



Highlights of [GAO-04-125T](#), a statement for the record for the Committee on Indian Affairs, United States Senate

## Why GAO Did This Study

The Grand Coulee Dam was constructed on the Columbia River in northeastern Washington State from 1933 to 1942. The reservoir behind the dam covers land on the Colville Reservation along the Columbia River and land on the adjacent Spokane Reservation along both the Columbia and Spokane rivers. Under a 1940 act, the federal government paid \$63,000 and \$4,700 to the Colville and Spokane tribes, respectively, for the land used for the dam and reservoir. Subsequently, the Colville tribes pursued additional claims for their lost fisheries and for “water power values” and in 1994 were awarded a lump sum payment of \$53 million and, beginning in 1996, annual payments that have ranged between \$14 million to \$21 million. The Spokane tribe is currently pursuing similar claims.

S. 1438, introduced in July 2003, is a proposed legislative settlement for the Spokane tribe’s claims. While settlement proposals introduced in the 106<sup>th</sup> and 107<sup>th</sup> Congresses directed the settlement costs to be split between Bonneville and the Treasury, S. 1438 provides that the settlement be paid entirely from the Treasury.

This statement for the record addresses the (1) impact of a settlement on Bonneville if the costs were split between Bonneville and the Treasury and (2) possible allocation of these costs between Bonneville and the Treasury.

[www.gao.gov/cgi-bin/getrpt?GAO-04-125T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-125T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert A. Robinson at (202) 512-9894 or [robinsonr@gao.gov](mailto:robinsonr@gao.gov).

## INDIAN ISSUES

# The Spokane Tribe's Additional Compensation Claim for the Grand Coulee Dam

## What GAO Found

A settlement with the Spokane tribe along the lines provided to the Colville tribes would likely necessitate a small increase in Bonneville’s rates for power. While the rate increase would amount to less than 20 cents per month per household, it comes at a time when (1) Bonneville’s customers have already absorbed rate increases, including those announced on October 1, 2003, of over 40 percent and (2) the economy of the northwestern region, Bonneville’s primary service area, is experiencing difficulties. However, the bulk of Bonneville’s obligations in any settlement similar to the Colville settlement will occur in the future, when the conditions causing Bonneville’s current financial difficulties—such as costly long-term contracts to purchase power from other suppliers—will probably have abated. Therefore, Bonneville’s current financial difficulties should not unduly influence current discussions about how to compensate the Spokane tribe.

A reasonable case can be made to settle the Spokane tribe’s case along the lines of the Colville settlement—a one-time payment from the U.S. Treasury for past lost payments for water power values and annual payments primarily from Bonneville. Bonneville continues to earn revenues from the Spokane Reservation lands used to generate hydropower. However, unlike the Colville tribes, the Spokane tribe does not benefit from these revenues. Spokane does not benefit because it missed its filing opportunity before the Indian Claims Commission. At that time, it was pursuing other avenues to win payments for the value of its land for hydropower. These efforts would ultimately fail. Without congressional action, it seems unlikely that a settlement for the Spokane tribe will occur.