



## United States Department of the Interior

### FISH AND WILDLIFE SERVICE

911 NE. 11th Avenue  
Portland, Oregon 97232-4181

IN REPLY REFER TO:  
AFR

APR 11 2002

Dr. Hans Radtke  
Chairman, Pacific Fisheries Management Council  
7700 N.E. Ambassador Place  
Suite 200  
Portland, Oregon 97220

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APR 12 2002

PFMC

Dear Chairman Radtke:

Thank-you for the opportunity to discuss the impacts of current Mitchell Act funding levels on Fish and Wildlife Service (Service) operated hatcheries. We appreciate the concerns of the Pacific Fisheries Management Council (Council) and share your interest in seeking remedies that minimize short term impacts to hatchery programs. But more importantly, the Service is deeply concerned about the long term impacts of flat funding and its effect on hatchery programs, harvest opportunities, and recovery of listed stocks. In this letter we outline immediate impacts to Service hatcheries funded under the Mitchell Act. We also suggest you consider an important factor which has contributed to Mitchell Act funding problems - the lack of specific program goals identified in the Act. We hope the Council finds our suggestions helpful, and takes serious note of our concerns for the continuance of the Mitchell Act program.

Congress recognized the tremendous harvest of salmon, that occurred in the late 1800s, and early 1900s from the Columbia River, it could not last unless actions were taken to preserve and conserve this resource. Therefore, in 1938, Congress passed the Mitchell Act. This Act was intended to help remedy the salmon's decline, particularly from the negative effects from the construction of Bonneville Dam and planned hydro system development on the Columbia River. In 1946, the Act was amended by Congress to authorize the transfer of funds to the states for specific projects to develop salmon resources (i.e. hatcheries). In 1947, the Columbia River Fisheries Development Program was formed to plan and coordinate the use of Mitchell Act funds. This program was administered by the Service until being transferred to the National Marine Fisheries Service (NMFS) in 1970.

For the past 10 years, Mitchell Act funding has been static, resulting in negative impacts to hatchery programs. In 1993 Mitchell Act funded 23 hatcheries and two large rearing ponds in the Columbia River basin. In total, these hatcheries produced over 110 million fish per year. Starting in 1996, five of these hatcheries and the two rearing ponds were closed due to inadequate funding to support all the Mitchell Act funded facilities (one Fish and Wildlife Service and four state facilities). This resulted in a 40% reduction in annual production to 65 million fish per year. Budgets for fiscal year (FY) 2003 and FY 2004 are projected to again be flat and will likely require additional reductions in programs or hatchery closures. Aside from maintenance which can be deferred for a short period of time, there are increased costs associated

with fish food, utilities, and salaries. Additionally, hatcheries need to respond to requirements of the Endangered Species Act (ESA), to reduce impacts to listed species and reform and update hatchery practices. Restrictive Mitchell Act funding not only means production programs will be reduced or eliminated, but they will also have difficulty complying with the expectations of the ESA.

Facing funding shortfalls in FY 2002, FY 2003 and FY 2004, the Service is working with the NMFS and co-managers to address potential impacts to production programs. For FY 2002, the Service's funding through Mitchell Act is 11 percent less than needed to maintain current programs. To address this shortfall the Service will reduce spring Chinook production programs at Carson and Little White Salmon NFHs by 50 percent starting with the 2002 brood year, (this means 1.2 million less fish will be produced from these hatcheries). Additionally, no mass marking of coho or steelhead will occur at Mitchell Act funded Service hatcheries. Further reductions will also be necessary in FY 2003 and FY 2004.

Funding shortfalls in FY 2003 and 2004 become more difficult to address. Reductions in production provide savings in fish food, utilities, marking (since there is only a limited amount of money for marking spring Chinook this year, savings from reductions in marking programs will be minimal), and some reduction in personnel. If we assume a reasonable rate of inflation in the costs for utilities, fish food, and personnel at five percent per year, the situation quickly becomes untenable without facility closures. (It should be noted that deferred maintenance costs at Service operated, Mitchell Act funded facilities, are not funded through the NMFS, but are funded by the Service.)

The Service believes the failure of the Mitchell Act program is due to a lack of clearly identified goals and objectives whereby performance of the program can be measured, including funding adequacy. Since there are no numerical goals or objectives identified in the Mitchell Act legislation, performance standards are lacking and any funding level can be deemed appropriate for the program. Developing goals and objectives for the Mitchell Act program is most appropriately the responsibility of the U.S. v. Oregon co-manager parties and should be an integral part of the new Columbia River Fish Management Plan renegotiation process, which currently has a time line for being completed by December 31, 2003.

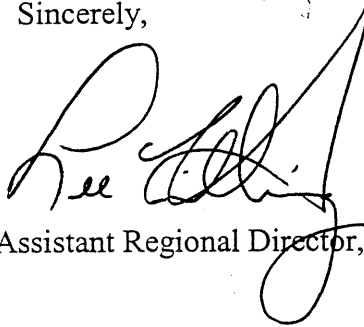
Once the goals and objectives for the Mitchell Act program are clearly defined, a budgeting process, coordinated by the NMFS with the co-managers, will help to build an appropriate budget to meet the total needs of the program. These budgets should include all costs for the marking, monitoring, evaluation, and reform measures identified in the NMFS's most recent Biological Opinions. NMFS can then carry this budget forward for annual and longer term budgeting cycles.

Dr. Hans Radtke

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Without some reasonable level of sustainable fishery opportunity for tribal and other public fisheries, that provide harvest strategies needed for protection of listed species, public support for actions needed for the recovery of listed salmon are likely to wane. The Mitchell Act program plays a vital role in maintaining those harvest opportunities, and is therefore integral to recovery of listed stocks. If you have any questions about the contents of this letter please contact Mr. Lee Hillwig or Mr. Rich Johnson of my staff, or myself at (503) 872-2763.

Sincerely,

A handwritten signature in black ink, appearing to read "Lee Hillwig". The signature is fluid and cursive, with a large loop at the end.

**ACTING**

Assistant Regional Director, Fishery Resources

