

**IMPACTS OF A REDUCTION IN FISH PRODUCTION FROM SERVICE TROUT  
MITIGATION HATCHERIES IN THE SOUTHEAST**  
**Southeast Region – Fisheries Program**  
**Fish and Wildlife Service**  
**February 2011**

*The vision of the Service and its Fisheries Program is working with partners to restore and maintain fish and other aquatic resources at self-sustaining levels and support Federal mitigation programs for the benefit of the American public.* (Conserving America’s Fisheries – Vision for the Future, Fish and Wildlife Service, March 2004)

**Preface**

Any reduction in fish production from Service trout mitigation hatcheries in the Southeast will have a lasting impact on our economy, particularly in States such as Georgia, Tennessee, Kentucky, Oklahoma, and Arkansas. It will impact jobs being generated in the private sector and impact revenues being collected by State and Local governments and also the Federal government. It will impact small “mom and pop” businesses and also large companies that depend upon anglers for much of their revenues. It will also impact Service programs such as Federal Assistance who will see a decrease in excise tax generated from the sale of fishing tackle.

Beyond its economic impacts, any reduction in fish production from Service trout mitigation hatcheries would severely impact Service efforts in maintaining strong relationships with our partners and stakeholders. We will lose credibility with key conservation organizations and our volunteer Friends Groups. We will also lose credibility with Congress who has historically supported the Service’s Fisheries Program and the National Fish Hatchery System. If we give away critical water supplies, the Service will lose an important tool in addressing endangered, threatened and imperiled fishes and mussels in the Southeast.

In 2002, the Director of the Office of Management and Budget announced development of a tool for formally evaluating the effectiveness of Federal programs, called the Program Assessment Rating Tool (PART). PART is a diagnostic tool used to assess the performance of Federal programs and to drive improvement in program performance. PART reviews help inform budget decisions and identify actions to improve results. The Fisheries Program and the National Fish Hatchery System received a rating of “Effective” and “Moderately Effective” respectively. These were the highest ratings received by any Fish and Wildlife Service program. (Source: Office of Management and Budget website). Additionally, two studies completed in 2005 - “An Efficiency Measure for National Fish Hatchery System Rainbow Trout Production” and “A Cost Comparison Analysis for National Fish Hatchery System Rainbow Trout Production” clearly documented the efficiencies of National Fish Hatcheries that produce rainbow trout. Additional improvements to make our hatcheries even more efficient can be implemented which can provide even more return on the taxpayers dollar used to operate these facilities.

**Helping the Economy (Dr. James Caudill and Dr. John Charbonneau, 2010, “An Assessment of Economic Contributions from Fisheries and Aquatic Resource Conservation”, U.S. Fish and Wildlife Service)**

[All Dollar Figures in 2010 Dollars]

Hatchery  
Retail Expenditures \*\*  
Jobs Generated  
Job  
Income  
State and Local Tax Revenue  
Federal Income Tax  
Total Economic Output\*  
Recreational Fish Stocked (2010)  
FWS Operational Budget (2010)

Chattahoochee Forest NFH, GA	\$15,252,333
	317
	\$8,240,937
	\$908,759
	\$1,002,718
	\$28,826,909
	1,045,197
	\$778,000
Dale Hollow NFH, TN	\$39,744,225
	826
	\$21,474,069
	\$2,368,026
	\$2,612,864
	\$75,116,586
	1,817,431
	\$797,000
Erwin NFH, TN***	\$810,547
	17
	\$437,944
	\$48,294
	\$53,287
	\$1,531,934
	35,278
	\$669,000
-	
Greers Ferry NFH, AR	\$36,208,924
	752
	\$19,563,922
	\$2,157,387
	\$2,380,446
	\$68,434,866
	1,505,351
	\$606,000
Norfolk NFH, AR	\$47,845,369
	994
	\$25,851,171
	\$2,850,706
	\$3,145,449
	\$90,427,747
	1,728,755
	\$952,000
Wolf Creek NFH, KY	\$17,859,173
	371
	\$9,649,430
	\$1,064,079
	\$1,174,097
	\$33,753,837
	862,494
	\$634,000
TOTALS	\$157,720,571
	3,277
	\$85,217,473
	\$9,397,250
	\$10,368,862
	\$298,091,880
	6,944,506
	\$4,436,000

\* Total Economic Output: The production value of all output generated by angling expenditures. Total output includes the direct, indirect and induced effects of angling expenditures.

\*\*Retail Expenditures: Angling expenditures associated with the recreational catch of the fish stocked.

\*\*\*Erwin NFH: This hatchery is primarily a broodstock hatchery. Eyed rainbow trout eggs are provided to other National Fish Hatcheries. Fish stocked are generally surplus to the hatchery's needs.

- During a period of economic problems in our country and the fact that a large number of people remain unemployed, the closure or reduction of any trout mitigation hatchery would have a negative economic impact on local and state economies. The six identified hatcheries generated 3,277 jobs with a total income of \$85,217,473. Additionally, many of the jobs created as a result of these hatcheries are in rural areas where unemployment is much higher than the national average. Many of these jobs are in small businesses that provide lodging for anglers and retail sales of fishing reels, lures and rods.
- The six identified hatcheries generate on an annual basis over \$157 million in retail expenditures by anglers. These purchases are for food and lodging, transportation, rods and reels, boats, and other equipment. The total economic output generated by angling expenditures is over \$298 million annually. This is the result of stocking almost 7 million trout annually.
- In this study alone, each dollar (\$1.00) of rainbow trout hatchery expenditures is associated with \$67.19 in economic output. The economic benefits from these hatcheries far outweigh the operational cost to the Service of these facilities.
- Almost \$20 million in Federal, State, and local tax revenue is generated annually by six National Fish Hatcheries. This represents a return to the Federal Treasury of 2.33 times more than what it costs to operate these hatcheries. These funds can be used to help fund beneficial Federal programs that don't pay for themselves. Continuing to operate these six hatcheries just makes good business sense.

### **Reduction in Partnership Involvement**

- The Fisheries Program and its partners and stakeholders recognize that many responsibilities for managing and conserving fish and other aquatic resources are shared, and overall success is contingent upon the combined knowledge, resources and commitment of each party. The Fisheries Program has a proven track record in working with its Federal and State partners to address fish and aquatic resource needs in the Southeast. This is evident by the formation of the Southeast Aquatic Resource Partnership (SARP) in 2001. In reality, SARP gave birth to the National Fish Habitat Initiative (NFHI) and is a model of Strategic Habitat Conservation.
- The loss or reduction of fish production from any of our National Fish Hatcheries in the Southeast will impact Service-State partnership involvement. This was evident with the closures of a number of National Fish Hatcheries in the Southeast in the mid-1990s. A critical component National Fish Hatcheries bring to the table is the working relationships that are in place with State partners. State partners see fishery mitigation as a joint Federal-State responsibility. The Southeast Region has a history of meeting its mitigation responsibilities with our State partners.
- Any reduction in this relationship could ultimately impact the Service in developing Landscape Conservation Cooperatives (LCCs).

### **Loss of Critical Water Supplies and a Tool in Addressing Imperiled Fishes and Mussels in the Southeast**

- Former Director Sam Hamilton stated several years ago that the Service can no longer afford to give away critical water supplies located on Service lands. This has become apparent during the long-term drought cycles occurring in the southeastern United States. Critical water supplies will serve as the life-blood in addressing global warming and its impacts to fishes and other aquatic organisms. As water temperatures increase and water quality deteriorates, impacts of fishes and aquatic resources that occupy these environments can be deadly. National Fish Hatcheries are able to focus on refugia and recovery efforts using these unique water supplies. The Region's fishery mitigation hatcheries are located Kentucky, Tennessee, Arkansas, and Georgia where the largest number of imperiled fishes and mussels are located (*The Nature Conservancy: 34 percent of the North American fish species listed as endangered, threatened or of special concern are found in the Southeast; 90 percent of the listed mussel species are located in the Southeast*).

### **Loss of Credibility with Key Conservation Organizations**

- Organizations like the American Sportfishing Association, Association of Fish and Wildlife Agencies, and the Sportfishing and Boating Partnership Council have been long-time supporters of the Service's Fisheries Program. Two documents developed by the Sportfishing and Boating Partnership Council voiced support in their recommendations for Service mitigation hatcheries. Some examples include:

Sportfishing and Boating Partnership Report – “Saving a System in Peril” – September 2000. *“Legislation is necessary to clarify various existing legislative mandates and FWS policies regarding mitigation. New legislation must articulate clearly the role of the NFHS in mitigating for federal water and other development projects and how these mitigation activities are to be funded. Costs for the entire range of activities associated with hatchery production and stocking for mitigation must be fully reimbursed by the party or parties responsible for the development project. However until this legislation is enacted the FWS must continue to fund the current mitigation responsibilities of the NFHS.” “Until legislation is enacted to require reimbursement, current funding for NFHS mitigation operations must be maintained and must not be redirected for any other purpose.”*

Sportfishing and Boating Partnership Report – “A Partnership Agenda for Fisheries Conservation.” January 2002. *“Recommendation #12: The Secretary of the Interior and the FWS Director must aggressively seek to recover costs of mitigation from sponsors of federal water projects. Costs for the entire range of activities associated with hatchery production and stocking for mitigation must be fully reimbursed by the party or parties responsible for the development project.”*

- The Service will again have to explain why we are going contrary to the recommendations of the conservation organizations that support our programs.

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### **Loss of Credibility with Congress**

- Congress has historically supported the Service's Fisheries Program and the National Fish Hatchery System. Even though closures of facilities have occurred in the past, Congress readily listens to their constituents' on the value of the hatcheries to the local economies. Congress has

on a number of occasions directed the Service to work with the Corps of Engineers (Corps) and Tennessee Valley Authority (TVA) to seek reimbursement for mitigation hatcheries. Some examples include:

GAO Report, June 2000. – Authority Needed to Better Align Operations with Priorities. *“...We also recommend that the Congress provide the Service with clear authority to seek reimbursement for all hatchery operations and maintenance expenses associated with federal water projects from federal water development agencies and/or project beneficiaries.”*

Committee on Appropriations Report, Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2008. *“The Committee directs the Service to work with the Corp of Engineers and other Federal partners to obtain full reimbursement for the operation and maintenance of mitigation hatcheries in the National Fish Hatchery System.”*

In the FY 2010 Appropriation for the U.S. Army Corps of Engineers, a line item in the Conference Report identified \$4.7 million for *“Fish and Wildlife Operating Fish Hatchery Reimbursement.”*

- The Service would have to explain to Congress why we are proposing to reduce trout mitigation hatcheries when the Corps has finally agreed to provide reimbursement.

### **Outrage from Friends Groups**

- Some of the strongest Friends Groups developed in the Southeast Region have been on National Fish Hatcheries involved in fishery mitigation. A classic example would be the Friends of Wolf Creek National Fish Hatchery and Friends of Norfolk National Fish Hatchery. Both groups are very active and vocal in their support of these National Fish Hatcheries. Friends of Wolf Creek National Fish Hatchery actively operate for the Service a multi-million dollar visitors centers. Additionally, they host numerous events and workshops for the hatchery throughout the year. The Friends of the Norfolk National Fish Hatchery is considered the largest Friends Group in the National Fish Hatchery System. They have donated many thousands of dollars for much needed projects on the hatchery.
- Friends Groups invest a lot of effort and dedication in the National Fish Hatcheries that they serve. Proposals to close or a reduction in fish production at any one of these hatcheries that have active Friends Groups will certainly be met with substantial resistance and a lot of bad public relations for the Service.