Office, District Engineer, Seattle District, Corps of Engineers,
4735 East Marginal Way, Seattle 8, Washington

TO: Division Engineer, North Pacific Division, Corps of Engineers,
500 Pittock Block, Portland 5, Oregon

1. Paragraph 7 of the 1st wrapper endorsement requests information as to the status of written notification to local interests of the requirements for local cooperation under the existing project. As stated in letter to your office dated 3 July 1956 (HFPD 300.52a(Skagit River) Seattle District), it was believed unlikely that any definite commitment of local cooperation in construction of the Avon cut-off could be obtained until the results of the present survey were known to local interests. As subsequent studies indicated that the project was not economically justified, this office has not been in a position to request formal assurance since then and the request has not been made.

2. Although the low dam at Faber combined with a low dam at the Sank site, as an alternate to the high Faber Dam, has not been discussed formally with the fisheries interests, it is considered certain, on the basis of previous correspondence with the Fish and Wildlife Service and the Departments of Fish and Game of the State of Washington, that any dam over, say, 50 feet high on either the Skagit or the Sank would be vigorously opposed by the state agencies.

3. No discussions have been held with the fisheries agencies on the matter of a dam at the North Fork of Stillaguamish River, nor is any authority available to this office to study that stream. However, the North Fork of Stillaguamish River is reserved exclusively for fly fishing, and the Department of Game is expending large sums of money to improve the stream for that use. It is deemed certain, therefore, that any proposal for a dam on the North Fork of Stillaguamish River will be strongly opposed not only by the State Departments of Fish and Game but also by the politically potent sportmen's groups.

4. Applying new power values to the Cascade and Upper Sauk projects indicates that neither is economically justified at this time.

5. In view of the strong probability that the full development of Faber site will prove to be the most economical method of developing
the power resources of the lower Skagit, and will certainly provide the largest amount of flood control storage, it is proposed to modify the report as follows:

a. Re-appraise benefits of Upper Baker site, by application of new power values, and by estimation of flood storage benefits. If the re-appraisal shows a favorable benefit-cost ratio, as seems likely, an attempt will be made to induce the fisheries agencies to withdraw their previously expressed strong opposition to the project. If the attempt is unsuccessful, the project can be recommended for consideration at such time as the fisheries problem may be resolved.

b. Re-appraise benefits of the Faber-Callas project for full development, by application of new power values, and refine cost estimate, using available field data. If that project is found to be the best one for development of the water resources of the basin, as appears most likely, it will be recommended for consideration at such time as the fisheries problem can be solved.

c. Estimate cost and benefits of low Faber plus low bank for various heights up to, say, 150 feet each. If the most favorable development shows a lower benefit-cost ratio than the high Faber, as will most probably be true, the projects will be only briefly described in the report. If a benefit-cost ratio better than, or not much less than, that for high Faber is shown, the views of the fisheries interests will be carefully explored, to ascertain whether their approval can be obtained for any economically justified combination of low dams.

6. It is estimated the subject report can be revised as outlined at a cost of about $3,500 in about 4 months. The only available F&O funds for this work are allotted to the Okanogan, Yakima, and Cedar River reports. It is recommended that, if the scope of the proposed revision is approved, authority be given to use funds presently allotted for the Cedar River report for accomplishing the revision and to delay work accordingly on the Cedar River report.