



Lower Snake River Compensation Plan

**A congressionally mandated hatchery program
to mitigate for lost fish harvest opportunities
caused by construction and operation of
the four lower Snake River dams.**

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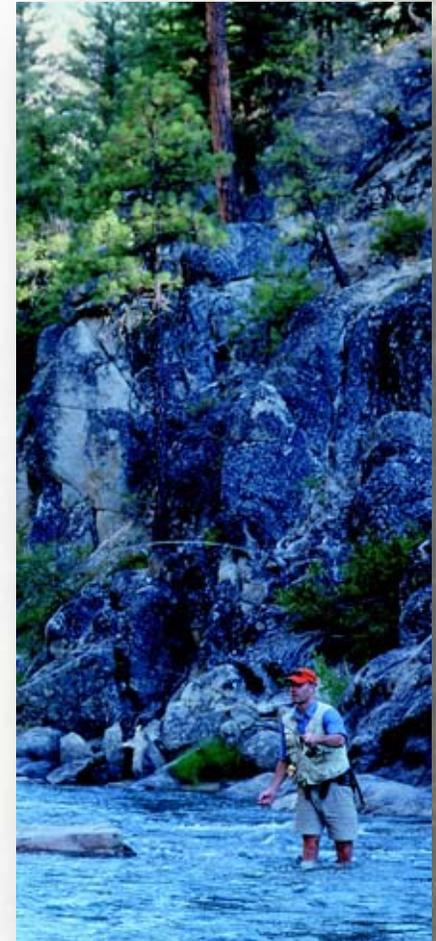


WHY



Why the Lower Snake River Compensation Plan was Created

- Congress required the U.S. Army Corps of Engineers to develop a plan to compensate for the loss of fish and wildlife caused by construction and operation of the four lower Snake River dams.
- In 1976 Congress authorized construction of the LSRCP fish hatcheries and funds to operate the program.
- Costs were determined to be an inherent “power related expense” of operating the four dams.



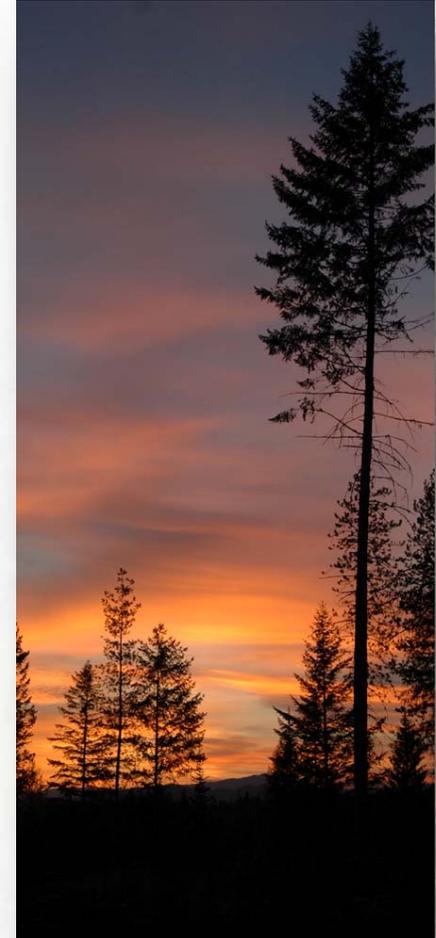


HOW



How the LSRCP Works

- The U.S. Army Corps of Engineers constructed all the facilities.
- The Fish and Wildlife Service owns the facilities and administers the program.
- States, tribes and the FWS operate the hatcheries and evaluate the program.
- The Bonneville Power Administration funds the Lower Snake River Compensation Plan through a Memorandum of Agreement.



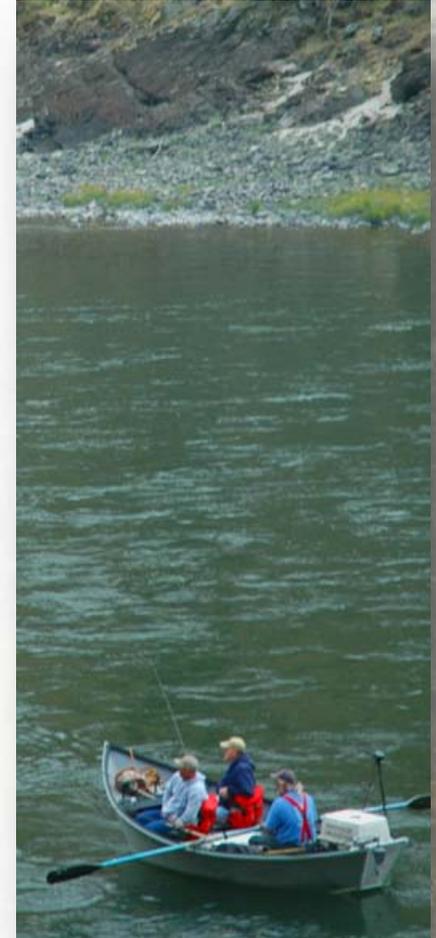


HOW



Goals

- Locating hatcheries guided by desire to replace lost salmon, steelhead & trout “in place and in kind”.
- Goals for adult return above Lower Granite Dam after lower river & ocean harvest:
 - Fall Chinook Salmon – 18,300
 - Spring Chinook – 58,700
 - Steelhead – 55,100
 - Rainbow Trout: 86,000 lbs (about 215,000 fish)
- Anticipated benefits (COE cost/benefit study):
 - 817,000 days of recreational fishing (150,000 fish harvest),
 - 260,000 fish harvested in coast wide commercial fisheries.



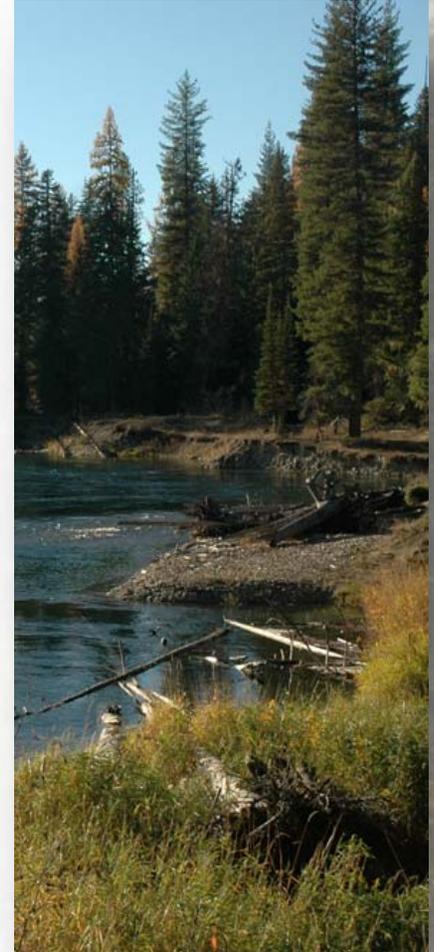


HOW



Doing Our Part to Restore Listed Fish

- Developing endemic local broodstocks:
 - Grande Ronde spring Chinook
 - Tucannon & Touchet steelhead
- Juvenile supplementation strategies – increase natural stock abundance & distribution:
 - Not marked with adipose clip
 - Released in locations where returning adults can spawn naturally
 - 56% of fall Chinook
 - 20% of steelhead
 - 7% of spring Chinook
- Out-planting adults to spawn naturally.





HOW



Lower Snake River Compensation Plan Hatcheries & Labs

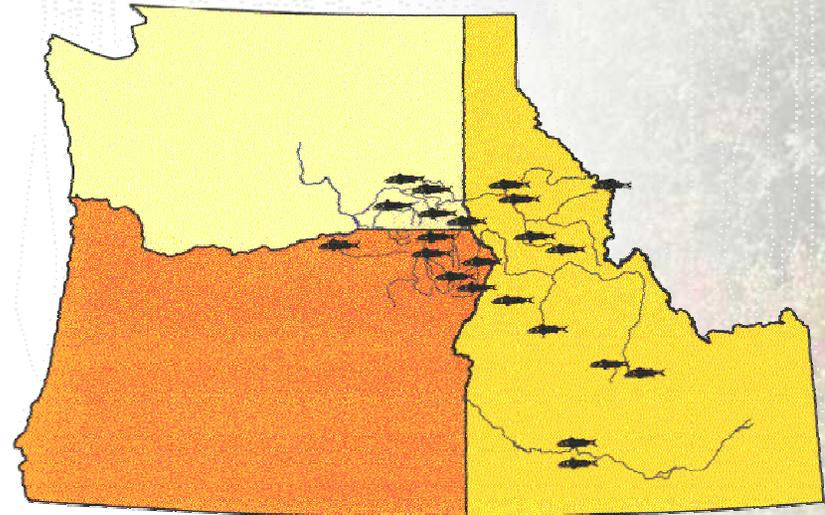
- Oregon
 - Lookingglass (Imnaha)
 - Wallowa (LSC, BC)
 - Irrigon
- Washington
 - Lyons Ferry (Cotton & DP)
 - Tucannon (Curl Lk)
 - Snake River Lab
- Idaho
 - Clearwater (CR, Red, Powell)
 - Magic Valley
 - Hagerman NFH
 - McCall (S. Fork)
 - Sawtooth (E. Fork)
 - Capt J., Pitt. & Big Canyon
 - Dworshak (joint with COE)
 - IDFG Fish Health Lab

26 Facilities located in three states

Present value of assets (less land) is \$265 million

75% built in the 1980's now 20 + years old

Present value of equipment is \$10.4 million

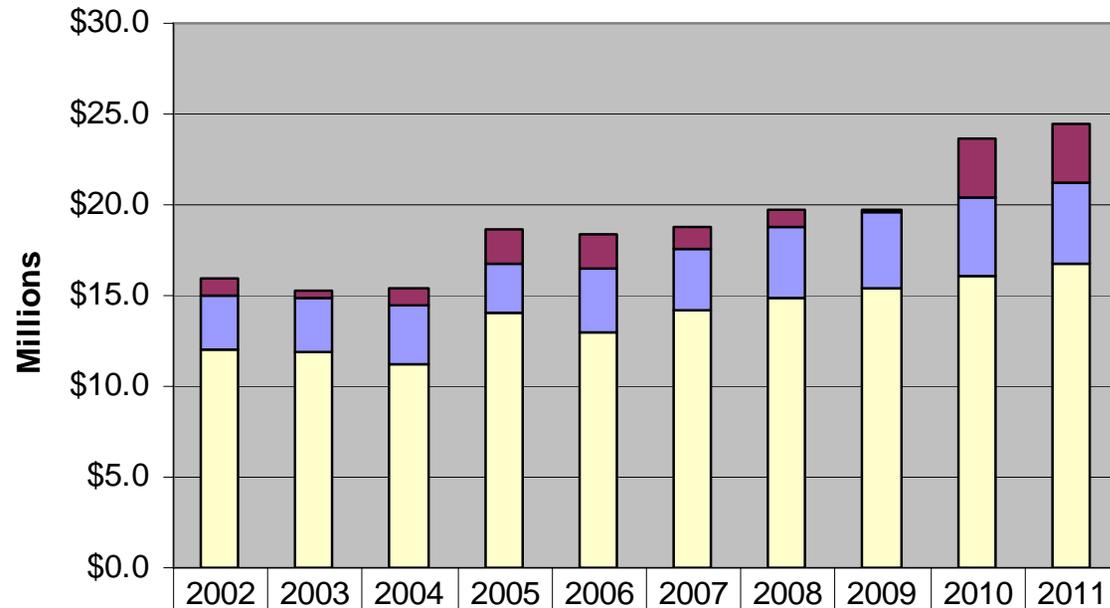




HOW



LSRCP Total Expenses for a Fiscal Years's Obligation



■ NonRecurring Maintenance	\$1.0	\$0.5	\$1.1	\$1.9	\$2.0	\$1.1	\$1.0	\$0.1	\$3.2	\$3.2
■ Evaluation	\$2.9	\$3.0	\$3.2	\$2.7	\$3.5	\$3.5	\$4.0	\$4.1	\$4.3	\$4.5
■ Operations	\$12.1	\$11.9	\$11.2	\$14.1	\$13.0	\$14.1	\$14.8	\$15.4	\$16.1	\$16.8



Summary FY 10 - 11



Forecasted Total Expenses for a Fiscal Year's Obligations

Category	FY 10	FY 11
Operations	\$16.08 m	\$16.77 m
Evaluation	\$ 4.32 m	\$ 4.51 m
Non-recurring maintenance	\$ 2.56 m	\$ 2.56 m
Equipment	\$ 0.64 m	\$ 0.64 m
Total	\$23.60 m	\$24.48 m

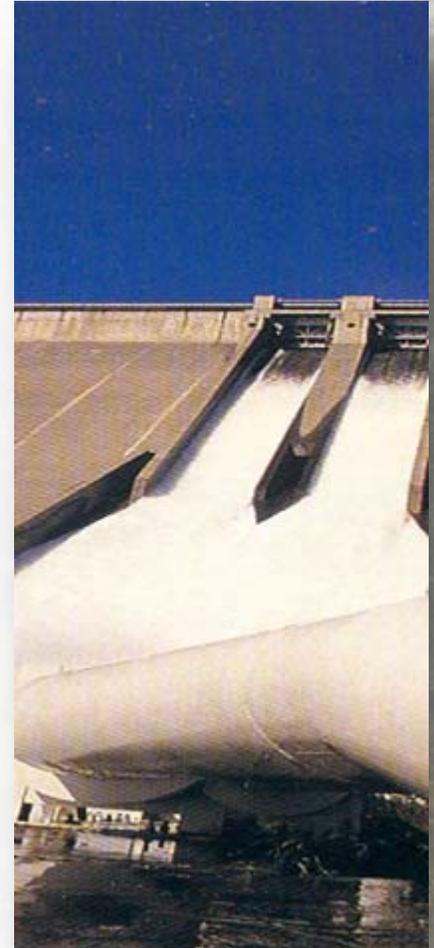


WHAT



What's Included

- **Operations** are those costs to collect broodstock, rear and release healthy fish while meeting local, state and federal standards.
- **Evaluations** are those costs to monitor success in meeting mandated goals and provide data needed to secure ESA permits.
- **Non-recurring maintenance** fixes broken assets, ensures assets comply with regulations, replaces equipment and conducts some limited preventative maintenance.





WHAT



Nonrecurring Maintenance Budget

- Backlog of needs began accumulating three years ago.
- We agreed with BPA to defer these needs to the present rate case period.
- We have a structured approach to assessing needs, including:
 - Onsite inspections, bridge and seismic surveys
 - ESA, NPDES, & environmental compliance audits
 - ADA, & human safety audits
 - All projects ranked through a formal rating process
- General application is to ensure human safety, fish security and legal obligations are met first.
- The budget represents only about 1.1% of net asset value – Long term costs will likely approach industry standard of 2-4%.





WHAT



Action Plan for FY 10-11 is Designed to Clear Backlog

- Be set-up in FY 12 to begin pro-active preventive maintenance program focusing on mission critical assets.
- This strategy will realize additional long-term cost savings.





WHAT



FWS Has Been a Good Steward of Rate Payer Funds

- Annual Savings from Aggressive Cost Containment:
 - Waiver of full FWS overhead – \$0.3 million/yr
 - Aggressive cost containment by purchasing items for state & tribal agencies to save overhead & sales taxes
 - Supplies & utilities – 0.9 million/yr
 - Construction & equipment – \$0.15 million/yr
 - Total annual savings – \$1.35 million/yr
- Expenses for operations in 2007 was the same amount (adjusted for general inflation) as in 2002.





Our Fundamentals



- The law of the land requires us to mitigate for lost fishing opportunity.
- The record demonstrates we are a part of the regional solution to recover ESA listed salmon populations.
- We work hard to be good stewards of ratepayer funds.
- All of us want to succeed in putting fish in the pockets of tribal, commercial, and recreational fishermen.
- This would not be possible without the support of our partners...

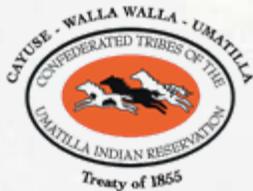




Lower Snake River Fish & Wildlife Compensation Plan Partners



**US Army Corps
of Engineers®**



Visit our website for more information <http://www.fws.gov/lsnakecomplan/>

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