

**FTS-DOI-US FWS**

**Moderator: Tom MacKenzie  
November 16, 2007  
12:00 pm CT**

Dirk Kempthorne: ...the commitment made two weeks ago, the work in partnership that the governors and people of these states until the day this drought ends and I want to commend Governor Perdue, Governor Riley, Governor Crist for their leadership and their atmosphere of cooperation which exists.

And again I know that we're all working in the same direction to find the solution. We committed to evaluate flexibility in water flows in both Georgia and Alabama to meet Florida's downstream water needs, to monitor water quality, to secure drinking water, maintain electric generation reliability and conserve species.

Today we're updating recent progress in all of these commitments. The fish and wildlife service has delivered to the Army Corps of Engineers it's biological opinion on the interim operating plan for the ACF in a compressed time period as promised.

Man: Can I get you to (unintelligible) a little bit on that?

Dirk Kempthorne: In its opinion, the service has determined that the interim operating plan will not jeopardize the listed species of concern affected by the Corps' ACF operations at flows of 4750 CFS or 4500 CFS at the Woodruff facility.

The service has based its determination on scientific modeling of projected flows and their affects on the listed species below the Jim Woodruff dam.

In addition, the Fish and Wildlife Service will be making an announcement about reduced flows on the ACT, which will give additional flexibility to Alabama.

The ACF is operated to account for several purposes and those purposes are flood control, hydropower generation, navigation, water quality, fish and wildlife conservation, water supply, drinking water and recreation.

We have representatives of the U.S. Fish and Wildlife Service and the Army Corps of Engineers to explain in depth what is contained in the biological opinion.

But I'll say that one of the clear messages that we received from the Governors over the past few days is that the states want to craft a three states strategy to address the current and potentially future drought conditions in the ACF and the ACT basins.

We also are announcing today the appointment of a senior Federal team to support the state discussions, which reports to me and the Chairman Connaughton on a day-to-day basis.

The primary mission of this team is to provide any necessary information needed by the Governors to support their effort. The chairman and I will continue to be actively engaged with the states on

behalf of the President and the other administration agencies and departments that have responsibility in this area.

Before I turn this over to Chairman Connaughton, I'll note that I greatly appreciate the cooperation between the Army Corps of Engineers and I will mention the Chief of the Corps, General Van Antwerp and General Schroedel and the Fish and Wildlife Service and commend Sam Hamilton and his team in order to complete this Section 7 consultation in such a compressed timeframe.

And we look forward to bringing similar attention and effort on the ACT system. Again, the President is committed to working through the short-term operations of both ACT and the ACF and supporting the tri-state negotiations with a goal of working with our partners in the states for a long term solution.

And that next phase of that three state addendum through the Corps of Engineers operating plan is for the drought protocol so that in the conditions of shared adversity everyone knows what must be done by all parties that are all partners.

I would just at that point say that we have certainly been focusing on ACF and ACT. And I'll tell you there's one other acronym that I'm keeping in mind and that is AFG, which stands for Alabama, Florida and Georgia. They're all neighbors. They're all working together and we're going to get through this.

So with that I would turn to Chairman Connaughton.

Jim Connaughton: Thank you Mr. Secretary. Just very briefly on behalf of the President, we've been very encouraged by the increasing interactions between and among the three Governors in working with us to organize both the Federal activities as well as the state and private sector activities necessary to take these interim measures.

I also want to underline really having many milestones today's, with the biological opinion on the ACF and the creation of the new flexibility regime on the ACT. As we go forward, there'll be additional adjustments and learning as we, you know, see the affects of these different strategies as we plan our way for next year.

So what's occurring today is an important foundation for understanding the measures of the three governors we'll be discussion with our assistants through February.

I also want to mention the Congressional delegations have been very supportive of these efforts from all three states. They've been asking lots of questions and catching up to date on what's happening and will be working now and into the future to be sure that the Congressional delegations are also understanding these steps.

And then finally, we did mention the three states. As we go forward, there's a series of issues in Florida that are now being worked into this planning and I think the three Governors each has a keener appreciation for the specific issues that the other Governors are facing. And that's what's going to help us find a balance and shared solution.

And so I've been very encouraged by the last two weeks of discussions.

Tom MacKenzie: Outstanding. Thank you very much sir. One moment, I need to recognize a couple of individuals here. But while I'm recognizing them, Secretary Kempthorne due to a technical problem, some of our listening audience on the phone didn't hear the first three paragraphs of your initial conversation.

Would you like to try and say that again sir or hold back for another time?

Dirk Kempthorne: Well, Tom I'd be glad to. I mean I just, you know, we - I don't know really what I said but I'm sure it was very noteworthy.

Tom MacKenzie: Absolutely sir.

Dirk Kempthorne: I wanted to affirm that I'm happy to see that it's raining over Atlanta and I hope the rain continues. That's going to help all of us and that's true throughout the United States.

But as we wait for that rain affirming that we're in the worst drought in recent memory and that's going to require all of us to do our very best. And I've got a lot of faith in the Governors of the three states that we, you know, are working with and in the citizens of those three states.

I mean, they're all neighbors and they're all part of this system. We had committed to evaluate flexibility and water flows in both Georgia and Alabama to meet Florida's downstream water needs.

And included in that we know that salinity is one of the issues with regard to the premiere oyster fisheries, to monitor water quality, to

secure drinking water, maintain electric generation and reliability and conserve species. So and today we're updating that. Tom I don't know, did you get at that point...

Tom MacKenzie: Yes sir.

Dirk Kempthorne: ...the CFS requirements that we're going with with...

Tom MacKenzie Sir I think we got that. Thank you very much.

Dirk Kempthorne: Okay.

Tom MacKenzie: That was perfect.

Dirk Kempthorne Okay. Thanks for the additional airtime.

Tom MacKenzie: Not a problem. I also wanted to recognize from the President's Council on Environmental Quality who's here in the room with us today, (Gregory Shillwalker) is here. Jimmy Palmer, the Regional Administrator from EPA is also here. And Joe Morgan, the Director of FERC, the Division of Hydropower Administration and Compliance is also here today.

At this point if I may introduce General Schroedel.

Joe Schroedel: Great. Thanks. Good afternoon ladies and gentlemen. Let me start by saying that we're all in this together and we're going to stick together. And like you I look forward to the time that I get a chance to wash my car and water my grass. I haven't done that in many, many months.

What I'd like to do today first is say thanks to a few folks. First I want to thank all of you and take advantage of this opportunity as United States Army soldier to thank each and every one of you for your support for soldiers and civilians who are deployed in harm's way today preserving our freedom and our way of life.

And that includes 58 civilians out of my organization who are currently in Afghanistan and Iraq and my own son who is in the Third Special Forces deployed as we speak.

So again, let me take this opportunity just to say thanks to you, to the American people, for the support that you've given to the military and especially the civilians who volunteer to join this great cause in the world for us.

And by the way, your Army is serving in 120 countries today. So let me just point that out.

Secondly I'd like to thank my Federal partners. Sam I need to thank you personally. Unprecedented to have the Fish and Wildlife act so quickly on our submission to them. I mean I don't know how he did it but by golly I appreciate what you, (Gail) and the rest of the team did.

I also want to thank the Federal team. We have a very, very tight group of Federal partners. Jimmy, Jimmy's here today. I see (Kirk Cover) probably go stuck in traffic somewhere. I know he's not stuck in the rain. (Kirk) where are you at? (Kirk), (Kirk) there you are. I'm sorry. You're hiding on me.

But (Kirk), Jimmy, Sam, the rest of us - rest assured folks you have a very tight Federal team who are working very closely together day in and day out. My wife says that I should talk to her more than I talk to Sam.

But now that we've got the buy op, I'll spend more attention of her I guess than Sam. But we are very tight and we are in support of what the Governors are trying to do here.

And let it be known, this is an absolutely historic opportunity for these three states. And your Governors have sworn their commitment to try to solve the long-term issues here and by golly we are in strong support of the Governors' efforts to do that.

So not only is this an opportunity to solve the short term situation we have, and we'll talk about that, but it's also an opportunity for us to solve the long term situation. And we are working very closely together and with the states to make that happen.

(Mike Solott) of Florida, Carol Couch out of Georgia and (Tray Glen) out of Alabama and the Federal team are really all one team. So I just wanted to make sure that all the citizens of these three states understand we're in this together. We're going to stick together. And I'm not going to change my story.

So let me take a few minutes and explain to you what we submitted to the Fish and Wildlife Service for approval. And then Sam will talk to you about the buy op, the biological opinion that they have issued today on the ACF basin, the Apalachicola Chattahoochee-Flint.

And these are two systems that are very similar and I'll talk about that in just a minute. First thing I'd like to do, how about the first slide.

Let me just give you the features of the what we call the exception drought operations plan. And this is an adjustment to our interim operations plan that we use and let me make this point very, very clear up front.

This is not just about endangered species. This is about managing competing demands and meeting critical needs with a very limited resource. It's everything from the salinity in Apalachicola to the (Shultz power plant) in Florida to the flows that we need to sustain the Farley nuclear plant to the drinking water for all of the municipalities between here Atlanta and the south.

The municipal drinking water for Atlanta, the water quality issues and so on. So what the Corps is charged with the responsibility to do and what we've been doing on a daily basis with teleconferences with all of the stakeholders on the systems is to ensure that we can balance the critical needs in the best way we can with a limited resource and ensure that we have a way ahead through the current drought conditions.

So what we had to do is come up with a means of some procedures that would give us the flexibility as we go through these current conditions to make decisions in a timely and responsive way based on what Mother Nature gives us, which we can't predict.

Now what you're not going to hear us say is dates certain to do certain things. Instead we have a very flexible approach that will allow us to

adjust and manage the system on a day-by-day basis based on what the circumstances are.

So the major features first. Under the current operating plan, flows that come into the basin, anywhere in the basin, in excess of 5000 cubic feet per second are automatically released out of the point south of Woodruff dam into Florida.

Under these conditions we will not let those flows go. We'll retain them in the basin.

Second point. We have a minimum flow requirement of 5000 cubic feet per second under the current operations south of Jim Woodruff dam. Under our proposed plan, which we implemented today, we can reduce initially to 4700 cubic feet per second, then 4500 cubic feet per second and then 4150.

And Sam will talk more to you about what the biological opinion says about each of those. One point that I'll make, we have already begun moving to 4750 about an hour and a half ago.

The other provisions, and I'll show you another chart in a second that explain how we get in and out of these temporary measures. So the way we've built this flexible system is we've put together a plan with triggers based on conditions, not dates or times, that allow us to get into and out of certain provisions. Go ahead to the next slide.

One thing that we took a hard look at is what's the difference in terms of basin storage of the flow rate at Woodruff versus keeping inflows. And all this chart tells you is if we continue doing business the way we

are today, which is the leftmost bar, that we would retain less water in the system.

So under these current conditions by reducing some of the flows, but more importantly by keeping the water in the system, we can retain more water in the system. And by the way, the water in the system isn't just for Georgia or Florida, it's for both states.

Same with the ACT, water in the system is water for everyone for all the purposes that I mentioned earlier. Next slide.

This is really the heart and soul of our temporary procedures. What this graph depicts is what we call a composite storage graph. I don't need to explain all the technical details right now. I'll answer questions a bit later. But for each reservoir on the system, we have a graph similar to this. And we have zones specified. And what the Corps normally does is we try to ensure that each of our reservoirs are balanced in the same zone. I think that's probably enough of an understanding in terms of the zones.

But what this explains to you is today the composite storage in the ACF basin is in zone four. That's about the lowest it's been in recent memory.

So what we've come up with, some triggers, once we're in zone four as we are today. In order to suspend some of the features I just mentioned, once we get the composite storage into zone three, we will automatically go back to releasing 5000 cubic feet per second south of Woodruff.

Once we get composite into zone two, we will then go back to our current procedures right now which includes releasing the additional inflows that come into the basin.

So I think what you see is a very flexible system that is based on the conditions that exist at the time. Now let me give you a feel for how much rain it's going to take to move from one zone to the other.

To move from zone four into zone three, it would take one inch of rain in the entire basin. To move from zone three to zone two would take an additional two inches in the entire basin. For three inches of rain in the entire basin today.

So if we got three inches of rain in the entire basin today, we would go right into zone two. And then to get into zone one, it would take an inch of rain per month steady state to keep us at that level.

One very important point. What we intend to do is what - one of your questions might be what happens if we start to drop off again? Once we get into zone one, we don't reinstate these temporary measures until the composite storage goes back to zone four.

I think that's a very important point as we try to balance the needs, especially the salinity and the Apalachicola interests in Florida with the multitude of interests in Georgia in balancing that, then we've got a way to get out of the temporary measures as soon as we can based on the conditions as opposed to setting any dates certain to end these conditions.

So we feel we've got the most flexible system that we proposed to allow us to manage the system according to conditions and meet the needs all the way from the headwaters of Lanier down to Apalachicola Bay.

So with that, let me turn it over to Sam and we'll be glad to answer questions a little bit later on to a couple more details. Thank you.

Sam Hamilton: Well, good afternoon. Thank you General Schroedel. A great deal of what you've heard is a new way of doing business. I think that it's very impressive on the part of the Corps and certainly the Federal family to make sure that we have a very seamless way of doing business.

The pressures on that system are very real and I think you know that. You see Lake Lanier, you look downstream if you're in Florida. You see the effect of these reduced flows.

The ability of this agency to produce a biological opinion in two weeks, which is really unprecedented, I think speaks volumes of the close coordination that's going on between the Army Corps of Engineers and the Fish and Wildlife Service as well as all the other Federal partners who have a vested interest in what's going on in this basin.

We get the sense of urgency. And because of that we were able to produce this biological opinion in record time.

The Apalachicola is a very special place. The ACF system is one of the great river basins in the United States and it is clearly in stress. There are a lot of pressures on that river system.

We have huge demands of water supply. Agriculture, water quality demands, hydropower, navigation and a piece of that is the Fish and Wildlife conservation piece. And a small part of that is the endangered species aspect that we're here to talk about today.

The Corps of Engineers gave us a biological assessment, a revised operating plan, on November 7. And in two weeks we were able to produce this biological opinion.

What we looked at was a range of flows that are necessary to meet the immediate conditions here in this historic drought that we're facing. And this is a historic drought and every day it changes.

And so the flexibility that General Schroedel mentioned very much is a piece of this biological opinion. And so it's a new way of doing business for us and I know that it's a new way of doing business for the Army Corps where we have to be adaptable. We have to be flexible and we have to move very quickly to deal with conditions that are here.

This biological opinion is good through June 1 and that's important for a lot of reasons. It brackets the outside limits of where the Army Corps of Engineers has incidental take authority for the actions that they're going to have to take.

Now that doesn't mean that this emergency drought operation plan will actually be in effect that long. They've got great flexibility within those windows depending upon what Mother Nature gives us. And hopefully a lot of rain soon.

But within that six-month period, the Corps, Army Corps, has the flexibility to drop the flows and as General Schroedel mentioned, they can drop those flows and are doing that today to 4750.

In addition to that, the next step is 4500 CFS. The Army Corps in this biological opinion has the incidental take authority to take it to 4500 CFS. And we'll be working with them in their weighing a lot of factors as they develop the triggers in order to go to that level if need be.

In addition in their biological assessment and revised operating plan to us, they mentioned 4150 or 4200 CFS and we're going to be working with them over the winter and through the spring to ensure that they have the appropriate incidental take coverage that they will need in the event that we have to go to that level. And our hope is that we won't have to go there.

So it's the amount of flexibility we've worked at into this opinion. We've looked at three endangered muscles and we've looked at the Gulf Sturgeon and concluded non-jeopardy on all of those.

Now that's not to say that there's not an affect. There is an affect. And there are going to be species lost and there are consequences to drought conditions and the demands that are being placed on this system.

And again, as difficult as it is to work with endangered species that are very rare, very restricted in range and very limited in how they can respond to these kinds of conditions.

The work that the Army Corps is doing to manage this system, balancing all the needs and this being just one part of it, I want to commend them for that.

Before moving on, I would like to talk a little bit about critical habitat because coincidentally with this announcement today on the biological opinion, giving the Army Corps the green light and the flexibility they need to manage the system, coincidentally with that, we're announcing a critical habitat designation that started a year and a half ago.

We published that in the Federal Register yesterday and we're designating about 1100 miles of river as critical habitat. We had a very open public process in Georgia and Florida and Alabama. We had public meetings over the last year, year and a half.

And under the endangered species act, we're required to identify where those important habitats are for federally listed species. It's very important for the recovery of these listed animals. And that's what we're doing today.

We factored that into the biological opinion. So this opinion and a consultation that we have ongoing with the Army Corps already takes that into account. So it shouldn't have any further consequences to the discussion that we're having today.

And what I'd like to do is turn back to General Schroedel to talk a little bit about the Alabama Coosa-Tallapoosa system because as you know, not only is this drought affecting Georgia and Florida through the ACF system, the state of Alabama is enduring one of the greatest

droughts they've ever, ever seen. And the system over there is equally as in trouble.

So we have been working very closely with the Army Corps as well as a host of other Federal and state partners to give flexibility over that. So what I'd like to do is turn it over to General Schroedel and then I'll get back up to announce one more piece.

Joe Schroedel: Okay. Great. I'd like to use this part of the discussion to underscore if I can where I'd recommend you to kind of focus your attention from this point forward.

As you look at the ACT and the ACF, both systems have two very strong similarities. First of all, they both have headwater lakes. In the ACF system, Lake Lanier and we all heard a lot about Lake Lanier. Lake Lanier is very vital to the system.

On the ACT, it's Lake Allatoona and also Martin Lake. So the first thing that we need to keep focused on are the headwaters. As we manage scarce resources, one of the things we need to do is maintain the viability of those headwater systems.

Because at some point if this gets worse, the entire basin will depend on those headwater systems entirely.

The second point that we need to focus on are what I call critical points. On the ACF we've already talked about the 5000 CFS minimum flow requirements south of Lake Woodruff or Woodruff dam.

On the ACT, there's a point just south of Montgomery, which has a 4640 cubic feet per second minimum requirement. The point is as we look at those headwater lakes and then look at those critical points and just oppose those against each other, that's how we can come up with flexibilities.

To maintain the headwaters and then also to try to get flexibilities at those critical points to reduce the flows at those critical points in order to remain more water in the storage in the basins.

So the flexibilities on the ACT that we've come up with, you've already heard about the ACF. On the ACT, so far two flexibilities. One of the key Corps of Engineer responsibilities south of Montgomery is navigation.

Instead of allowing the normal flow of water to support navigation at any point in time, another option is to create navigation windows, which means we pulse or release just the amount of water at a certain time and schedule the movement of vessels at the time to coincide with the movement of that water down the river. Possible, it's doable and we can do it. It's hard, but we can do it.

The other flexibility which we recently agreed with the state of Alabama was giving them some flexibility on winter pool levels in Lake Martin. We've increased the winter pool level in Lake Martin by three feet and we have also agreed to allow the filling, the summer filling, of Lake Martin earlier. Let that begin earlier than normal.

Again, we'll have to watch that from a flood control perspective should more rains come than we expect. But those are two flexibilities and

again I would direct your attention as we think about these systems to the headwater lakes and to those critical points where we're managing the flows. With that, Sam.

Sam Hamilton: We've been working very closely with the state of Alabama; Governor Riley and his staff. We have an interagency team, EPA and a number of other agencies are part of that. And the idea is that we're going to continue to explore the flexibilities in that system that is stressed also.

One of the pieces that has come out of product of those discussions is that the Federal Energy Regulatory Commission licenses the dams on the Coosa River and many of those on the Tallapoosa River.

Working with the Federal Energy Regulatory Commission and certainly Alabama Power Company, many of their big reservoirs there, we have engaged in emergency consultation under the Endangered Species Act to see if we can provide flexibility on that system.

Today we sent a letter to the Federal Energy Regulatory Commission and to Alabama Power Company allowing them to reduce the flows by 20% on Coosa River and that's fairly significant because that does give more flexibility on a system that extends from Montgomery, Alabama all the way to north Georgia. So that piece is now in place.

I think the last thing before we turn it over for questions, again I just want to publicly recognize the folks in the Army Corps of Engineers, the Mobile district in particular, and our folks in the Panama City field office who did monumental work to pull this together in historic times.

Not only in the time frame, but the scientific integrity that went into that as well as now giving the flexibility to operate a system that is, you know, in tough straights at the moment. (Tom).

Tom MacKenzie: Thanks very much. For the Qs and As again, if you have questions for Secretary Kempthorne, if you could ask those first. I saw one hand. We'll do a live - a couple of live questions first and then go to the phones. (Richard) I think you - I saw your hand first.

(Richard): Is the Secretary still online?

Tom MacKenzie: Secretary Kempthorne are you still with us sir?

Man: The Secretary had to step out for a minute. He'll be right back. So if you could reserve just a couple minutes. He'll be right back on the line.

Tom MacKenzie: Roger.

(Richard): I think that - Mr. Connaughton can he take it?

Tom MacKenzie: Is Jim Connaughton there please?

Jim Connaughton: Yes I am.

(Richard): Yes, during the November 1 discussion, November 1 discussion, we heard very little from Florida's Governor. And then last week there was a letter which he clearly repudiated the recommendation of November 1. What is your thought about that and whether it jeopardizes this (commoncy) between or among the three states?

Jim Connaughton: As I indicated in my opening remarks what actually occurred is as we've worked our way beyond the ACF, the Georgia ACF issues and we've now begun to work our way through the ACT set of issues, that has now included the enhanced view of what's going to be occurring in Florida.

And so we actually welcomed the increased involvement of Florida that led to the asking of a number of questions that we're underlining the letter that you're referencing.

We have since then worked through some of those questions at least with respect to the near term. And, you know, obviously you'll need to speak to the Governor's staff, the Governor's staff themselves. But at least with respect to this interim plan that we're talking about right now, I think we're in a good place.

They have basically laid down an important question that we're going to have to work through as the Governor's discussed the plan for drought measures for next year. And that's how you balance in and reconcile the issues of solidity and the oyster beds in particular. There's a number of other issues in Florida as well.

I do want to underline that these additional items that have been brought to your attention through the Florida letter, there are also a number of other items that we just haven't emphasized. We have agricultural operations to begin obviously next spring again.

And there's a variety of other sort of issues that have not been at the forefront. As the General indicated, these are very complex systems and we're trying to get the pieces to work together as effectively as

possible. So you should expect more rather than less of these specific items to unfold in the next couple months.

Man: Another live one?

Tom MacKenzie: Sure.

Man: (Unintelligible) Have you gotten any indications from Florida officials as to whether they may do legal remedies to support their position (unintelligible)?

Jim Connaughton: Actually the Governors have recommitted themselves to working collaboratively between now and February 1 on a shared plan for what to do next year in the event the drought persists.

And I think all three Governors made clear two weeks ago and at least all indications remain through today that they're effort in the coming months is one of collaboration, not one of litigation.

Although each of them has made very, very clear that they reserve the right to protect the interest of their own states as they should. They're Governors of their states and they're looking out after the interests of their people.

We're trying to work with them to find a collaborative outcome here.

Dirk Kempthorne: Let me add to that. This is Dirk Kempthorne. December 11, 12, the three Governors are going to meet in Tallahassee to continue this whole effort.

The fact that the information that has been released today about Fish and Wildlife Service, instead of 135 days from now, I think the states and I believe the Governors appreciate the fact that they're seeing that the Corps, Fish and Wildlife Service, other elements of the administration have indeed made this a priority. It's a priority with the administration. It's a priority with the three Governors and with their respective states. And we will continue to work this.

So I think today's announcement is acknowledging we're in an extreme situation. This is a drought that is of some historic proportion, but you see that at this point, some two weeks after sitting down and going through a number of these things, some real progress has been made. We're not to the finish line.

The next key point will be for the Governors to agree upon a proposed amendment to the Corps of Engineers operating manual that deals with drought protocol. And that will be the first time, correct me if I'm wrong General, but in 10 to 20 years, that there's been any updates to your Corps manual.

Joe Schroedel: That's exactly right.

Tom MacKenzie: Thank you very much. Operator, if we can have the first call in question please?

Coordinator: Certainly. Bruce Ritchie, your line is open and please state your media outlet.

Bruce Ritchie: This is Bruce Ritchie with the Tallahassee Democrat. Can someone explain to me what measurement - there's been a lot of talk of

modeling certain flow levels and reservoir levels, but has there been any measurement or modeling of the affects on Apalachicola Bay and the oysters and the other estuary species there?

Joe Schroedel: Okay. It's General Schroedel. One of the things that we looked at - the last modeling that was done of solidity in Apalachicola to the best of our knowledge was a study done back in 1999.

We took a look at that in addition to the studies that we did in terms of the releases. So we continue to engage the state of Florida on any modeling that exists and then looking at any modeling that needs to occur beyond that.

Sam Hamilton: Yeah, this is Sam Hamilton. Certainly the State of Florida has an elaborate monitoring system looking at the effect of flows as well as salinity levels in Apalachicola Bay. I believe we've got some sampling stations also there looking at it.

So salinity is a big part of the obviously of the flow question. And at certain times of the year can have a significant effect on that Bay.

Bruce Ritchie: Well were they taking it into consideration for proving these reduced flow levels? Or is there a timetable for taking that into consideration?

Sam Hamilton: Well that's a good question because the, you know, to a great degree the salinities are focused on oysters as well as the commercial fisheries there. This biological opinion focuses specifically on federally listed species. So we do have the Gulf sturgeon that moves in and out. And it was taken into account there.

But these fresh water mussels are upstream from there. But beyond that, that's certainly something the Army Corp has to balance along with many other issues that go outside the purview of this biological opinion which is focused strictly on endangered species.

Tom MacKenzie: Okay can we have the next question operator?

Coordinator: Certainly, Harris Blackwood, your line is open and please state your news outlet.

Harris Blackwood: I'm with the Gainesville Times in Gainesville, Georgia. To Mr. Hamilton, how do you separate Florida's concerns about its oysters and fishing business from the issue of endangered species and essentially using mussels and a sturgeon as a canary in a coal mine?

Sam Hamilton: Well that is a good question. You know, we certainly focus our attention on those species that are listed. And they are good indicators that the system is in stress. And when you have endangered species whether they're endangered or threatened, there's not a lot of margin for error.

So, you know, when we looked at the flow conditions, we do take into account what it's going to take to not only keep them surviving. Also we hope to recover those at some point. The flows in the Apalachicola are far bigger than that -- the flow questions -- because it does exist way beyond just simply listed species. Again flows necessary to protect mussels are not necessarily designed to protect oysters or the brown or white shrimp that move in and out of Apalachicola Bay or any of the estuarine species that are so important down there.

So I think there is still more work to be done to understand how much flow at what time of year is critical for those broader range of fish and wildlife values as well as the commercial fishery. That's still an important question on the table I think.

Jim Connaughton: This is Jim Connaughton, I just want to also be sure you have the context. When we are talking about reduced flows, we're talking about having reduced flows for the smallest possible amount of time. And so the Corps and the Fish and Wildlife Service and the other agencies have come up with an approach that you probably saw in the materials where they will go back to the regular and then, you know, the flows that go beyond that. They'll go back to that, you know, as rainfall comes into the system.

So we're not talking about in any respect a permanent outcome here. We're talking about dealing with the immediate set of issues and again I think the three governors are generally comfortable with where we are at least for the next little bit.

Joseph Schroedel: Yes, if I can add one other point just to make sure people understand the ACF Basin. The Flint River constitutes almost half of the basin. And there is no storage on that part of the basin. So when we talk about the flows that affect the Apalachicola and when we talk about the balancing of flows and the releases out of Lanier, it flows into the Flint. Usually it determines and drives those two ends of the system.

So another realization from a long term perspective here is quite simply there's inadequate storage on the system to meet the needs that we have today. If you look at the last major drought back in 1981

when Lake Lanier reached its record low -- and by the way it was refilled just six months later in May of 82 -- when you look at the population of the region in 1981 compared to the population today, and we have the same storage today as we had then, I think it's pretty obvious that we have a need for increased storage on the system.

And at the same time what the governors have committed to in the short run is to figure out additional conservation measures to help compensate for that point. And conservation measures by the way can have a tremendous effect. I think the City of San Diego is probably an example of the effect you can have.

The City of San Diego realized they were growing tremendously. They came up with a series of conservation measures that allowed the city to grow by 500,000 people and they are consuming no more water than they did 500,000 people ago. So when you look at the ACF system in the short run and what we're putting in place, again a very flexible system.

But we're constrained by features like I said, 50% of the system with no storage that gives us very little flexibility to meet the demands on the entire system. And then the long term piece which is a need, a crying need, in the South for additional storage capacity to meet the need. That's an important aspect to the Apalachicola Bay piece.

Man: Let me add to that...

Joseph Schroedel: Yes sir.

Man: Your current forecast (unintelligible).

Joseph Schroedel: That's a great question. As a matter of fact I'd like to dispel a myth if I can. I think all of the media attention, as a matter of fact, one of the things I will show you is a Web site that I'm going to ask all of you in the media to frequent so we can keep you informed of the facts.

And then if you would, feel free to take information from that Web site to share with our citizens so they know the truth. I think it's very important that we do that. So let me dispel a myth.

There's no such thing as how many days of supply are left in Lanier. That number changes every day. Let me just bound the problem with you without giving you a number of days okay because we're driving each other silly with that number.

The minimum release out of Lake Lanier ever is 1500 cubic feet per second. Bob, show the slide of the Metro Atlanta piece. I want to make sure people understand where the water from Atlanta comes from.

Not that one, that one. Metro Atlanta draws 380 million gallons a day of water. Forty million gallons a day come out of the lake. Three hundred and forty million gallons of water come out of the Chattahoochee River south of the dam. If we don't let water out of Lanier, we turn the tap off for Atlanta. That's a fact.

So to answer the question, the minimum release that we have is 750 cubic feet per second out of the dam to supply water to Atlanta. Another 750 cubic feet and you can see down here in the bottom where Peach Tree Creek is, that's where the water is that is returned to

the system. And by the way, Atlanta returns 56% of all the water they draw. They gave it back to the system.

But there's a water quality issue there that you've got to make sure you've got the dilution capability. So another 750, that's 1500 cfs is the minimum flow out of Lake Lanier Buford Dam ever. If we were to go to 1500 today, and if we did that we'd have to shut off power, shut off endangered species and all those other demands I mentioned, many of those would go away.

Not just Apalachicola Bay but you'd turn off water probably out of West Point, Columbus, Lake Grange, all those other intermediates. So 1500 isn't just for Atlanta. You need more than that.

If we were to go to 1500 today and forgot about everybody else, you'd have about 450 days of water. I hesitate to even give you the number but it's more than you think. And then the lake's dry. And that assumes a one percentile flow of water into the system. We're about to enter the wet season. That's never happened before. So let's see what happens. That's why we need a flexible system.

On the other hand, if we - oh sorry Tom.

Tom MacKenzie: (Unintelligible).

Joseph Schroedel: Sorry (unintelligible). I'm a solidier okay? But on the other hand if we released the water at a much higher rate, you know, then it might be something more along the line of a 180 days or so. So I would like to just get away from how many days of supply are left because the number changes every day.

And the folks that we have who manage this system change the releases out of the facility every day to meet the demand. And it's based on what water comes in at any given time. Let me give you an example of that last point.

Back down to the point south of Woodruff, 4750 cfs, what we're telling you today, we're releasing. Here's the contribution, 1700 cfs of that is coming out of the Flint River, 1700. Remember I said the Flint River controls, Flint River during the springtime or whatever it is, 10,000 cfs flowing in that river. Today it's 1700 so 1700 cfs out of the Flint, about 400 cfs that is coming into the basin between Buford and between Woodruff and then the balance coming out of Lanier. But those number change every day.

So how many days of supply left is what we're targeting. We want to make sure we're making the right decisions at the right time to maintain the viability of Lake Lanier as one of the head water lakes just like Martin in Allatoona to insure that we don't run out of water.

So I'd much rather make sure that everybody understands the management scheme we have to insure that doesn't happen. And so if I can just dispel that myth in that way, I hope that makes sense.

Man: Well what level of concern do you have (unintelligible).

Joseph Schroedel: Right now none. We are still above record low. We are still above conservation pool. We still have a lot of water left in Lake Lanier. Now granted from a recreation perspective, it doesn't look that pretty. But there's still a lot of water there.

Man: Following up on that.

Joseph Schroedel: Yes sir?

Man: There's been a lot of debate among municipal officials farther down stream and environmentalists or it appears that way about what percentage...

Joseph Schroedel: Right.

Man: ...of the release that actually goes to Metro Atlanta. They can't even agree on what the data are. Is there any way given all of the variables that you just mentioned, is there any way to say Metro Atlanta draws x percent or accounts for x percent of the water that's released (unintelligible)?

Joseph Schroedel: That's pretty complex and I would tell you that in terms of water, and this is not a key point when you look at federal versus state responsibilities, you know, the Federal Government has no water rights. Those are states rights.

So the management of the water internal to the state for the different purposes is really a state responsibility. And I think that you'll see in the partnership we have with the state, those kinds of issues will be ironed out.

Man: (Unintelligible) 2150 cfs was coming out of...

Joseph Schroedel: Right. Sorry.

Man: Do I hear correctly today that your two agencies hope it will not go below 4500 or a 10%...

Joseph Schroedel: Absolutely. That's our hope.

Man: And when do you think you will know that?

Joseph Schroedel: I don't know. And again I don't want to commit to dates because we watch this every single day. I mean I get a report every morning from my meteorologists. I mean this is a literally every day, 24 hours a day, seven days a week. And that's the kind of effort the Corps, the federal team has been putting into this thing for a long time. I mean this is, we've got some tired people. But...

Tom MacKenzie: We're going to go -- hold on just a sec -- we're going for a phone - hold the question please.

Joseph Schroedel: Good.

Tom MacKenzie: Operator, can I have the next phone please?

Coordinator: Certainly. Jennifer Shrader, your line is open and please state your news outlet.

Jennifer Shrader: Yes I'm with the LaGrange News in LaGrange, Georgia. I have one hopefully simple question and then a follow-up. The new flows you announced today, does that cover the list of all the interests that you gave? Or is it just for the sturgeon and mussels?

Joseph Schroedel: No ma'am. It covers all of the interests.

Jennifer Shrader: Okay. Well when did ceremoniously did your power become a (conservationally) authorized interest?

Joseph Schroedel: Good question. I don't know the answer to that. And again, we are balancing all of the needs on the system as we can.

Tom MacKenzie: Okay, next question please operator.

Coordinator: Certainly. Steve Matthews, your line is open and please state your news outlet.

Steve Matthews: Hi, Steve Matthews with Bloomberg News. I believe it was Secretary Kempthorne who made the point that the drought was an extreme situation and of historic proportions. If that is the case, why go from 5000 cubic feet per second to just 4750 instead of something more?

(Jay Wolfe): This is (Jay Wolfe) with the Department of Interior. Let me state right now, Secretary Kempthorne unfortunately had to move onto his next meeting which is outside the building.

Steve Matthews: Sure.

(Jay Wolfe): So I wanted to let everyone in the room and on the call know that.

Steve Matthews: Well I guess for whoever would choose to answer it, if the severity is really historic and things are really serious, why not go to the 4150 right away?

Joseph Schroedel: No that's a great question, let me answer that. One of the charts that I showed, the chart with our bar graph, what we've determined is the state of the system as it is today. The flow at Woodruff has much, much, much less impact on ability to store or retain water than the other flexibility that we achieved on our interim operating plan, the drought plan which is retaining all flows that come in from the rain.

So since there is a very nominal or minimal difference, that balancing act we're playing between endangered species plus providing enough water for the State of Florida at the 4750 which is key, and not trading off a minimal amount of storage for those more important means at this point.

Jim Connaughton: This is Jim Connaughton and let me sort of take this up to a higher level. Drought occurs over time. And the way you manage to it also occurs over time. We are fortunate that at this moment in time it is not necessary to take drastic measures.

We can take these flexibility measures, meet the various needs we've talked about while still working to build back the storage. As we to get into next year if the drought persists then we will need to begin to look at more aggressive measures. And if the drought carries on beyond all historic experience, you know, that's when the governors need a collective plan for how they're going to share some of that burden in the absence of new supply.

And so you just have to calibrate, you know, based on where you are. And again, I want to underline, we are fortunate today that we are able to act in this urgent way in order to prevent an emergency. But we do

have emergency authorities should they become necessary as we go forward. And we just want to plan ahead for that over time.

Let's hope for rain this winter. We just need a few inches out of the more than a few inches that are typical and things begin to reset themselves. And that's what we should all be looking forward to.

Man: Okay. WSB?

Woman: (Unintelligible) actually affect Lake Lanier and the percentage of reduction that will save as far as the cfs?

Man: I think what the answer to that question is somewhat counter intuitive. There's not a direct one to one relationship. So each day as we look at changes in flow on the Flint, changes in flows that come south of the Woodruff, south of Buford, as those flows increase the flow out of Lanier decreases.

But if those other flows decrease, than the flow out of Lanier could increase. So there is not a direct relationship between the flow or the release of the 4750 or 4150 and what the release is to Lanier. It's not a direct relationship.

Woman: You can't look at Lake Lanier and say, (unintelligible).

Man: No ma'am. It's not that simple. It's very complex.

Man: Vicky?

(Vicky): (Unintelligible).

Man: (Jimmy) you still on?

Jim Connaughton: I am.

(Vicky): My question is this water battle really has been going on for 17 years. And I'm wondering what's different today that could lead to a solution by February. And secondly my other question is whether, you know, understanding there's supply left and there's way to get their water even under - in the dead pool, is the federal government providing any planning in the event that that dead pool source, we need to access it? Or even that it becomes so low that we can't access it?

Jim Connaughton: With respect to your first question, the, you know, the last really significant drought was back in the early 80s. And so when you talk about the inability of the governors to come together over the last 17 years, it's partly due to the fact that there's, you know, there's been a relative abundance of water. And therefore you have more time to try to, you know, try to work your, you know, each interest of the state.

So the imperative was not as great. Now that we are in a drought and I think a number of the governors reflected on this two weeks ago, you know, that sort of sharpens the senses and gives you a real world setting in which you begin to figure out how to share the burden. And that's what they all committed to.

You know, three weeks ago they each recognized that in times of extreme drought, there's going to have to be some sharing of the burden.

On your second question, yes we, I mean one of our exercises is we're looking at what happens now. We're thinking about what happens if the drought continues. And as part of that planning over the coming year, you know, the Corps and all the various agencies working with the state agencies, you know, who also have quite substantial responsibilities in these areas, just to be sure that we're thinking ahead.

This is sort of a natural condition for many states in the West who, you know, where drought is a regular circumstance. This is something that, you know, was now being thought about in the Southeast. Fortunately these areas are historically wet. And so we want to plan for the worse. But be prepared to take advantage of the best.

Tom MacKenzie: Thank you very much. Operator, can we have a phone question please?

Coordinator: Certainly. Terry Pickard, your line is open and please state your news outlet.

Terry Pickard: Hi, it's Terry Pickard with NBC Network News. A question for I guess Jim to clarify, you said earlier that it's not necessary to take drastic measures at this time. Excuse me. Yet people across the Southeast are hearing the governors say that this situation is dire. They're holding prayer meetings to bring rain.

They're telling us it's critical. We need to save and conserve water. So which is it? Which should people believe? Is this a drastic, dire situation? Are we going to run out of water in Atlanta in 80 days or not?

Jim Connaughton: By all projections with these flexibility measures, we should be able to meet the various needs of the system, drinking water, power generation, species conservation with these measures going forward.

I think all of the governors have made very clear that the reason they are so engaged is to prevent the need for actions that will take hard sacrifice. I mean the citizens have already, you know, in these states have already cut back on water for various amenities such as washing cars and lawns. And that's having a real effect.

The farmers, many of them took drought payments last year rather than growing crops. And so those measures were taken. But we have been able to manage the system in a way that allows for the basic needs to continue to be met. And with these strategies that we're outlining today, the goal is to assure that that continues in the coming months.

The idea of getting the governors together is to be better prepared if more burdensome measures are going to be required of each of the states and how they're going to share that burden. Certainly you don't wait - the goal is not to wait until things are at their worse before you act. And I think the governors are all being quite responsible in stepping up to the plate and insuring that their own agencies as well as the federal government is planning ahead.

Terry Pickard: And then a follow up for the General if I could on the Lake Lanier issue. The reduction of flow from down at Woodruff Dam, will we visibly see any change necessarily to Lake Lanier? Will the water start creeping up? Will boaters be able to go back out on the water or not?

Joseph Schroedel: Sir again that's a day to day question. If the flows out of the Flint and the flows south of Buford remain low or get lower then at the present time the balance will be made up out of Lanier.

Conversely if the flows increase on the Flint or in between then we can reduce the flows at Lanier. So there is not a direct one-to-one correlation between the reduction in flows south of Woodruff and the affect on Lanier. So that's something that changes on a day to day basis.

Man: Has it changed today?

Joseph Schroedel: Don't know. We just went to 4750. We're going to watch that to see what happens and see what the affect is. And that will be a part of our decision process on when we go to 4500. So that's how we're using the adaptive management approach.

Tom MacKenzie: Can we have another question from the phone group please operator?

Coordinator: David White, your line is open and please state your news outlet.

David White: Hi, Dave White, Birmingham News. For General Schroedel please, I'm reading the -- or Mr. Hamilton -- I'm reading the biological opinion. It seems to reserve permission to go to 4150 for later. Is that correct? Is this just for going down to about a minimum of 4500? And then you guys have to negotiate further to get permission from Fish and Wildlife to go down to 4150?

Sam Hamilton: This is Sam Hamilton. We did evaluate 4750 and 4500 in the 14 day period we had to work with this. We've already started discussions with the Army Corps about modeling and the details of 4150. You know, the hope is that we won't have to go there. Certainly the first incremental steps will carry us a bit into the winter months. And hopefully those winter months we will see some rain.

But nevertheless, we're planning to go to 4150, the Army Corps is. And we're evaluating that right now. It will require an amendment to the biological opinion. But we're prepared to go there in a very timely way.

David White: So this doesn't give permission to go to 4150 right now? That takes further permission or further review?

Sam Hamilton: It does take further review. But again, when, you know, the Army Corps is looking at the storage factor there and looking at the effect of going through 4750 to 4500 and the incremental amount of storage that you get.

At this point it looks like those first few steps will have -- was that a cue to get off, okay -- will have the greatest effect right now and into the winter months. And then we'll work with them beyond.

David White: Okay. Then also you talked about reductions in the Coosa River and outflows from dams there, Mr. Hamilton. What are some specifics please on that? What do you mean by that?

Sam Hamilton: Well you know the Coosa River which starts at the head waters here in Georgia at Allatoona and Carters...

David White: Right.

Sam Hamilton: Then comes down through a series of Alabama Power company dams, hydropower dams principally before it joins the Tallapoosa at Montgomery and then forms the Alabama River.

The Federal Energy Regulatory Commission recognizing along with Alabama Power that you're in a historic drought in Alabama, looking for flexibility in those reservoirs just like here in Georgia to deal with some pressing issues approached us about the idea of doing reduced flows below Jordan Dam, Jordan Dam being the lowest most downstream dam on the system.

Below there you have listed species. We agreed under emergency consultation this summer to explore lower flows. Today we sent a letter to the Federal Energy Regulatory Commission and Alabama Power giving them the green light to continue to operate or actually to operate at a 20% reduced flow.

And what that does it allows the power company to be able to store more inflows and more water in those reservoirs which ultimately provides more flexibility as this drought continues.

David White: Is that going from 2000 cfs to 1600 cfs?

Sam Hamilton: That's correct.

David White: Okay. Thank you.

Tom MacKenzie: All right, another live question here, any here? Okay, (Richard)?

(Richard): (Unintelligible) rainfall to the general public? Is that one, two, three?  
(Unintelligible) square miles is that full basin plan?

Man: About 20,000 square miles in that range.

Man: About 20,000 square miles. Sir?

(Richard): How will this biological opinion and the work that you all have done or will it, do you think provide the groundwork, the framework for ending the long range planning to the states because the main thing other than just going past the short term? Or does it give you something that would filter breaks for a longer term deadline?

Man: If you look at the historical near misses, the governors will tell you this. When there are almost agreements made, the reason the agreement fell apart was because of the water allocation issue. That's a state's rights issue.

And the agreement that couldn't be achieved was in times of scarcity, what should the minimum flow across the border be? So in general the agreements that were almost achieved in the past could agree on what the minimum flow would be in times of plenty. But they couldn't agree on what the flow would be in times of scarcity.

So again, back to the comment I made earlier that this is a historic opportunity, we're experiencing it. So it's a good time to capture the lessons and to see how we're managing the systems. And from the experience we can learn okay, what should those flows be in times of scarcity?

And I would suggest that those flows there might be four or five flows based on system storage which is very easy, kind of like what we're doing now. And if the governors agree to that part, I think you would see the key that would unlock the door to the long term solution of the I don't like to call them water works but the contentions between the states.

And by the way, that would now allow the Corps to produce some very viable manuals that would then codify the states agreements and the states have to agree before we can finish this. So I think you'd see this is an opportunity to do that.

Tom MacKenzie: Casey?

(Casey): I have a question for Mr. Hamilton. (Unintelligible).

Sam Hamilton: Right.

(Casey): (Unintelligible).

Sam Hamilton: The critical habitat designation, the Endangered Species Act requires us to take a look at that and see whether or not there are going to be benefits to the species whether or not we would move forward with that.

It requires us to identify the most important habitats necessary for conservation of these federally listed species which includes the recovery of it. It applies principally to federal actions not to private actions. In this case, the habitat is principally covered by already by the

activities, the regulatory processes we deal with the listed species itself.

It helps inform us I think more than anything else where are those specific areas that are most important for the species. So this designation, we produce maps for everybody to see. We went through a very public process, had public meetings, actually did an economic analysis which is a requirement. And now we have those areas posted.

It will inform us as we do future consultations like it did in this one. So that we can't what we call adversely modify. And that's a trigger that it's very similar to jeopardizing the existence of a listed species. So if you adversely modify the habitat so significantly that you may very well render a species extinct. And so there's by definition, they're very, very close.

So it just helps inform us more about where the species are. Where are the important habitats. And we'll use that in future consultations.

(Casey): Well when this happened on the ACS, we ended up with the mussels and the sturgeon, and, you know, there's some framing releases and it's (unintelligible) the hope that the 5000 cfs the need for that. And so is that what's happening to the (unintelligible). There's going to have to be a minimum flow net during the drought period and it ends up in this situation out along the ACT?

Sam Hamilton: Well I mean we do have listed species on the ACT. We've had them for decades actually. There are minimum flows on the Alabama, Coosa, and Tallapoosa systems for a variety of reasons. The Jordan Dam flows for example are minimum flows that are protective of endangered

species. And through the same kind of consultation process that we're doing here, you know, we're doing that in Alabama right now. Looking for where flexibilities are.

So we do consult in Alabama. We do look at the effect of these flows on endangered species and that's precisely what we do at 20% reduction. We saw that flexibility. But there is a floor there where you could jeopardize endangered species in the Alabama system just like you could here. So we're very actively there also.

(Casey): (Unintelligible).

Sam Hamilton: Well it's a very different system. General Schroedel hit on that a little bit. To a great degree, these are Alabama Power dams as opposed to Army Corps dams. So we have an interim operating plan with the Army Corps. Here we have a licensing process with the Federal Energy Regulatory Commission with long term licenses and prescriptions that go through that process.

So it's a very different, very complex operated system on the ACT. Much more complex I think than even on the ACF that we have to deal with.

Tom MacKenzie: Okay, do we have another caller on the line please?

Coordinator: Yes sir. David White, your line is open and please state your news outlet.

David White: Thank you for the opportunity to ask another question. General Schroedel you mentioned something about Lake Lanier and raising the

winter pool of 43 also some fill differences or differences in allowing the fill of the lake more quickly.

Could you give us some details on that please, sir? On how much more quickly the lake could be refilled or what time periods are involved?

Joseph Schroedel: Okay. Earlier I was referring to flexibility on the ACT that we've allowed which is a three foot increase in the winter pool on Lake Martin.

David White: Right.

Joseph Schroedel: That is something that we probably should take a look at also with Lake Lanier as part of the looking long term.

David White: I may have misspoken to Lake Lanier. I meant Lake Martin. If you could also give me some details on when the refilling schedule would change?

Joseph Schroedel: I can get the exact - the change is the coming spring. And I think we've allowed (Stan) help me out. How much earlier are we going to be in the refill at the Martin?

(Stan): I think it's about 30 days.

Joseph Schroedel: About 30 days earlier to begin the refilling on Martin.

David White: Thank you.

Joseph Schroedel: And then a three foot increase in the winter pool.

David White: Thank you.

Joseph Schroedel: Sure.

Tom MacKenzie: Our next calling question please.

Coordinator: Again, parties, Star 1 should you wish to ask a question, Star 1.

Tom MacKenzie: Any other questions live? In that case, going once, going twice.  
Thank you all very much for coming. We appreciate your interest. The parties will be remaining on site here locally for some one on ones for a limited period of time, probably 20 minutes.

Thank you all for joining us on the phone. And we appreciate your patience and understanding and look forward to working with you in the future. Thank you much out here.

Coordinator: That does conclude today's conference. Thank you all for participating.

END