

**Statement of
Zeke Grader, Executive Director
Pacific Coast Federation of Fishermen's Associations
to the
Oversight Hearing:
Risks to California's Water and Wildlife
From
Proposed Reductions and Eliminations of
Federal Funding**

**State Capitol, Sacramento
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Good morning committee members. My name is Zeke Grader. I am the executive director for the Pacific Coast Federation of Fishermen' Associations (PCFFA). PCFFA represents working men and women in the West Coast commercial fishing fleet and is the largest fishermen's organization along the U.S. Pacific Coast.

Thank you for the opportunity to present testimony here this morning on the effects of HR 1, the Continuing Resolution (CR), passed by the House of Representatives and now before the U.S. Senate. To put it succinctly, this CR is a declaration of war on the salmon fishery in California, and much of Oregon, and the jobs, economic activity and food production our great salmon resource represents.

The CR attempts to stop all efforts to restore San Joaquin River salmon, eliminate protection for Sacramento salmon migrating through the Bay-Delta estuary and essentially halt efforts to rebuild Klamath River salmon populations through the needed and necessary removal of four old hydropower dams that have blocked migration of salmon and caused the significant degradation of water quality in the Klamath River. Sacramento- San Joaquin River, or Central Valley, salmon make-up 90 percent of California's salmon production and in many years account for as much as 50 percent of Oregon and Washington's salmon catch. The Klamath River historically was the third largest salmon producing river system in the lower 48, after the Columbia-Snake and Central Valley systems.

Moreover, an amendment to the CR to block further federal spending to implement so-called "rationalization" plans for the U.S. fishing fleet – plans that essentially would privatize public fishery resources and radically consolidate control of our fisheries – fails to protect our West Coast fisheries. "Ratz" as it's called in the fishing industry, or "catch shares" or "individual fishing quotas" would remove access to fish stocks from fishing communities and fishing families that have traditionally depended on those fish and, instead, permit fisheries to be taken over by a few large corporations. While the CR does include a bi-partisan amendment to prevent its further implementation on the Atlantic Seaboard and Gulf of Mexico, it does not include the

West Coast. Thus, not only is the salmon fishery threatened from a loss of the fish, other West Coast fisheries are now faced with job losses on-board and on-shore, and loss of access by many fishing communities to the fish resources they have traditionally depended upon.

We all understand the need to reign in unnecessary spending in order to control the federal deficit. This CR, however, is not about controlling unnecessary federal spending and eliminating pork barrel spending. It is, leastwise, in the case of salmon, a crude attempt at making policy to benefit interests who have done very well in the past at the public trough. I should point out that in the case of the three provisions in HR 1 related to salmon, none involved a subsidy; the spending was an outgrowth, rather, from federal obligations under current law to maintain and protect public salmon resources. The amounts of funding are relatively small. The costs to the economy, however, of these ill-conceived provisions – none of which was subject to any policy hearings – is staggering in terms of job loss and lost food production, most likely permanent. Let me explain:

Sec. 1475(a): Would Prohibit Implementing Legal Requirements in the California Central Valley for Salmon, Delta Smelt and Other Species -- the House Continuing Resolution contains a provision that would block legally required implementation of the protections of two federal Biological Opinions, one for salmon, steelhead, and green sturgeon and one for Delta smelt, in the San Francisco Bay-Delta ecosystem. This provision leaves all the problems but denies funding to any of the solutions to a long-fought conflict over water the Delta. The Bay-Delta is the largest estuary on the West Coast of the Americas. As a direct result of increased water diversions in recent years, numerous species that inhabit this ecosystem, including California's major salmon runs, are collapsing. As a result, the valuable salmon fishery in California was completely closed in 2008 and 2009 for the first time in history, and 2010 had only a very limited season. These closures have resulted in thousands of lost jobs and hundreds of millions of dollars in lost fishing industry income throughout California and most of Oregon. Rules governing water diversions were rewritten in 2008 and 2009 to provide more water to protect and restore these important species. The rider in the House Continuing Resolution seeks to turn back the clock by wiping out these new, more balanced rules. This rider would block protections that represent the best available science. The National Academy of Sciences' National Research Council issued an interim report last March finding that the current rules in the Biological Opinions are "scientifically justified" and have a "sound conceptual basis." If passed, this rider would throw California water policy into chaos.

Section 1475(b): Prohibits Implementation of the San Joaquin River Restoration Settlement Act -- attempts to prohibit implementation of the San Joaquin River Restoration Settlement Act. This Act, which was enacted into law in 2009 as part of P.L. 111-11, authorizes implementation of a landmark settlement agreement among farmers, environmental and fishing groups, and the federal government to restore flows and salmon to the San Joaquin River and to develop programs to avoid and minimize water supply impacts to local farmers. This settlement ended 18 years of litigation over the Bureau of Reclamation's operations, which had completely dried up part of California's second longest river and destroyed one of its most important salmon runs. The San Joaquin River Settlement Act was supported by farmers, conservation groups, fishing organizations, and urban water districts, and had bi-partisan support, including the support of the Bush Administration and the Schwarzenegger Administration. The legislation

was initially co-sponsored by Congressman Pombo and by Senator Feinstein. If enacted, this rider would eliminate funding for projects that improve local flood protection for farms and communities. It would also defund several projects to improve water supplies in the region and to improve water management. The rider would also seriously undermine California's salmon restoration efforts, and undercut support for the thousands of jobs that depend on healthy salmon runs. It also would harm drinking water quality for the 23 million Californians who get part of their water supply from the San Francisco Bay-Delta. Defunding this restoration work would waste years of effort and hundreds of millions of dollars that create water supply projects, habitat restoration projects, flood protection improvements – and local jobs. For these reasons, this rider is opposed by all the parties to the Settlement, including local farmers and environmental groups, and by the State of California.

The other two provisions of concern were added to HR 1 by floor amendment.

Amendment No. 296 to HR 1, prohibits the study or disclosure of the costs, risks and benefits of removal of four privately-held PacifiCorp dams on the Klamath River.

Amendment 296 unreasonably and unnecessarily delays solutions and carefully negotiated settlement that culminated in the signing of the Klamath Hydroelectric Settlement Agreement (KHSA) and increase the risks of renewed litigation further harming the fish and those who depend on them – including commercial, recreational and tribal fisheries, and create further uncertainty and costs for the dam operators and local landowners alike. The KHSA would resolve longstanding disputes over the licensing of four private hydroelectric facilities operated by PacifiCorp Energy on the mainstem Klamath River. As agreed by the Parties on 18 February 2010, the KHSA lays out the process for a 2012 decision by the Secretary of the Interior regarding whether removal of four dams owned by PacifiCorp: 1) will advance restoration of the salmonid fisheries of the Klamath Basin; and 2) is in the public interest, which includes but is not limited to consideration of potential impacts on affected local communities and tribes. The Oregon Public Utility Commission has already determined that dam removal under the terms of the KHSA is preferable for PacifiCorp's Oregon customers to proceeding with relicensing through the Federal Energy Regulatory Commission's (FERC) process. The U.S. Department of the Interior has nearly completed a comprehensive evaluation of the potential effects of dam removal that will provide much needed additional scientific data and analysis on the many resources and interests of the basin. Adoption of Amendment 296 will prevent the Department from completing the study this year, impair the science-based process and prevent all the communities of the Klamath Basin from receiving vital information. Amendment 296 would stop this transparent process in its tracks, ending years of careful negotiation and compromise and depriving the public of answers to their questions about whether dam removal is in the public interest.

Amendment No. 548 to H.R. 1 would ensure that no funds made available in the continuing resolution may be used to develop or approve new limited access privilege programs for any fishery under the jurisdiction of the South Atlantic, Mid-Atlantic, New England or Gulf of Mexico Fishery Management Councils. This would prevent further spending on new fishery "rationalization" programs a term that has been used to embrace "catch shares" and "individual fishing quotas" by conferring a quasi-private property right in the fishery to designated individuals. These quota shares can then be freely sold and, only in the instance of

the North Pacific halibut and sablefish IFQ program, is quota ownership restricted to those persons actually engaged in the fishery. These programs have mostly resulted in a massive consolidation of ownership or control of the fishery into a few hands, such as fish processors or individuals not engaged in the actual catching of the fish. As implemented, the National Oceanic & Atmospheric Administration (NOAA) as thwarted Congressional language requiring referendums among those affected for approval of such programs, and failed to provide, as required by Congress, for the creation of community fishing associations, which were intended to receive initial allocations of quota and protect the interests of fishing communities traditionally dependent on fish resources from adjacent waters. NOAA has diverted funds intended for necessary research and data collection – essential for the sustainable management of the nation’s fisheries to, instead, promote its “rationalization” policy. The Amendment, sponsored by Representatives Jones (R-NC), Frank (D-MA) and Pallone (D-NJ), does not include fishing programs on the West Coast or Alaska.

It is clear to us that the federal budget deficit has been merely a ruse to enact anti-salmon fishing policies. It is also clear they are ill-conceived, likely to harm the very interests these anti-salmon fishing provisions were intended to benefit through continued litigation and uncertainty. If the House were serious about cutting federal spending it would have gone after the massive subsidies and tax loopholes provided large agribusiness and the oil industry – both doing very well by the way – instead of attacking salmon and beleaguered salmon fishing men and women. It is also evident NOAA has sought to use “overfishing” and the “race to fish” as a ruse to consolidate and privatize public fishery resources, since “rationalization” is an allocation tool only, not a conservation measure. We would hope in both instances these ruses be brought to light and stopped once and for all.

Mr. Chairman and members, PCFFA on behalf of working fishing families and communities here in California respectfully asks you to act to inform California’s two U.S. Senators and the U.S. Senate as a whole of its opposition to the three salmon-related amendments to HR 1. PCFFA would also ask that to the extent Amendment No. 548 to HR 1 is kept intact, that the West Coast, if not Alaska, be included under its provisions to prevent further development and implementation of “rationalization” plans for our fisheries until there has been a full-review of such programs and steps taken to address, at minimum, the more egregious affects such programs have had on employment, our coastal communities and continuing public control over, and access to, public trust fishery resources.

Thank you for the opportunity to testify here today. I’ll be happy to answer any questions you may have.