

# COLUMBIA RIVER TREATY

## Overview of the Treaty Amendment

The United States and Canada have reached an agreement in principle to modernize the Columbia River Treaty, originally ratified in 1961. This amendment aims to update the treaty's provisions for flood control, power generation, and environmental stewardship.

## Key Changes in Power Generation and Water Management

Under the new agreement, Canada's entitlement to downstream power benefits will decrease significantly. The current entitlement of approximately 1,140 MW will be reduced to under 660 MW in the next year, with further reductions in subsequent years. This adjustment aims to rebalance power generation benefits between the two countries. Canada will gain more flexibility in managing its water resources. The agreement allows Canada to "divert" and manage a portion of water independently, with a four-year lead time requirement to ensure stability and predictability for both nations.



## Flood Risk Management and Compensation

The modernized treaty introduces new compensation arrangements for flood risk management (FRM). The United States will make annual payments to Canada, starting at \$37.6 million in the first year after the treaty's implementation. This amount will be adjusted annually according to the Consumer Price Index (CPI). An additional annual payment of \$16.6 million will compensate Canada for "other benefits" the U.S. receives from Canadian reservoir operations, such as irrigation, navigation, and recreation.

## Navigation on the Columbia Snake River System delivers value to both nations

The economic vitality of many communities in the Pacific Northwest depends on safe and efficient commercial navigation on the Columbia Snake River System. Over 51 million tons of international trade moved on this waterway in 2020, valued at over \$22 billion. A conservative estimate shows 40,000 jobs directly tied to just the deep draft channel. Substantial federal investments have been made in the Lower Columbia River and the inland barging channel and locks, in addition to private and local government investments. This waterway is a significant transportation asset which moves cargo to and from both the United States and Canada, and any potential changes which may impact its efficiency should be thoroughly evaluated.



## Transmission Assets and Studies

Throughout the development of the 2013 Regional Recommendation, PNWA's members participated in meetings with the U.S. Entity. PNWA staff and leadership also testified twice before Congress to ensure that navigation perspectives were considered, and we continue to engage with the U.S. State Department, U.S. Army Corps of Engineers, and others to advocate for a U.S. negotiating position that:



- Protects the reliability, efficiency and safety of the inland and deep draft federal navigation system on the Columbia River, which currently provides important economic benefits to both the United States and Canada
- Acknowledges significant existing U.S. programs that support healthy ecosystem function
- Recognizes irrigated agriculture for the value it brings to the regional and national economy, and its reliance on the Columbia River for its viability
- Ensures equitable distribution of power benefits between the two nations