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January 27, 2000

Gary James
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P.O. Box 638
Pendleton, Oregon 97801

Dear Mr. ~~James~~ Gary:

The purpose of this correspondence is to provide Council's understanding of the status of the proposed production that is associated with your project titled, "Design And Construct NEOH Walla Walla Hatchery" (#20138), taking into account the Council's Fiscal Year 2000 funding recommendation decision on the project.

Late in 1997, Council staff met with representatives of Oregon Department of Fish and Wildlife (ODFW), Umatilla Tribe (CTUIR), Nez Perce Tribe (NPT), National Marine Fisheries Service (NMFS) and Bonneville to discuss the status of production projects in the Grande Ronde, Imnaha and Walla Walla subbasins. The purpose was three-fold: to determine where individual projects lay in the Council's Three-Step Review Process, to identify the information needed by NMFS for Section 7 permitting under the Endangered Species Act (ESA), and to provide timelines and schedules for project development to the Council, Bonneville and the anadromous fish managers. The following projects were discussed specifically in the above context:

NEOH Umatilla (CTUIR)
NEOH Walla Walla (CTUIR)
NEOH Grande Ronde (CTUIR)
NEOH Imnaha (NPT)
NEOH Grande Ronde/Wallowa (NPT)
Grande Ronde Captive Broodstock Facility (NPT); Supplementation Project #4

In determining the current status of the above projects it was important for our staff to understand how the projects have evolved from when they were originally proposed. Project proponents provided the following synopsis of the history of these efforts.

As part of the Council's Fish and Wildlife Program, the Northeast Oregon Hatchery Program (NEOH) was the initial planning effort by the fishery co-managers to restore anadromous fish runs in Northeast Oregon. Part of NEOH planning was an effort to restore

spring chinook into the Grande Ronde Subbasin. After a time this effort evolved into one of the 15 high-priority supplementation projects approved by the Council in March 1996. Unfortunately, co-managers could not agree on an appropriate production strategy for Grande Ronde Spring Chinook, given the constraints of listing under ESA, Oregon's Wild Fish Policy, Lower Snake Compensation Plan requirements and other considerations. An independent scientific panel was formed and asked to review the proposed strategies and provide a determination on what would be appropriate. The panel found that the proposed strategy (i.e. using Rapid River stock) was not scientifically viable, and suggested using an endemic broodstock approach instead.

In discussions between the co-managers on how to implement an endemic broodstock approach for Grande Ronde Spring Chinook, two strategies were proposed: captive broodstock and conventional broodstock. The co-managers agreed on the strategy for implementation of the captive broodstock component, but could not reach complete agreement on all aspects of the conventional broodstock component, for which discussions are still on-going (i.e. master planning). The captive broodstock component became the Grande Ronde Captive Broodstock project; the project the Council approved for emergency funding in the fall of 1997. It consists of an expansion at Bonneville Hatchery for the needs of the captive broodstock component, and improvements to Lookingglass Hatchery to meet some of the needs of the conventional broodstock component. As this evolved, other projects under NEOH evolved with it. NEOH Grande Ronde (CTUIR) and part of NEOH Grande Ronde/Wallowa (NPT) were modified to encompass the development of the conventional broodstock component of the overall endemic broodstock approach for Grande Ronde Spring Chinook.

With the above history as the starting point, and after thorough discussions between the co-managers, our staff and Bonneville, the following changes in structure for production projects in Northeast Oregon were agreed upon:

• NEOH Umatilla (CTUIR)	Step 1: Master planning
• NEOH Walla Walla (CTUIR)	Step 1: Master planning
• NEOH Grande Ronde (CTUIR)	Review Process Complete (6/98)
• NEOH Imnaha (NPT)	Step 1: Master planning
• NEOH Grande Ronde/Wallowa (NPT)	Review Process Complete (6/98)
• NEOH Lostine/Grande Ronde/Wallowa (NPT)	Step 1: Master planning
• Grande Ronde Captive Broodstock Facility (NPT)	Review Process Completed (9/97)

The goal of your project is to add incubation/juvenile rearing capabilities to the existing South Fork Walla Walla brood facility (i.e. Umatilla Hatchery Satellite Facility) to produce 350,000 spring chinook salmon for release in the Walla Walla river. This production would be targeted at the favorable and extensive spawning and rearing habitat in the South Fork Walla Walla River. Releases in the Touchet River will not be proposed initially but may be proposed in the future pending findings from current WDFW habitat evaluation efforts. To date no progress has been made on this Master Plan for the Walla Walla.

At the November 24 meeting the Fish and Wildlife Committee (Committee) considered the above information, and concluded that until completion and approval of a Master Plan as part of the Step 1 review process, all activities associated with this project should be funded at a level for this specific master planning task. Bonneville, in consultation with the sponsor, determined

that the appropriate funding level for this effort to be $100,000. This funding level will be maintained until Council receives and approves Step 1 documents that clearly answers the technical questions required to be answered as part of the Three-Step review process (i.e. Step 1 - Master Plan). In addition the issues raised by the ISRP in the Fiscal Year 2000 Response Review (ISRP 99-4, October 29, 1999) and the Artificial Production Review report (document 99-15), policies need to be addressed and made part of the Step 1 review. This review will provide the direction needed to ensure that the master planning effort is developed in a productive manner to ensure the needs of the basins are met.

On December 7, 1999, Council considered the Committee recommendations outlined above, and endorsed it as its decision on this project. The Council did not accept that portion of the ISRP's recommendation that planning activities should not be funded until a province level review is completed. The Council believes that the planning work that must be conducted as part of the step 1 planning for a potential facility will facilitate and encourage the collection of information and analysis that will be necessary to develop a subbasin plan that will be reviewed in the province level review. For example, Section 7.4B, which outlines required elements of a Master Plan, directs the sponsor to identify "factors limiting production", "alternatives for resolving the resource problem", and the "historical and current status of anadromous and resident fish in the subbasin," among other things. The type of information that is required in master planning will be very useful whether or not the facility is eventually constructed. The Council understands that the ISRP's recommendation to not fund planning for this project at this time to be based in its belief that commitments to planning additional production facilities may tend to solidify the conclusion that they will be built, without the benefit of a subbasin plan and review feeding into that decision. The Council appreciates that concern, but states in the most certain terms here that a recommendation to fund planning activities at this early stage should not be interpreted or perceived to be a commitment to the eventual construction of the facility. Rather, the Council will retain its discretion to not recommend or approve construction at any point in the step review process if that is the result that scientific and policy considerations warrant. Finally, the Council does expect that a subbasin plan and review will be necessary prior to construction of a facility, should this project proceed past the step 1 planning stage.

The Council recommends as described above that: 1) Council staff and sponsor fix a date certain for Master Plan submission; 2) fund only planning activities at this time; 3) use the general capital projects placeholder to fund Step 2 activities if Step 1 is completed and approved; 3) all future funding, including release of placeholder funding, is contingent on step approvals.

The Council adopted the APR report (document 99-15) at its October 13, 1999, meeting. This report contains a set of policies intended to guide the use of artificial production in the future as well as recommendations for how to implement the policy reform. The Council will continue to utilize the mechanics of the interim three-step process for review of proposed new artificial production programs. However, we believe that the substantive elements of that review process have been improved by the recently adopted APR, and that the APR reflects the best available science on this topic. As such, it is important that new production initiatives such as that for the Walla Walla take into account the contribution of the APR even before it is formally adopted into the program. The Council expects the APR to be an important contribution to the upcoming program amendment process, and that it, or something functionally similar will be adopted as part of the program within the next year. In addition, the APR will be a yardstick used in year-to-year independent science reviews of projects.

In anticipation of your submittal of the Step 1 (Master Plan) documents as part of the three-step review process, the following is being provided. The review will include technical questions relating to: (1) master planning requirements according to Section 7.4B of the Council's Fish and Wildlife Program **(Attachment 1)**, (2) answers to questions identified in the Fiscal Year 1998 Annual Implementation Work Plan **(Attachment 2)**, and (3) answers to questions involving the Fish and Wildlife Program language identified by the Independent Scientific Review Panel **(Attachment 3)**. Also, please find attached questions relating to the development schedule and estimated cost expenditures and future needs of your proposed project **(Attachment 4)**.

As discussed above, the Council recently adopted a final report to Congress recommending a set of policies to guide the future use of artificial production in the Basin. The Council and other participants in the APR are completing set of performance standards to implement these production policies. You will need to address the APR policies **(Attachment 5)**. We are looking for a full explanation of how your project is consistent with these purposes and policies, and how your design, protocols, and strategies, including monitoring and evaluation plans, permit the application of the appropriate standards. These policies and standards are consistent with production policies that are already in the current version of the program, and it is likely in the future these or similar standards will be used as the current state of the science with regard to artificial production.

An important part of the Council's Step 1 review will be an independent scientific review of the answers to the technical questions listed above. This review will take at least 18 weeks from the time final documents are submitted until a Council decision is made. Please let me know when you think you will be submitting documents so a schedule can be determined.

I hope that this letter clarifies the status of your project with regard to the Council's Fiscal Year 2000 decision funding and three-step review process. Please contact me at your earliest convenience so that we can establish a date certain target for Master Plan submission. If you have any questions, please do not hesitate to contact me.

Sincerely,

Mark Fritsch
Fish Production Coordinator

cc: Brian Allee, CBFWA
Bob Austin, BPA
Bruce Eddy, ODFW
Bob Lohn, NPPC
Jay Marcotte, BPA
John Ogan, NPPC
Bruce Suzumoto, NPPC
Karl Weist, NPPC

Attachment 1: Program Language Regarding Master Planning Requirements

7.4B.1 Master Planning

Because of the need to address potential conflicts among increased production, mixed-stock harvest, gene conservation, consistency with other plans and other objectives, the Council calls for detailed master plans where there is not a National Environmental Policy Act document that provides enough information to evaluate new artificial production projects. Below, the Council provides a suggested list of master plan elements. This list is intended to offer guidance, not to impose requirements. Not all of these elements may be relevant in all projects, and some unlisted elements may be important. In general, however, the following elements should be considered in the course of master planning:

- project goals;
- measurable and time-limited objectives;
- factors limiting production of the target species;
- expected project benefits (e.g., gene conservation, preservation of biological diversity, fishery enhancement and/or new information);
- alternatives for resolving the resource problem;
- rationale for the proposed project;
- how the proposed production project will maintain or sustain increases in production;
- the historical and current status of anadromous and resident fish in the subbasin;
- the current (and planned) management of anadromous and resident fish in the subbasin;
- consistency of proposed project with Council policies, National Marine Fisheries Service recovery plans, other fishery management plans, watershed plans and activities;
- potential impact of other recovery activities on project outcome;
- production objectives, methods and strategies;
- brood stock selection and acquisition strategies;
- rationale for the number and life-history stage of the fish to be stocked, particularly as they relate to the carrying capacity of the target stream and potential impact on other species;
- production profiles and release strategies;
- production policies and procedures;

- production management structure and process;
- related harvest plans;
- constraints and uncertainties, including genetic and ecological risk assessments and cumulative impacts;
- monitoring and evaluation plans, including a genetics monitoring program;
- conceptual design of the proposed production and monitoring facilities, including an assessment of the availability and utility of existing facilities; and
- cost estimates for various components, such as fish culture, facility design and construction, monitoring and evaluation, and operation and maintenance.

Attachment 2: Questions Identified in the September 1997 Council Policy Document for FY98 Project Funding

- Has the project been the subject of appropriate independent scientific review in the past? If so, how has the project responded to the results of independent review?

- Have project sponsors demonstrated adequately at earlier stages that the project is consistent with the Council's policies on artificial/natural production in Section 7 (the specific concern of the Panel)? If not, can these points be demonstrated now?

- Is the final design of the project consistent with any master plan and preliminary design?

- If not, do the changes raise any underlying scientific questions for further review?

- Has information about the project or its purposes changed in such a way to raise new scientific concerns?

- Has the underlying science or the way it is understood changed so as to raise new scientific issues?

- How technically appropriate are the monitoring and evaluation elements of the project?

- Are there ways to obtain the same production benefits with facilities that are lower in cost or less permanent, should monitoring and evaluation later indicate that the effort be abandoned?

Attachment 3: Program Language Identified by the ISRP

- Measure 7.0D: Comprehensive environmental analysis assessing the impacts on naturally produced salmon of hatchery produced anadromous fish.

  Measure 7.0D of the Council's 1994 Fish and Wildlife Program calls for a comprehensive environmental analysis assessing the impacts on naturally produced salmon of hatchery produced anadromous fish. The primary question we would like to have addressed with regard to the project is, does the environmental assessment and adequately deal with the question of interactions of hatchery-produced salmonids and naturally spawning salmonids and steelhead in the Columbia River Basin? If so, how? If not, what are the potential or posited interactions and impacts?

- Measure 7.1A: Evaluation of carrying capacity and limiting factors that influence salmon survival.

  Measure 7.1A of the Council's 1994 Fish and Wildlife Program calls for a basin-wide study on the ecology, carrying capacity, and limiting factors that influence salmon survival. The primary question we would like to have addressed with regard to this measure is how does the project intend to address the issue of carrying capacity within the watershed(s) into which fish will be placed? Do these fish originate from the most appropriate native stock? Specifically, how wills the artificial production which is proposed, impact natural production? What are the impacts on mainstem and ocean harvest? How are these impacts addressed?

- Measure 7.1C: Collection of population status, life history and other data on wild and naturally spawning populations of salmon and steelhead.

  Measure 7.1C calls for the collection of population status, life history and other data on wild and naturally spawning populations of salmon and steelhead. The primary question we would like to have addressed with regard to this measure, especially with regard to listed species is, what biological baseline information on naturally spawning populations of salmon and steelhead have been collected, and what high priority populations and "provisional population units" have been identified? Does this baseline information include a profile on the genetic and morphological characteristics of wild and naturally spawning populations? What characteristics are to be maintained by management actions? What are the limiting factors for wild and naturally spawning populations? What is the natural carrying capacity for the identified populations? What monitoring of identified populations of salmon and steelhead is identified as part of the project? Are these efforts being coordinated with NMFS? If so, how?

- Measure 7.1F: Systemwide and cumulative impacts of existing and proposed artificial production projects on the ecology, genetics and other important characteristics of the Columbia River Basin anadromous and resident fish.

  Measure 7.1F calls for a study to address the system wide and cumulative impacts of existing and proposed artificial production activities on the ecology, genetics and other important

characteristics of Columbia River Basin anadromous and resident fish. This study is to be coordinated with the genetic impact assessment of Columbia River Basin hatcheries called for in measure 7.2A.2 of the Council's program. How does the projects environmental assessment address the direct, indirect and cumulative effects of the proposed production activities on anadromous and resident fish? Have those effects commonly associated with cumulative hatchery releases -- density dependent, competition, predation, disease transmission and genetic effects on other fish in the mainstem and oceanic environments been addressed? If so how? Have the genetic effects of the project on fish within and outside the Columbia River Basin been specifically addressed?

Attachment 4: Fiscal Questions Relating to the Step 3 Review [1]

1. What are the final cost estimates for Fiscal Year 1999 through 2008 for construction, operation and maintenance, and monitoring and evaluation for the project? (see below)

2. Are these cost estimates different form preliminary design estimates? If so, please explain.

3. Has a value engineering review been performed by BPA to ensure that cost-effective alternate measures are not overlooked? What are the results of the review?

(name) Project
(Version – date)

Schedule for Development

Facility	Step 1 Com-pleted	Step 2 Com-pleted	Step 3 Com-pleted	Final Design Completed	Construction Initiated	Construction Completed	Operation Begins
Element 1							
Element 2							
Element ...							

Estimated Cost Expenditures and Future Needs

Planning so far has cost (insert amount). **Construction of the** (name) **is estimated to cost** (insert amount). **Annual operation and maintenance costs after all facilities are fully developed would cost about** (insert amount). **Monitoring and evaluation is estimated to cost about** (insert amount) **annually. These cost figures are based on estimates from** (insert basis). **Cost of** (final or preliminary) **design for the** (name) **is estimated to be about** (insert amount).

Costs to Date [2]

FY	82	83	84	85	86	87	88	89
Planning								
Land Purchase								
Con-struction								
O&M								
M&E								

1 It would be helpful for the Step 1 review process if this document is completed and provided in electronic form to Council. This document form will be provided to NPT staff upon request.
2 Costs are in millions of dollars.

FY	90	91	92	93	94	95	96	97	98	99
Planning										
Land Purchase										
Con-struction										
O&M										
M&E										

Future Costs[3]

FY	00	01	02	03	04	05	06	07	08	09
Planning										
Land Purchase										
Con-struction										
O&M										
M&E										

3 Costs are in millions of dollars.

Attachment 5: Policies of the Artificial Production Review, Report and Recommendations (Document 99-15)

1. The manner of use and the value of artificial production must be considered in the context of the environment in which it will be used.

2. Artificial production must be implemented within an experimental, adaptive management design that includes an aggressive program to evaluate benefits and address scientific uncertainties.

3. Hatcheries must be operated in a manner that recognizes that they exist within ecological systems whose behavior is constrained by larger-scale basin, regional and global factors.

4. A diversity of life history types and species needs to be maintained in order to sustain a system of populations in the face of environmental variation.

5. Naturally selected populations should provide the model for successful artificially reared populations, in regard to population structure, mating protocol, behavior, growth, morphology, nutrient cycling, and other biological characteristics.

6. The entities authorizing or managing a artificial production facility or program should explicitly identify whether the artificial propagation product is intended for the purpose of augmentation, mitigation, restoration, preservation, research, or some combination of those purposes for each population of fish addressed.

7. Decisions on the use of the artificial production tool need to be made in the context of deciding on fish and wildlife goals, objectives and strategies at the subbasin and province levels.

8. Appropriate risk management needs to be maintained in using the tool of artificial propagation.

9. Production for harvest is a legitimate management objective of artificial production, but to minimize adverse impacts on natural populations associated with harvest management of artificially produced populations, harvest rates and practices must be dictated by the requirements to sustain naturally spawning populations.

10. Federal and other legal mandates and obligations for fish protection, mitigation, and enhancement must be fully addressed.