



Note: NGB-057

Dear Sir,

I have the honour to refer to the on-going negotiations between our Governments in relation to the modernization of the *Treaty between Canada and the United States of America relating to the Cooperative Development of the Water Resources of the Columbia River Basin* ("Treaty"). On July 8, 2024, our Governments reached an agreement in principle regarding the modernization of the Treaty. The agreement in principle refers to a milestone in the Treaty modernization negotiations. The summary document produced in the context of those negotiations reflects the mutual understandings of our Governments on core issues and is the basis on which we are drafting text to amend the Treaty with a view to developing a "Modernized Treaty". Amendments to the Treaty would be subject to domestic processes, on which our Governments are working as a matter of priority to complete, for approval and entry into force.

Under the proposed Modernized Treaty, Canada would provide defined pre-planned flood risk management (FRM) operations and the United States of America would compensate Canada for those operations.

The Treaty does not require pre-planned FRM operations after September 16, 2024, and Canada has received no compensation for pre-planned FRM operations that would be provided after that date. The Modernized Treaty did not enter into force prior to that date.

In the interest of providing pre-planned FRM operations following September 16, 2024 and before entry into force of a Modernized Treaty ("interim period"), the Entities designated under Article XIV of

Mr. Brian A. Nichols
Assistant Secretary of State for Western Hemisphere Affairs
Department of State
United States of America

the Treaty have entered into an agreement under Article XIV(2)(k) of the Treaty that reflects the pre-planned FRM operations and compensation agreed in principle during negotiations. This *Columbia River Treaty Entity Agreement Regarding Pre-Planned Flood Risk Management Arrangements During the Interim FRM Period* (“Interim Period FRM Entity Agreement”) stipulates that during the Interim FRM Period the Canadian Entity would provide pre-planned FRM operations for up to three consecutive operating years for which the U.S. Entity elects for the provision of those operations by compensating the Canadian Entity. The Interim FRM Period is defined to run until the earliest of the first July 31 following the entry into force of the Modernized Treaty, or July 31, 2027.

The executed Interim FRM Period Entity Agreement is attached to this note and, per its terms, becomes effective upon an exchange of notes between our Governments pursuant to Article XIV(4) of the Treaty.

The Government of Canada observes that the Interim FRM Period Entity Agreement includes provisions for subsequent agreements between the Entities, including detailed operating plans under Article XIV(2)(k), and assured plans of operation, that would incorporate the pre-planned FRM operations agreed in principle during the negotiations. The Interim FRM Period Agreement also provides for the development of, and updates to, a Flood Risk Operating Plan (“FROP”) by the U.S. Entity that would be applicable to the operation of Canadian Treaty storage upon their acceptance by the Canadian Entity.

The Government of Canada recognizes that the scope of the Treaty, which remains in force, includes “cooperative measures for hydroelectric power and flood control” and so encompasses the Interim FRM Period Entity Agreement. The Government of Canada understands that the Entities are taking the actions set out in this note and the attached Interim FRM Period Entity Agreement as prudent steps to enable continued coordinated operation of pre-planned flood risk management at Arrow Lakes Reservoir during the interim period.

The Government of Canada emphasizes its view -- and expresses its understanding that the Government of the United States of America shares the view -- that the provision of and compensation for pre-planned FRM operations under the Interim FRM Period Entity Agreement would be distinct from and in no way related to the provision of and compensation for called-upon FRM operations under Article IV(3) of the Treaty.

This note, together with your reply, constitutes the exchange of notes contemplated by Article XIV(4) for the purposes of empowering and charging the Entities to enter into the Interim FRM Period Entity Agreement, including the subsequent entity agreements it contemplates as noted above and the development of the FROP by the U.S. Entity (including updates) and their acceptance by the Canadian Entity.

The Government of Canada emphasizes its understanding that the empowerment and charge provided through this exchange of notes does not waive any options that may be available to either Party to resolve any difference arising under the Treaty, as provided in its Article XVI, and is without prejudice to the rights and obligations of the Parties under the Treaty.

The Government of Canada will provide a French version, equally valid, of this note within 60 days of the date of this exchange.

Please accept, Sir, the renewed assurances of my highest consideration.



Mrs. Shalini Anand
Assistant Deputy Minister, Americas
Department of Foreign Affairs, Trade and Development
Government of Canada

OTTAWA, November 15, 2024



Enclosure:

– Columbia River Treaty Entity Agreement Regarding Pre-Planned Flood Risk Management Arrangements During the Interim FRM Period



**DEPARTMENT OF STATE
WASHINGTON**

November 22, 2024

Madam:

I have received your diplomatic note, dated November 15, 2024, and have the honor to refer to the on-going negotiations between our Governments in relation to the modernization of the Treaty between the United States of America and Canada relating to the Cooperative Development of the Water Resources of the Columbia River Basin (“Treaty”). On July 8, 2024, our Governments reached an agreement in principle regarding the modernization of the Treaty. The agreement in principle refers to a milestone in the Treaty modernization negotiations. The summary document produced in the context of those negotiations reflects the mutual understandings of our Governments on core issues and is the basis on which we are drafting text to amend the Treaty with a view to developing a “Modernized Treaty”. Amendments to the Treaty would be

subject to domestic processes, on which our Governments are working as a matter of priority to complete, for approval and entry into force.

Under the proposed Modernized Treaty, Canada would provide defined pre-planned flood risk management (FRM) operations and the United States of America would compensate Canada for those operations.

The Treaty does not require pre-planned FRM operations after September 16, 2024, and the United States has not provided compensation for pre-planned FRM operations that Canada would provide after that date. The Modernized Treaty did not enter into force prior to that date.

In the interest of providing pre-planned FRM operations following September 16, 2024, and before the entry into force of a Modernized Treaty (“interim period”), the Entities designated under Article XIV of the Treaty have entered into an agreement under Article XIV(2)(k) of the Treaty that reflects the pre-planned FRM operations and compensation agreed in principle during negotiations. This Columbia River Treaty Entity Agreement

Regarding Pre-Planned Flood Risk Management Arrangements During the Interim FRM Period (“Interim Period FRM Entity Agreement”) stipulates that during the Interim FRM Period the Canadian Entity would provide pre-planned FRM operations for up to three consecutive operating years for which the U.S. Entity elects for the provision of those operations by compensating the Canadian Entity. The Interim FRM Period is defined to run until the earliest of the first July 31 following the entry into force of the Modernized Treaty, or July 31, 2027.

The executed Interim FRM Period Entity Agreement was enclosed with your note and, per its terms, becomes effective upon an exchange of notes between our Governments pursuant to Article XIV(4) of the Treaty.

The Government of the United States of America observes that the Interim FRM Period Entity Agreement includes provisions for subsequent agreements between the Entities, including detailed operating plans under Article XIV(2)(k), and assured plans of operation, that would incorporate the pre-planned FRM operations agreed in principle during the negotiations.

The Interim FRM Period Agreement also provides for the development of, and updates to, a Flood Risk Operating Plan (“FROP”) by the U.S. Entity that would be applicable to the operation of Canadian Treaty storage upon their acceptance by the Canadian Entity.

The Government of the United States of America recognizes that the scope of the Treaty, which remains in force, includes “cooperative measures for hydroelectric power and flood control” and so encompasses the Interim FRM Period Entity Agreement. The Government of the United States of America understands that the Entities are taking the actions set out in this note and Interim FRM Period Entity Agreement as prudent steps to enable continued coordinated operation of pre-planned flood risk management at Arrow Lakes Reservoir during the interim period.

The Government of the United States of America shares the understanding expressed by the Government of Canada in its note that the provision of and compensation for pre-planned FRM operations under the Interim FRM Period Entity Agreement would be distinct from and in no way

related to the provision of and compensation for called-upon FRM operations under Article IV(3) of the Treaty.

This reply, together with your note, constitutes the exchange of notes contemplated by Article XIV(4) for the purposes of empowering and charging the Entities to enter into the Interim FRM Period Entity Agreement, including the development of the FROP by the U.S. Entity (including updates) and their acceptance by the Canadian Entity.

The Government of the United States of America emphasizes its understanding that the empowerment and charge provided through this exchange of notes does not waive any options that may be available to either Party to resolve any difference arising under the Treaty, as provided in its Article XVI, and is without prejudice to the rights and obligations of the Parties under the Treaty.

The Government of the United States of America understands that the Government of Canada will provide a French version of its note, equally valid, within 60 days of the date of its note.

Please accept, Madam, the renewed assurances of my high consideration.

Brian A. Nichols

For the Secretary of State