



Farm Credit Services

APR 24 2000

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March 29, 2000

Mr. Rick Itami ✓
National Marine Fishery Service
c/o Bonneville Power Administration - PL
707 West Main St., Suite 500
Spokane, WA 99201

Mr. Greg Graham
U.S. Army Corp of Engineers
Walla Walla District
201 N. Third Avenue
Walla Walla, WA 99362

Re: Lower Snake River Breaching of Dams

Gentlemen:

Northwest Farm Credit Services (FCS) is a part of the national Farm Credit System. Our sole business is providing loans and financially related services to eligible agricultural, aquatic and timber producers and harvesters. We presently serve more than 13,000 such producers throughout Washington, Oregon, Idaho, Montana and Alaska. FCS is affiliated with the AgAmerica/Western Farm Credit Bank which serves Arizona, California, Hawaii, Nevada, Utah, Nebraska, Iowa, South Dakota and Wyoming.

The Army Corp of Engineers and the National Marine Fisheries Service are considering a radical experiment hoping to reverse declining salmon population trends by breaching the three lower Snake River dams. FCS opposes this experiment. Without exception, customers, commodity and trade associations having contacted us oppose these efforts and have asked our support. We appreciate the opportunity to comment and share the concerns of literally thousands of customers and ag producers throughout the Northwest.

Scientific evidence identifying the reason for declining fish populations is uncertain at best. Certainly no one cause has been identified. In fact, these studies include substantial evidence that a number of factors unrelated to dams are responsible for these declines. Credible scientific evidence that breaching dams will resolve this problem simply does not exist. Proponents of breaching of dams choose to ignore the impact lost habitat, ocean take, mismanagement of fisheries, natural weather and environmental conditions and a variety of other influences unrelated to the existence or nonexistence of dams on our rivers are known to have on salmon populations. They also ignore the successful practice of barging fish, which has returned fish populations to those of the 1960s and 1970s. It appears that

breaching a dam has become their "end"--not a means to finding a scientifically supportable, economically feasible solution to declining fish populations.

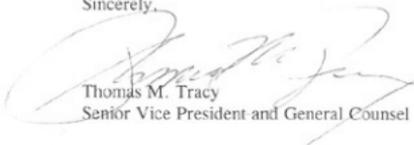
There is no one group more committed to or reliant upon the stewardship of our land and waterways than ag producers. FCS urges legislators and those governmental agencies responsible for this decision to not forget that at risk in this experiment are an estimated 600,000 acres of prime irrigated crop land which produces annual revenues in excess of \$400 million and more than 1,000 ag production and untold numbers of ag-related jobs that will be lost. Nor should they ignore the impact lost irrigation water and barge transportation will have on market values of properties and costs of moving ag and other products to market. Although disproportionate, the impact of breaching dams is not to agriculture alone. Lost electrical generating capacity will have to be replaced by expensive and more polluting sources. The inability to transport products by barge will put substantial strain on highways and rail systems, increasing transportation and marketing costs, congestion, wear and tear on this infrastructure. Lost recreational opportunity and flood control capabilities will significantly impact rural communities and areas surrounding these dams.

The issue of declining fish populations should be addressed. However, a proposed solution should be based on credible and objective scientific data that demonstrates reasonable likelihood of success. A solution should address all identified causes for the decline in fish populations as well as the economic and human impact of any solution.

We urge you to consider carefully the proposal to breach these dams, recognize the extraordinary risk of doing so, the irreversible damage it will cause to the regional economy, and rural communities, and the devastating impact it will have on livelihoods and property values of the thousands of people who will be impacted by this decision. Taking such unnecessary risk without clear scientific evidence that it will succeed and ignoring the impact whether successful or not is not warranted.

We appreciate your consideration of these comments.

Sincerely,



Thomas M. Tracy
Senior Vice President and General Counsel

cc: Northwest Legislators
Key Agricultural Groups