

DEPARTMENT OF THE ARMY
Washington, D.C.

established this difficulty can be overcome. Operational arrangements will be required through which the operation will be coordinated with other dams and reservoirs as a whole. The projects are recommended by the Bureau of Reclamation and should be authorized at an early date. It should be accomplished by means of a partnership arrangement similar in principle to H.R. 4662.

REC'D JUN 1 1955

Honorable Dennis Chavez
Chairman, Committee on Public Works
United States Senate
Washington, D.C.

Dear Mr. Chairman:

I am transmitting herewith, a report dated 25 April 1955, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on Middle Snake River, Snake River and Tributaries, Wyoming, Idaho, Oregon and Washington. This investigation was requested by a resolution of the Committee on Public Works, United States Senate, adopted on 5 October 1951. The Bureau of the Budget has advised that while there would be no objection to the submission of the proposed report of the Chief of Engineers to the Congress, authorization for complete Federal development of the Bruces Eddy and Penny Cliffs projects would not be in accord with the program of the President until the possibilities of local participation have been fully explored. The complete views of the Bureau of the Budget are contained in the attached copy of its letter.

part

// In view of the fact that a large proportion of the benefits of the projects consist of flood control benefits and of benefits to downstream Federal dams, the Chief of Engineers considers that construction of either project as a whole is unlikely to be financially profitable for any licensee unless some form of Federal financial participation is authorized.

// A partnership arrangement, under which the Federal Government would build the dam and non-Federal interests the power facilities, could be developed so as to conform generally to previously proposed partnership plans. This would be accomplished by legislation essentially similar to H. R. 4662 for the Cougar and Green Peter projects. Under this arrangement, the participating company would finance the entire cost of the project allocated to production of power at site. There is one basic difference between the Cougar and Green Peter projects and the Clearwater Basin projects now under consideration. The operation of the latter must be coordinated closely with downstream plants in order to obtain the maximum advantage for the region as a whole, in view of the very large downstream power benefits which can be obtained. This relationship requires a sub-allocation of allocated power costs for the Bruces Eddy project between at-site power and Federal downstream power. Although the methods for making this type of allocation are not

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established, this difficulty can be overcome. Operational arrangements will be required through which the operation of this project will be coordinated with other dams and reservoirs in the interest of the region as a whole.

It is believed that the projects as recommended by the Chief of Engineers should be authorized at an early date. It is recommended that this be accomplished by means of a partnership arrangement, preferably one similar in principle to H.R. 4662, as outlined in the preceding paragraph.

Sincerely yours,

Robert T. Stevens
Secretary of the Army

1 Incl
Rept w/ accompg.
papers & illustrations

cc: Secy of the Army (2)
Asst. Secy of the Army (CMA)
Comeback, OCE, Room 2316
Bureau of the Budget (2)
Budget Officer, Dept. of Army

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