"If the agreement is not implemented

- millions of dollars will continue to be paid for environmental management and disaster relief under current conditions in the basin.
- Electricity rates for all PacifiCorp customers will increase to pay for relicensing the hydroelectric dams."

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

We note that purpose of the survey is not to evaluate the "No Action" alternative, but to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. We believe the suggested edit may provide a level of detail that is unnecessary for a respondent to evaluate the Action Plan alternatives

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versus the No Action alternative presented in the survey and express their willingness-to-pay for incremental environmental improvements. Significant attention has been given to balancing considerations for the amount of information to provide in the survey, clarity with how the information is presented, and the time requirement for completing the survey.

Comment 33:

The commenter suggested the following edit to the survey:

Page 16, last paragraph (regarding 'No Action'):

"[NO ADDED] COST TO YOUR HOUSEHOLD: [There would be no added cost for your household, because the agreement would not be implemented] Assume for your household (and similar households in your area) the plan would cost you an additional \$24 per year for the next 20 years (beginning in 2012). That is the same as \$2 per month for the next 20 years."

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented.

However, we disagree with the suggested edit. The purpose of the survey is not to evaluate the public's willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative.

Comment 34:

The commenter suggested the following edit to the survey:

Page 17, last paragraph:

"[ADDED] COST TO YOUR HOUSEHOLD:

Assume for your household (and similar households in your area) the plan would cost you an additional [\$48] \$24 per year for the next 20 years (beginning in 2012). That is the same as [\$4] \$2 per month for the next 20 years."

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. As such, the values used in the survey are not meant to represent the actual costs of implementing the agreements. People may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives presented.

Comment 35:

The commenter suggested the following edit to the survey:

Page 18, second paragraph:

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"Ask yourself whether you believe the improvements offered under either the ACTION PLAN A or NO ACTION are worth [\$48] \$24 each year to your household. Voting for PLAN A or NO ACTION would mean that you would have [\$48] \$24 less each year to spend on other things. You would be making a commitment to pay this additional amount each year for the next 20 years. There may be good reasons for you to vote for PLAN A and good reasons to vote for NO ACTION. Only you know what is best for you and your household."

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The purpose of the survey is not to determine individuals' willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative. Furthermore, people may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives.

Comment 36:

The commenter suggested the following edit to the survey:

Page 20, last paragraph (regarding 'No Action'):

"[NO ADDED] COST TO YOUR HOUSEHOLD: [There would be no added cost for your household, because the agreement would not be implemented] Assume for your household (and similar households in your area) the plan would cost you an additional \$24 per year for the next 20 years (beginning in 2012). That is the same as \$2 per month for the next 20 years."

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The purpose of the survey is not to evaluate the public's willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative.

Comment 37:

The commenter suggested the following edit to the survey:

Page 22, second paragraph:

"Ask yourself whether you believe the improvements offered under either the ACTION PLAN B or NO ACTION are worth \$24 each year to your household. Voting for PLAN B or NO ACTION would mean that you would have \$24 less each year to spend on other things. You would be making a commitment to pay this additional amount each year for the next 20 years. There may be good reasons for you to vote for PLAN B and good reasons to vote for NO ACTION. Only you know what is best for you and your household."

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note the purpose of the survey is not to determine individuals' willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative. Furthermore, people may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives.

Comment 38:

The commenter suggested the following edit to the survey:

Page 31, third paragraph:

"Ask yourself whether you believe the improvements offered under either the ACTION PLAN A or NO ACTION are worth [\$48] \$24 each year to your household. Voting for PLAN A or NO ACTION would mean that you would have [\$48] \$24 less each year to spend on other things. You would be making a commitment to pay this additional amount each year for the next 20 years. There may be good reasons for you to vote for PLAN A and good reasons to vote for NO ACTION. Only you know what is best for you and your household."

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The purpose of the survey is not to determine individuals' willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative. Furthermore, people may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives.

Comment 39:

Question 19 on page 24 of the attached version of the survey retains the assumption that the agreements will be paid for by federal and state taxes, and that 'No Action' will require no taxes. This is inaccurate as to the KHSA, since no federal or state taxes will be used for dam removal. We suggest Question 19 be deleted from the survey.

Response:

We disagree with the suggested edit. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The descriptions of Action Plan A and Action Plan B pertain to implementation of the KHSA and KBRA and the goal of question 19 is to get a better

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understanding of the motivations behind a respondent's choice for the "No Action" alternative. Page 12 of the survey already explains the three main sources of money to pay for the agreements: higher electricity bills for PacifiCorp customers in Oregon and California; Oregon and California for dam removal; and federal government for fish habitat improvement.

Klamath Water Users Association

Comment 40:

We recommend that each time the dams on the Klamath River, that may be removed, are referred to, they be referred to as "hydroelectric" dams, and that it be made clear (such as on page 5) that the functions of the hydroelectric dams do not include purposes often associated with dams (e.g., water storage for irrigation or municipal use or substantial flood control). The authors should revise the document so that each time a dam or reservoir is referred to, there is no potential ambiguity as to what is being written or asked about.

Response:

We disagree with the proposed change. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note that page 6 of the survey already refers to the dams as "hydroelectric dams" and page 13 indicates that implementation of the agreements would "have no effect on flood control, since the dams are not used for this reason." We believe carrying the suggested edit throughout the entire survey provides a level of detail that is unnecessary for a respondent to evaluate the Action Plan alternatives versus the No Action alternative presented in the survey and express their willingness-to-pay for incremental environmental improvements. Significant attention has been given to balancing considerations for the amount of information to provide in the survey, clarity with how the information is presented, and the time requirement for completing the survey.

Comment 41:

We do not understand certain statements about costs, and believe the "costs" of inaction, and benefits of action, are not sufficiently described. As an initial observation, the \$48 and \$24 per year figures each seem to overstate the actual costs; we assume these figures are chosen for some other reason.

Response:

The purpose of the survey is not to evaluate the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness to pay (WTP) for the incremental environmental improvements compared to the status quo. As such, the values used in the survey are not meant to represent the actual costs of implementing the agreements. People may well value the environmental improvements much more than the cost of achieving the improvements and the purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives.

Comment 42:

The comparisons to “No Action” and “Action Plan A” appear too narrow. As one example, there is no mention of stability for local communities, water supplies for national wildlife refuges (especially Lower Klamath National Wildlife Refuge), benefits to other fish species, reduced litigation costs, or other positive impacts of implementation of Action Plan A.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note that page 13 of the survey describes expected outcomes from implementing the agreements that are related to community stability and avoidance of future conflicts and litigation. Importance of refuges to waterfowl is already noted on page 4. Significant attention has been given to balancing considerations for the amount of information to provide in the survey, clarity with how the information is presented, and the time requirement for completing the survey.

Comment 43:

The assumption of “no added cost” under No Action may or may not be accurate or realistic

Response:

The purpose of the survey is not to evaluate the “No Action” alternative. The goal of the survey is to evaluate the public’s maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo.

Comment 44:

Page 13 of the draft document implies that federal funding would be used to remove dams and develop replacement energy. This is inaccurate and should be corrected.

Response:

We disagree with this comment. However, appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note that page 12 of the survey states that money would come from “Oregon and California for dam removal.”

Comment 45:

Finally, we object to the proposed survey’s treatment as fact of issues that are complex and subject to debate, particularly those that relate to effects of irrigated agriculture. Such statements appear on page 8 (“low” water levels in Upper Klamath Lake; “low” water flows in Klamath River) and page 10 (“low” water flows). Also, the document appears to single out Klamath Reclamation Project irrigation: on page 6, it states that the use of water for crops has reduced the amount of water that remains for fish. Assuming that is so, why is such use necessarily “especially around Upper Klamath Lake” and why is water use for other purposes (e.g., national wildlife refuges) omitted as a factor affecting streamflow?

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Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The references made on pages 8 and 10 do not attribute low water levels in Upper Klamath Lake and low water flows in the Klamath River to any particular cause, but are intended to indicate that these factors are threats to the fish species. Other factors are mentioned as well. The rotating crises described on page 10 indicate the effects of endangered species requirements on farming communities in 2001, as well as the effects of low water on fish and fishing communities. Page 6 of the survey describes other reasons for declining fish populations, in addition to irrigated agriculture. We agree the issues surrounding the Klamath River Basin are complex. We have tried to convey those issues, but some simplification is necessary to make the survey understandable to potential respondents.

Pacific Coast Federation of Fisherman's Associations

Comment 46:

The Survey still makes a classic and very common mistake. It completely omits reference to the actual costs of the No Action (i.e., status quo) alternative (which are substantial), thereby implying that the No Action alternative will be cost-free to federal taxpayers.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. The purpose of the survey is not to evaluate the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness to pay (WTP) for the incremental environmental improvements compared to the status quo.

Several suggestions for text edits were provided. New text suggestions for existing survey are indicated in red.

Comment 47:

Page 6: Chinook salmon and steelhead trout are two important fish found in the basin. They spend most of their lives in the Pacific Ocean, but they return to rivers and streams to spawn. **Abundant salmon and steelhead runs have great regional economic value, supporting many tribal, recreational and commercial fishing jobs.**

Their numbers have declined significantly since the early 1900s. At one time, between 600,000 and 1 million of these fish returned to the basin each year. Now, only 100,000 to 200,000 fish return and many of these are bred in a hatchery rather than in the wild. **These long-term fish declines have resulted in major job losses in many fishing dependent tribal, in-river and coastal communities.**

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However,

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page 5 of the survey discusses the importance of the Klamath River Basin to human uses. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative. We believe the suggested edit provides a level of detail that would distract respondents from the focus on potential improvements in fish stocks and therefore, is unnecessary for a respondent to evaluate the Action Plan alternatives versus the No Action alternative presented in the survey.

Comment 48:

Page 11: In 2020, after several years of detailed planning, the four large hydroelectric dams would be removed from the Klamath River, **paid for from non-federal funding sources.**

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, page 12 of the survey explains the three main sources of money to pay for the agreements: higher electricity bills for PacifiCorp customers in Oregon and California; Oregon and California for dam removal; and federal government for fish habitat improvement.

Comment 49:

Page 12:

For the agreement to move forward, money would need to come from three main sources:

- higher electricity bills for PacifiCorp customers in Oregon and California **to pay for dam removal,**
- **Additional** Oregon and California **funds, if necessary,** for dam removal,
- federal government for fish habitat improvement.

Under the agreement, Oregon and California residents and businesses would on average pay more than residents from other states. **However, only non-federal funds would be used for dam removal.** But households across the country would contribute to these **habitat restoration** activities **under the agreement** through their federal taxes.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, we believe that the sources of funding are clearly stated and suggested edits may provide an unnecessary level of detail that may be confusing to respondents.

Comment 50:

Page 13:

Because the federal government would be paying part of the cost, it must now decide whether and how to implement this agreement. The agreement is expected to **improve the management** of Klamath Basin resources and help stabilize local economies, but would also have its own **costs and disadvantages.** **However, it is important to remember that there are**

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no cost-free options. Even the No Action alternative would mean that certain levels of future federal costs are likely to still be incurred.

- reduce the likelihood of future fisheries collapses or irrigation water cutoffs that would require federal disaster assistance;

The agreement would also

- cost many millions of dollars to
 - deconstruct and remove the dams
 - to replace the dams' energy, some of which many come from renewable sources like wind or solar power, and some may come from more sources like coal which can create air pollution; and to
 - restore fish habitat, improve water quality, and encourage farmers to use less water;

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note that the purpose of the survey is not to evaluate the public's willingness-to-pay for the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the "No Action" alternative.

Comment 51:

There is an inherent bias towards the No Action Plan coming from unrealistically low federal costs descriptions. There is a built-in bias for the No Action Plan because it is inaccurately described as essentially "cost free" to federal taxpayer, when it actually is not.

- **NO ADDED COST TO YOUR HOUSEHOLD:** There would be no added cost for your household because the agreement would not be implemented. However, water conflicts in the Klamath Basin would not be resolved, and the need for future federal disaster assistance to the basin would not be reduced.

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. We note that the purpose of the survey is not to evaluate the "No Action" alternative. The goal of the survey is to evaluate the public's maximum willingness to pay (WTP) for the incremental environmental improvements compared to the status quo. Page 13 of the survey describes the expected outcomes from implementing the agreement and, thus conversely, the potential outcomes if the agreements were not implemented.

The nonuse valuation survey's description of the "No Action" alternative is meant to be consistent with the characterization of the No Action/No Project Alternative used in the Environmental Impact Statement/Environmental Impact Report (EIS/EIR) currently being

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prepared to evaluate the potential impacts of the Klamath Hydroelectric Settlement Agreement (KHSA) along with the Klamath Basin Restoration Agreement (KBRA). Broadly, the EIS/EIR defines the No Action/No Project Alternative as continuation of current operations with the dams remaining in place and PacifiCorp operating under the current annual license. We disagree with the suggested edit to the survey as exactly given by the comment. However, any necessary edits to clarify the description of the “No Action” alternative in the nonuse survey will be evaluated after completion of the Pilot Test and before the final survey instrument is implemented.

Comment 52:

There is also an additional obvious bias AGAINST the “Action Plan” itself, which lies in the inflated cost estimate of \$48 per year per household.

Response:

The goal of the survey is to evaluate the public’s maximum willingness-to-pay (WTP) for the incremental environmental improvements compared to the status quo. As such, the values used in the survey are not meant to represent the actual costs of implementing the agreements. People may well value the environmental improvements more than the cost of achieving the improvements. The purpose of the survey is to measure the total value an individual attaches to the environmental improvements represented by the Action Plan alternatives presented.

Comment 53:

It is important to list both the costs AND the benefits of the Action Plan alternative, and avoiding future Klamath Basin economic disasters like those in 2001 and 2006 means avoiding considerable future disaster relief funding.

- **ADDED COST TO YOUR HOUSEHOLD:** Assume that for your household (or similar households in your area) the plan would cost you an additional \$48 per year for the next 20 years (beginning in 2012). That is the same as \$4 per month for the next 20 years. **However, water conflicts in the Klamath Basin would then be resolved, and the need for future federal disaster assistance to the basin would be reduced.**

Response:

Appropriate edits to survey text in response to this comment will be considered after completion of the pilot test and before the final survey instrument is implemented. However, we disagree with the suggested edit. Page 13 of the survey already describes the expected outcomes from implementing the agreement, which includes reducing uncertainty over water sharing and avoidance of future conflict and lawsuits ... which could cost the public many millions of dollars.